
**Report to Court on the Proposal of
Colossus Minerals Inc.**

March 11, 2014

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Court File No.: CV14-10401-00CL

Estate File No.: 31-1826899

**IN THE MATTER OF THE PROPOSAL OF
COLOSSUS MINERALS INC.**

**AMENDED REPORT OF DUFF & PHELPS CANADA RESTRUCTURING INC. IN ITS
CAPACITY AS PROPOSAL TRUSTEE**

**PURSUANT TO SECTION 58(D) AND SECTION 59(1)
OF THE BANKRUPTCY AND INSOLVENCY ACT**

March 11, 2014

Duff & Phelps Canada Restructuring Inc. ("D&P"), of the City of Toronto, in its capacity as trustee ("Proposal Trustee") acting in the proposal of Colossus Minerals Inc. (the "Company"), hereby reports to the Court as follows:

1. On January 13, 2014, the Company filed a Notice of Intention to Make a Proposal ("NOI").
2. A proposal and plan of reorganization ("Proposal") was filed with the Proposal Trustee on the 7th day of February, 2014, a copy of which is attached as Appendix "A". The Proposal Trustee filed a copy of the Proposal with the Official Receiver on the 7th day of February, 2014.¹
3. On the 7th day of February, 2014, the Proposal Trustee gave notice (the "Notice") to the Company, to the Division Office of the Superintendent of Bankruptcy and to every known creditor affected by the Proposal, whose names and addresses are shown in Appendix "B" to this report ("Report"), of the calling of a meeting of creditors to consider the Proposal to be held on the 25th day of February, 2014 (the "Creditors' Meeting"). A copy of the Notice is attached to this Report and marked as Appendix "C".

¹ All capitalized terms not defined herein have the meaning provided to them in the Proposal.

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4. The following items were included with the Notice and are appended to this Report:
- Condensed statement of the estimated assets and liabilities of the Company – Appendix “D”;
 - List of Affected Creditors who have claims of \$250 or more and showing the amounts of their claims;
 - The Proposal;
 - The Proposal Trustee's Report to Creditors on the Proposal dated February 7, 2014 (the "Proposal Trustee's Report") (which provides background information concerning these proceedings and the Company) – Appendix “E”;
 - Instructions, proxy and voting letter for beneficial holders of the Gold-Linked Notes issued by the Company (“Instructions for Noteholders”) – Appendix “F”;
 - Proof of claim form and proxy in blank – Appendix “G”; and
 - Voting letter – Appendix “H”.

(Appendices “A” through “F” are collectively referred to as a “Proposal Package”).

5. On February 7, 2014, immediately after sending the Notice, the Proposal Trustee posted appendices “A” through “H” on its website at:
- <http://www.duffandphelps.com/intl/en-ca/Pages/RestructuringCases.aspx>
6. On February 10, 2014, the Company issued a press release informing Affected Creditors of the calling, time and place of the Creditors’ Meeting and directing all interested parties to review details surrounding the Proposal on the Proposal Trustee’s website. The press release was posted to SEDAR and on the Company’s website.
7. The Company’s liabilities include unsecured Gold-Linked Notes issued by the Company pursuant to a trust indenture between the Company and the Note Indenture Trustee. Clearing Depository Services Inc. (“CDS”) is the legal holder of the Gold-Linked Notes and maintains a record of the custodians of the Gold-Linked Notes (each custodian being a “Participant Holder”) that hold the Gold-Linked Notes on behalf of the beneficial holders (“Noteholders”).

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8. The Note Indenture Trustee filed an omnibus proof of claim on behalf of all Noteholders in order to prove the amount of their claim. In order to vote on the Proposal, each Noteholder was required to submit to the Proposal Trustee a completed proxy and voting letter (“Voting Letter”) prior to the Creditors’ Meeting.
 9. The Proposal Trustee took the following steps to provide Noteholders with the documentation required to participate in the proposal process:
 - The Proposal Trustee obtained a list from CDS of the custodians holding Gold Linked Notes on behalf of each Noteholder;
 - The Proposal Trustee contacted each Participant Holder to determine the number of Noteholders it represents;
 - On the day the Company filed its Proposal, the Proposal Trustee couriered to each of the Participant Noteholders the required number of Proposal Packages to be delivered to their Noteholders. Enclosed in the Proposal Packages were Instructions for Participant Holders (attached as Appendix “I”) and Instructions for Noteholders (jointly, the “Instructions”). The Proposal Trustee contacted each Participant Holder to confirm receipt by them of the Proposal Packages and to review the Instructions;
 - The Instructions required that Participant Holders complete and sign the Voting Letter, including medallion stamping the Noteholders’ holdings,² and mailing the Voting Letter along with the remainder of the Proposal Package to each of their Noteholders; and
 - The Instructions advised Noteholders to complete the balance of the Voting Letter and submit it directly to the Proposal Trustee³.
 10. Each Affected Creditor other than a Noteholder, whose claim was proved by the Note Indenture Trustee, was required to submit a proof of claim to the Proposal Trustee.

² The medallion stamp is the Participant Holder’s assurance of the holdings of the Noteholder.

³ Ten Participant Holders advised the Proposal Trustee that they required Broadridge Financial Solutions Inc. (“Broadridge”) to mail the Proposal Packages to their Noteholders. In these cases, the Participant Holders and Broadridge advised Noteholders to complete their portion of the Voting Letter and send the Voting Letter to the Participant Holder which then, if they received any Voting Letters, filled out the remainder of the Voting Letter, medallion stamped it and submitted it to the Proposal Trustee.

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11. An amended proposal and plan of reorganization was filed with the Proposal Trustee on the 18th day of February, 2014 (“Amended Proposal”), a copy of which is attached as Appendix “J”. The Proposal Trustee filed a copy of the Amended Proposal with the Official Receiver on the 18th day of February, 2014. The only amendments dealt with the notice period with respect to the repudiation or disclaimer of agreements.
 12. The Proposal as initially drafted required that the Company issue a repudiation notice or disclaimer (“Disclaimer Notices”) to the counterparty at least ten (10) days prior to the Creditors’ Meeting. The Amended Proposal reduced the timeframe to issue a repudiation notice or disclaimer to at least five (5) days prior to the Creditors’ Meeting. In accordance with the terms of the Proposal, the Proposal Trustee and Sandstorm Gold Inc., in its capacity as DIP Agent under the Company’s debtor-in-possession loan, consented to the amendment to the Proposal. In accordance with the terms of the Proposal, the Amended Proposal was served on the service list by the Proposal Trustee forthwith after filing and posted on the Proposal Trustee’s website.
 13. Pursuant to Section 65.11 of the BIA, eight Disclaimer Notices were issued by the Company and provided to the counterparties by February 20, 2014.
 14. As detailed in the Proposal Trustee’s Report, depending on the outcome of the Sale and Investor Solicitation Process (“SISP”), the Company planned to either implement a sale or investment transaction or the Proposal, if accepted by the statutory majority of Affected Creditors at the Creditors’ Meeting and approved by the Court. Accordingly, in the Proposal Trustee’s Report, the Proposal Trustee recommended the Proposal, subject to the outcome of the SISP. On February 20, 2014 and February 21, 2014, the Proposal Trustee prepared supplements to the Proposal Trustee’s Report (jointly the “Supplemental Reports”), respectively, to report on the results of the SISP. The Supplemental Reports were posted on the Proposal Trustee’s website and served on the Service List. As described in the Supplemental Reports, no offers were received under the SISP. As such, the Company determined that it would attempt to complete the Amended Proposal.
 15. Prior to the Creditors’ Meeting, the Proposal Trustee made a detailed and careful inquiry into the liabilities of the Company, the Company’s assets and their value, the Company’s conduct and the causes of the Company’s insolvency. The Proposal Trustee advised of these matters in the Proposal Trustee’s Report.

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16. As part of its statutory duties under the BIA, the Proposal Trustee conducted a review of the Company's bank statements and cancelled cheques for the twelve-month period (the "Review Period") immediately preceding the NOI filing date. These disbursements primarily consisted of payments to:
 - Related companies in order to fund operations of Brazilian operations; and
 - Employees for payroll.
 17. The Proposal Trustee did not identify any transactions in the Review Period which appear to be at under value or which would be otherwise reviewable in accordance with Sections 95 to 101 of the BIA. The Proposal Trustee advised at the Creditors' Meeting that if the Amended Proposal is accepted by the creditors and approved by the Court, that claims under Sections 95 to 101 of the BIA could not be challenged.
 18. The Creditors' Meeting was held on February 25, 2014 and was presided over by Robert Kofman of D&P. The Proposal Trustee reported to the creditors at the Creditors' Meeting on the matters required pursuant to the BIA, including reviewing the Proposal Trustee's Report and the terms of the Amended Proposal.
 19. In total, there were 790 voting Affected Creditors present, in person or by proxy, with claims totaling \$126,217,087.83. The Amended Proposal was accepted by 100% of the voting Affected Creditors. Accordingly, the Amended Proposal was accepted by the Affected Creditors. A copy of the voting register is attached as Appendix "K".
 20. A copy of the minutes of the Creditors' Meeting is attached and marked as Appendix "L" (without appendices already referenced herein).
 21. The Amended Proposal will result in a reorganization of the Company's share capital.
 22. The Company's shares were listed on the Toronto Stock Exchange ("TSX") and traded under the symbol 'CSI'. The shares were also listed on the OTCQX and traded under the symbol 'COLUF'. On January 14, 2014, the Company's shares were suspended from trading on TSX. The shares were delisted by the TSX on February 14, 2014 and by the OTCQX on January 31, 2014.
 23. Pursuant to the terms of the Amended Proposal, all Affected Creditors are to be issued New Common Shares and New Warrants in the Company in exchange for claims on the following basis:
 - One New Common Share for 30% of every one Canadian dollar of the Affected Creditor's Proven Claim; and

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- One New Warrant for 30% of every two Canadian dollars of the Affected Creditor's Proven Claims.
24. Pursuant to the terms of the Amended Proposal, the Company will amend the Articles of the Company, to the extent required, to:
- a) consolidate the Existing Common Shares on a 200 to 1 basis;
 - b) provide for the cancellation of all Existing Securities, excluding Existing Common Shares; and
 - c) permit the issuance of New Common Shares and New Warrants to be distributed to Unsecured Creditors pursuant to the terms of the Proposal, as detailed below.
25. The Proposal Trustee intends to effect the distribution of the aforementioned securities to the Company's creditors by issuing a direction to the Company to: (a) provide an instruction letter to the Transfer Agent regarding the manner and ratio of distribution to the beneficial holders of Gold-Linked Notes as at the date of the direction; (b) direct the Transfer Agent to issue uncertificated New Common Shares and uncertificated New Warrants to the holders of Gold-Linked Notes; and (c) direct the Transfer Agent to issue certificated New Common Shares and certificated New Warrants to the Proven Creditors who are not holders of Gold-Linked Notes.
26. The Proposal Trustee has reviewed and accepted the claims of the two largest creditors in these proceedings, being Sandstorm and the Noteholders. The Proposal Trustee intends to make a distribution to Sandstorm and the Noteholders on March 17, 2014 and to make a distribution to all other Affected Creditors as soon as possible after it has completed its review of the Claims, which may, in some cases, be as early as March 17, 2014. The Trustee issued notices to known Affected Creditors that had not filed claims under Section 149 of the BIA by March 6, 2014 requiring that claims be submitted within 30 days of the sending of the notice⁴.
27. Canada Revenue Agency has filed a claim in the amount of \$111,143.64 against the Company for unpaid source deductions. Pursuant to the terms of the Amended Proposal, all Crown Claims that were outstanding at the Filing Date, if proven, will be paid in cash within 6 months of the Court Approval Date.
28. The levy under Section 147 of the BIA is to be paid to the Superintendent of Bankruptcy through issuance of certificated New Common Shares and certificated New Warrants.

⁴ All Affected Creditors that had not filed claims were sent notices on March 3, 2014, other than three parties. The other three parties were sent notices on March 6, 2014.

29. Pursuant to the terms of the DIP Facility, each DIP Lender can either (i) exchange the amounts owing to it under the DIP Facility into New Common Shares and New Warrants in accordance with the terms of the DIP Facility; or (ii) receive a DIP Convertible Note in exchange for the amounts owing to it under the DIP Facility. The DIP Convertible Note would, among other things, bear interest at 20%, be redeemable by the Company at any time and be converted by the DIP Lenders into equity at a rate of one Canadian dollar owing under the DIP Facility to one New Common Share and one New Warrant. As of March 9, 2014, there was US\$3.72 million outstanding and US\$280,000 in availability under the DIP Facility.
30. In respect of its employees, the Company agreed to issue Restricted Stock Units (“RSUs”) to the Company’s employees (including those who were terminated prior to the date of the NOI) in respect of any claims the employees have in respect of damages, wrongful dismissal, severance and termination or similar claims not covered under s. 136(1)(d) of the BIA (“Employee Claim”). All employees will be granted RSUs equal to 30% of their Employee Claim, which is the same amount of consideration to be received by Affected Creditors. In addition, for employees who continued to provide services to the Company post-filing and do so until the Proposal is implemented, the Company has agreed to pay as a retention bonus RSUs equivalent to the balance of their Employee Claim.
31. The Proposal Trustee is of the opinion that:
- a. The assets of the Company and the estimated realizable value thereof as at February 17, 2014, are as follows:⁵

(US\$000's)	Book Value	Estimated Realizable Value
Cash	199	199
Trade and other receivables	6	6
Prepaid expenses	186	-
Investments in Subsidiaries	132,430	-
Intercompany Receivable	184,195	-
Mining Interests	40,206	-
Total Assets	357,222	205

⁵ The Company’s most recent financial statements were as at December 31, 2013. The Investments in Subsidiaries, Intercompany Receivables and Mining Interests balances are as at December 31, 2013. The Proposal Trustee does not believe that the value of these assets as at the date of this Report is materially different from the book values reflected above.

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- b. The estimated liabilities of the Company are as follows:

(US\$000's)	Book Value
CRA re: source deductions	100
Secured creditors	10,000
Preferred creditors	-
Unsecured creditors	152,739
	<u>162,839</u>

32. The Proposal Trustee is also of the opinion that:

- a. the primary causes of the Company's insolvency were a result of:
- Structural and design issues at the Company's principal mining property: in July 2013, the Company determined that additional dewatering capacity was required to lower the water table to allow safe mining of the orebody; this delayed the start of ore mining and consumed the required capital that had been earmarked to bring the mine into production.
 - High fixed costs: the Company and its subsidiaries had a monthly cash burn rate of approximately \$4.4 million, plus variable costs.
 - General capital market conditions: As a result of general market conditions in the mining sector, including the decline in value of certain commodity values, the Company was unable to raise capital.
- b. The conduct of the Company, both prior to and subsequent to the commencement of its Proposal proceedings, is not subject to censure.

33. The Amended Proposal is advantageous to Affected Creditors for the reasons outlined in the Proposal Trustee's Report. In particular, the Amended Proposal provides:

- a. Affected Creditors with a result superior to bankruptcy; and
- b. the Company with a recapitalized balance sheet, which should assist the Company to raise capital.

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34. The Proposal Trustee understands that a number of the Noteholders are resident in the United States. The Securities Act of 1933 (United States) (“Securities Act”) provides for exemptions from Securities Act registration for offers and sales of securities in specified exchange transactions. Pursuant to Section 3(a)(10) of the Securities Act, a company can be exempt, if, among other things, a court (i) finds, before approving the transaction, that the terms and conditions of the securities exchange are fair to those to whom securities will be issued; and (ii) is advised before the hearing that the issuer will rely on the Section 3(a)(10) exemption based on the court’s approval of the transaction. The Amended Proposal is conditional upon, among other things, the DIP Agent being satisfied that the New Common Shares and the New Warrants are exempt from all prospectus and registration requirements. The DIP Agent has advised that for this condition to be satisfied or waived, the relief relating to Section 3(a)(10) of the Securities Act exemption is required.
35. In the opinion of the Proposal Trustee, the Court should grant an order that the terms and conditions of the securities exchange are fair to those to whom securities will be issued under the Amended Proposal on the basis that:
- a. the SISP did not identify any purchasers or investors for the Company or its business. In fact, no potential investor or purchaser was prepared to submit a non-binding LOI. Accordingly, there does not appear to be any viable alternative to stakeholders other than the Amended Proposal;
 - b. Proven Creditors will be receiving shares and warrants in a recapitalized company in exchange for their debt owed by the insolvent company. Existing Shareholders, who appear to be currently out of the money, will continue to hold a reduced equity stake in the Company;
 - c. the process was transparent – on February 10, 2014, the Company issued a press release advising of the calling of the Creditors’ Meeting; on February 25, 2014, the date the Amended Proposal was accepted by the Affected Creditors, the Company issued a press release disclosing that the Amended Proposal was accepted by the Affected Creditors and that the Court Approval Date would be on March 13, 2014. These press releases were posted to SEDAR and on the Company’s website; and
 - d. the Company’s creditors have unanimously voted in favour of the Proposal.
36. The Proposal Trustee understands that all other conditions precedent to the Amended Proposal have been waived or satisfied, or will be waived or satisfied, prior to implementation of the Amended Proposal.

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37. The Amended Proposal contemplates that all preferred claims, including amounts owing to the Company's employees and former employees under Section 136(1)(d) of the BIA ("Priority Employees Claims"), are to be paid in full, without interest, in priority to Unsecured Claims, immediately following the Court Approval Date. As of the date of this Report, no Priority Employee Claims have been filed.
38. Pursuant to Section 58(d) of the BIA, on acceptance of a proposal by creditors, the Proposal Trustee is required to file with the Court in the prescribed form a report at least two days before the Court Approval Date with the Court and forward a copy of the report to the Official Receiver at least 10 days prior to the Court Approval Date. Accordingly, the Proposal Trustee filed a report with the Official Receiver on March 3, 2014. The Proposal Trustee advised the Official Receiver in writing that the report may be amended. The report was not filed with the Court.
39. A copy of this Report was forwarded to the Official Receiver on this day.

Dated at Toronto, this 11th day of March, 2014.

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Yours truly,

Duff & Phelps Canada Restructuring Inc.

**DUFF & PHELPS CANADA RESTRUCTURING INC.
IN ITS CAPACITY AS TRUSTEE UNDER THE PROPOSAL OF
COLOSSUS MINERALS INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “A”

DISTRICT OF ONTARIO
DIVISION NO. 9 - Toronto
COURT File No. CV-14-10401-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE PROPOSAL OF
COLOSSUS MINERALS INC. PURSUANT TO THE *BANKRUPTCY AND INSOLVENCY
ACT*

AND IN THE MATTER OF THE PLAN OF REORGANIZATION PURSUANT TO THE
BUSINESS CORPORATION ACT (ONTARIO)

PROPOSAL AND PLAN OF REORGANIZATION

WHEREAS on January 13, 2014, Colossus Minerals Inc. (the “Company”) initiated proceedings under the *Bankruptcy and Insolvency Act* (Canada) (the “BIA”) by filing a notice of intention to make a proposal pursuant to section 50.4 of the BIA;

AND WHEREAS on January 16, 2014, the Court issued an order (the “DIP Approval Order”) that, among other things, approved the DIP Facility and the sale and investment solicitation process (the “SISP”) to be administered by the Company and its Financial Advisor under the supervision of the Proposal Trustee pursuant to the terms of the SISP;

AND WHEREAS it is intended that if no “Successful Bid” is received by the Company in accordance with the terms of the SISP, a meeting of creditors of the Company will be held to consider and vote on a proposal to creditors;

AND WHEREAS it is intended should a Successful Bid be obtained in accordance with the terms of the SISP, such meeting of creditors would be adjourned;

NOW THEREFORE the Company hereby submits the following proposal under BIA and plan of reorganization under the *Business Corporations Act* of Ontario (“*OBCA*”) to its creditors (the “Proposal”).

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Proposal, unless otherwise stated or the context should otherwise require, the capitalized terms and phrases used but not defined herein have the following meanings:

- (a) “**Administration Charge**” has the meaning given to it in the DIP Approval Order;
- (b) “**Administrative Fees and Expenses**” means the fees, expenses and disbursements incurred by or on behalf of the Proposal Trustee, the solicitors for the Proposal Trustee and the solicitors of the Company, both before and after the filing by the Company of this Proposal, relating to this Proposal;
- (c) “**Affected Claims**” means all Claims, other than the Unaffected Claims;
- (d) “**Affected Creditors**” means all Persons having Affected Claims;
- (e) “**Approval Order**” means an order of the Court approving this Proposal, which order shall include provisions permitted by section 186 of the *OBCA* as may be necessary or appropriate to give effect to this Proposal, including those described in Section 3.1 of this Proposal as it may be amended or restated from time to time;
- (f) “**Articles of Reorganization**” means the articles of reorganization effecting the reorganization of the Company’s share capital in accordance with Section 3.1 hereof;
- (g) “**Atlas Guarantee**” means the guarantee given by the Company to Atlas Copco Customer Finance AB guaranteeing the obligations of Colossus Brazil under the equipment finance agreement between Colossus Brazil and Atlas Copco Customer Finance AB, as amended from time to time;
- (h) “**BIA**” has the meaning given to it in the recitals;
- (i) “**BIA Proceeding**” means the proceeding commenced by the Company under the BIA on the Filing Date;
- (j) “**Business Day**” means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Toronto;
- (k) “**CDS**” means CDS Clearing and Depository Services Inc. or any successor thereof;
- (l) “**Claim**” means all Severance Claims, all Repudiation Claims, all Landlord Claims, any claim in respect of the Atlas Guarantee, the Sandstorm Claim, the Noteholders Claim, all Equity Claims, and any other right or claim of any Person, against the Company or any of its directors (in their capacity as directors of the Company) in connection with any indebtedness, liability or obligation which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Filing Date, or which could have been claims provable in bankruptcy had the Company become bankrupt on the Filing Date, including claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety,

by subrogation or otherwise incurred and whether or not such a right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise, with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future. For greater certainty, Claims do not include Unaffected Claims;

- (m) “**Colossus Brazil**” means the Company’s wholly-owned subsidiary, the Brazilian corporation Colossus Mineração Ltda.;
- (n) “**Company**” has the meaning given to it in the recitals;
- (o) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (p) “**Court Approval Date**” means the date on which the Court issues the Approval Order;
- (q) “**Creditors’ Meeting**” means the meeting of Unsecured Creditors to be held on February 25, 2014 for the purpose of considering and voting upon this Proposal, and any adjournment of such meeting;
- (r) “**Crown Claims**” means all amounts owing to Canada Revenue Agency that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* or under any substantially similar provision of provincial legislation as at the Filing Date;
- (s) “**DIP Approval Order**” means the January 16, 2014 order of the Court, among other things, approving the DIP Credit Facility, as it may be amended, restated or supplemented from time to time ;
- (t) “**DIP Agent**” means Sandstorm, in its capacity as administrative and collateral agent for the DIP Lenders under the DIP Credit Agreement;
- (u) “**DIP Convertible Note**” means the convertible note to be issued to the DIP Lenders on the maturity of the DIP Credit Facility in accordance with the DIP Credit Agreement;
- (v) “**DIP Credit Agreement**” means the DIP credit agreement dated January 30, 2014 among the Company, Sandstorm as administrative and collateral agent and the lenders from time to time party thereto, as it may be amended, supplemented or restated from time to time;
- (w) “**DIP Facility**” means the debtor-in-possession credit facility provided to the Company by the DIP Lenders pursuant to the DIP Credit Agreement;
- (x) “**DIP Lenders**” means Sandstorm and lenders from time to time party to the DIP Credit Agreement;
- (y) “**director**” has the meaning given to it in the BIA;

- (z) **“Directors’ Charge”** has the meaning given to it in the DIP Approval Order;
- (aa) **“Effective Time”** means 12:01 a.m. (Toronto time) on the Proposal Implementation Date;
- (bb) **“Engagement Letter”** means the engagement letter between the Company and the Financial Advisor dated November 27, 2013;
- (cc) **“Equity Claims”** means any Claim constituting an equity claim under section 2 of the BIA;
- (dd) **“Existing Common Shares”** means all of the issued and outstanding shares in the capital of the Company at the Effective Time, being 175,547,151 common shares;
- (ee) **“Existing Securities”** means all issued and outstanding options, warrants, convertible securities, exchangeable securities and any other rights to acquire any of the foregoing, in respect of the Company, including those set out in Schedule “B” to this Proposal, but for greater certainty excluding the DIP Convertible Note;
- (ff) **“Existing Shareholders”** means, collectively, holders of the Existing Securities immediately prior to the Effective Time;
- (gg) **“Filing Date”** means January 13, 2014, the date on which the Company filed a Notice of Intention to Make a Proposal with the Official Receiver in accordance with the BIA;
- (hh) **“Financial Advisor”** means Dundee Capital Markets, a division of Dundee Securities Ltd., acting as financial advisor for the Company;
- (ii) **“Financial Advisor Claims”** means any claims by the Financial Advisor pursuant to the Engagement letter;
- (jj) **“Fractional Interests”** has the meaning given to such term in Section 6.10 of this Proposal;
- (kk) **“Gold Linked Notes”** means the unsecured gold-linked notes in the aggregate original principal amount of Cdn\$86,250,000 issued pursuant to the terms of a trust indenture between the Company and Equity Financial Trust Corporation dated November 8, 2011;
- (ll) **“Governmental Authority”** means any governmental, regulatory or administrative authority, department, agency, commission, board, panel, tribunal, Crown corporation, Crown ministry or court or other law, rule or regulation-making or enforcing entity having or purporting to have jurisdiction on behalf of any nation, or province, territory or state or other subdivision thereof or any municipality, district or other subdivision thereof;

- (mm) **“Implementation”** means the completion and implementation of the transactions contemplated by this Proposal, including, the issuance and distribution of the New Common Shares and New Warrants to Proven Creditors in the manner contemplated herein;
- (nn) **“Implementation Certificate”** has the meaning given to it in Subsection 5.2(k) of this Proposal;
- (oo) **“including”** means “including, without limitation”, and **“includes”** means “includes without limitation”;
- (pp) **“Landlord Claim”** means any claim of a landlord arising from a disclaimer of the landlord’s lease by the Company in accordance with Section 2.5 of this Proposal;
- (qq) **“New Common Shares”** means the common shares of the Company to be issued to the Noteholders pursuant to Section 6.3 of this Proposal and the common shares of the Company to be issued to the Proven Creditors other than Noteholders pursuant to Section 6.4 which shares shall be on terms identical to the Existing Common Shares;
- (rr) **“New Warrants”** means the purchase warrants to acquire common shares in the share capital of the Company, with the terms and attributes set out in Schedule “A” to this Proposal, to be distributed in accordance with Sections 6.3 and 6.4 of this Proposal;
- (ss) **“Note Indenture”** means the note indenture dated November 8, 2011 that was entered into between the Company and the Note Indenture Trustee in connection with the issuance of the Gold Linked Notes as it may be amended, restated or supplemented from time to time;
- (tt) **“Note Indenture Trustee”** means Equity Financial Trustee Company, as trustee under the Note Indenture;
- (uu) **“Noteholders”** means the holders of the Gold Linked Notes, and **“Noteholder”** means anyone of them;
- (vv) **“Noteholders Claims”** means the unsecured claims of the Noteholders in respect of the Gold Linked Notes;
- (ww) **“NSR Agreement”** means the net smelter royalty agreement to be entered into between the Company, Colossus Brazil and Sandstorm pursuant to the NSR Term Sheet;
- (xx) **“NSR Term Sheet”** means the net smelter return royalty term sheet dated January 6, 2014 among the Company, Colossus Brazil and Sandstorm;
- (yy) **“OBICA”** has the meaning given to it in the recitals;

- (zz) “**Official Receiver**” means the officer appointed pursuant to subsection 12(2) of the BIA in the City of Toronto, Ontario, to perform the duties and responsibilities more fully set out in the BIA.
- (aaa) “**Order**” means any order of the Court made in connection with the BIA Proceeding;
- (bbb) “**Participant Holders**” has the meaning given to it in Section 2.7 of this Proposal;
- (ccc) “**Person**” is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, any Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity;
- (ddd) “**Preferred Creditors**” means those creditors of the Company whose claims are entitled to be paid in priority to the claims of other Unsecured Creditors as provided under section 136 of the BIA;
- (eee) “**Proposal Implementation Date**” means the date on which Implementation occurs;
- (fff) “**Proposal Trustee**” means Duff & Phelps Canada Restructuring Inc. or its duly appointed successor;
- (ggg) “**Proposal Trustee’s Website**” means the following website:
<http://www.duffandphelps.com/intl/en-ca/Pages/RestructuringCases.aspx>;
- (hhh) “**Proven Claim**” means in respect of a creditor, the amount of a Claim as finally determined in accordance with the provisions of the BIA;
- (iii) “**Proven Creditor**” means an Unsecured Creditor holding a Proven Claim to the extent of its Proven Claim;
- (jjj) “**Reduced Claim Amount**” means, in respect of an Unsecured Creditor, the amount as calculated by the Proposal Trustee equal to such Unsecured Creditor’s Proven Claim as multiplied by 0.30, as rounded up or down to the nearest whole \$1.00 (with fractions equal to \$0.50 and more being rounded up);
- (kkk) “**Repudiation Claim**” means any Claim that arises as a result of a disclaimer or repudiation of a contract, arrangement, agreement, lease (other than a lease of real property) or indenture by the Company in accordance with section 65.11 of the BIA;
- (lll) “**Required Majority**” means an affirmative vote of a majority in number and two-thirds in value of all Proven Claims in the Unsecured Creditor Class entitled to vote, who are present and voting at the Creditors’ Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA;

- (mmm) **“Sandstorm”** means Sandstorm Gold Inc.;
- (nnn) **“Sandstorm Agreement”** means the agreement among Sandstorm, the Company and Colossus Brazil dated September 18, 2012 for the purchase by Sandstorm of life-of-mine refined precious metals;
- (ooo) **“Sandstorm Claim”** means the US\$65,000,000 unsecured claim of Sandstorm arising under the Sandstorm Agreement as proven in accordance with the provisions of the BIA, which for greater certainty excludes the Sandstorm Secured Claim;
- (ppp) **“Sandstorm Secured Claim”** means the US\$10,000,000 first ranking charge, liens and security interests of Sandstorm in and to quotas held by the Company representing 99.99% of the capital stock of Colossus Brazil pursuant to the terms of the Sandstorm Agreement;
- (qqq) **“Secured Claim”** means any Claim which are secured by a mortgage, charge lien, hypothec or other security validly charging or encumbering any of the property or assets of the Company as of the Filing Date, but excluding any Claims in respect of the DIP Credit Facility and Claims secured by the Administration Charge and the Directors’ Charge;
- (rrr) **“Secured Creditors”** means any Person having a Secured Claim to the extent of its Secured Claim, other than Sandstorm in respect of the Sandstorm Secured Claim;
- (sss) **“Severance Claims”** means any and all claims to which the Company is or will be subject for damages, wrongful dismissal, severance entitlements or termination entitlements arising from or under (a) the *Employment Standards Act* (Ontario) or any other applicable statute, (b) common law, and/or (c) any express or implied agreement; which claims are as a result of the termination or notice of termination given by the Company, on or before the time of the Creditors’ Meeting, of any Person’s employment (whether such Person is identified in such agreement as an employee, independent contractor, consultant or otherwise);
- (ttt) **“SISP”** has the meaning given to it in the recitals;
- (uuu) **“Superintendent’s Levy”** means the levy payable to the Superintendent of Bankruptcy pursuant to section 60(4) and section 147 of the BIA;
- (vvv) **“Unaffected Claim”** means:
- (i) any Claim by the Proposal Trustee, counsel for the Proposal Trustee or counsel to the Company for Administrative Fees and Expenses, including those secured by the Administration Charge;
 - (ii) any Claim by the DIP Agent or any of the DIP Lenders in respect of the DIP Credit Facility, which amounts outstanding thereunder shall be converted

into the DIP Convertible Note on the maturity thereof in accordance with the terms of the DIP Credit Agreement;

- (iii) any Claim by any director or officer of the Company under paragraph 9 of the DIP Approval Order, including those secured by the Directors' Charge;
 - (iv) any Claim against directors of the Company that (a) relate to contractual rights of one or more creditors arising from contracts with one or more directors; or (b) are based on allegations of misrepresentation made by directors to creditors or of wrongful or oppressive conduct by directors;
 - (v) any Claim for amounts owing by the Company on account of goods, property or services actually provided to and received by the Company at the Company's request after the Filing Date or for taxes, duties or similar amounts owed in respect of the business carried on by the Company after the Filing Date, which monies shall be paid in full by the Company in accordance with the terms previously agreed upon with the suppliers of such goods, property or services or as required under applicable law in respect of such taxes, duties or similar amounts;
 - (vi) Crown Claims;
 - (vii) any Financial Advisor Claims pursuant to the terms of the Engagement Letter;
 - (viii) the Claims of Persons arising from the repudiation or disclaimer of an agreement where notice of repudiation or disclaimer was not given more than ten (10) days prior to the Creditors' Meeting for the Unsecured Creditor Class; and
 - (ix) the Sandstorm Secured Claim and any other Claim of a Secured Creditor, in each case only to the extent of the value of the security.
- (www) **"Unaffected Creditor"** means a creditor having an Unaffected Claim to the extent of its Unaffected Claim;
- (xxx) **"Undeliverable Distributions"** mean distributions to Proven Creditors that are returned as undeliverable;
- (yyy) **"Unsecured Claim"** means any Claim other than a Secured Claim, including, a Severance Claim, Repudiation Claim, Landlord Claim, the Sandstorm Claim and a Noteholder Claim;
- (zzz) **"Unsecured Creditor"** means any creditor having an Unsecured Claim to the extent of its Unsecured Claim; and
- (aaaa) **"Unsecured Creditor Class"** means the class of creditors comprised of Unsecured Creditors.

1.1 Date of Any Action

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, the action shall be required to be taken on the next proceeding day which is a Business Day.

1.2 Time

All times expressed in this Proposal are local time Toronto, Ontario, Canada, unless stipulated otherwise. Time is of the essence in this Proposal.

1.3 Statutory References

Any reference in this Proposal to a statute includes all regulations made thereunder and all amendments to such statutes or regulations in force from time to time.

1.4 Successors and Assigns

The Proposal shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person or party named or referred to in the Proposal.

1.5 Monetary References

All references to currency and to "\$" are to Canadian dollars, unless otherwise indicated.

**ARTICLE 2
CLASSIFICATION OF AFFECTED CREDITORS, VALUATION OF CLAIMS
AND RELATED MATTERS**

2.1 Classes of Creditors

There shall be one class of Affected Creditors for the purposes of considering and voting on this Proposal comprised of all Unsecured Creditors to the extent of their Unsecured Claims.

2.2 Proxies and Voting Letters

Proxies as provided for in the BIA indicating a Person authorized to act for the Unsecured Creditor, may be submitted to the Proposal Trustee (who, subject to the consent of the Official Receiver, will chair the Creditors' Meeting) at, or any time prior to, the commencement of the Creditors' Meeting. Voting letters as provided for in the BIA submitted to the Proposal Trustee prior to the Creditors' Meeting must indicate whether the Unsecured Creditor wishes to cast its vote in favour or against the Proposal. Voting letters that do not indicate either preference will be deemed to indicate a vote in favour of the Proposal. Persons in attendance at the Creditors' Meeting shall cast their vote in the manner prescribed by the Proposal Trustee and the BIA. For greater certainty, Unaffected Creditors shall not be entitled to vote the value of their Unaffected Claim.

2.3 Quorum and Conduct of Creditors' Meeting

A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Unsecured Creditor, entitled to vote, present in person or by proxy, or if one Unsecured Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Proposal Trustee to such date, time and place as determined by the Proposal Trustee. For greater certainty, the Creditors' Meeting may be adjourned one or more times.

2.4 Location of Creditors' Meeting

The Creditors' Meeting shall take place at 2:00 p.m. (Toronto time) on February 25, 2014 at 333 Bay Street, Suite 2400, Toronto, Ontario.

2.5 Landlord Claims

In the case of any lease of real property disclaimed by the Company pursuant to section 65.2 of the BIA, the landlord affected by the disclaimer may file a proof of claim for an amount equal to the lesser of the amounts described in subsections 65.2(4)(b)(i) and (ii) of the BIA. A Landlord Claim shall be treated as an Unsecured Claim under this Proposal, even if the effective date of the disclaimer is after the Creditors' Meeting, the Court Approval Date or the Proposal Implementation Date and even if the landlord objects to the disclaimer, in which case such landlord may file a proof of claim on a contingent basis.

2.6 Repudiation of Contracts, etc.

The Company may repudiate or give notice of disclaimer of any contract, arrangement, agreement, lease (other than leases of real property, the disclaimer of which are dealt with Section 2.5 hereof) or indenture to which it is a party pursuant to section 65.11 of the BIA and provided such notice of disclaimer is given, at least ten (10) days prior to the Creditors' Meeting, the Repudiation Claim of each Person resulting or arising from the disclaimer of such contracts, arrangements, agreements, leases and indentures shall be an Unsecured Claim for the purposes of this Proposal, even if the effective date of the disclaimer is after the Creditors' Meeting, the Court Approval Date or the Proposal Implementation Date and even if the Person affected by the disclaimer objects to the disclaimer, in which case such Person may file a proof of claim on a contingent basis.

2.7 Proofs of Claim and Treatment of Disputed Claims

In order to vote on the Proposal, each beneficial Noteholder will be required to submit a completed proxy and voting letter which must be received by the Proposal Trustee by no later than the commencement of the Creditors' Meeting.

The total amount of all Noteholders Claims will be determined based on a proof of claim form to be submitted by the Indenture Trustee. A proof of claim is not required to be submitted by any beneficial Noteholder in respect of its Noteholders Claim.

Holders or custodians (“**Participant Holders**”) of Notes on behalf of beneficial Noteholders will be provided with proposal materials for distribution to their corresponding beneficial Noteholders. The Proposal Trustee will require that Participant Holders complete and sign the applicable part of the voting and proxy letter for Noteholders (Section D) and to mail it along with the other Proposal materials to each applicable beneficial Noteholder. **The beneficial Noteholder will be responsible to complete the balance of the proxy and voting letter and submit it directly to the Proposal Trustee.** Each beneficial Noteholder will be entitled to a single vote at the Creditors’ Meeting in the full amount of its Noteholders Claim.

Each Unsecured Creditor other than a Noteholder in respect of its Noteholders Claim will be required to submit a proof of claim to the Proposal Trustee. Each Unsecured Creditor other than a Noteholder voting pursuant to a Noteholders claim shall be entitled to a single vote valued in the full amount of its Proven Claim with respect to the vote of the Unsecured Creditor Class. In order to the vote at the Creditors’ Meeting, the proof of claim must be submitted prior to the commencement of the Creditors’ Meeting.

The provisions of section 135 of the BIA will apply to all Proofs of Claim submitted by Unsecured Creditors, including in respect of disputed Claims.

2.8 Approval by Affected Creditors

In order to be approved, this Proposal must receive the affirmative votes of the Required Majority.

2.9 Modification to Proposal

Subject to the consent of the DIP Agent and the Proposal Trustee, the Company reserves the right at any time prior to the Creditors’ Meeting to file any modification of, amendment or supplement to the Proposal by way of a supplementary proposal and plan of reorganization. Any such amended or supplementary proposal shall forthwith be posted on the Proposal Trustee’s Website, sent to the service list in the BIA Proceeding and filed with the Official Receiver as soon as practicable, in which case any such amended or supplementary proposal or proposals shall, for all purposes, be and be deemed to be a part of and incorporated into the Proposal. At the Creditors’ Meeting, the Company and/or the Proposal Trustee shall provide all Unsecured Creditors in attendance with details of any modifications or amendments prior to the votes being taken to approve the Proposal. Subject to the provisions of the BIA and the Rules promulgated thereunder, after the Creditors’ Meeting (and both prior to and subsequent to the Approval Order) and subject to the consent of the DIP Agent and the Proposal Trustee, the Company may at any time and from time to time vary, amend, modify or supplement the Proposal.

**ARTICLE 3
REORGANIZATION**

3.1 Reorganization

The Approval Order, in addition to approving this Proposal, shall authorize and approve the filing of the Articles of Reorganization which Articles of Reorganization shall, among other things, amend the Articles of the Company, to the extent necessary:

- (a) to consolidate the Existing Common Shares on the basis of 200 to 1;
- (b) to provide for the cancellation of all Existing Securities, excluding the Existing Common Shares;
- (c) to permit the issuance of the New Common Shares to be distributed to Proven Creditors pursuant to this Proposal;
- (d) to permit the issuance of the New Warrants to be distributed to Proven Creditors pursuant to this Proposal; and
- (e) to appoint directors in place of or in addition to all or any of the directors then in office.

ARTICLE 4 TREATMENT OF CREDITORS' CLAIMS

4.1 Voting by Unsecured Creditors

Each Proven Creditor shall be entitled to vote on this Proposal at the Creditors' Meeting, to the extent of its Proven Claim for voting purposes. Notwithstanding the foregoing, Unsecured Creditors having Equity Claims shall not be entitled to vote in respect of such Equity Claims at the Creditors' Meeting.

4.2 Compromise to Unsecured Creditors

On the Proposal Implementation Date, in exchange for the full and final satisfaction, compromise, settlement, release and discharge of each Unsecured Claim:

- (a) each Proven Creditor, shall receive:
 - (A) for every one (1) Canadian dollar of the Reduced Claim Amount for such Proven Creditor as calculated by the Proposal Trustee, one (1) New Common Share; and
 - (B) for every two (2) Canadian dollars of the Reduced Claim Amount for such Proven Creditor as calculated by the Proposal Trustee, one (1) New Warrant.

4.3 Existing Shareholders.

In connection with or as a result of the Implementation of this Proposal, Existing Shareholders shall not be entitled to any payment or other compensation on account of their Equity Claims under this Proposal

4.4 Preferred Creditors

The Proven Claims of all Preferred Creditors, if any, shall be paid without interest, in priority to the Claims of other Unsecured Creditors in accordance with section 136 of the BIA, including the Proven Claims of all employees or former employees for all amounts provable as described in subsection 60(1.3) of the BIA which, if any, shall be paid immediately after the Court Approval Date.

4.5 Crown Claims

All Crown Claims that were outstanding at the Filing Date, if any, shall be paid in full to Her Majesty in right of Canada or a province, within six months after the Court Approval Date.

4.6 Repayment of Administrative Fees and Expenses

Administrative Fees and Expenses incurred and invoiced prior to the Proposal Implementation Date shall be paid in the ordinary course of business out of the Company's cash. Any Administrative Fees and Expenses that have not been invoiced or paid at the Proposal Implementation Date shall be an Unaffected Claim.

4.7 Extinguishment of Claims

On the Proposal Implementation Date in accordance with its terms and in the sequence set forth in this Proposal and in accordance with the provisions of the Approval Order, the treatment of Affected Claims shall be final and binding on the Company, all Affected Creditors (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns), and all Affected Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the Company and the directors shall thereupon have no further obligation whatsoever in respect of the Affected Claims; *provided that* nothing herein releases the Company or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Proposal and *provided further* that such discharge and release of the Company shall be without prejudice to the right of an Affected Creditor in respect of a disputed Claim to prove such disputed Claim in accordance with the BIA so that such disputed Claim may become an allowed Unsecured Claim entitled to receive consideration herein.

4.8 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim which is compromised and released under this Proposal or who has

any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim which is compromised under this Proposal shall be entitled to any greater rights as against the Company than the Person whose Claim is compromised under the Proposal.

ARTICLE 5 CONDITIONS

5.1 Confirmation of Proposal

Provided that the Proposal is approved by the Required Majority, the Proposal Trustee shall apply for the Approval Order no later than five (5) Business Days following the Creditors' Meeting or such other date as the Court may order.

5.2 Conditions Precedent to Implementation of the Proposal

This Proposal will take effect on the Proposal Implementation Date. The Implementation of this Proposal on the Proposal Implementation Date is subject to the satisfaction of the following conditions precedent:

- (a) the Proposal is approved by the Required Majority;
- (b) the Approval Order, in form and substance satisfactory to the Company and the DIP Agent, has been issued, has not been stayed and no appeal therefrom is outstanding;
- (c) the terms of the New Warrants shall be satisfactory to the Company and the DIP Agent;
- (d) the DIP Convertible Notes shall have been delivered to the DIP Agent in escrow to be released to the DIP Agent on the Proposal Implementation Date for distribution by the DIP Lenders in accordance with the DIP Credit Agreement;
- (e) the Company and Colossus Brazil shall have entered into the NSR Agreement with Sandstorm, in form and substance satisfactory to Sandstorm and the Company, and all conditions precedent under the NSR Agreement shall have been satisfied or waived in accordance with the terms thereof, other than the condition relating to the Implementation of this Proposal;
- (f) the Sandstorm Agreement shall have been terminated by the parties thereto and the guarantee granted by Colossus to Sandstorm of the obligations of Colossus Brazil under the Sandstorm Agreement and the Sandstorm Secured Claim shall have been terminated, discharged and released;
- (g) the charges created by the DIP Approval Order or any other Order shall have been discharged as at the Effective Time;

- (h) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Authority, no application shall have been made to any Governmental Authority, and no action or investigation shall have been announced, threatened or commenced by any Governmental Authority, in consequence of or in connection with the Proposal that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit), the Proposal or any part thereof or requires or purports to require a variation of the Proposal;
- (i) the Company shall have delivered to the DIP Agent a certificate of an officer of the Company (without personal liability) certifying that to the knowledge of the officer, as of the Implementation Date, there have been no material breaches of the Support Agreement by the Company that have not been consented to or waived by the DIP Agent;
- (j) the DIP Agent shall be satisfied that all securities of the Company, when issued and delivered, are duly authorized, validly issued and fully paid and non-assessable and the issuance thereof is exempt from all prospectus and registration requirements;
- (k) the Articles of Reorganization, in form and substance satisfactory to the DIP Agent, effecting the reorganization of the Company's share capital in accordance with the Proposal shall have been filed in accordance with the Approval Order;
- (l) all other actions, documents and agreements necessary to implement the Proposal as required herein shall have been effected and executed, in each case, in form and substance satisfactory to the DIP Agent; and
- (m) the Company and the DIP Agent shall have delivered a certificate to the Proposal Trustee that the conditions precedent to the Implementation of the Proposal have been satisfied or waived (the "**Implementation Certificate**").

Upon written confirmation of receipt by the Proposal Trustee of the Implementation Certificate, the Implementation of the Proposal shall have been deemed to have occurred and all actions deemed to occur upon Implementation of the Proposal shall occur without the delivery or execution of any further documentation, agreement or instrument.

ARTICLE 6 DISTRIBUTIONS UNDER THE PROPOSAL

6.1 Superintendent's Levy

All New Common Shares and New Warrants to be distributed under this Proposal shall be delivered by the Company to the Proposal Trustee for distribution by the Proposal Trustee to Proven Creditors in accordance with this Proposal and, notwithstanding any other provisions hereunder, any distributions made pursuant to the terms hereof shall be

made net of the Superintendent's Levy required to be made, pursuant to sections 147 and 60(4) of the BIA.

6.2 Stated Capital

The aggregate stated capital for purposes of the OBCA for the New Common Shares and New Warrants issued pursuant to this Proposal will be as determined by the board of directors of the Company.

6.3 Distributions to Noteholders

- (a) This Section 6.3 sets forth the distribution mechanics with respect to the New Common Shares and the New Warrants that are to be distributed to the Noteholders pursuant to the Proposal.
- (b) The delivery of the New Common Shares and the New Warrants to the Noteholders will be made through the facilities of CDS to CDS participants, who, in turn, shall make delivery of interests in such New Common Shares and New Warrants to the beneficial holders of such Gold Linked Notes pursuant to standing instructions and customary practices; provided that, if either the New Common Shares or New Warrants are not CDS eligible, delivery of any such ineligible indirect Noteholder distributions will be made to the Note Indenture Trustee who, in turn, will make delivery of the applicable New Common Shares and New Warrants to each of the Noteholders through the direct registration system of Equity Financial Trust Company (or such other transfer agent as the Company may appoint). Distributions to Noteholders by the Proposal Trustee shall be made as soon as practicable after the Effective Time.
- (c) The Company and the Proposal Trustee shall have satisfied their responsibilities in respect of the distribution of New Common Shares and New Warrants to the Noteholders once such New Common Shares and New Warrants have been delivered to CDS or the Note Indenture Trustee, as applicable. The Company and the Proposal Trustee will have no liability or obligation in respect of deliveries from CDS, or its nominee, to CDS participants or from CDS participants to beneficial holders of the Gold Linked Notes or from the Note Indenture Trustee to beneficial holders of the Gold Linked Notes.

6.4 Distribution to Proven Creditors (other than Noteholders)

- (a) This Section 6.4 sets forth the distribution mechanics with respect to the New Common Shares and the New Warrants that are to be distributed to Proven Creditors other than Noteholders pursuant to the Proposal.
- (b) The Proposal Trustee will distribute New Common Shares and New Warrants to Proven Creditors other than Noteholders in accordance with this Proposal and each Proven Creditor that is receiving securities shall receive one (1) New

Common Share for every one (1) Canadian dollar of its Reduced Claim Amount and one (1) New Warrant for every two (2) dollars of its Reduced Claim Amount.

- (c) The distribution of New Common Shares and New Warrants shall be made by the Proposal Trustee to the Proven Creditors as soon as practicable after the Effective Time.
- (d) Unsecured Creditors holding a disputed Claim will not receive a distribution until the disputed Claim is resolved in accordance with this Proposal and the BIA. Unaffected Creditors will not be entitled to receive any distributions under this Proposal with respect to their Unaffected Claims and Unaffected Claims shall not be compromised under this Proposal.

6.5 Undeliverable Distributions

Undeliverable Distributions shall be dealt with and treated in the manner provided for in the BIA and the Directives promulgated pursuant thereto.

6.6 Final Distributions

As soon as reasonably possible after the acceptance of this Proposal by the Required Majority, the Proposal Trustee shall give notice pursuant to section 149(1) of the BIA to every Person with an Affected Claim of which the Proposal Trustee has notice or knowledge but whose Affected Claim has not been proved that if such Person does not prove its Claim within a period of thirty (30) days after the giving of the notice, the Proposal Trustee will proceed to declare a final creditor distribution without regard to such Person's Claim; the distribution referred to in said notice shall be deemed a final creditor distribution and any Person so notified who does not prove its Claim within the said thirty (30) days shall be barred from making a Claim in this Proposal or sharing in any creditor distribution hereunder, subject to any exceptions set out in subsections 149(2), (3) and (4) of the BIA.

6.7 Cancellation of Certificates and Notes

Upon Implementation of the Proposal, all debentures, notes (including the Gold Linked Notes), certificates, agreements, invoices and other instruments evidencing Affected Claims will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Proposal and will be cancelled and will be null and void. Notwithstanding the foregoing, the Note Indenture shall remain in effect for the purpose of and to the extent necessary to: (i) allow the Note Indenture Trustee to make distributions to the Noteholders; and (ii) maintain all of the protections the Note Indenture Trustee enjoys as against the Noteholders, including lien rights, if any, with respect to any distributions under this Proposal, until all distributions are made to Noteholders hereunder.

6.8 Currency

Unless specifically provided for in the Proposal or the Approval Order, for the purposes of distributions under the Proposal, a Claim shall be denominated in Canadian dollars and all payments and distributions to the Affected Creditors on account of their Claims shall be made in Canadian dollars. Any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada noon exchange rate in effect at the Filing Date.

6.9 Interest

Interest shall not accrue or be paid on Affected Claims on or after the Filing Date, and no holder of an Affected Claim shall be entitled to interest accruing on or after the Filing Date.

6.10 Fractional Interests

No fractional interests of New Common Shares or New Warrants ("**Fractional Interests**") will be issued under this Proposal. Recipients of New Common Shares and New Warrants will have their entitlements adjusted downwards to the nearest whole number of New Common Shares or New Warrants, as applicable, to eliminate any such Fractional Interests and no compensation will be given for the Fractional Interest.

6.11 Allocation of Distributions

All distributions made pursuant to the Proposal shall be allocated first towards the repayment of the principal amount in respect of such Affected Creditor's Affected Claim and second, if any, towards the repayment of all accrued but unpaid interest in respect of such Affected Creditor's Affected Claim.

ARTICLE 7

PROCEDURE FOR DISTRIBUTIONS REGARDING DISPUTED CLAIMS

7.1 No Distribution Pending Allowance

An Affected Creditor holding a disputed Claim will not be entitled to receive a distribution under the Proposal in respect of such disputed Claim or any portion thereof unless and until, and then only to the extent that, such disputed Claim is allowed pursuant to the BIA.

7.2 Distributions after Disputed Distribution Claims Resolved

Once a disputed Claim with respect to a Noteholder is resolved, a distribution will be made to that Noteholder as to its Proven Claim in accordance with Section 6.3 of this Proposal. Once a disputed Claim with respect to an Unsecured Creditor that is not a Noteholder is resolved, a distribution will be made to that Proven Creditor as to its Proven Claim in accordance with Section 6.4 of this Proposal.

ARTICLE 8
IMPLEMENTATION OF THE PROPOSAL AND EFFECT OF THE PROPOSAL

8.1 Proposal Implementation

On the Proposal Implementation Date, this Proposal will become effective and be binding on and enure to the benefit of the Company and all Affected Creditors in accordance with the terms of this Proposal, irrespective of whether the Affected Creditor submits a proof of claim under this Proposal.

8.2 Effect of the Proposal Generally

The payment, compromise or satisfaction of any Affected Claims under this Proposal, if approved by the Court, shall be binding upon each Affected Creditor and his, her or its heirs, executors, administrators and other legal representatives, successors and assigns, as the case may be, for all purposes and this Proposal will constitute (a) a full, final and absolute settlement of all rights of the Affected Creditors against the Company and the directors of the Company (in their capacity as directors of the Company) in respect of the Affected Claims; and (b) an absolute release and discharge of all indebtedness, liabilities and obligations of or in respect of the Affected Claims against the Company and the directors of the Company (in their capacity as directors of the Company) and all Liens granted by the Company in respect thereof, including any interest or costs accruing thereon (whether before or after the Filing Date).

8.3 Consents and Releases

Upon Implementation of the Proposal, all Affected Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. In particular, each Affected Creditor shall be deemed to have executed and delivered to the Company and the directors of the Company all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety.

8.4 Waivers of Defaults

Upon Implementation of the Proposal, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed by the Company, or caused by the Company, by any of the provisions in the Proposal or steps contemplated in the Proposal, or non-compliance with any covenant, warranty, representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, indenture, note, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Company and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Company from performing its obligations under the Proposal or be a waiver of defaults by the

Company under the Proposal and the related documents. For great certainty, nothing in this Section shall waive any obligations of the Company in respect of any of the Unaffected Claims.

8.5 Deeming Provision

In this Proposal, the deeming provisions are not rebuttable and are conclusive and irrevocable.

8.6 Preferences and Transfers at Undervalue

Section 95 through and including section 101 of the BIA do not apply to this Proposal.

8.7 Proposal Releases

Upon Implementation, all Claims of the Affected Creditors and all claims of the Affected Creditors existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Proposal Implementation Date relating to, arising out of or in connection with the Company or its assets, business or affairs, whenever and however conducted, this Proposal or the BIA Proceeding, other than Unaffected Claims, and the right to enforce the Company's obligations under this Proposal shall be deemed to be fully and finally satisfied, settled and discharged and (a) no Affected Creditor shall have any further right, remedy or claim against the Company in respect of all or any portion of the Affected Creditor's Claim, and (b) no Affected Creditor shall have any further right, remedy or claim against the officers, directors, partners, shareholders, agents, contractors, employees or professional or legal advisors of the Company in respect of all or any portion of any Claim. Nothing herein shall release any Unaffected Claim.

8.8 Release of Directors

Upon Implementation, the Affected Creditors shall be deemed to fully release and discharge and shall not pursue any claims or assessments against the Company's current or former directors for claims against any such current or former directors of the Company that arose prior to the Filing Date and that relate to the liabilities of the Company where such current or former directors are by law liable in their capacity as directors for the payment of such obligations. Nothing herein shall be interpreted as an acknowledgement of any liability or obligations of any of the current or former directors. For greater certainty, Unaffected Claims, including Unaffected Claims that relate to contractual rights of one or more creditors arising from contracts with one or more directors or based on allegations of misrepresentation made by directors or of wrongful or oppressive conduct by directors are not released.

**ARTICLE 9
NOTICES**

9.1 Notices

Any notice, certificate, consent, determination or other communication required or permitted to be given or made under this Proposal shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service, or (iii) sent by email transmission, in each case to the applicable address set out below:

- (a) If to the Company:

COLOSSUS MINERALS INC.
One University Avenue, Suite 401
Toronto, ON M5J 2P1

Attention: **John Frostiak & Dave Massola**
Email: mjfrostiak@bell.net; dave.massola@colossusminerals.com

With a copy to:

FASKEN MARTINEAU LLP
333 Bay Street, Suite 2400
Toronto, Ontario, M5H 2T6

Attention: **Stuart Brotman**
Email: sbrotman@fasken.com

- (b) If to the Proposal Trustee:

DUFF & PHELPS CANADA RESTRUCTURING INC.
333 Bay Street
14th Floor
Toronto ON M5H 2R2

Attention: **Bobby Kofman**
Email: bobby.kofman@duffandphelps.com

With a copy to

CHAITONS LLP
5000 Yonge Street
10th Floor
Toronto, ON M2N 7E9

Attention: **George Benchetrit**
Email: george@chaitons.com

any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 4:30 p.m. (Toronto time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

ARTICLE 10 MISCELLANEOUS

10.1 Capacity of Proposal Trustee and Certificate of Completion

Duff & Phelps Canada Restructuring Inc. shall be the Proposal Trustee under this Proposal. Upon resolution of all disputed Claims, if any, and the making of the distributions by the Proposal Trustee to Proven Creditors as contemplated by this Proposal, the terms of the Proposal shall be deemed to be fully performed and the Proposal Trustee shall provide to the Company and to the Official Receiver a certificate pursuant to section 65.3 of the BIA and the Proposal Trustee shall be entitled to be discharged.

10.2 Non-Consummation

Subject to the terms of the Support Agreement, the Company reserves the right to revoke or withdraw the Proposal at any time prior to the Court Approval Date. If the Company revokes or withdraws the Proposal, or if the Approval Order is not issued or if the Proposal Implementation Date does not occur, (a) the Proposal shall be null and void in all respects, (b) any settlement or compromise embodied in the Proposal, including the fixing or limiting to an amount certain any Claim, any document or agreement executed pursuant to the Proposal shall be deemed null and void, and (c) nothing contained in the Proposal, and no acts taken in preparation for consummation of the Proposal, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Company or any other Person; (ii) prejudice in any manner the rights of the Company or any other Person in any further proceedings involving the Company; or (iii) constitute an admission of any sort by the Company or any other Person.

10.3 Paramountcy

From and after the Effective Time, any conflict between:

- (a) the Proposal or the Approval Order; and
- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for

sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Company as at the Proposal Implementation Date and the notice of articles, articles or bylaws of the Company at the Proposal Implementation Date;

will be deemed to be governed by the terms, conditions and provisions of the Proposal and the Approval Order, which shall take precedence and priority.

10.4 Different Capacities

Persons who are affected by this Proposal may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Company and the Person in writing or unless its Claims overlap or are otherwise duplicative.

10.5 Further Assurances

The Company, Sandstorm, the Proposal Trustee, the DIP Agent and the Affected Creditors will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

10.6 Governing Law

This Proposal will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

Dated at Toronto, Ontario this 6th day of February, 2014.

COLOSSUS MINERALS INC.

Per:

Name: JOHN FROSTIAK

Title: DIRECTOR

SCHEDULE "A"

**SCHEDULE A FORM OF WARRANT CERTIFICATE
WARRANT CERTIFICATE**

COLOSSUS MINERALS INC.

(Incorporated under the laws of the Province of Ontario)

[If applicable, include the following legend:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO COLOSSUS MINERALS INC. (THE "ISSUER") OR THE WARRANT AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS AN INTEREST HEREIN. THIS CERTIFICATE IS ISSUED PURSUANT TO A MASTER LETTER OF REPRESENTATION OF THE ISSUER TO CDS, AS SUCH LETTER MAY BE REPLACED OR AMENDED FROM TIME TO TIME.]

No. W-●

CUSIP: ●

●

WARRANTS entitling the Holder (as defined below) to acquire, subject to adjustment, one Common Share (as defined below) of Colossus Minerals Inc. (the "Company") for each Warrant (as defined below) represented hereby.

THIS WARRANT CERTIFICATE IS TO CERTIFY that, for value received,

●

(herein referred to as the "**Holder**")

is the registered holder of the number of Common Share purchase warrants of the Company (the "**Warrants**") stated above and, subject to adjustment as set forth in the Warrant Indenture (as defined below), is entitled to purchase one common share of the Company (a "**Warrant Share**") at a price of US\$1.00 (the "**Exercise Price**") at any time prior to 4:00 p.m. (Toronto time) on ●, 2019 (the "**Expiry Date**"), all in the manner and subject to the restrictions and adjustments set forth in the Warrant Indenture.

Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Indenture.

The Warrants represented by this Warrant Certificate are issued or issuable in fully registrable form only under the provisions of the warrant indenture (which warrant indenture together with

all other instruments ancillary thereto is referred to herein as the “**Warrant Indenture**”) dated as of ●, 2014 between the Company and Equity Financial Trust Company (the “**Warrant Agent**”). Reference is hereby made to the Warrant Indenture for a full description of the rights of the holders of the Warrants, the Company and the Warrant Agent in respect thereof, and the terms and conditions upon which the Warrants evidenced hereby are issued and held, all to the same effect as if the provisions of the Warrant Indenture were herein set forth. By acceptance of this Warrant Certificate, the Holder assents to all provisions of the Warrant Indenture. To the extent that the terms and conditions set forth in this Warrant Certificate conflict with the terms and conditions of the Warrant Indenture, the Warrant Indenture shall prevail. The Company will furnish to the Holder, upon request and without charge, a copy of the Warrant Indenture.

In the event that prior to the Expiry Date, the Holder has not exercised the Warrants represented hereby in accordance with the terms of the Warrant Indenture, then any Warrants represented by this Warrant Certificate which have not been so exercised shall be deemed to have expired and shall be of no further force and effect as of 4:00 p.m. (Toronto time) on the Expiry Date.

Upon exercise, the Warrants so exercised shall be void and of no value or effect.

The right to acquire the Warrant Shares may only be exercised by the Holder within the time set forth above by:

- (a) duly completing and executing the Exercise Form attached hereto; and
- (b) surrendering this Warrant Certificate to the Warrant Agent at the principal transfer office of the Warrant Agent in Toronto, Ontario, together with a certified cheque, bank draft or money order in lawful money of Canada, payable to the order of the Company equal to the Exercise Price multiplied by the number of Warrant Shares subscribed for.

The Warrants represented by this Warrant Certificate shall be deemed to be surrendered only upon personal delivery hereof or, if sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

Upon surrender of these Warrants, the person or persons in whose name or names the Warrant Shares are to be issued shall be deemed for all purposes (except as provided in the Warrant Indenture) to be the holder or holders of record of such Warrant Shares and the Company has covenanted that it will (subject to the provisions of the Warrant Indenture) cause a certificate or certificates representing the Warrant Shares to be delivered or mailed to the person or persons at the address or addresses specified in the Exercise Form within three Business Days.

The Warrant Indenture provides for adjustments to certain rights of Holders, including the number of Warrant Shares issuable upon exercise of the Warrants, upon subdivision, consolidation or reclassification of the common shares of the Company (the “**Common Shares**”) or any reclassification, capital reorganization, amalgamation or merger of the Company and certain distributions of securities, including rights, options or warrants to purchase Common Shares or securities convertible or exchangeable into Common Shares or assets of the Company. The Holder should refer to the Warrant Indenture which provides for adjustments in certain other events.

The terms and conditions relating to the Warrants and this Warrant Certificate may be modified, changed or added to in accordance with the provisions of the Warrant Indenture. The Warrant Indenture contains provisions making binding upon all holders of Warrants outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and instruments in writing signed by the holders entitled to acquire a specified percentage of the Warrant Shares which may be acquired pursuant to the exercise of all of the then outstanding Warrants.

The holding of the Warrants evidenced by this Warrant Certificate shall not constitute, or be construed as conferring upon the Holder, any right or interest whatsoever as a shareholder of the Company except such rights as may be provided in the Warrant Indenture or in this Warrant Certificate.

The Holder may, upon compliance with the reasonable requirements of the Warrant Agent and upon surrender of this Warrant Certificate, exchange this Warrant Certificate for another warrant certificate or warrant certificates entitling the Holder thereof to receive, in the aggregate, the same number of Warrants as are issuable under this Warrant Certificate.

The Warrants evidenced by this Warrant Certificate may only be transferred in accordance with applicable securities laws and upon due execution and delivery to the Warrant Agent of a Transfer Form in the form attached hereto and in compliance with all the conditions prescribed in the Warrant Indenture and compliance with such other reasonable requirements as the Warrant Agent may prescribe.

Subject to applicable securities laws, the Company may from time to time purchase on any stock exchange, in the open market, by private agreement or otherwise, any of the Warrants.

This Warrant Certificate shall not be valid for any purpose until it has been certified by or on behalf of the Warrant Agent under the Warrant Indenture.

The Holder expressly acknowledges having requested, and consents to, the drawing in the English language only of this Warrant Certificate evidencing the Warrants registered in his name and all documents relating to such Warrants. *Le détenteur inscrit du présent certificat de bons de souscription reconnaît expressément avoir demandé et consenti que le présent certificat attestant qu'il est le détenteur inscrit de bons de souscription, ainsi que tous les documents s'y rapportant, soient rédigés en anglais seulement.*

The Warrants and the Warrant Indenture shall be governed and performed, construed and enforced in accordance with the laws of the Province of Ontario and the federal laws applicable therein and shall be treated in all aspects of Ontario contracts.

Time shall be of the essence hereof and of the Warrant Indenture.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be signed by its duly authorized officer as of the ● day of ●, 2014.

COLOSSUS MINERALS INC.

By: _____
Authorized Signing Officer

This Warrant Certificate represents Warrants referred to in the Warrant Indenture within mentioned.

Countersigned by:

EQUITY FINANCIAL TRUST COMPANY

By: _____
Authorized Signing Officer

TRANSFER FORM

ANY TRANSFER OF WARRANTS WILL REQUIRE COMPLIANCE WITH APPLICABLE SECURITIES LEGISLATION. TRANSFERORS AND TRANSFEREES ARE URGED TO CONTACT LEGAL COUNSEL BEFORE EFFECTING ANY SUCH TRANSFER.

TO: Colossus Minerals Inc.
c/o Equity Financial Trust Company
200 University Avenue, Suite 400
Toronto, Ontario M5H 4H1

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto:

_____ (name)

_____ (address)

of the Warrants registered in the name of the undersigned represented by the within warrant certificate and hereby appoints _____ as its attorney with full power of substitution to transfer the said Warrants on the appropriate register of the Warrant Agent.

DATED this ___ day of _____, 20__

Signature Guaranteed

Name of Warrantholder

Name of Authorized Representative

Signature of Warrantholder or Authorized Representative

Title or Capacity of Authorized Representative

Daytime Phone Number of Warrantholder or Authorized Representative

Instructions:

The signature of the Holder must be the signature of the registered holder appearing on the face of this Warrant Certificate.

If this Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the warrant certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Company, acting reasonably.

The signature on this Transfer Form must be guaranteed by a Schedule I Canadian chartered bank, medallion guaranteed by a recognized medallion signature guarantee program or in any other manner satisfactory to the Warrant Agent. The guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature guarantees are not accepted from treasury branches or credit unions unless they are members of the Stamp Medallion Program.

EXERCISE FORM

TO: Colossus Minerals Inc.
 c/o Equity Financial Trust Company
 200 University Avenue, Suite 400
 Toronto, Ontario M5H 4H1

The undersigned holder of the within Warrants hereby irrevocably subscribes for Warrant Shares of Colossus Minerals Inc. on the terms and conditions set forth in the attached Warrant Certificate and the Warrant Indenture. Enclosed herewith is a certified cheque, bank draft or money order in lawful money of the United States, payable to or to the order of the Corporation representing the aggregate subscription price for the Warrant Shares subscribed for. Terms used but not defined herein have the meanings ascribed to them in the Warrant Indenture.

Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Indenture.

The undersigned hereby directs that the said Warrant Shares be issued as follows:

NAME(S) IN FULL	ADDRESS(ES)	NUMBER OF WARRANT SHARES

(Please print.)

DATED this _____ day of _____, 20__

 Signature Guaranteed*

 Name of Warranholder

 Name of Authorized Representative

 Signature of Warranholder or Authorized Representative

 Title or Capacity of Authorized Representative

 Daytime Phone Number of Warranholder or Authorized Representative

Please check this box if the securities are to be picked up at the office where the Warrant Certificate is surrendered, failing which the securities will be mailed to the address shown on the register.

Instructions:

The signature of the Holder must be the signature of the registered Holder appearing on the face of this Warrant Certificate.

If this Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the warrant certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Company, acting reasonably.

*If the Warrant Shares are to be issued to a person other than the registered Holder, then the signature on this Exercise Form must be guaranteed by a Schedule I Canadian chartered bank, medallion guaranteed by a recognized medallion signature guarantee program or in any other manner satisfactory to the Warrant Agent. The guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature guarantees are not accepted from Treasury Branches or credit unions unless they are members of the Stamp Medallion Program.

If securities are to be issued to a person other than the registered Holder, the Transfer Form must be completed and the Holder must pay or cause to be paid to the Company or the Warrant Agent all applicable transfer or similar taxes, if any, and the Company shall not be required to issue or deliver certificates evidencing the Warrant Shares and Warrants unless and until such Holder shall have paid to the Company or the Warrant Agent the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid or that no tax is due.

SCHEDULE "B"
EXISTING SECURITIES

Issued and outstanding Common Shares: 175,547,151
Stock options outstanding: 9,008,750
Warrants issued at \$0.90, expire on August 13, 2015: 25,300,000
Warrants issued at \$8.50, expire on November 8, 2016: 5,175,000

**DISTRICT OF ONTARIO
DIVISION NO. 9 - Toronto
COURT File No. CV-14-10401-00CL**

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF
COLOSSUS MINERALS INC., PURSUANT TO THE BANKRUPTCY AND
INSOLVENCY ACT**

**AND IN THE MATTER OF THE PLAN OF REORGANIZATION PURSUANT TO
THE CANADA BUSINESS CORPORATION ACT**

PROPOSAL AND PLAN OF REORGANIZATION

Duff & Phelps Canada
Restructuring Inc.
Proposal Trustee
333 Bay Street
14th Floor
Toronto ON M5H 2R2

Appendix “B”

In the Matter of the Proposal of Colossus Minerals Inc.
of the City of Toronto, in the Province of Ontario

Preliminary list of creditors as at January 10, 2014, as submitted by Colossus Minerals Inc., without admission as to any liability or privilege herein shown.

Creditor	Account No.	Address	Amount Due (\$)*
American Express	3790-627203-61008; 3790-628685-71006 3790-626605-71006; 3790-626515-71005 3790-632773-31006; 3790-626695-71005 3790-626675-71007; 3790-626655-71009 3790-632763-31007	P.O. Box 2000, West Hill, ON M1E 5H4	37,212.68
Aphex Technologies Inc.		49 Spadina Avenue - Suite 500, Toronto, ON M5V 2J1	2,753.53
Atlas Copco		105 23 Stockholm, Sickla Industriväg 19, Sickla, Stockholm, Sweden	6,697,315.50**
Blender Media Inc.		1111 West Hastings Street, Suite 320, Vancouver, BC V6E 2J3	67.80
Bloomberg Finance L.P.		731 Lexington Avenue, New York, NY 10022 USA	17,542.51
Broadridge Investor Communication Solutions, Canada		P.O. Box 57461 Station A, Toronto, ON M5W 5M5	24,011.28
BW Mining Ltd.		25 Wilgar Rd., Etobicoke, ON M8X 1J3	44,728.79
Canada Revenue Agency	80766 0477	Collection Division - 5001 Yonge Street, Suite 1000, North York, ON M2N 6R9	1,000***
Cassels Brock & Blackwell LLP		2100, Scotia Plaza, 40 King Street W, Toronto, ON M5H 3C2	150,756.25
Cogent Canada, Inc		P.O. Box 46087, Postal Station A, Toronto, ON M5W 4K9	1,017.00
Colossus Minerals Inc. Employees - Placeholder		914 Delaware Road, Buffalo, NY 14223 USA	11,377.73
Converged Logistics Solutions		1 First Canadian Place, 44th Floor, Toronto, ON M5X 1B1	5,503.75
Davies Ward Phillips Vineberg LLP		155 Gordon Baker Rd, Suite 501, Toronto, ON, M2H 3N5	4,104.16
Dell Canada Inc.		P.O. Box 8751 Station A, Toronto, ON M5W 3C2	4,306.14
DisclosureNet Inc.		330 Bay Street, Suite 200, Toronto, ON M5H 2S8	2,825.00
DRA Americas Inc (USD)		44 Victoria Street, Suite 300, Toronto, ON M5C 1Y2	18,113.08
Enfusion Group Inc.		7172 Overstone Lane, Mississauga, ON L5N 7S8	1,125,014.39
Federal Express Canada Ltd		P.O. Box 4626 Station A, Toronto, ON M5W 5B4	18,306.00
G3 Telecom Corp		1039 McNicoll Ave, Toronto, ON M1W 3W6	373.36
Global Crossing Conferencing		P.O. Box 9330 Station A, Toronto, ON M5W 3M2	113.00
Gold Linked Notes - Various holders			482.97
Gowings LaFleur Henderson LLP		100 King Street West, Suite 1600, Toronto, ON M5X 1G5	86,250,000.00
Grand & Toy		P.O. Box 5500, Don Mills, ON M3C 3L5	99,671.05
Illumiti Inc.		45 Vogell Road, Suite 101, Richmond Hill, ON L4B 3P6	153.18
Inveshare Inc.		3060 Royal Blvd South, Site #235, Alpharetta, Georgia 30022 USA	1,130.00
Jardine Lloyd Thompson Canada		220-12th Ave SW, Suite 400, Calgary, AB T2R 0E9	32.57
JDS Energy & Mining Inc.		532 Leon Ave, Suite 200, Kelowna, BC, V1Y 6J6	10,800.00
Koos Systems Inc.		666 Burrard Street, Suite 700, Vancouver, BC V6C 2X8	105,000.00
KPMG LLP		333 Bay Street, Suite 4600, Toronto, ON, M5H 2S5	2,212.50
Level 3 Comunicacoes do Brasil		Av Eld Mansur, 666 - Pq Sao George - Cotta, Sao Paulo Brazil	419,439.05
Marketwire LP		25 York Street, Suite 900, Toronto, ON M5J 2V5	43,147.35
Mediant Communications LLC		P.O. Box 29976, New York, NY 10087-9976 USA	4,237.50
Merril Corporation Canada		1 Adelaide Street East, Suite 3000, P.O. Box 204, Toronto, ON M5C 2V9	13,735.11
Minister of Finance		6th Floor, 33 King Street West, Oshawa, ON L1H 8H5	2,171.52
Mr. Case Never Runs Out		155 Champagne Drive, Unit 12, Toronto, Ontario, M3J 2C6	1.00
National Bank CC		600 Rue De La Gauchetiere Ouest, Bureau 1665-8, Montreal, QC H3B 5B5	88.78
Paul, Weiss, Rifkind, Wharton & Garrison LLP		77 King Street West, Suite 3100, Toronto, ON M5K 1J3	34,551.28
Rogers Cable		P.O. Box 4100, Don Mills, ON M3C 3N9	26,812.81
Roscoe Postle Associates Inc		55 University Avenue, Suite 501, Toronto, ON M5J 2H7	157.24
Sandstorm Gold Ltd		400 Burrard Street, Vancouver, BC, V6C 3A6	144,539.54
Synesis - Versalys		2075 Rue University, Suite 500, Montreal, QC H3A 2L1	75,000,000.00
T.O. Turtle Express Inc.		205 Lauder Avenue, Toronto, ON M6E 3H5	258.69
TD Visa	4520 7100 0165 9421; 4520 7100 0095 8287 4520 7100 0155 7203; 4520 7100 0190 8422 4520 7100 0152 8287	P.O. B / C.P. 611, Agincourt, ON M1S 5J7	106.56
Temple Scott & Associates		190 O'Connor Street, 5th Floor, Orlawa, ON K2P 2R3	8,475.00
The Bedford Consulting Group		145 Adelaide Street West, Suite 400, Toronto, ON M5H 4E5	96,050.00

In the Matter of the Proposal of Colossus Minerals Inc.
of the City of Toronto, in the Province of Ontario

Preliminary list of creditors as at January 10, 2014, as submitted by Colossus Minerals Inc., without admission as to any liability or privilege herein shown.

Creditor	Account No.	Address	Amount Due (\$)***
The Diebold Company of Canada Limited		PO Box 4488 Station A, Toronto, Ontario, M5W 4H1	5,318.79
The Toronto Stock Exchange		The Exchange Tower, Box 421, 130 King Street West, Toronto, ON M5X 1J2	1.00
The Wire Inc.		20 Bay Street, Suite 1100, Toronto, ON M5J 2N8	449.74
The Works Design Communication		10 Britain Street, Toronto ON M5A 1R6	437.88
TMX Equity Transfer Services Inc.		200 University Avenue, Suite 301, Toronto, ON M5H 4H1	17,843.76
TSX Inc.		130 King Street W, P.O. Box 421, Toronto, ON M5X 1J2	544.66
Total			170,501,905.10

*Assumes that all US dollar amounts were converted to CDN dollar amounts at par

** Assumes that all European Euro amounts were converted to C\$ at 1.5

***An amount of \$1.00 indicates that the amount due is undetermined or unknown.

Appendix “C”

Estate No.: 31-1826899

IN THE MATTER OF THE PROPOSAL OF COLOSSUS MINERALS INC,
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

NOTICE OF PROPOSAL TO CREDITORS (SECTION 51)

TAKE NOTICE THAT Colossus Minerals Inc. has lodged a proposal under the *Bankruptcy and Insolvency Act* with Duff & Phelps Canada Restructuring Inc., Trustee.

A copy of the proposal, Statement of Affairs, and a list of the known creditors affected by the proposal are enclosed herewith. Also enclosed are a proof of claim form, proxy and voting letter.

A general meeting of the creditors will be held at the offices of Fasken Martineau DuMoulin LLP, 333 Bay Street, Suite 2400, Toronto, Ontario, on the 25th day of February, 2014, at the hour of 2:00 p.m. (Toronto time).

The creditors or any class of creditors qualified to vote at the meeting may by special resolution accept the proposal as made or as altered or modified at the meeting. If so accepted, and if approved by the Court, the proposal is binding on all the creditors or the class of creditors affected.

Proofs of claim, proxies and voting letters intended to be used at the meeting must be lodged with the Trustee prior thereto.

DATED at Toronto, Ontario this 7th day of February, 2014.

Duff + Phelps Canada Restructuring Inc

**DUFF & PHELPS CANADA RESTRUCTURING INC.
IN ITS CAPACITY AS TRUSTEE UNDER THE PROPOSAL OF
COLOSSUS MINERALS INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “D”

District of: Ontario
 Division No. 09 - Toronto
 Court No. 31-1826899
 Estate No. 31-1826899

Original Amended

Form 78
 Statement of Affairs (Business Proposal) made by an entity
 (Subsection 49(2) and Paragraph 158(d) of the Act / Subsections 50(2) and 62(1) of the Act)
 In the matter of the proposal of
 Colossus Minerals Inc.
 of the City of Toronto, in the Province of Ontario

To the debtor:
 You are required to carefully and accurately complete this form and the applicable attachments showing the state of your affairs on the date of the filing of your proposal (or notice of intention, if applicable), on the 13th day of January 2014. When completed, this form and the applicable attachments will constitute the Statement of Affairs and must be verified by oath or solemn declaration.

LIABILITIES (as stated and estimated by the officer)	
1. Unsecured creditors as per list "A"	160,501,905.10
Balance of secured claims as per list "B"	0.00
Total unsecured creditors	160,501,905.10
2. Secured creditors as per list "B"	1.00 **
3. Preferred creditors as per list "C"	0.00
4. Contingent, trust claims or other liabilities as per list "D" estimated to be reclaimable for	0.00
Total liabilities	160,501,906.10
Surplus	NIL

ASSETS (as stated and estimated by the officer)	
1. Inventory	0.00
2. Trade fixtures, etc.	0.00
3. Accounts receivable and other receivables, as per list "E"	
Good	0.00
*** Doubtful	0.00
Bad	0.00
Estimated to produce	0.00
4. Bills of exchange, promissory note, etc., as per list "F"	0.00
5. Deposits in financial institutions	0.00
6. Cash	500,000.00
7. Livestock	0.00
8. Machinery, equipment and plant	0.00
9. Real property or immovable as per list "G"	0.00
10. Furniture	0.00
11. RRSPs, RRIFFs, life insurance, etc.	0.00
12. Securities (shares, bonds, debentures, etc.)	0.00
13. Interests under wills	0.00
14. Vehicles	0.00
15. Other property, as per list "H"	Unknown *
If debtor is a corporation, add:	
Amount of subscribed capital	0.00
Amount paid on capital	0.00
Balance subscribed and unpaid	0.00
Estimated to produce	0.00
Total assets	500,004.00
Deficiency	160,001,902.10

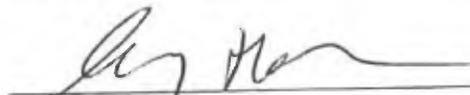
* Value is dependent on the results of the sale process.

** The Company has guaranteed obligations of Colossus Mineracao Ltda. ("Colossus Brazil") owed to Sandstorm Gold Ltd. ("Sandstorm") under a Purchase Agreement between the parties dated September 18, 2012. As security for the Company's obligations to Sandstorm up to \$10 million, the Company has granted a charge in favour of Sandstorm over the Company's 99.9% ownership interest in Colossus Brazil.

*** The security for an unknown amount is in equipment financed by Dell Financial Services Canada Limited.

I, David W. Massola, Officer of Colossus Minerals Inc., do swear (or solemnly declare) that the above statement and the attached lists are to the best of my knowledge, based on the information available to me, a full, true and complete statement of the affairs of Colossus Minerals Inc. on January 13, 2014, and fully disclose all of its property of every description in its possession or that may devolve on it in accordance with Section 67 of the *Bankruptcy and Insolvency Act*.

Sworn (or solemnly declared) before me at
 the City of Toronto, in the Province of Ontario,
 this 6th day of February, 2014



 A Commissioner, etc.



 David W. Massola

Appendix “E”

**Trustee's Report to Creditors on
the Proposal of
Colossus Minerals Inc.**

February 7, 2014

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Court File No.: CV14-10401-00CL

IN THE MATTER OF THE PROPOSAL OF
COLOSSUS MINERALS INC, OF THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO

TRUSTEE'S REPORT TO CREDITORS ON PROPOSAL
(SECTION 50(5) OF THE *BANKRUPTCY AND INSOLVENCY ACT*)

February 7, 2014

1.0 Introduction

1. This report ("Report") is filed by Duff & Phelps Canada Restructuring Inc. ("D&P") in its capacity as Proposal Trustee ("Proposal Trustee") in connection with the Notice of Intention to Make a Proposal ("NOI") filed by Colossus Minerals Inc. (the "Company") on January 13, 2014 ("Filing Date") under Section 50.4 (1) of the *Bankruptcy and Insolvency Act* ("BIA").
2. On January 16, 2014, the Court issued an Order (the "January 16 Order"):
 - a) approving a debtor-in-possession facility ("DIP Facility") in the amount of US\$4 million between the Company, as borrower, and Sandstorm Gold Ltd. ("Sandstorm") and certain Noteholders (as defined in section 3.2 below) (collectively, in such capacity, "DIP Lenders");
 - b) approving a sale and investor solicitation process ("SISP") for the Company's business and assets; and
 - c) extending the period required for the Company to file a proposal under the BIA to March 7, 2014.
3. The principal purpose of these restructuring proceedings is to create a stabilized environment to enable the Company to pursue a restructuring of its financial position, business and operations by either completing: (i) the proposal and plan of reorganization filed by the Company ("Proposal"); and/or (ii) a transaction identified through the SISP for the purchase of its business and assets or for an investment in the Company.
4. The SISP is currently being conducted by the Company and its financial advisor, Dundee Capital Markets, a division of Dundee Securities Ltd. ("Financial Advisor"), under the supervision of the Proposal Trustee. The SISP and the Proposal are being pursued contemporaneously and, depending on the results of the SISP, the Company will either implement a sale or investment transaction or the Proposal, if accepted by creditors and approved by the Court.

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5. On February 7, 2014, the Company filed its Proposal with the Official Receiver in accordance with Section 62(1) of the BIA. A copy of the Proposal is attached as Appendix "A".
 6. Pursuant to the terms of the SISP, non-binding letters of intent ("LOI") are due by February 14, 2014 (the "LOI Deadline"). Any party that submits an acceptable LOI will be invited to submit a binding offer. All binding offers to purchase or invest in the Company are due by February 21, 2014 ("Offer Deadline"). The Proposal Trustee will prepare a supplemental report to creditors after the LOI Deadline if no acceptable LOI is received. If an acceptable LOI is received, the Proposal Trustee will prepare a supplemental report to creditors after the Offer Deadline advising of the results of the SISP and as to whether the Company intends to pursue a transaction under the SISP or to proceed with the Proposal. The supplemental report will be available on the Proposal Trustee's website (<http://www.duffandphelps.com/intl/en-ca/Pages/RestructuringCases.aspx>) and at the Meeting (as defined below).

1.1 Meeting to Consider the Proposal

1. The details of the meeting of creditors to consider the Proposal to be held pursuant to Section 51 (1) of the BIA ("Meeting") are as follows:

Date: February 25, 2014

Time: 2:00 p.m. (Toronto time)

Location: Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
Toronto, Ontario
2. As described in greater detail in Section 8 below, to vote on the Proposal, a creditor of the Company (other than a Noteholder¹) must file a proof of claim with the Proposal Trustee prior to the Meeting. Creditors can vote at the Meeting by attending in person or by submitting voting letters to the Proposal Trustee prior to the Meeting. A proof of claim form, proxy, voting letter and instruction letter are provided in Appendix "B". Creditors should read the instruction letter to understand the voting procedures, including the procedure to register claims with the Proposal Trustee.
3. Noteholders will be provided a different form for voting purposes than ordinary creditors, a copy of which is provided in Appendix "C". The total amount of all Noteholder claims will be determined based on a proof of claim form to be submitted by the Indenture Trustee. Therefore a proof of claim is not required to be submitted by any Noteholder and one will not be included with the Noteholder voting package.

¹ Defined in paragraph below 3.2.1.

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4. A Notice of Proposal to Creditors is provided in Appendix "D". Also attached are the Company's Statement of Affairs (Appendix "E") and a list of creditors (Appendix "F").

1.2 Purposes of this Report

1. The purposes of this report are to:
 - a) Summarize the Company's financial position and the causes of its financial difficulties;
 - b) Detail the terms of the Proposal;
 - c) Provide the Proposal Trustee's findings resulting from its review for preferences and transfers at undervalue;
 - d) Compare the result for unsecured creditors under the Proposal to the result if the Company becomes bankrupt; and
 - e) Provide a recommendation on the Proposal, subject to the outcome of the SISP.

1.3 Currency

1. Unless otherwise noted, all currency references in this Report are to American dollars.

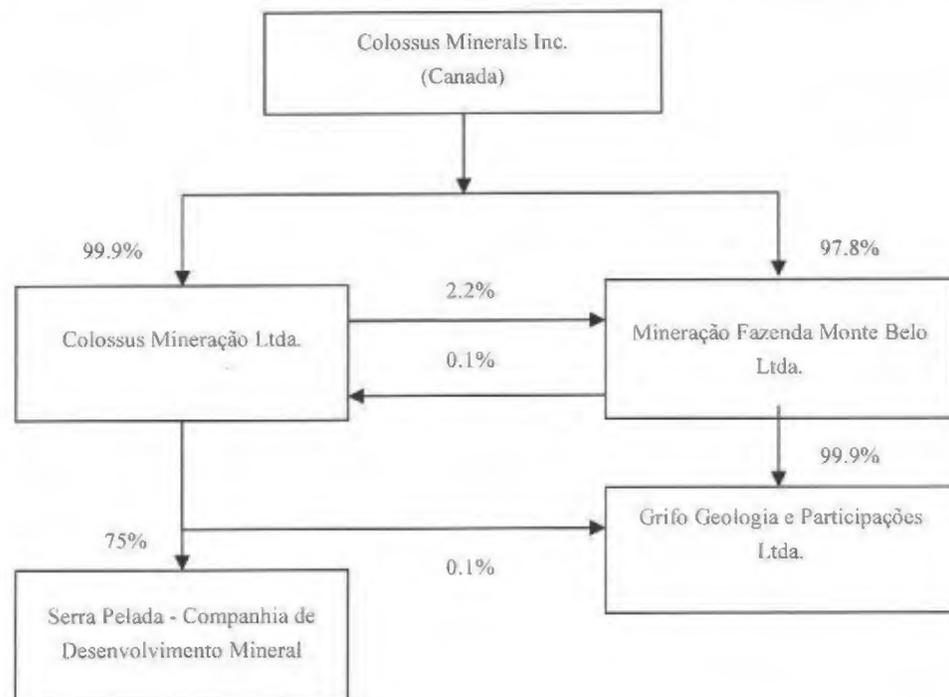
1.4 Restrictions

1. In preparing this Report, the Proposal Trustee has relied upon unaudited financial information prepared by the Company's representatives, the Company's books and records and discussions with its representatives. The Proposal Trustee has not performed an audit or other verification of such information. An examination of the Company's financial forecasts as outlined in the Canadian Institute of Chartered Accountants Handbook has not been performed. Future oriented financial information relied upon in this Report is based on the Company's representatives' assumptions regarding future events; actual results achieved may vary from this information and these variations may be material.

2.0 Financial Position and Causes of Difficulties

2.1 Background

1. The Company is a development stage mining company incorporated under the *Business Corporations Act* (Ontario). The Company is a public holding company and financing vehicle for its direct and indirect subsidiaries (the Company and its subsidiaries are collectively referred to as the "Colossus Group"). The corporate structure of the Colossus Group is provided below.



2. The Colossus Group's mineral properties are not in production and, accordingly, the Colossus Group does not generate revenue. The Colossus Group is dependent on creditors and/or investors to finance its activities.
3. The Colossus Group holds interests in two mineral properties in Brazil: (i) the Serra Pelada Gold Platinum-Palladium Project ("Serra Pelada Mine"); and (ii) the Cutia Property.
4. According to an affidavit sworn on January 13, 2014 by John Frostiak, presently the sole director of the Company ("Frostiak Affidavit"), the Serra Pelada Mine is the only material property owned by the Colossus Group. The Company has a 75% indirect ownership interest in the Serra Pelada Mine through its ownership interest in Serra Pelada – Companhia de Desenvolvimento Mineral ("SPCDM"). The Serra Pelada Mine is fully permitted and it is estimated that 95% of the mine construction has been completed.

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5. The Company also has a 75% indirect ownership interest in the Cutia Property through its interest in Grifo Geologia e Participações Ltda. The Cutia Property is subject to a net smelter return royalty of 1% payable to Cooperative Mista de Garimpeiro de Cutia, the co-owner of the Cutia Property. The Colossus Group has conducted an initial diamond drilling exploration program on the Cutia Property. Although the preliminary exploration results are encouraging, a lack of funding has prevented the Colossus Group from conducting further exploration activities.
 6. The purpose of the SISP is to market the Company's properties, or to obtain an investment in the Company.

2.2 Causes of Financial Difficulties

1. The Colossus Group spent more than \$300 million on exploration and development on the Serra Pelada Mine. As a result of underground development work and construction of a processing plant, the Colossus Group had a monthly cash burn rate of approximately \$4.4 million, plus variable costs. Between September 30, 2012 and the commencement date of these proceedings, the Colossus Group had negative cash flow of approximately \$19 million.
2. In July 2013, the Company discovered that dewatering wells and pumps at the Serra Pelada Mine were not performing to design specifications. The Company determined that additional dewatering capacity was required.
3. It is estimated that approximately \$70 million is required to bring the Serra Pelada Mine into production. In the fourth quarter of 2013, the Company sought financing from potential investors and lenders to fund these expenses. It became clear that the Company would be unable to raise the required capital for the following reasons:
 - Dewatering issues;
 - The Colossus Group's cash burn-rate; and
 - General capital markets conditions, including the decline in commodity prices.
4. In December 2013, the Company halted its development efforts and focused on the issues that had proven to be impediments to raising the capital required to complete development and commence production.
5. After exhausting its liquidity, the Company filed its NOI on January 13, 2014.
6. In order to fund its operations and these restructuring proceedings, the Company entered into the DIP Facility. The DIP Facility is intended to provide the Company with liquidity to fund a "care and maintenance" strategy at the Serra Pelada Mine in order to preserve the value of these assets during these restructuring proceedings.

7. Additional information concerning the Company and the background to these proceedings is provided in the Frostiak Affidavit. The Frostiak Affidavit and other materials filed in the NOI proceedings can be found on the Proposal Trustee's website at:

<http://www.duffandphelps.com/intl/en-ca/Pages/RestructuringCases.aspx>

8. The Frostiak Affidavit contains references to certain anticipated terms of the Proposal that have changed as a result of discussions with certain stakeholders. With respect to the terms of the Proposal, readers are therefore encouraged to read this Report and urged to read the Proposal attached hereto as Appendix "A".

2.3 Historical Operating Results²

1. The Colossus Group's financial results for the nine-month period ending September 30, 2013 and the year ended December 31, 2012 are summarized in the table below:

(unaudited; US\$000's)	(9 Months) Sept. 30, 2013	Year Ended Dec. 31, 2012
Revenue	Nil	Nil
Operating costs		
Exploration	2,272	10,173
Corporate administration	13,612	23,117
	<u>15,884</u>	<u>33,290</u>
Net financing income/(costs)	30,665	4,156
Income tax expense	<u>259</u>	<u>929</u>
Net income/(loss) for the period	<u>14,522</u>	<u>(30,063)</u>

2. As reflected above, the Colossus Group:
- is not generating any revenue;
 - incurred over \$49 million in operating costs from January 1, 2012 to September 30, 2013; and
 - recognized a non-cash accounting gain of approximately \$31 million resulting from the impairment (write-down) in the value of unsecured gold link notes issued by the Company on November 8, 2011 ("Notes") (i.e. the value of the Notes on the 'open market' decreased, resulting in a gain for the Colossus Group).

² 2013 financial results are unaudited

3. Below is a summary of the Colossus Group's consolidated unaudited balance sheet as at September 30, 2013:³

(US\$000's)	Sept 30, 2013	Dec 31, 2012
Current Assets		
Cash	19,020	63,590
Other current assets	4,952	2,346
Total	23,972	65,936
Mining Interests	300,272	213,706
Total Assets	324,244	279,642
Current Liabilities		
Total current liabilities	24,294	14,148
Long term debt	45,218	72,139
Unearned Revenue	75,000	75,000
Total Liabilities	144,512	161,287
Shareholders' Equity/(Deficit)		
Share Capital	288,109	231,830
Retained earnings/(deficit)	(107,910)	(122,432)
Other	(467)	8,957
Total Equity(Deficit)	179,732	118,355
Total Liabilities and Equity/(Deficit)	324,244	279,642

4. The balance sheet reflects that the Colossus Group:
- Had negative cash flow of approximately \$44 million during the nine month period ending September 30, 2013. By the commencement date of these proceedings, the Colossus Group had essentially no remaining cash on hand;
 - Had negative working capital, which has limited its ability to pay its creditors, including employee wages; and
 - Had a significant deficit (approximately \$108 million), resulting from cumulative losses incurred since inception in its mining operations.

³ Consolidated statements for the period ending December 31, 2013 were not yet prepared at the time of this Report.

5. Below is a summary of the Company's unconsolidated unaudited balance sheet as at December 31, 2013:

(US\$000's)	Dec 31, 2013	Dec 31, 2012
Current Assets		
Total current assets	579	58,496
Investments in subsidiaries	132,430	84,502
Intercompany receivable	184,195	129,496
Mining Interests	40,206	23,248
Total Assets	357,410	295,742
Current Liabilities		
Total current liabilities	6,349	2,550
Long term debt	7,297	71,672
Total Liabilities	13,646	74,222
Shareholders' Equity/(Deficit)		
Share Capital	287,955	231,830
Retained earnings/(deficit)	11,064	(44,819)
Other	44,745	34,509
Total Equity(Deficit)	343,764	221,520
Total Liabilities and Equity/(Deficit)	357,410	295,742

6. The balance sheet of the Company as at December 31, 2013 reflects that the:
- Company is without liquidity – it has negative working capital and negligible cash on hand;
 - Company's principal assets are an intercompany receivable in the amount of approximately \$184 million, which the other entities in the Colossus Group do not have the ability to pay, and its investment in its subsidiaries, which are presently without liquidity and are the cause of the Colossus Group's financial crisis; and
 - Amounts due to Noteholders have been written down from approximately \$72 million on December 31, 2012 to \$7.3 million on December 31, 2013, reflecting that they are deeply impaired.
7. The Company has also guaranteed the obligations of Colossus Brazil to Sandstorm in the amount of \$75 million and to an equipment financier of Colossus Brazil, Atlas Copco Customer Finance AB ("Atlas"), in the amount of \$6.7 million. These amounts are not reflected on the balance sheet as they are contingent obligations of the Company.

3.0 Creditors

3.1 Sandstorm

1. On September 18, 2012, the Company and its subsidiary, Colossus Mineracao Ltda. ("Colossus Brazil"), entered into an agreement with Sandstorm ("Sandstorm Agreement") to sell life-of-mine refined precious metals to Sandstorm equal to 35% of platinum, 35% of palladium and 1.5% of gold produced from the Serra Pelada Mine. The initial term of the Sandstorm Agreement is 40 years, subject to successive 10 year renewals at the discretion of Sandstorm.
2. Under the Sandstorm Agreement, Colossus Brazil received an upfront deposit of \$75 million from Sandstorm. In addition to the upfront deposit, Colossus Brazil, among other things, agreed to sell Sandstorm minerals for a purchase price equal to the lesser of (i) \$200 per ounce of platinum, \$100 per ounce of palladium and \$400 per ounce of gold; and (ii) the prevailing market price.
3. Colossus Brazil also guaranteed certain minimum annual deliveries in the initial 10 year period of the Sandstorm Agreement, which were scheduled to commence in 2013. In addition, if within 48 months of receiving the upfront deposit the Serra Pelada Mine does not produce a minimum of 260,000 gold-equivalent ounces of payable metals over a period of twelve consecutive months, then Sandstorm can require Colossus Brazil to refund a pro-rata portion of the upfront deposit.
4. Pursuant to the Sandstorm Agreement, the obligations of Colossus Brazil were to be secured in the amount of \$10 million by the following (collectively, "the Project Charges"):
 - a) A first ranking charge on all equipment and property owned by Colossus Brazil and used in the Serra Pelada Mine, subject to certain carve outs for equipment leases and purchase financing agreements;
 - b) A second ranking charge in, to and over all of the outstanding share capital in SPCDM, the corporation owning Colossus Group's interest in the Serra Pelada Mine. Colossus Brazil has a 75% ownership interest of SPCDM; and
 - c) A first ranking charge in, to and over "quotas" (i.e. shares) of Colossus Brazil owned by the Company, subject to certain permitted interests. The Company owns 99.9% of the share capital of Colossus Brazil.
5. The Company guaranteed the obligations of Colossus Brazil under the Sandstorm Agreement.

3.2 Unsecured Gold-Linked Notes

1. Pursuant to a trust indenture between the Company and Equity Financial Trust Corporation ("Indenture Trustee") dated November 8, 2011, the Company owes C\$86.250 million to noteholders ("Noteholders"). The maturity date for the notes is December 31, 2016. The notes bear interest at between 6% and 13% depending on the price of the Bloomberg Composite New York Gold Price.

3.3 Other Creditors

1. In November 2012 Colossus Brazil entered into an equipment finance agreement with Atlas. As at the Filing Date, approximately \$6.7 million (approximately EUR4.5 million) was outstanding under this facility. As noted above, the Company has guaranteed these payments on an unsecured basis up to a maximum amount of EUR5.45 million.
2. Pursuant to the Company's creditor listing attached to the NOI filing, the Company's other unsecured claims total approximately \$2.6 million, primarily representing vendor claims and amounts due to professional advisors (excluding claims against the Company for termination and severance pay owing to employees).
3. A search of the Ontario Personal Property Registry conducted by counsel to the Company on January 5, 2014 revealed registrations in favour of Dell Financial Services Canada Limited and GE VFS Canada Limited Partnership ("GE"). Since the filing date, GE has advised that it no longer has a security interest in the Company's assets and is in the process of discharging its security.
4. Sandstorm registered a financing statement against the Company on January 24, 2014, in respect of the DIP Facility.

4.0 The Proposal⁴

1. The following section provides an overview of the terms of the Proposal. A copy of the Proposal is provided in Appendix "A". Review of this section is not a substitute for reading the Proposal. Creditors are strongly encouraged to read the Proposal in its entirety prior to voting on the Proposal. Creditors are encouraged to discuss the terms of the Proposal with their legal counsel.

⁴ Capitalized terms used in this section and the following sections are as defined in the Proposal.

4.1 Reorganization

1. The Proposal will amend the Articles of the Company to:
 - a) consolidate the Existing Common Shares on a 200 to 1 basis;
 - b) provide for the cancellation of all Existing Securities, excluding Existing Common Shares;
 - c) permit the issuance of New Common Shares and New Warrants to be distributed to Unsecured Creditors pursuant to the terms of the Proposal, as detailed below; and
 - d) permit the appointment of directors in place of or in addition to all or any of the directors then in office.

4.2 Classes of Creditors

1. There will be one class of Affected Creditors for the purposes of considering and voting on this Proposal comprised of all Unsecured Creditors to the extent of their proven Unsecured Claims.

4.3 Treatment of Creditor Claims

1. The Proposal is only being made to Affected Creditors. Unaffected Creditors include claims of:
 - a) Secured Creditors, to the extent of the value of their security, including the Sandstorm Secured Claim;
 - b) the Proposal Trustee, counsel for the Proposal Trustee or counsel to the Company for Administrative Fees and Expenses;
 - c) the DIP Agent or the DIP Lenders in respect of the DIP Facility;
 - d) the Financial Advisor;
 - e) parties with claims against the directors of the Company that relate to (i) contractual rights arising from contracts with directors; or (ii) are based on allegations of misrepresentation by directors to creditors or of wrongful or oppressive conduct;
 - f) the Crown, with respect to certain Crown claims not subject to compromise under the BIA;
 - g) any director or officer of the Company for claims indemnified by the Company under the January 16 Order;

- h) any creditors for amounts owing by the Company on account of goods, property and services received after the Filing Date. These amounts will be paid in full by the Company in normal course; and
- i) persons arising from the repudiation or disclaimer of an agreement where notice of repudiation or disclaimer was not given more than ten days prior to the Meeting.
2. On the Proposal Implementation Date, in exchange for the release of each Unsecured Claim (other than Unaffected Claims) each Proven Creditor shall receive:
- One new Common Share for 30% of every one Canadian dollar of the Affected Creditor's Proven Claim; and
 - One New Warrant for 30% of every two Canadian dollars of the Affected Creditor's Proven Claims.
3. The following table summarizes the recapitalization:

		(%)	
<u>Equity</u>	1	Undiluted	Diluted
Existing shareholders	2	1.7	1.1
Noteholders		48.8	47.9
Sandstorm	3	36.7	36.0
DIP Lenders	4	7.5	9.8
Atlas		3.8	3.7
Other creditors		1.5	1.5
Total		100	100

Notes

Note 1 – Each beneficiary of New Common Shares will receive shares with an adjusted cost base of \$1/share.

Note 2 - Existing Common Shares are being consolidated on a 200:1 basis.⁵ Currently, there are 175,547,151 shares outstanding and, accordingly, the existing common shareholders will continue to hold 877,736 of Existing Common Shares having a book value of \$877,736.

⁵ The Proposal Trustee sent a notice to the Noteholders on January 30, 2014 stating that the Proposal was expected to consolidate Existing Common Shares by a factor of 100. It has since been determined that the Proposal will, if accepted, consolidate the Existing Common Shares by a factor of 200.

Note 3 – In consideration for terminating the Sandstorm Agreement and discharging the guarantee from the Company and the security granted by the Colossus Group, Sandstorm is to receive from Colossus Brazil a 2% net smelter royalty on the Serra Pelada Mine production (the “NSR”). Sandstorm will also have an unsecured claim in the proposal proceedings for \$65 million of the \$75 million it advanced to Colossus Brazil (that was guaranteed by the Company).

Note 4 - Assumes that the DIP Lenders will convert their debt into equity on the Proposal Implementation Date. Pursuant to the terms of the DIP Facility, the DIP Lenders will receive a DIP Convertible Note in exchange for the amounts owing under the DIP Facility. The DIP Convertible Notes would, among other things, bear interest at 20%, be redeemable by the Company at any time and can be converted by the DIP Lenders into equity at a rate of one Canadian dollar owing under the DIP Facility to one New Common Share and one New Warrant.

4.4 Proposal Conditions

1. The Proposal is conditional upon, among other things:
 - a) Approval of the Proposal by the statutory majorities of creditors as required under the BIA (described in Section 5 below);
 - b) The Approval Order being issued in a form acceptable to the Company and the DIP Agent;
 - c) The DIP Convertible Notes being delivered to the DIP Agent, in escrow, and released to the DIP Agent on the Proposal Implementation Date;
 - d) The Company and Colossus Brazil having entered into the NSR Agreement with Sandstorm and all conditions precedent to the NSR Agreement being satisfied;
 - e) The Sandstorm Agreement and all the guarantees and security granted by the Company related thereto being terminated and discharged;
 - f) The Charges created by the DIP Approval Order being discharged;
 - g) The Articles of Reorganization being filed in accordance with the Approval Order, in a form satisfactory to the DIP Agent; and
 - h) The Company and the DIP Agent shall have delivered a certificate to the Proposal Trustee that the conditions precedent to the Implementation of the Proposal have been satisfied or waived (the “Implementation Certificate”).

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2. Upon written confirmation of receipt by the Proposal Trustee of the Implementation Certificate, the Implementation of the Proposal shall have been deemed to have occurred.
 3. Should any of the above conditions not be met and/or be waived, the Proposal will not be implemented by the Company. If the Proposal is not accepted by the creditors at the Creditors' Meeting, the Company would become bankrupt in accordance with the provisions of the BIA.

4.5 Other Proposal Terms

1. Crown claims, if any, as set out in Section 60(1.1) of the BIA, are to be paid within 6 months of Approval of the Proposal.
2. Preferred Claims, including amounts owing to the Company's employees and former employees that would be subject to Section 136(1)(d) of the BIA, are to be paid in full, without interest, in priority to Unsecured Creditor Claims immediately following the Court Approval Date⁶.
3. Pursuant to Section 147 of the BIA, distributions of New Common Shares and New Warrants and other payments under the Proposal are subject to a levy payable to the Superintendent of Bankruptcy.
4. All Administrative Fees and Expenses are to be paid in priority to creditor claims.
5. Sections 95 to 101 of the BIA, which provide remedies to a Trustee if the Company made preference payments or entered into transactions at undervalue, do not apply (described further in Section 6).
6. Upon implementation, the Affected Creditors will release and discharge all claims that arose prior to the Filing Date against the Company and the Company's current or former directors, other than those director claims specifically defined as "Unaffected Claims" (claims for misrepresentation and contractual claims).
7. The Proposal Trustee shall be entitled to apply for its discharge upon the resolution of Disputed Claims, if any, and the making of distributions to Proven Creditors.

⁶ For the purpose of voting, crown claims, employee and former employee claims under Section 136(1)(d) and all other Preferred Claims are within the class of Unsecured Creditors.

5.0 Acceptance of the Proposal

1. In order for the Proposal to be accepted, at least 66.6% in dollar value of Proven Claims and over 50% in number of Affected Creditors with Proven Claims present and voting, in person or by proxy, must vote in favour of the Proposal. The Proposal must be approved by the Court after it is accepted by creditors. The Company would automatically be deemed bankrupt should the creditors reject the Proposal or should the Court refuse to approve the Proposal.
2. If the Proposal is approved by the Creditors and the Court, distributions, including New Common Shares and New Warrants, are to be made to Affected Creditors with Proven Claims as soon as possible after the Proposal Implementation Date.

6.0 Transfers at Undervalue and Preferential Payments

1. As part of its statutory duties under the BIA, the Proposal Trustee conducted a review of the Company's bank statements and cancelled cheques for the twelve-month period (the "Review Period") immediately preceding the NOI filing date. These disbursements primarily consisted of payments to:
 - Related companies in order to fund operations of Brazilian operations; and
 - Employees for payroll.
2. The Proposal Trustee did not identify any transactions in the Review Period which appear to be at under value or which would be otherwise reviewable in accordance with Sections 95 to 101 of the BIA. The Proposal Trustee may continue this review and would file a supplemental report should such transactions be identified, if it determines necessary.

7.0 Estimated Distributions in the Event of a Bankruptcy

1. In the event of a bankruptcy of the Company, there would be no capital available to preserve the value of the Serra Pelada Mine. The Company would have insufficient liquidity to fund:
 - a) amounts due to employees of its subsidiaries for wages, which may result in the Company being unable to carry on activities at the Serra Pelada Mine;

-
- b) its monthly fee of Brazilian Real 350,000 (approximately \$143,500) to its joint venture partner, Cooperativa de Mineracao dos Garimpeiros de Serra Pelada (“COOMIGASP”), in connection with the Serra Pelada Mine. Colossus Brazil, the indirect owner of the Serra Pelada Mine, had pledged its shares of SPCDM to COOMIGASP as security for failure to pay amounts owing to COOMIGASP;
 - c) dewatering activities, the absence of which will significantly impair the value of the Serra Pelada Mine; and
 - d) security for the Serra Pelada Mine. The inability to fund security may result in vandalism, theft and damage to the Serra Pelada Mine.
2. The Serra Pelada Mine is located in an underdeveloped and economically disadvantaged region of Brazil. Without financing, the mine may need to close, which would result in abrupt layoffs of all employees and possibly cause both civil and political unrest in the area, which could put at risk the mining assets and mineral titles in the Serra Pelada Mine.
 3. As a result of the above, in a bankruptcy scenario, the value of the Company’s assets is at great risk and any value is speculative. The assets directly or indirectly owned by the Company, excluding those related to the Serra Pelada Mine, are immaterial. The only other assets owned by the Colossus Group are its speculative interest in the Cutia Property and furniture and equipment in its head office in Toronto. In addition, the DIP Facility and Administration Charge, which are estimated to be approximately \$4.3 million as of the Meeting date, rank in priority to any amounts available for distribution to Preferred Creditors and Unsecured Creditors.
 4. It is the Proposal Trustee’s view that there is greater value to Unsecured Creditors in the Proposal than in a bankruptcy scenario, particularly after taking into consideration the uncertainty that could result if funding for the Serra Pelada Mine is discontinued.

8.0 Proving Claims of Creditors

8.1 Affected Creditors (other than Noteholders)

1. In order to vote on the Proposal, each Affected Creditor (other than Noteholders) will be required to submit a completed proof of claim, proxy and voting letter which must be received by the Proposal Trustee by no later than the commencement of the meeting to consider the Proposal.
2. For any questions about the Proposal or completing any documents, please contact Noah Goldstein of the Proposal Trustee’s office at 416-932-6207.

8.2 Noteholders

1. In order to vote on the Proposal, each beneficial noteholder will be required to submit a completed proxy and voting letter which must be received by the Proposal Trustee by no later than the commencement of the meeting to consider the Proposal.
2. The total amount of all Noteholder claims will be determined based on a proof of claim form to be submitted by the Indenture Trustee. Therefore a proof of claim is not required to be submitted by any beneficial noteholder.
3. Holders or custodians ("Participant Holders") of Notes on behalf of beneficial noteholders will be provided with proposal materials for distribution to their corresponding beneficial noteholders. Participant Holders are requested to complete and sign the applicable part of the voting and proxy letter for Noteholders (Section D) and to mail it along with the other Proposal materials to each applicable beneficial noteholder. **The beneficial noteholder will be responsible to complete the balance of the proxy and voting letter and submit it directly to the Proposal Trustee.**
4. For any questions about the Proposal or completing any documents, please contact Noah Goldstein of the Proposal Trustee's office at 416-932-6207.

9.0 Recommendation to Creditors

1. Subject to the outcome of the SISP, the Proposal Trustee recommends that the creditors vote in favour of the Proposal as the Proposal provides:
 - a) Unsecured Creditors with a result superior to bankruptcy, particularly after considering the uncertainty and potential disruption at the Serra Pelada Mine resulting from a bankruptcy, such as potential civil unrest, self-help creditor remedies and impairment of value of the Serra Pelada Mine due to an inability to continue to dewater the mine; and
 - b) the Company with a recapitalized balance sheet, which should assist the Company to raise capital for the business of its subsidiaries.

-
2. Subject to the outcome of the SISP, and provided the Proposal is accepted by the Creditors at the Meeting scheduled for February 25, 2014, the Company intends to seek the Court's approval of the Proposal by March 12, 2014.

* * *

Yours truly,

Duff + Phelps Canada Restructuring Inc

**DUFF & PHELPS CANADA RESTRUCTURING INC.
IN ITS CAPACITY AS TRUSTEE UNDER THE PROPOSAL
OF COLOSSUS MINERALS INC.
AND NOT IN ITS PERSONAL CAPACITY**

Appendix “F”

**IN THE MATTER OF THE PROPOSAL OF
COLOSSUS MINERALS INC.,
A COMPANY INCORPORATED PURSUANT TO THE LAWS OF THE
PROVINCE OF ONTARIO, WITH A HEAD OFFICE IN THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO**

**INSTRUCTIONS TO HOLDERS OF UNSECURED GOLD-LINKED NOTES ISSUED BY COLOSSUS
MINERALS INC. FOR COMPLETION OF PROXY AND VOTING LETTER**

This instruction form should be read in conjunction with the proposal and plan of reorganization (the “**Proposal**”) filed by Colossus Minerals Inc. (the “**Company**”) pursuant to the *Bankruptcy and Insolvency Act* (the “**BIA**”), and the accompanying Report of Duff & Phelps Canada Restructuring Inc., in its capacity as proposal trustee (the “**Proposal Trustee**”), filed pursuant to the BIA.

Each beneficial holder (a “**Noteholder**”) of Unsecured Gold-Linked Notes (“**Notes**”) issued by the Company pursuant to a Trust Indenture dated November 8, 2011 between the Company and Equity Financial Trust Company, as indenture trustee (the “**Indenture Trustee**”), has the right to appoint a person (described as a proxy) to attend, act and vote for and on behalf of the Noteholder at the meeting to consider and vote on the Proposal. The enclosed Proxy and Voting Letter lists as the designated proxy a representative of Bennett Jones LLP, but a Noteholder may designate a proxy of his/her/its choice by filling out the form where so indicated.

The Proxy and Voting Letter must be signed by the Noteholder or by a person duly authorized (by power of attorney) to sign on the Noteholder’s behalf or, if the Noteholder is a corporation, partnership or trust, by a duly authorized officer or attorney of the corporation, partnership or trust.

A Noteholder must have the form executed by his/her/its respective intermediary and nominee (“**Participant Holder**”) to verify his/her/its holdings of Notes. If you have received this form from your Participant Holder and Section D has not been completed and signed by your Participant Holder, please contact your Participant Holder immediately to arrange for it to be completed and signed.

The total amount of all Noteholder claims will be determined based on a proof of claim form to be submitted by the Indenture Trustee. Therefore a proof of claim is not required to be submitted by any Noteholder.

If this instruction form was delivered with a return envelope, the Proxy and Voting Letter should be returned in the envelope provided. The completed form must be sent to:

Duff & Phelps Canada Restructuring Inc.
333 Bay Street
14th Floor
Toronto, Ontario M5H 2R2
Attention: Noah Goldstein

ALL PROXY AND VOTING LETTERS MUST BE RECEIVED BY THE PROPOSAL TRUSTEE BY NO LATER THAN THE COMMENCEMENT OF THE MEETING TO CONSIDER THE PROPOSAL AT 2:00 p.m. (Toronto Time) ON FEBRUARY 25, 2014.

Copies of documents related to the Proposal are also available from the Proposal Trustee’s website (<http://www.duffandphelps.com/intl/en-ca/Pages/RestructuringCases.aspx?caseId=941>). Any questions with respect to this process can be directed to Noah Goldstein of Duff & Phelps Canada Restructuring Inc. at (416) 932-6207 or noah.goldstein@duffandphelps.com.

**IN THE MATTER OF THE PROPOSAL OF
COLOSSUS MINERALS INC.,
A COMPANY INCORPORATED PURSUANT TO THE LAWS OF THE
PROVINCE OF ONTARIO, WITH A HEAD OFFICE IN THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO**

**PROXY AND VOTING LETTER FOR HOLDERS OF UNSECURED GOLD-LINKED NOTES
ISSUED BY COLOSSUS MINERALS INC.**

The undersigned holder of Unsecured Gold-Linked Notes (the “Notes”) issued by Colossus Minerals Inc. (in that capacity, a “Noteholder”) hereby revokes all proxies previously given and hereby appoints S. Richard Orzy of Bennett Jones LLP to be his/her/its proxyholder in the above-noted matter, with the power to appoint another proxyholder in his/her/its place, or instead of the foregoing, appoints _____ of _____ (name of town or city), with the power to appoint another proxyholder in his or her place.

The undersigned Noteholder hereby requests that the proxyholder record his/her/its vote:

- FOR THE ACCEPTANCE OF THE PROPOSAL
- AGAINST THE ACCEPTANCE OF THE PROPOSAL

If neither box is marked, a vote in favour of the Proposal will be deemed to have been selected.

A. Amount of Notes to be Voted

If the undersigned’s bank or broker has not affixed a label below listing the aggregate principal amount of Notes held by the undersigned as of February 3, 2014, the undersigned certifies that he/she/it holds the aggregate principal amount of Notes as of February 3, 2014.

Principal (Par) Amount of Notes Held: \$ _____

B. Identification

If the undersigned holds Notes through one or more intermediaries (a “Participant Holder”), the list below accurately describes the name of the Participant Holder(s), the undersigned’s account number with the Participant Holder and the principal amount of all Notes held on behalf of the undersigned by the Participant Holder as of February 3, 2014.

Name & Phone # of Participant Holder	Account Number	Principal Amount of Notes

C. Certification

By signing and returning this form, the undersigned certifies that he/she/it was the beneficial holder of the Notes described in this form as of February 3, 2014.

Dated at _____, this _____ day of _____, 2014.

Name of beneficial holder
of the Notes (print): _____

Authorized signature: _____

Title (if applicable): _____

Address: _____

Telephone: _____

Email: _____

D. Participant Holder

TO BE COMPLETED AND SIGNED BY THE PARTICIPANT HOLDER PRIOR TO SENDING THIS FORM TO THE BENEFICIAL OWNER OF THE NOTES.

Name of Unregistered Noteholder: _____

Name of Participant Holder: _____

Account Number: _____

Principal Amount of Notes: _____

Name of Authorized Signing Officer
at Participant Holder: _____

Title of Authorized Signing Officer
at Participant Holder:

Phone Number of Participant Holder:

Email Address of Participant Holder:

Participant Holder Signature:
(Signature of authorized signing officer
of Participant Holder)

PARTICIPANT HOLDER'S MEDALLION GUARANTEE STAMP/SEAL:

Appendix “G”

Bankruptcy and Insolvency Act ("Act")

Proof of Claim

(Section 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1), and Paragraphs 51(1)(e) and 66.14(b) of the Act)

All notices or correspondence regarding this claim must be forwarded to the following address:

Creditor Name: _____ Telephone: _____
 Address: _____ Fax: _____
 Account No.: _____ Email: _____

In the matter of the bankruptcy (or the proposal, or the receivership) of _____ (name of debtor) Of _____ (city and province) and the claim of _____ creditor.

I, _____ (name of creditor or representative of the creditor), of _____ (city and province), do hereby certify:

1. That I am a creditor of the above-named debtor (or that I am _____ (state position or title) of _____ (name of creditor))
2. That I have knowledge of all the circumstances connected with the claim referred to below.
3. That the debtor was, at the date of bankruptcy, (or the date of the receivership, or in the case of a proposal, the date of the notice of intention or of the proposal, if no notice of intention was filed), namely the _____ day of _____, and still is, indebted to the creditor in the sum of \$ _____, as specified in the statement of account (or affidavit) attached and marked Schedule "A", after deducting any counterclaims to which the debtor is entitled (The attached statement of account or affidavit must specify the vouchers or other evidence in support of the claim)
4. (Check and complete appropriate category)
 - A. UNSECURED CLAIM OF \$ _____**
 (other than as a customer contemplated by Section 262 of the Act)
 That in respect of this debt, I do not hold any assets of the debtor as security and
 (Check appropriate description.)
 - Regarding the amount of \$ _____, I do not claim a right to a priority.
 - Regarding the amount of \$ _____, I claim a right to a priority under Section 136 of the Act.
 (Set out on an attached sheet details to support priority claim.)
 - B. CLAIM OF LESSOR FOR DISCLAIMER OF A LEASE \$ _____**
 That I hereby make a claim under Subsection 65.2(4) of the Act, particulars of which are as follows:
 (Give full particulars of the claim, including the calculations upon which the claim is based.)
 - C. SECURED CLAIM OF \$ _____**
 That in respect of this debt, I hold assets of the debtor valued at \$ _____ as security, particulars of which are as follows:
 (Give full particulars of the security, including the date on which the security was given and the value at which you assess the security, and attach a copy of the security documents.)
 - D. CLAIM BY FARMER, FISHERMAN OR AQUACULTURIST OF \$ _____**
 That I hereby make a claim under Subsection 81.2(1) of the Act for the unpaid amount of \$ _____ (Attach a copy of sales agreement and delivery receipts.)
 - E. CLAIM BY WAGE EARNER OF \$ _____**
 - That I hereby make a claim under Subsection 81.3(8) of the Act in the amount of \$ _____
 - That I hereby make a claim under Subsection 81.4(8) of the Act in the amount of \$ _____
 - F. CLAIM BY EMPLOYEE FOR UNPAID AMOUNT REGARDING PENSION PLAN OF \$ _____**
 - That I hereby make a claim under Subsection 81.5 of the Act in the amount of \$ _____
 - That I hereby make a claim under Subsection 81.6 of the Act in the amount of \$ _____
 - G. CLAIM AGAINST DIRECTOR \$ _____**
 (To be completed when a proposal provides for the compromise of claims against directors.)
 That I hereby make a claim under Subsection 50(13) of the Act, particulars of which are set out on the attached sheet(s). (Give full particulars of the claim, including the calculations upon which the claim is based.)
 - H. CLAIM OF A CUSTOMER OF A BANKRUPT SECURITIES FIRM \$ _____**
 That I hereby make a claim as a customer for net equity as contemplated by Section 262 of the Act, particulars of which are set out on the attached sheet(s).
 (Give full particulars of the claim, including the calculations upon which the claim is based.)

Bankruptcy and Insolvency Act ("Act")

Proof of Claim

(Section 50.1, 81.5, 81.6, Subsections 65.2(4), 81.2(1), 81.3(8), 81.4(8), 102(2), 124(2), 128(1), and Paragraphs 51(1)(e) and 66.14(b) of the Act)

- 5. That, to the best of my knowledge, I am (or the above-named creditor is) (or am not or is not) related to the debtor within the meaning of Section 4 of the Act, and have (or has) (or have not or has not) dealt with the debtor in a non-arm's-length manner.
6. That the following are the payments that I have received from, the credits that I have allowed to, and the transfers at undervalue within the meaning of Subsection 2(1) of the Act that I have been privy to or a party to with the debtor within the three months (or, if the creditor and the debtor are related within the meaning of Section 4 of the Act or were not dealing with each other at arm's length, within the 12 months) immediately before the date of the initial bankruptcy event within the meaning of Subsection 2(1) of the Act: (Provide details of payments, credits and transfers at undervalue.)
7. (Applicable only in the case of the bankruptcy of an individual.)
[] Whenever the trustee reviews the financial situation of a bankrupt to redetermine whether or not the bankrupt is required to make payments under Section 68 of the Act, I request to be informed, pursuant to Paragraph 68(4) of the Act, of the new fixed amount or of the fact that there is no longer surplus income.
[] I request that a copy of the report filed by the trustee regarding the bankrupt's application for discharge pursuant to Subsection 170(1) of the Act be sent to the above address.

Dated at _____, this _____ day of _____.

Witness _____ Creditor _____

NOTE: If an affidavit is attached, it must have been made before a person qualified to take affidavits.
WARNINGS: A trustee may, pursuant to Subsection 129(3) of the Act, redeem a security on payment to the secured creditor of the debt or the value of the security as assessed, in a proof of security, by the secured creditor.
Subsection 201(1) of the Act provides severe penalties for making any false claim, proof, declaration or statement of account.

DIRECTIONS FOR COMPLETION OF THIS FORM ARE ON THE REVERSE SIDE

GENERAL PROXY

(Paragraphs 51(1)(e) and 66.15(3)(b) and Subsection 102(2))

In the matter of the bankruptcy (or proposal) of _____ a bankrupt (or an insolvent)
I (or We), _____ (name of creditor), of _____ (name of city, town or village),
a creditor in the above matter, hereby appoint _____ of _____, to be
my (or our) general proxy in the above matter except as to the receipt of dividends, with (or without) power to appoint
another general proxy in his or her place.

DATED AT _____ this _____ day of _____.

Witness _____ Individual Creditor OR Name of Corporate Creditor
Per: _____
Witness _____ Name and Title of Signing Officer

CHECKLIST FOR PROOF OF CLAIM

This checklist is provided to assist you in preparing the accompanying proof of claim form and, where required, proxy form in a complete and accurate manner. Please specifically check each requirement.

Under Section 109 of the *Bankruptcy and Insolvency Act* only those creditors who have filed their claims in the proper form with the trustee, before the time appointed for the meeting, are entitled to vote at the meeting.

Section 124 states that every creditor shall prove his claim and the creditor who does not prove his claim is not entitled to share in any distribution that may be made.

General

- The signature of a witness is required;
- The claim must be signed personally by the individual completing this declaration;
- Provide the complete address where all notices or correspondence are to be forwarded;
- The amount of the statement of account must correspond to the amount indicated on the proof of claim

Notes:

- It is permissible to file a proof of claim by fax.
- A creditor may vote either in person or by proxy at any meeting of creditors if the proof of claim is filed with the trustee prior to the time appointed for the meeting.
- A quorum at any meeting of creditors consists of at least one creditor with a valid proof of claim in attendance in person or by proxy.
- A corporation may vote through an authorized agent or mandatary at meetings of creditors.
- In order for a duly authorized person to have a right to vote, they must be a creditor or be the holder of a properly executed proxy. The name of the creditor must appear in the proxy.
- A creditor who is participating in any distribution from an estate must have filed a proof of claim prior to the distribution being declared.
- In the case of an individual bankrupt, by checking the appropriate box or boxes at the bottom of the proof of claim form, you may request that the trustee advise you of any material change in the financial situation of the bankrupt or the amount the bankrupt is required to pay into the bankruptcy, and a copy of the trustee's report on the discharge of the bankrupt.

Paragraph 1

- Creditor must state full and complete legal name of company or firm.
- If the individual completing the proof of claim is not the creditor himself, he/she must state his/her position or title.

Paragraph 3

- The amount owing must be set out in paragraph 3.
- A detailed statement of account must be attached to the proof of claim and must show the date, the number and the amount of all the invoices or charges, together with the date, the number and the amount of all credits or payments. A statement of account is not complete if it begins with an amount brought forward.

Paragraph 4

- **Paragraph A** applies to *ordinary unsecured claims*. In addition to recording the amount of the claim, please indicate whether the claim has a priority pursuant to Section 136 of the Act.
- **Paragraph B** applies to lessor claims in a commercial proposal. Please ensure that the claim applies to a commercial proposal and, if so, include the full particulars of the claim.
- **Paragraph C** applies to *secured claims*. Please indicate the dollar value of the security and attach copies of the security document. In addition, please attach copies of the security registration documents, where appropriate.
- **Paragraph D** applies to *inventory claims of farmers, fishermen and aquaculturists*. Please note that such claims apply only to inventory supplied from farmers, fishermen and aquaculturists within 15 (fifteen) days of the date of bankruptcy. In addition, please attach copies of any applicable sales agreements and delivery slips.
- **Paragraph E** applies to *claims by wage earners*. Please note that such claims apply only for unpaid wages owed upon the bankruptcy of an employer or when the employer becomes subject to a receivership.
- **Paragraph F** applies to *claims by employees for unpaid amounts regarding pension plans*. Please note that such claims apply only to unremitted pension contributions outstanding when the sponsoring employer becomes bankrupt or is subject to a receivership.
- **Paragraph G** applies to *claims against directors*. Please note that such claims apply only to directors of corporations that have filed a commercial proposal to creditors that includes a compromise of statutory claims against directors.
- **Paragraph H** applies to *claims of customers of a bankrupt securities firm*. Please ensure that the claim of the customer is for net equity and, if so, include the full particulars of the claim, including the calculations upon which the claim is based.

Paragraph 5

- All claimants must indicate whether or not they are related to the debtor, as defined in Section 4 of the Act, or dealt with the debtor in a non-arm's-length manner.

Paragraph 6

- All claimants must attach a detailed list of all payments or credits received or granted, as follows:
 - a) Within the three (3) months preceding the initial bankruptcy event (including the bankruptcy or the proposal), in the case where the claimant and the debtor are not related.
 - b) Within the twelve (12) months preceding the initial bankruptcy event (including the bankruptcy or the proposal), in the case where the claimant and the debtor were not dealing at arm's length.

APPOINTING PROXY

Note: The Act permits a proof of claim to be made by a duly authorized representative of a creditor but, in the absence of a properly executed proxy, does not give such an individual the power to vote at the first meeting of creditors nor to act as the proxyholder of the creditors.

General

- In order for duly authorized persons to have a right to vote, they must themselves be creditors or be the holders of a properly executed proxy. The name of the creditor must appear in the proxy.

Notes:

- A creditor may vote either in person or by proxyholder.
- A proxy may be filed at any time prior to a vote at a meeting of creditors.
- A proxy can be filed with the trustee in person, by mail or by any form of telecommunication.
- A proxy does not have to be under the seal of a corporation unless required by its incorporating documents or its bylaws.
- The individual designated in a proxy cannot be substituted unless the proxy provides for a power of substitution.
- Bankrupts/debtors may not be appointed as proxyholders to vote at any meeting of their creditors.
- The trustee may be appointed as a proxyholder for any creditor.
- A corporation cannot be designated as a proxyholder.

Appendix “H”

IN THE MATTER OF THE PROPOSAL OF COLOSSUS MINERALS INC., OF THE
CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

VOTING LETTER
Bankruptcy and Insolvency Act
(Section 51(1)(f))

I/We, _____, creditor of Colossus Minerals Inc., a creditor in the above matter for the sum of \$ _____, hereby request the trustee acting with respect to the proposal of Colossus Minerals Inc., to record my vote as:

(PLEASE INDICATE YOUR VOTE BELOW, BY CHECK MARK)

For _____

Against _____

the acceptance of the proposal as made on the 7th day of February, 2014.

DATED at _____, this _____ day of February, 2014.

(Signature of Witness)

(Signature of creditor or person signing on behalf of creditor)

(Print name and title of person signing on behalf of creditor)

Appendix “I”

**IN THE MATTER OF THE PROPOSAL OF
COLOSSUS MINERALS INC.,
A COMPANY INCORPORATED PURSUANT TO THE LAWS OF THE
PROVINCE OF ONTARIO, WITH A HEAD OFFICE IN THE CITY OF TORONTO,
IN THE PROVINCE OF ONTARIO**

INSTRUCTIONS TO PARTICIPANT HOLDERS

TO: PARTICIPANT HOLDERS OF UNSECURED GOLD-LINKED NOTES ISSUED BY COLOSSUS MINERALS INC.

RE: Meeting to vote on the Proposal and Plan of Reorganization filed by Colossus Minerals Inc. (the “Company”) pursuant to the *Bankruptcy and Insolvency Act* (the “Proposal”)

According to the records of CDS Clearing and Depository Services Inc. (“CDS”), you are the holder or custodian (the “**Participant Holder**”) on behalf of one or more unregistered holders (each a “**Noteholder**”) of Unsecured Gold-Linked Notes (“**Notes**”) issued by the Company pursuant to a Trust Indenture dated November 8, 2011 between the Company and Equity Financial Trust Company, as indenture trustee (the “**Indenture Trustee**”).

You (or your agent) are requested to complete and sign the applicable part of an enclosed Proxy and Voting Letter (Section D) and to mail it to each applicable Noteholder that has an account with you.

We enclose an Information Package for Noteholders (including (i) a copy of the Proposal, (ii) Report of Duff & Phelps Canada Restructuring Inc., in its capacity as trustee in the proposal of the Company (the “**Proposal Trustee**”), (iii) Instructions to Noteholders and (iv) Proxy and Voting Letter) to be forwarded by you or your agent (after you have filled in Section D of the Proxy and Voting Letter) to each of the Noteholders recorded in your account records or book entry records. We enclose one additional copy of these materials for your use.

The total amount of all Noteholder claims will be determined based on a proof of claim form to be submitted by the Indenture Trustee. Therefore a proof of claim is not required to be submitted by you or any Noteholder.

You should instruct Noteholders to deliver their completed Proxy and Voting Letters directly to the Proposal Trustee, in accordance with the Instructions to Noteholders.

THE MATERIALS ARE TIME SENSITIVE AND SHOULD BE FORWARDED TO THE APPLICABLE NOTEHOLDERS WITHOUT DELAY.

IF A COMPLETED PROXY AND VOTING LETTER IS NOT RECEIVED BY THE PROPOSAL TRUSTEE PRIOR TO THE DEADLINE OF 2:00 P.M. ON FEBRUARY 25, 2014, THE NOTEHOLDER WILL NOT BE ENTITLED TO VOTE AT THE MEETING TO CONSIDER THE PROPOSAL.

We request that you provide any assistance that a Noteholder may require in completing its Proxy and Voting Letter. You are not required to compile or provide to the Proposal Trustee any information regarding Noteholders. You are required only to complete and sign the Proxy and Voting Letter as specified in these instructions and to forward it together with the other enclosed materials to the applicable Noteholders.

If you have any questions regarding your obligations or the process, please contact the Proposal Trustee at the following coordinates:

Duff & Phelps Canada Restructuring Inc.
333 Bay Street
14th Floor
Toronto, Ontario MSH 2R2

Attention: Noah Goldstein
Telephone: (416) 932-6207
Fax: (647) 497-9490
Email: noah.goldstein@duffandphelps.com

Copies of documents related to the Proposal are also available from the Trustee's website (<http://www.duffandphelps.com/intl/en-ca/Pages/RestructuringCases.aspx?caseId=941>).

Appendix “J”

DISTRICT OF ONTARIO
DIVISION NO. 9 - Toronto
COURT File No. CV-14-10401-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE PROPOSAL OF
COLOSSUS MINERALS INC. PURSUANT TO THE *BANKRUPTCY AND INSOLVENCY
ACT*

AND IN THE MATTER OF THE PLAN OF REORGANIZATION PURSUANT TO THE
BUSINESS CORPORATION ACT (ONTARIO)

AMENDED PROPOSAL AND PLAN OF REORGANIZATION

WHEREAS on January 13, 2014, Colossus Minerals Inc. (the “**Company**”) initiated proceedings under the *Bankruptcy and Insolvency Act* (Canada) (the “**BIA**”) by filing a notice of intention to make a proposal pursuant to section 50.4 of the BIA;

AND WHEREAS on January 16, 2014, the Court issued an order (the “**DIP Approval Order**”) that, among other things, approved the DIP Facility and the sale and investment solicitation process (the “**SISP**”) to be administered by the Company and its Financial Advisor under the supervision of the Proposal Trustee pursuant to the terms of the SISP;

AND WHEREAS it is intended that if no “**Successful Bid**” is received by the Company in accordance with the terms of the SISP, a meeting of creditors of the Company will be held to consider and vote on a proposal to creditors;

AND WHEREAS it is intended should a Successful Bid be obtained in accordance with the terms of the SISP, such meeting of creditors would be adjourned;

AND WHEREAS the Company submitted a proposal under the BIA and plan of reorganization under the *Business Corporations Act* of Ontario (“**OBCA**”) to the Proposal Trustee on February 7, 2014;

AND WHEREAS the Company wishes to make certain amendments to the proposal filed on February 7, 2014 in accordance with the terms thereof and the DIP Agent and Proposal Trustee Consent to those changes;

NOW THEREFORE the Company hereby submits the following amended proposal under BIA and plan of reorganization under the *Business Corporations Act* of Ontario (“**OBCA**”) to its creditors (the “**Proposal**”).

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Proposal, unless otherwise stated or the context should otherwise require, the capitalized terms and phrases used but not defined herein have the following meanings:

- (a) “**Administration Charge**” has the meaning given to it in the DIP Approval Order;
- (b) “**Administrative Fees and Expenses**” means the fees, expenses and disbursements incurred by or on behalf of the Proposal Trustee, the solicitors for the Proposal Trustee and the solicitors of the Company, both before and after the filing by the Company of this Proposal, relating to this Proposal;
- (c) “**Affected Claims**” means all Claims, other than the Unaffected Claims;
- (d) “**Affected Creditors**” means all Persons having Affected Claims;
- (e) “**Approval Order**” means an order of the Court approving this Proposal, which order shall include provisions permitted by section 186 of the *OBCA* as may be necessary or appropriate to give effect to this Proposal, including those described in Section 3.1 of this Proposal as it may be amended or restated from time to time;
- (f) “**Articles of Reorganization**” means the articles of reorganization effecting the reorganization of the Company’s share capital in accordance with Section 3.1 hereof;
- (g) “**Atlas Guarantee**” means the guarantee given by the Company to Atlas Copco Customer Finance AB guaranteeing the obligations of Colossus Brazil under the equipment finance agreement between Colossus Brazil and Atlas Copco Customer Finance AB, as amended from time to time;
- (h) “**BIA**” has the meaning given to it in the recitals;
- (i) “**BIA Proceeding**” means the proceeding commenced by the Company under the BIA on the Filing Date;
- (j) “**Business Day**” means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Toronto;
- (k) “**CDS**” means CDS Clearing and Depository Services Inc. or any successor thereof;
- (l) “**Claim**” means all Severance Claims, all Repudiation Claims, all Landlord Claims, any claim in respect of the Atlas Guarantee, the Sandstorm Claim, the Noteholders Claim, all Equity Claims, and any other right or claim of any Person,

against the Company or any of its directors (in their capacity as directors of the Company) in connection with any indebtedness, liability or obligation which indebtedness, liability or obligation is based in whole or in part on facts existing prior to the Filing Date, or which could have been claims provable in bankruptcy had the Company become bankrupt on the Filing Date, including claims that are liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, unknown, disputed, undisputed or whether by guarantee, by surety, by subrogation or otherwise incurred and whether or not such a right is executory or anticipatory in nature, including the right or ability of any Person to advance a claim for contribution or indemnity or otherwise, with respect to any matter, action, cause or chose in action whether existing at present or commenced in the future. For greater certainty, Claims do not include Unaffected Claims;

- (m) “**Colossus Brazil**” means the Company’s wholly-owned subsidiary, the Brazilian corporation Colossus Mineração Ltda.;
- (n) “**Company**” has the meaning given to it in the recitals;
- (o) “**Court**” means the Ontario Superior Court of Justice (Commercial List);
- (p) “**Court Approval Date**” means the date on which the Court issues the Approval Order;
- (q) “**Creditors’ Meeting**” means the meeting of Unsecured Creditors to be held on February 25, 2014 for the purpose of considering and voting upon this Proposal, and any adjournment of such meeting;
- (r) “**Crown Claims**” means all amounts owing to Canada Revenue Agency that could be subject to a demand under subsection 224(1.2) of the *Income Tax Act* or under any substantially similar provision of provincial legislation as at the Filing Date;
- (s) “**DIP Approval Order**” means the January 16, 2014 order of the Court, among other things, approving the DIP Credit Facility, as it may be amended, restated or supplemented from time to time ;
- (t) “**DIP Agent**” means Sandstorm, in its capacity as administrative and collateral agent for the DIP Lenders under the DIP Credit Agreement;
- (u) “**DIP Convertible Note**” means the convertible note to be issued to the DIP Lenders on the maturity of the DIP Credit Facility in accordance with the DIP Credit Agreement;
- (v) “**DIP Credit Agreement**” means the DIP credit agreement dated January 30, 2014 among the Company, Sandstorm as administrative and collateral agent and the lenders from time to time party thereto, as it may be amended, supplemented or restated from time to time;

- (w) **“DIP Facility”** means the debtor-in-possession credit facility provided to the Company by the DIP Lenders pursuant to the DIP Credit Agreement;
- (x) **“DIP Lenders”** means Sandstorm and lenders from time to time party to the DIP Credit Agreement;
- (y) **“director”** has the meaning given to it in the BIA;
- (z) **“Directors’ Charge”** has the meaning given to it in the DIP Approval Order;
- (aa) **“Effective Time”** means 12:01 a.m. (Toronto time) on the Proposal Implementation Date;
- (bb) **“Engagement Letter”** means the engagement letter between the Company and the Financial Advisor dated November 27, 2013;
- (cc) **“Equity Claims”** means any Claim constituting an equity claim under section 2 of the BIA;
- (dd) **“Existing Common Shares”** means all of the issued and outstanding shares in the capital of the Company at the Effective Time, being 175,547,151 common shares;
- (ee) **“Existing Securities”** means all issued and outstanding options, warrants, convertible securities, exchangeable securities and any other rights to acquire any of the foregoing, in respect of the Company, including those set out in Schedule “B” to this Proposal, but for greater certainty excluding the DIP Convertible Note;
- (ff) **“Existing Shareholders”** means, collectively, holders of the Existing Securities immediately prior to the Effective Time;
- (gg) **“Filing Date”** means January 13, 2014, the date on which the Company filed a Notice of Intention to Make a Proposal with the Official Receiver in accordance with the BIA;
- (hh) **“Financial Advisor”** means Dundee Capital Markets, a division of Dundee Securities Ltd., acting as financial advisor for the Company;
- (ii) **“Financial Advisor Claims”** means any claims by the Financial Advisor pursuant to the Engagement letter;
- (jj) **“Fractional Interests”** has the meaning given to such term in Section 6.10 of this Proposal;
- (kk) **“Gold Linked Notes”** means the unsecured gold-linked notes in the aggregate original principal amount of Cdn\$86,250,000 issued pursuant to the terms of a trust indenture between the Company and Equity Financial Trust Corporation dated November 8, 2011;

- (ll) **“Governmental Authority”** means any governmental, regulatory or administrative authority, department, agency, commission, board, panel, tribunal, Crown corporation, Crown ministry or court or other law, rule or regulation-making or enforcing entity having or purporting to have jurisdiction on behalf of any nation, or province, territory or state or other subdivision thereof or any municipality, district or other subdivision thereof;
- (mm) **“Implementation”** means the completion and implementation of the transactions contemplated by this Proposal, including, the issuance and distribution of the New Common Shares and New Warrants to Proven Creditors in the manner contemplated herein;
- (nn) **“Implementation Certificate”** has the meaning given to it in Subsection 5.2(k) of this Proposal;
- (oo) **“including”** means “including, without limitation”, and **“includes”** means “includes without limitation”;
- (pp) **“Landlord Claim”** means any claim of a landlord arising from a disclaimer of the landlord’s lease by the Company in accordance with Section 2.5 of this Proposal;
- (qq) **“New Common Shares”** means the common shares of the Company to be issued to the Noteholders pursuant to Section 6.3 of this Proposal and the common shares of the Company to be issued to the Proven Creditors other than Noteholders pursuant to Section 6.4 which shares shall be on terms identical to the Existing Common Shares;
- (rr) **“New Warrants”** means the purchase warrants to acquire common shares in the share capital of the Company, with the terms and attributes set out in Schedule “A” to this Proposal, to be distributed in accordance with Sections 6.3 and 6.4 of this Proposal;
- (ss) **“Note Indenture”** means the note indenture dated November 8, 2011 that was entered into between the Company and the Note Indenture Trustee in connection with the issuance of the Gold Linked Notes as it may be amended, restated or supplemented from time to time;
- (tt) **“Note Indenture Trustee”** means Equity Financial Trustee Company, as trustee under the Note Indenture;
- (uu) **“Noteholders”** means the holders of the Gold Linked Notes, and **“Noteholder”** means anyone of them;
- (vv) **“Noteholders Claims”** means the unsecured claims of the Noteholders in respect of the Gold Linked Notes;

- (ww) “**NSR Agreement**” means the net smelter royalty agreement to be entered into between the Company, Colossus Brazil and Sandstorm pursuant to the NSR Term Sheet;
- (xx) “**NSR Term Sheet**” means the net smelter return royalty term sheet dated January 6, 2014 among the Company, Colossus Brazil and Sandstorm;
- (yy) “**OBCA**” has the meaning given to it in the recitals;
- (zz) “**Official Receiver**” means the officer appointed pursuant to subsection 12(2) of the BIA in the City of Toronto, Ontario, to perform the duties and responsibilities more fully set out in the BIA.
- (aaa) “**Order**” means any order of the Court made in connection with the BIA Proceeding;
- (bbb) “**Participant Holders**” has the meaning given to it in Section 2.7 of this Proposal;
- (ccc) “**Person**” is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, any Governmental Authority, and the executors, administrators or other legal representatives of an individual in such capacity;
- (ddd) “**Preferred Creditors**” means those creditors of the Company whose claims are entitled to be paid in priority to the claims of other Unsecured Creditors as provided under section 136 of the BIA;
- (eee) “**Proposal Implementation Date**” means the date on which Implementation occurs;
- (fff) “**Proposal Trustee**” means Duff & Phelps Canada Restructuring Inc. or its duly appointed successor;
- (ggg) “**Proposal Trustee’s Website**” means the following website:
<http://www.duffandphelps.com/intl/en-ca/Pages/RestructuringCases.aspx>;
- (hhh) “**Proven Claim**” means in respect of a creditor, the amount of a Claim as finally determined in accordance with the provisions of the BIA;
- (iii) “**Proven Creditor**” means an Unsecured Creditor holding a Proven Claim to the extent of its Proven Claim;
- (jjj) “**Reduced Claim Amount**” means, in respect of an Unsecured Creditor, the amount as calculated by the Proposal Trustee equal to such Unsecured Creditor’s Proven Claim as multiplied by 0.30, as rounded up or down to the nearest whole \$1.00 (with fractions equal to \$0.50 and more being rounded up);

- (kkk) **“Repudiation Claim”** means any Claim that arises as a result of a disclaimer or repudiation of a contract, arrangement, agreement, lease (other than a lease of real property) or indenture by the Company in accordance with section 65.11 of the BIA;
- (lll) **“Required Majority”** means an affirmative vote of a majority in number and two-thirds in value of all Proven Claims in the Unsecured Creditor Class entitled to vote, who are present and voting at the Creditors’ Meeting (whether in person, by proxy or by voting letter) in accordance with the voting procedures established by this Proposal and the BIA;
- (mmm) **“Sandstorm”** means Sandstorm Gold Inc.;
- (nnn) **“Sandstorm Agreement”** means the agreement among Sandstorm, the Company and Colossus Brazil dated September 18, 2012 for the purchase by Sandstorm of life-of-mine refined precious metals;
- (ooo) **“Sandstorm Claim”** means the US\$65,000,000 unsecured claim of Sandstorm arising under the Sandstorm Agreement as proven in accordance with the provisions of the BIA, which for greater certainty excludes the Sandstorm Secured Claim;
- (ppp) **“Sandstorm Secured Claim”** means the US\$10,000,000 first ranking charge, liens and security interests of Sandstorm in and to quotas held by the Company representing 99.99% of the capital stock of Colossus Brazil pursuant to the terms of the Sandstorm Agreement;
- (qqq) **“Secured Claim”** means any Claim which are secured by a mortgage, charge lien, hypothec or other security validly charging or encumbering any of the property or assets of the Company as of the Filing Date, but excluding any Claims in respect of the DIP Credit Facility and Claims secured by the Administration Charge and the Directors’ Charge;
- (rrr) **“Secured Creditors”** means any Person having a Secured Claim to the extent of its Secured Claim, other than Sandstorm in respect of the Sandstorm Secured Claim;
- (sss) **“Severance Claims”** means any and all claims to which the Company is or will be subject for damages, wrongful dismissal, severance entitlements or termination entitlements arising from or under (a) the *Employment Standards Act* (Ontario) or any other applicable statute, (b) common law, and/or (c) any express or implied agreement; which claims are as a result of the termination or notice of termination given by the Company, on or before the time of the Creditors’ Meeting, of any Person’s employment (whether such Person is identified in such agreement as an employee, independent contractor, consultant or otherwise);
- (ttt) **“SISP”** has the meaning given to it in the recitals;

- (uuu) **"Superintendent's Levy"** means the levy payable to the Superintendent of Bankruptcy pursuant to section 60(4) and section 147 of the BIA;
- (vvv) **"Unaffected Claim"** means:
- (i) any Claim by the Proposal Trustee, counsel for the Proposal Trustee or counsel to the Company for Administrative Fees and Expenses, including those secured by the Administration Charge;
 - (ii) any Claim by the DIP Agent or any of the DIP Lenders in respect of the DIP Credit Facility, which amounts outstanding thereunder shall be converted into the DIP Convertible Note on the maturity thereof in accordance with the terms of the DIP Credit Agreement;
 - (iii) any Claim by any director or officer of the Company under paragraph 9 of the DIP Approval Order, including those secured by the Directors' Charge;
 - (iv) any Claim against directors of the Company that (a) relate to contractual rights of one or more creditors arising from contracts with one or more directors; or (b) are based on allegations of misrepresentation made by directors to creditors or of wrongful or oppressive conduct by directors;
 - (v) any Claim for amounts owing by the Company on account of goods, property or services actually provided to and received by the Company at the Company's request after the Filing Date or for taxes, duties or similar amounts owed in respect of the business carried on by the Company after the Filing Date, which monies shall be paid in full by the Company in accordance with the terms previously agreed upon with the suppliers of such goods, property or services or as required under applicable law in respect of such taxes, duties or similar amounts;
 - (vi) Crown Claims;
 - (vii) any Financial Advisor Claims pursuant to the terms of the Engagement Letter;
 - (viii) the Claims of Persons arising from the repudiation or disclaimer of an agreement where notice of repudiation or disclaimer was not given at least five (5) days prior to the Creditors' Meeting; and
 - (ix) the Sandstorm Secured Claim and any other Claim of a Secured Creditor, in each case only to the extent of the value of the security.
- (www) **"Unaffected Creditor"** means a creditor having an Unaffected Claim to the extent of its Unaffected Claim;
- (xxx) **"Undeliverable Distributions"** mean distributions to Proven Creditors that are returned as undeliverable;

(yyy) “**Unsecured Claim**” means any Claim other than a Secured Claim, including, a Severance Claim, Repudiation Claim, Landlord Claim, the Sandstorm Claim and a Noteholder Claim;

(zzz) “**Unsecured Creditor**” means any creditor having an Unsecured Claim to the extent of its Unsecured Claim; and

(aaaa) “**Unsecured Creditor Class**” means the class of creditors comprised of Unsecured Creditors.

1.1 Date of Any Action

In the event that any date on which any action is required to be taken under this Proposal by any of the parties is not a Business Day, the action shall be required to be taken on the next proceeding day which is a Business Day.

1.2 Time

All times expressed in this Proposal are local time Toronto, Ontario, Canada, unless stipulated otherwise. Time is of the essence in this Proposal.

1.3 Statutory References

Any reference in this Proposal to a statute includes all regulations made thereunder and all amendments to such statutes or regulations in force from time to time.

1.4 Successors and Assigns

The Proposal shall be binding upon and shall enure to the benefit of the heirs, administrators, executors, legal personal representatives, successors and assigns of any Person or party named or referred to in the Proposal.

1.5 Monetary References

All references to currency and to “\$” are to Canadian dollars, unless otherwise indicated.

ARTICLE 2 CLASSIFICATION OF AFFECTED CREDITORS, VALUATION OF CLAIMS AND RELATED MATTERS

2.1 Classes of Creditors

There shall be one class of Affected Creditors for the purposes of considering and voting on this Proposal comprised of all Unsecured Creditors to the extent of their Unsecured Claims.

2.2 Proxies and Voting Letters

Proxies as provided for in the BIA indicating a Person authorized to act for the Unsecured Creditor, may be submitted to the Proposal Trustee (who, subject to the

consent of the Official Receiver, will chair the Creditors' Meeting) at, or any time prior to, the commencement of the Creditors' Meeting. Voting letters as provided for in the BIA submitted to the Proposal Trustee prior to the Creditors' Meeting must indicate whether the Unsecured Creditor wishes to cast its vote in favour or against the Proposal. Voting letters that do not indicate either preference will be deemed to indicate a vote in favour of the Proposal. Persons in attendance at the Creditors' Meeting shall cast their vote in the manner prescribed by the Proposal Trustee and the BIA. For greater certainty, Unaffected Creditors shall not be entitled to vote the value of their Unaffected Claim.

2.3 Quorum and Conduct of Creditors' Meeting

A quorum shall be constituted for the Creditors' Meeting or any adjournment thereof if there is one Unsecured Creditor, entitled to vote, present in person or by proxy, or if one Unsecured Creditor, entitled to vote, has submitted a voting letter in accordance with the provisions of the BIA and this Proposal. If the requisite quorum is not present at the Creditors' Meeting or if the Creditors' Meeting has to be postponed for any reason, then the Creditors' Meeting shall be adjourned by the Proposal Trustee to such date, time and place as determined by the Proposal Trustee. For greater certainty, the Creditors' Meeting may be adjourned one or more times.

2.4 Location of Creditors' Meeting

The Creditors' Meeting shall take place at 2:00 p.m. (Toronto time) on February 25, 2014 at 333 Bay Street, Suite 2400, Toronto, Ontario.

2.5 Landlord Claims

In the case of any lease of real property disclaimed by the Company pursuant to section 65.2 of the BIA, the landlord affected by the disclaimer may file a proof of claim for an amount equal to the lesser of the amounts described in subsections 65.2(4)(b)(i) and (ii) of the BIA. A Landlord Claim shall be treated as an Unsecured Claim under this Proposal, even if the effective date of the disclaimer is after the Creditors' Meeting, the Court Approval Date or the Proposal Implementation Date and even if the landlord objects to the disclaimer, in which case such landlord may file a proof of claim on a contingent basis.

2.6 Repudiation of Contracts, etc.

The Company may repudiate or give notice of disclaimer of any contract, arrangement, agreement, lease (other than leases of real property, the disclaimer of which are dealt with Section 2.5 hereof) or indenture to which it is a party pursuant to section 65.11 of the BIA and provided such notice of disclaimer is given, at least five (5) days prior to the Creditors' Meeting, the Repudiation Claim of each Person resulting or arising from the disclaimer of such contracts, arrangements, agreements, leases and indentures shall be an Unsecured Claim for the purposes of this Proposal, even if the effective date of the disclaimer is after the Creditors' Meeting, the Court Approval Date or the Proposal Implementation Date and even if the Person affected by the disclaimer objects to the disclaimer, in which case such Person may file a proof of claim on a contingent basis.

2.7 Proofs of Claim and Treatment of Disputed Claims

In order to vote on the Proposal, each beneficial Noteholder will be required to submit a completed proxy and voting letter which must be received by the Proposal Trustee by no later than the commencement of the Creditors' Meeting.

The total amount of all Noteholders Claims will be determined based on a proof of claim form to be submitted by the Indenture Trustee. A proof of claim is not required to be submitted by any beneficial Noteholder in respect of its Noteholders Claim.

Holders or custodians ("**Participant Holders**") of Notes on behalf of beneficial Noteholders will be provided with proposal materials for distribution to their corresponding beneficial Noteholders. The Proposal Trustee will require that Participant Holders complete and sign the applicable part of the voting and proxy letter for Noteholders (Section D) and to mail it along with the other Proposal materials to each applicable beneficial Noteholder. **The beneficial Noteholder will be responsible to complete the balance of the proxy and voting letter and submit it directly to the Proposal Trustee.** Each beneficial Noteholder will be entitled to a single vote at the Creditors' Meeting in the full amount of its Noteholders Claim.

Each Unsecured Creditor other than a Noteholder in respect of its Noteholders Claim will be required to submit a proof of claim to the Proposal Trustee. Each Unsecured Creditor other than a Noteholder voting pursuant to a Noteholders claim shall be entitled to a single vote valued in the full amount of its Proven Claim with respect to the vote of the Unsecured Creditor Class. In order to the vote at the Creditors' Meeting, the proof of claim must be submitted prior to the commencement of the Creditors' Meeting.

The provisions of section 135 of the BIA will apply to all Proofs of Claim submitted by Unsecured Creditors, including in respect of disputed Claims.

2.8 Approval by Affected Creditors

In order to be approved, this Proposal must receive the affirmative votes of the Required Majority.

2.9 Modification to Proposal

Subject to the consent of the DIP Agent and the Proposal Trustee, the Company reserves the right at any time prior to the Creditors' Meeting to file any modification of, amendment or supplement to the Proposal by way of a supplementary proposal and plan of reorganization. Any such amended or supplementary proposal shall forthwith be posted on the Proposal Trustee's Website, sent to the service list in the BIA Proceeding and filed with the Official Receiver as soon as practicable, in which case any such amended or supplementary proposal or proposals shall, for all purposes, be and be deemed to be a part of and incorporated into the Proposal. At the Creditors' Meeting, the Company and/or the Proposal Trustee shall provide all Unsecured Creditors in attendance with details of any modifications or amendments prior to the votes being taken to approve the Proposal. Subject to the provisions of the BIA and the Rules promulgated thereunder, after the Creditors' Meeting (and both prior to and subsequent to the Approval Order) and

subject to the consent of the DIP Agent and the Proposal Trustee, the Company may at any time and from time to time vary, amend, modify or supplement the Proposal.

ARTICLE 3 REORGANIZATION

3.1 Reorganization

The Approval Order, in addition to approving this Proposal, shall authorize and approve the filing of the Articles of Reorganization which Articles of Reorganization shall, among other things, amend the Articles of the Company, to the extent necessary:

- (a) to consolidate the Existing Common Shares on the basis of 200 to 1;
- (b) to provide for the cancellation of all Existing Securities, excluding the Existing Common Shares;
- (c) to permit the issuance of the New Common Shares to be distributed to Proven Creditors pursuant to this Proposal;
- (d) to permit the issuance of the New Warrants to be distributed to Proven Creditors pursuant to this Proposal; and
- (e) to appoint directors in place of or in addition to all or any of the directors then in office.

ARTICLE 4 TREATMENT OF CREDITORS' CLAIMS

4.1 Voting by Unsecured Creditors

Each Proven Creditor shall be entitled to vote on this Proposal at the Creditors' Meeting, to the extent of its Proven Claim for voting purposes. Notwithstanding the foregoing, Unsecured Creditors having Equity Claims shall not be entitled to vote in respect of such Equity Claims at the Creditors' Meeting.

4.2 Compromise to Unsecured Creditors

On the Proposal Implementation Date, in exchange for the full and final satisfaction, compromise, settlement, release and discharge of each Unsecured Claim:

- (a) each Proven Creditor, shall receive:
 - (A) for every one (1) Canadian dollar of the Reduced Claim Amount for such Proven Creditor as calculated by the Proposal Trustee, one (1) New Common Share; and

- (B) for every two (2) Canadian dollars of the Reduced Claim Amount for such Proven Creditor as calculated by the Proposal Trustee, one (1) New Warrant.

4.3 Existing Shareholders.

In connection with or as a result of the Implementation of this Proposal, Existing Shareholders shall not be entitled to any payment or other compensation on account of their Equity Claims under this Proposal

4.4 Preferred Creditors

The Proven Claims of all Preferred Creditors, if any, shall be paid without interest, in priority to the Claims of other Unsecured Creditors in accordance with section 136 of the BIA, including the Proven Claims of all employees or former employees for all amounts provable as described in subsection 60(1.3) of the BIA which, if any, shall be paid immediately after the Court Approval Date.

4.5 Crown Claims

All Crown Claims that were outstanding at the Filing Date, if any, shall be paid in full to Her Majesty in right of Canada or a province, within six months after the Court Approval Date.

4.6 Repayment of Administrative Fees and Expenses

Administrative Fees and Expenses incurred and invoiced prior to the Proposal Implementation Date shall be paid in the ordinary course of business out of the Company's cash. Any Administrative Fees and Expenses that have not been invoiced or paid at the Proposal Implementation Date shall be an Unaffected Claim.

4.7 Extinguishment of Claims

On the Proposal Implementation Date in accordance with its terms and in the sequence set forth in this Proposal and in accordance with the provisions of the Approval Order, the treatment of Affected Claims shall be final and binding on the Company, all Affected Creditors (and their respective heirs, executors, administrators, legal personal representatives, successors and assigns), and all Affected Claims shall be fully, finally, irrevocably and forever released, discharged, cancelled and barred, and the Company and the directors shall thereupon have no further obligation whatsoever in respect of the Affected Claims; *provided that* nothing herein releases the Company or any other Person from their obligations to make distributions in the manner and to the extent provided for in the Proposal and *provided further* that such discharge and release of the Company shall be without prejudice to the right of an Affected Creditor in respect of a disputed Claim to prove such disputed Claim in accordance with the BIA so that such disputed Claim may become an allowed Unsecured Claim entitled to receive consideration herein.

4.8 Guarantees and Similar Covenants

No Person who has a Claim under any guarantee, surety, indemnity or similar covenant in respect of any Claim which is compromised and released under this Proposal or who has any right to claim over in respect of or to be subrogated to the rights of any Person in respect of a Claim which is compromised under this Proposal shall be entitled to any greater rights as against the Company than the Person whose Claim is compromised under the Proposal.

**ARTICLE 5
CONDITIONS**

5.1 Confirmation of Proposal

Provided that the Proposal is approved by the Required Majority, the Proposal Trustee shall apply for the Approval Order no later than five (5) Business Days following the Creditors' Meeting or such other date as the Court may order.

5.2 Conditions Precedent to Implementation of the Proposal

This Proposal will take effect on the Proposal Implementation Date. The Implementation of this Proposal on the Proposal Implementation Date is subject to the satisfaction of the following conditions precedent:

- (a) the Proposal is approved by the Required Majority;
- (b) the Approval Order, in form and substance satisfactory to the Company and the DIP Agent, has been issued, has not been stayed and no appeal therefrom is outstanding;
- (c) the terms of the New Warrants shall be satisfactory to the Company and the DIP Agent;
- (d) the DIP Convertible Notes shall have been delivered to the DIP Agent in escrow to be released to the DIP Agent on the Proposal Implementation Date for distribution by the DIP Lenders in accordance with the DIP Credit Agreement;
- (e) the Company and Colossus Brazil shall have entered into the NSR Agreement with Sandstorm, in form and substance satisfactory to Sandstorm and the Company, and all conditions precedent under the NSR Agreement shall have been satisfied or waived in accordance with the terms thereof, other than the condition relating to the Implementation of this Proposal;
- (f) the Sandstorm Agreement shall have been terminated by the parties thereto and the guarantee granted by Colossus to Sandstorm of the obligations of Colossus Brazil under the Sandstorm Agreement and the Sandstorm Secured Claim shall have been terminated, discharged and released;

- (g) the charges created by the DIP Approval Order or any other Order shall have been discharged as at the Effective Time;
- (h) there shall not be in effect any preliminary or final decision, order or decree by a Governmental Authority, no application shall have been made to any Governmental Authority, and no action or investigation shall have been announced, threatened or commenced by any Governmental Authority, in consequence of or in connection with the Proposal that restrains, impedes or prohibits (or if granted could reasonably be expected to restrain, impede or inhibit), the Proposal or any part thereof or requires or purports to require a variation of the Proposal;
- (i) the Company shall have delivered to the DIP Agent a certificate of an officer of the Company (without personal liability) certifying that to the knowledge of the officer, as of the Implementation Date, there have been no material breaches of the Support Agreement by the Company that have not been consented to or waived by the DIP Agent;
- (j) the DIP Agent shall be satisfied that all securities of the Company, when issued and delivered, are duly authorized, validly issued and fully paid and non-assessable and the issuance thereof is exempt from all prospectus and registration requirements;
- (k) the Articles of Reorganization, in form and substance satisfactory to the DIP Agent, effecting the reorganization of the Company's share capital in accordance with the Proposal shall have been filed in accordance with the Approval Order;
- (l) all other actions, documents and agreements necessary to implement the Proposal as required herein shall have been effected and executed, in each case, in form and substance satisfactory to the DIP Agent; and
- (m) the Company and the DIP Agent shall have delivered a certificate to the Proposal Trustee that the conditions precedent to the Implementation of the Proposal have been satisfied or waived (the "Implementation Certificate").

Upon written confirmation of receipt by the Proposal Trustee of the Implementation Certificate, the Implementation of the Proposal shall have been deemed to have occurred and all actions deemed to occur upon Implementation of the Proposal shall occur without the delivery or execution of any further documentation, agreement or instrument.

ARTICLE 6 DISTRIBUTIONS UNDER THE PROPOSAL

6.1 Superintendent's Levy

All New Common Shares and New Warrants to be distributed under this Proposal shall be delivered by the Company to the Proposal Trustee for distribution by the Proposal Trustee to Proven Creditors in accordance with this Proposal and, notwithstanding any other provisions hereunder, any distributions made pursuant to the terms hereof shall be made net of the Superintendent's Levy required to be made, pursuant to sections 147 and 60(4) of the BIA.

6.2 Stated Capital

The aggregate stated capital for purposes of the OBCA for the New Common Shares and New Warrants issued pursuant to this Proposal will be as determined by the board of directors of the Company.

6.3 Distributions to Noteholders

- (a) This Section 6.3 sets forth the distribution mechanics with respect to the New Common Shares and the New Warrants that are to be distributed to the Noteholders pursuant to the Proposal.
- (b) The delivery of the New Common Shares and the New Warrants to the Noteholders will be made through the facilities of CDS to CDS participants, who, in turn, shall make delivery of interests in such New Common Shares and New Warrants to the beneficial holders of such Gold Linked Notes pursuant to standing instructions and customary practices; provided that, if either the New Common Shares or New Warrants are not CDS eligible, delivery of any such ineligible indirect Noteholder distributions will be made to the Note Indenture Trustee who, in turn, will make delivery of the applicable New Common Shares and New Warrants to each of the Noteholders through the direct registration system of Equity Financial Trust Company (or such other transfer agent as the Company may appoint). Distributions to Noteholders by the Proposal Trustee shall be made as soon as practicable after the Effective Time.
- (c) The Company and the Proposal Trustee shall have satisfied their responsibilities in respect of the distribution of New Common Shares and New Warrants to the Noteholders once such New Common Shares and New Warrants have been delivered to CDS or the Note Indenture Trustee, as applicable. The Company and the Proposal Trustee will have no liability or obligation in respect of deliveries from CDS, or its nominee, to CDS participants or from CDS participants to beneficial holders of the Gold Linked Notes or from the Note Indenture Trustee to beneficial holders of the Gold Linked Notes.

6.4 Distribution to Proven Creditors (other than Noteholders)

- (a) This Section 6.4 sets forth the distribution mechanics with respect to the New Common Shares and the New Warrants that are to be distributed to Proven Creditors other than Noteholders pursuant to the Proposal.
- (b) The Proposal Trustee will distribute New Common Shares and New Warrants to Proven Creditors other than Noteholders in accordance with this Proposal and each Proven Creditor that is receiving securities shall receive one (1) New Common Share for every one (1) Canadian dollar of its Reduced Claim Amount and one (1) New Warrant for every two (2) dollars of its Reduced Claim Amount.
- (c) The distribution of New Common Shares and New Warrants shall be made by the Proposal Trustee to the Proven Creditors as soon as practicable after the Effective Time.
- (d) Unsecured Creditors holding a disputed Claim will not receive a distribution until the disputed Claim is resolved in accordance with this Proposal and the BIA. Unaffected Creditors will not be entitled to receive any distributions under this Proposal with respect to their Unaffected Claims and Unaffected Claims shall not be compromised under this Proposal.

6.5 Undeliverable Distributions

Undeliverable Distributions shall be dealt with and treated in the manner provided for in the BIA and the Directives promulgated pursuant thereto.

6.6 Final Distributions

As soon as reasonably possible after the acceptance of this Proposal by the Required Majority, the Proposal Trustee shall give notice pursuant to section 149(1) of the BIA to every Person with an Affected Claim of which the Proposal Trustee has notice or knowledge but whose Affected Claim has not been proved that if such Person does not prove its Claim within a period of thirty (30) days after the giving of the notice, the Proposal Trustee will proceed to declare a final creditor distribution without regard to such Person's Claim; the distribution referred to in said notice shall be deemed a final creditor distribution and any Person so notified who does not prove its Claim within the said thirty (30) days shall be barred from making a Claim in this Proposal or sharing in any creditor distribution hereunder, subject to any exceptions set out in subsections 149(2), (3) and (4) of the BIA.

6.7 Cancellation of Certificates and Notes

Upon Implementation of the Proposal, all debentures, notes (including the Gold Linked Notes), certificates, agreements, invoices and other instruments evidencing Affected Claims will not entitle any holder thereof to any compensation or participation other than as expressly provided for in the Proposal and will be cancelled and will be null and void.

Notwithstanding the foregoing, the Note Indenture shall remain in effect for the purpose of and to the extent necessary to: (i) allow the Note Indenture Trustee to make distributions to the Noteholders; and (ii) maintain all of the protections the Note Indenture Trustee enjoys as against the Noteholders, including lien rights, if any, with respect to any distributions under this Proposal, until all distributions are made to Noteholders hereunder.

6.8 Currency

Unless specifically provided for in the Proposal or the Approval Order, for the purposes of distributions under the Proposal, a Claim shall be denominated in Canadian dollars and all payments and distributions to the Affected Creditors on account of their Claims shall be made in Canadian dollars. Any Claims denominated in a foreign currency shall be converted to Canadian dollars at the Bank of Canada noon exchange rate in effect at the Filing Date.

6.9 Interest

Interest shall not accrue or be paid on Affected Claims on or after the Filing Date, and no holder of an Affected Claim shall be entitled to interest accruing on or after the Filing Date.

6.10 Fractional Interests

No fractional interests of New Common Shares or New Warrants (“**Fractional Interests**”) will be issued under this Proposal. Recipients of New Common Shares and New Warrants will have their entitlements adjusted downwards to the nearest whole number of New Common Shares or New Warrants, as applicable, to eliminate any such Fractional Interests and no compensation will be given for the Fractional Interest.

6.11 Allocation of Distributions

All distributions made pursuant to the Proposal shall be allocated first towards the repayment of the principal amount in respect of such Affected Creditor’s Affected Claim and second, if any, towards the repayment of all accrued but unpaid interest in respect of such Affected Creditor’s Affected Claim.

ARTICLE 7
PROCEDURE FOR DISTRIBUTIONS REGARDING DISPUTED CLAIMS

7.1 No Distribution Pending Allowance

An Affected Creditor holding a disputed Claim will not be entitled to receive a distribution under the Proposal in respect of such disputed Claim or any portion thereof unless and until, and then only to the extent that, such disputed Claim is allowed pursuant to the BIA.

7.2 Distributions after Disputed Distribution Claims Resolved

Once a disputed Claim with respect to a Noteholder is resolved, a distribution will be made to that Noteholder as to its Proven Claim in accordance with Section 6.3 of this Proposal. Once a disputed Claim with respect to an Unsecured Creditor that is not a Noteholder is resolved, a distribution will be made to that Proven Creditor as to its Proven Claim in accordance with Section 6.4 of this Proposal.

ARTICLE 8

IMPLEMENTATION OF THE PROPOSAL AND EFFECT OF THE PROPOSAL

8.1 Proposal Implementation

On the Proposal Implementation Date, this Proposal will become effective and be binding on and enure to the benefit of the Company and all Affected Creditors in accordance with the terms of this Proposal, irrespective of whether the Affected Creditor submits a proof of claim under this Proposal.

8.2 Effect of the Proposal Generally

The payment, compromise or satisfaction of any Affected Claims under this Proposal, if approved by the Court, shall be binding upon each Affected Creditor and his, her or its heirs, executors, administrators and other legal representatives, successors and assigns, as the case may be, for all purposes and this Proposal will constitute (a) a full, final and absolute settlement of all rights of the Affected Creditors against the Company and the directors of the Company (in their capacity as directors of the Company) in respect of the Affected Claims; and (b) an absolute release and discharge of all indebtedness, liabilities and obligations of or in respect of the Affected Claims against the Company and the directors of the Company (in their capacity as directors of the Company) and all Liens granted by the Company in respect thereof, including any interest or costs accruing thereon (whether before or after the Filing Date).

8.3 Consents and Releases

Upon Implementation of the Proposal, all Affected Creditors will be deemed to have consented and agreed to all of the provisions of this Proposal in its entirety. In particular, each Affected Creditor shall be deemed to have executed and delivered to the Company and the directors of the Company all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Proposal in its entirety.

8.4 Waivers of Defaults

Upon Implementation of the Proposal, all Persons shall be deemed to have waived any and all defaults of the Company then existing or previously committed by the Company, or caused by the Company, by any of the provisions in the Proposal or steps contemplated in the Proposal, or non-compliance with any covenant, warranty,

representation, term, provision, condition or obligation, expressed or implied, in any contract, instrument, credit document, indenture, note, lease, guarantee, agreement for sale or other agreement, written or oral, and any and all amendments or supplements thereto, existing between such Person and the Company and any and all notices of default and demands for payment or any step or proceeding taken or commenced in connection therewith under any such agreement shall be deemed to have been rescinded and of no further force or effect, provided that nothing shall be deemed to excuse the Company from performing its obligations under the Proposal or be a waiver of defaults by the Company under the Proposal and the related documents. For great certainty, nothing in this Section shall waive any obligations of the Company in respect of any of the Unaffected Claims.

8.5 Deeming Provision

In this Proposal, the deeming provisions are not rebuttable and are conclusive and irrevocable.

8.6 Preferences and Transfers at Undervalue

Section 95 through and including section 101 of the BIA do not apply to this Proposal.

8.7 Proposal Releases

Upon Implementation, all Claims of the Affected Creditors and all claims of the Affected Creditors existing or hereafter arising, based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place on or prior to the Proposal Implementation Date relating to, arising out of or in connection with the Company or its assets, business or affairs, whenever and however conducted, this Proposal or the BIA Proceeding, other than Unaffected Claims, and the right to enforce the Company's obligations under this Proposal shall be deemed to be fully and finally satisfied, settled and discharged and (a) no Affected Creditor shall have any further right, remedy or claim against the Company in respect of all or any portion of the Affected Creditor's Claim, and (b) no Affected Creditor shall have any further right, remedy or claim against the officers, directors, partners, shareholders, agents, contractors, employees or professional or legal advisors of the Company in respect of all or any portion of any Claim. Nothing herein shall release any Unaffected Claim.

8.8 Release of Directors

Upon Implementation, the Affected Creditors shall be deemed to fully release and discharge and shall not pursue any claims or assessments against the Company's current or former directors for claims against any such current or former directors of the Company that arose prior to the Filing Date and that relate to the liabilities of the Company where such current or former directors are by law liable in their capacity as directors for the payment of such obligations. Nothing herein shall be interpreted as an acknowledgement of any liability or obligations of any of the current or former directors. For greater certainty, Unaffected Claims, including Unaffected Claims that relate to

contractual rights of one or more creditors arising from contracts with one or more directors or based on allegations of misrepresentation made by directors or of wrongful or oppressive conduct by directors are not released.

ARTICLE 9 NOTICES

9.1 Notices

Any notice, certificate, consent, determination or other communication required or permitted to be given or made under this Proposal shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service, or (iii) sent by email transmission, in each case to the applicable address set out below:

(a) If to the Company:

COLOSSUS MINERALS INC.
One University Avenue, Suite 401
Toronto, ON M5J 2P1

Attention: **John Frostiak & Dave Massola**
Email: mjfrostiak@bell.net; dave.massola@colossusminerals.com

With a copy to:

FASKEN MARTINEAU LLP
333 Bay Street, Suite 2400
Toronto, Ontario, M5H 2T6

Attention: **Stuart Brotman**
Email: sbrotman@fasken.com

(b) If to the Proposal Trustee:

DUFF & PHELPS CANADA RESTRUCTURING INC.
333 Bay Street
14th Floor
Toronto ON M5H 2R2

Attention: **Bobby Kofman**
Email: bobby.kofman@duffandphelps.com

With a copy to

CHAITONS LLP

5000 Yonge Street
10th Floor
Toronto, ON M2N 7E9

Attention: **George Benchetrit**
Email: george@chaitons.com

any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed or sent before 4:30 p.m. (Toronto time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

ARTICLE 10 MISCELLANEOUS

10.1 Capacity of Proposal Trustee and Certificate of Completion

Duff & Phelps Canada Restructuring Inc. shall be the Proposal Trustee under this Proposal. Upon resolution of all disputed Claims, if any, and the making of the distributions by the Proposal Trustee to Proven Creditors as contemplated by this Proposal, the terms of the Proposal shall be deemed to be fully performed and the Proposal Trustee shall provide to the Company and to the Official Receiver a certificate pursuant to section 65.3 of the BIA and the Proposal Trustee shall be entitled to be discharged.

10.2 Non-Consummation

Subject to the terms of the Support Agreement, the Company reserves the right to revoke or withdraw the Proposal at any time prior to the Court Approval Date. If the Company revokes or withdraws the Proposal, or if the Approval Order is not issued or if the Proposal Implementation Date does not occur, (a) the Proposal shall be null and void in all respects, (b) any settlement or compromise embodied in the Proposal, including the fixing or limiting to an amount certain any Claim, any document or agreement executed pursuant to the Proposal shall be deemed null and void, and (c) nothing contained in the Proposal, and no acts taken in preparation for consummation of the Proposal, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Company or any other Person; (ii) prejudice in any manner the rights of the Company or any other Person in any further proceedings involving the Company; or (iii) constitute an admission of any sort by the Company or any other Person.

10.3 Paramountcy

From and after the Effective Time, any conflict between:

- (a) the Proposal or the Approval Order; and

- (b) the covenants, warranties, representations, terms, conditions, provisions or obligations, expressed or implied, of any contract, mortgage, security agreement, indenture, trust indenture, note, loan agreement, commitment letter, agreement for sale, lease or other agreement, written or oral and any and all amendments or supplements thereto existing between one or more of the Affected Creditors and the Company as at the Proposal Implementation Date and the notice of articles, articles or bylaws of the Company at the Proposal Implementation Date;

will be deemed to be governed by the terms, conditions and provisions of the Proposal and the Approval Order, which shall take precedence and priority.

10.4 Different Capacities

Persons who are affected by this Proposal may be affected in more than one capacity. Unless expressly provided herein to the contrary, a Person will be entitled to participate hereunder in each such capacity. Any action taken by a Person in one capacity will not affect such Person in any other capacity, unless expressly agreed by the Company and the Person in writing or unless its Claims overlap or are otherwise duplicative.

10.5 Further Assurances

The Company, Sandstorm, the Proposal Trustee, the DIP Agent and the Affected Creditors will execute and deliver all such documents and instruments and do all such acts and things as may be necessary or desirable to carry out the full intent and meaning of this Proposal and to give effect to the transactions contemplated herein.

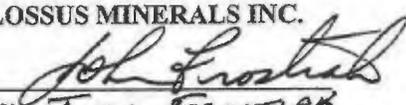
10.6 Governing Law

This Proposal will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

Dated at Toronto, Ontario this 18th day of February, 2014.

COLOSSUS MINERALS INC.

Per: 

Name:

JOHN FROSTIAR

Title:

DIRECTOR

SCHEDULE "A"

**SCHEDULE A FORM OF WARRANT CERTIFICATE
WARRANT CERTIFICATE**

COLOSSUS MINERALS INC.

(Incorporated under the laws of the Province of Ontario)

[If applicable, include the following legend:

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. ("CDS") TO COLOSSUS MINERALS INC. (THE "ISSUER") OR THE WARRANT AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS AN INTEREST HEREIN. THIS CERTIFICATE IS ISSUED PURSUANT TO A MASTER LETTER OF REPRESENTATION OF THE ISSUER TO CDS, AS SUCH LETTER MAY BE REPLACED OR AMENDED FROM TIME TO TIME.]

No. W-●
CUSIP: ●

●

WARRANTS entitling the Holder (as defined below) to acquire, subject to adjustment, one Common Share (as defined below) of Colossus Minerals Inc. (the "Company") for each Warrant (as defined below) represented hereby.

THIS WARRANT CERTIFICATE IS TO CERTIFY that, for value received,

●

(herein referred to as the "**Holder**")

is the registered holder of the number of Common Share purchase warrants of the Company (the "**Warrants**") stated above and, subject to adjustment as set forth in the Warrant Indenture (as defined below), is entitled to purchase one common share of the Company (a "**Warrant Share**") at a price of US\$1.00 (the "**Exercise Price**") at any time prior to 4:00 p.m. (Toronto time) on ●, 2019 (the "**Expiry Date**"), all in the manner and subject to the restrictions and adjustments set forth in the Warrant Indenture.

Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Indenture.

The Warrants represented by this Warrant Certificate are issued or issuable in fully registrable form only under the provisions of the warrant indenture (which warrant indenture together with

all other instruments ancillary thereto is referred to herein as the “**Warrant Indenture**”) dated as of ●, 2014 between the Company and Equity Financial Trust Company (the “**Warrant Agent**”). Reference is hereby made to the Warrant Indenture for a full description of the rights of the holders of the Warrants, the Company and the Warrant Agent in respect thereof, and the terms and conditions upon which the Warrants evidenced hereby are issued and held, all to the same effect as if the provisions of the Warrant Indenture were herein set forth. By acceptance of this Warrant Certificate, the Holder assents to all provisions of the Warrant Indenture. To the extent that the terms and conditions set forth in this Warrant Certificate conflict with the terms and conditions of the Warrant Indenture, the Warrant Indenture shall prevail. The Company will furnish to the Holder, upon request and without charge, a copy of the Warrant Indenture.

In the event that prior to the Expiry Date, the Holder has not exercised the Warrants represented hereby in accordance with the terms of the Warrant Indenture, then any Warrants represented by this Warrant Certificate which have not been so exercised shall be deemed to have expired and shall be of no further force and effect as of 4:00 p.m. (Toronto time) on the Expiry Date.

Upon exercise, the Warrants so exercised shall be void and of no value or effect.

The right to acquire the Warrant Shares may only be exercised by the Holder within the time set forth above by:

- (a) duly completing and executing the Exercise Form attached hereto; and
- (b) surrendering this Warrant Certificate to the Warrant Agent at the principal transfer office of the Warrant Agent in Toronto, Ontario, together with a certified cheque, bank draft or money order in lawful money of Canada, payable to the order of the Company equal to the Exercise Price multiplied by the number of Warrant Shares subscribed for.

The Warrants represented by this Warrant Certificate shall be deemed to be surrendered only upon personal delivery hereof or, if sent by mail or other means of transmission, upon actual receipt thereof by the Warrant Agent at the office referred to above.

Upon surrender of these Warrants, the person or persons in whose name or names the Warrant Shares are to be issued shall be deemed for all purposes (except as provided in the Warrant Indenture) to be the holder or holders of record of such Warrant Shares and the Company has covenanted that it will (subject to the provisions of the Warrant Indenture) cause a certificate or certificates representing the Warrant Shares to be delivered or mailed to the person or persons at the address or addresses specified in the Exercise Form within three Business Days.

The Warrant Indenture provides for adjustments to certain rights of Holders, including the number of Warrant Shares issuable upon exercise of the Warrants, upon subdivision, consolidation or reclassification of the common shares of the Company (the “**Common Shares**”) or any reclassification, capital reorganization, amalgamation or merger of the Company and certain distributions of securities, including rights, options or warrants to purchase Common Shares or securities convertible or exchangeable into Common Shares or assets of the Company. The Holder should refer to the Warrant Indenture which provides for adjustments in certain other events.

The terms and conditions relating to the Warrants and this Warrant Certificate may be modified, changed or added to in accordance with the provisions of the Warrant Indenture. The Warrant Indenture contains provisions making binding upon all holders of Warrants outstanding thereunder resolutions passed at meetings of such holders held in accordance with such provisions and instruments in writing signed by the holders entitled to acquire a specified percentage of the Warrant Shares which may be acquired pursuant to the exercise of all of the then outstanding Warrants.

The holding of the Warrants evidenced by this Warrant Certificate shall not constitute, or be construed as conferring upon the Holder, any right or interest whatsoever as a shareholder of the Company except such rights as may be provided in the Warrant Indenture or in this Warrant Certificate.

The Holder may, upon compliance with the reasonable requirements of the Warrant Agent and upon surrender of this Warrant Certificate, exchange this Warrant Certificate for another warrant certificate or warrant certificates entitling the Holder thereof to receive, in the aggregate, the same number of Warrants as are issuable under this Warrant Certificate.

The Warrants evidenced by this Warrant Certificate may only be transferred in accordance with applicable securities laws and upon due execution and delivery to the Warrant Agent of a Transfer Form in the form attached hereto and in compliance with all the conditions prescribed in the Warrant Indenture and compliance with such other reasonable requirements as the Warrant Agent may prescribe.

Subject to applicable securities laws, the Company may from time to time purchase on any stock exchange, in the open market, by private agreement or otherwise, any of the Warrants.

This Warrant Certificate shall not be valid for any purpose until it has been certified by or on behalf of the Warrant Agent under the Warrant Indenture.

The Holder expressly acknowledges having requested, and consents to, the drawing in the English language only of this Warrant Certificate evidencing the Warrants registered in his name and all documents relating to such Warrants. *Le détenteur inscrit du présent certificat de bons de souscription reconnaît expressément avoir demandé et consenti que le présent certificat attestant qu'il est le détenteur inscrit de bons de souscription, ainsi que tous les documents s'y rapportant, soient rédigés en anglais seulement.*

The Warrants and the Warrant Indenture shall be governed and performed, construed and enforced in accordance with the laws of the Province of Ontario and the federal laws applicable therein and shall be treated in all aspects of Ontario contracts.

Time shall be of the essence hereof and of the Warrant Indenture.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]

IN WITNESS WHEREOF the Company has caused this Warrant Certificate to be signed by its duly authorized officer as of the • day of •, 2014.

COLOSSUS MINERALS INC.

By: _____
Authorized Signing Officer

This Warrant Certificate represents Warrants referred to in the Warrant Indenture within mentioned.

Countersigned by:

EQUITY FINANCIAL TRUST COMPANY

By: _____
Authorized Signing Officer

TRANSFER FORM

ANY TRANSFER OF WARRANTS WILL REQUIRE COMPLIANCE WITH APPLICABLE SECURITIES LEGISLATION. TRANSFERORS AND TRANSFEREES ARE URGED TO CONTACT LEGAL COUNSEL BEFORE EFFECTING ANY SUCH TRANSFER.

TO: Colossus Minerals Inc.
c/o Equity Financial Trust Company
200 University Avenue, Suite 400
Toronto, Ontario M5H 4H1

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto:

_____ (name)

_____ (address)

of the Warrants registered in the name of the undersigned represented by the within warrant certificate and hereby appoints _____ as its attorney with full power of substitution to transfer the said Warrants on the appropriate register of the Warrant Agent.

DATED this ___ day of _____, 20__

Signature Guaranteed

Name of Warrantholder

Name of Authorized Representative

Signature of Warrantholder or Authorized Representative

Title or Capacity of Authorized Representative

Daytime Phone Number of Warrantholder or Authorized Representative

Instructions:

The signature of the Holder must be the signature of the registered holder appearing on the face of this Warrant Certificate.

If this Transfer Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the warrant certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Company, acting reasonably.

The signature on this Transfer Form must be guaranteed by a Schedule I Canadian chartered bank, medallion guaranteed by a recognized medallion signature guarantee program or in any other manner satisfactory to the Warrant Agent. The guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature guarantees are not accepted from treasury branches or credit unions unless they are members of the Stamp Medallion Program.

EXERCISE FORM

TO: Colossus Minerals Inc.
 c/o Equity Financial Trust Company
 200 University Avenue, Suite 400
 Toronto, Ontario M5H 4H1

The undersigned holder of the within Warrants hereby irrevocably subscribes for Warrant Shares of Colossus Minerals Inc. on the terms and conditions set forth in the attached Warrant Certificate and the Warrant Indenture. Enclosed herewith is a certified cheque, bank draft or money order in lawful money of the United States, payable to or to the order of the Corporation representing the aggregate subscription price for the Warrant Shares subscribed for. Terms used but not defined herein have the meanings ascribed to them in the Warrant Indenture.

Any capitalized term in this Warrant Certificate that is not otherwise defined herein, shall have the meaning ascribed thereto in the Warrant Indenture.

The undersigned hereby directs that the said Warrant Shares be issued as follows:

NAME(S) IN FULL	ADDRESS(ES)	NUMBER OF WARRANT SHARES

(Please print.)

DATED this _____ day of _____, 20__

 Signature Guaranteed*

 Name of Warranholder

 Name of Authorized Representative

 Signature of Warranholder or Authorized Representative

 Title or Capacity of Authorized Representative

 Daytime Phone Number of Warranholder or Authorized Representative

Please check this box if the securities are to be picked up at the office where the Warrant Certificate is surrendered, failing which the securities will be mailed to the address shown on the register.

Instructions:

The signature of the Holder must be the signature of the registered Holder appearing on the face of this Warrant Certificate.

If this Exercise Form is signed by a trustee, executor, administrator, curator, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, the warrant certificate must be accompanied by evidence of authority to sign satisfactory to the Warrant Agent and the Company, acting reasonably.

*If the Warrant Shares are to be issued to a person other than to the registered Holder, then the signature on this Exercise Form must be guaranteed by a Schedule I Canadian chartered bank, medallion guaranteed by a recognized medallion signature guarantee program or in any other manner satisfactory to the Warrant Agent. The guarantor must affix a stamp bearing the actual words "Signature Guaranteed". Signature guarantees are not accepted from Treasury Branches or credit unions unless they are members of the Stamp Medallion Program.

If securities are to be issued to a person other than the registered Holder, the Transfer Form must be completed and the Holder must pay or cause to be paid to the Company or the Warrant Agent all applicable transfer or similar taxes, if any, and the Company shall not be required to issue or deliver certificates evidencing the Warrant Shares and Warrants unless and until such Holder shall have paid to the Company or the Warrant Agent the amount of such tax or shall have established to the satisfaction of the Company that such tax has been paid or that no tax is due.

SCHEDULE "B"
EXISTING SECURITIES

Issued and outstanding Common Shares: 175,547,151
Stock options outstanding: 9,008,750
Warrants issued at \$0.90, expire on August 13, 2015: 25,300,000
Warrants issued at \$8.50, expire on November 8, 2016: 5,175,000

**DISTRICT OF ONTARIO
DIVISION NO. 9 - Toronto
COURT File No. CV-14-10401-00CL**

**ONTARIO
SUPERIOR COURT OF JUSTICE
IN BANKRUPTCY AND INSOLVENCY**

**IN THE MATTER OF THE PROPOSAL OF
COLOSSUS MINERALS INC. PURSUANT TO THE BANKRUPTCY AND
INSOLVENCY ACT**

**AND IN THE MATTER OF THE PLAN OF REORGANIZATION PURSUANT TO
THE CANADA BUSINESS CORPORATION ACT**

AMENDED PROPOSAL AND PLAN OF REORGANIZATION

Duff & Phelps Canada
Restructuring Inc.
Proposal Trustee
333 Bay Street
14th Floor
Toronto ON M5H 2R2

Appendix “K”

District of Ontario
Division No. 09 - Toronto
Court No. 31-1826899
Estate No. 31-1826899

VOTING SUMMARY

In the matter of the proposal of
Colossus Minerals Inc.
of the City of Toronto, in the Province of Ontario

Insolvency Date: 13-Jan-2014

Result of Voting

<i>Class</i>	<i>Total #</i>			<i>Dollar Value of Claims</i>		<i>Percentage by Votes</i>		<i>Percentage by Value</i>		<i>Result</i>	
	<i>Votes</i>	<i>Yes</i>	<i>No</i>	<i>Yes</i>	<i>No</i>	<i>Yes</i>	<i>No</i>	<i>Yes</i>	<i>No</i>	<i>By Votes</i>	<i>By Value</i>
	787	787	0	126,217,087.83	0.00	100.00	0.00	100.00		Approved	Approved

03-Mar-2014

Appendix “L”

IN THE MATTER OF THE AMENDED PROPOSAL OF COLOSSUS MINERALS INC. OF
THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO

MINUTES OF GENERAL MEETING OF CREDITORS

1. Minutes of the General Meeting of Creditors in the proposal proceedings of Colossus Minerals Inc. (the "Company") held at the offices of Fasken Martineau DuMoulin LLP, 333 Bay Street, Suite 2400, Toronto, Ontario, on February 25, 2014, at 2:00 p.m. ("Meeting").
2. An attendance list of those present is attached as Appendix "1".
3. Robert Kofman of Duff & Phelps Canada Restructuring Inc. ("D&P") called the Meeting to order at 2:00 p.m., announced the presence of a quorum and that the meeting was duly constituted.
4. Mr. Kofman informed those present at the meeting that he would act as Chair pursuant to Section 51(3) of the *Bankruptcy and Insolvency Act* ("BIA"), Noah Goldstein of D&P would act as the Scrutineer and Renee Schwartz of D&P would act as the Recording Secretary.
5. Mr. Kofman advised that the Recording Secretary had tabled the following documents:
 - Trustee's Affidavits of Service dated February 18, 2014 and February 24, 2014 relating to the Proposal and Plan of Reorganization and the Amended Proposal and Plan of Reorganization (as amended, the "Proposal"), respectively; and
 - The Trustee's Report to Creditors pursuant to Section 50(5) of the BIA dated February 7, 2014 ("Report"), Supplement to the Report dated February 20, 2014, Second Supplement to the Report dated February 21, 2014 and all related documents.
6. Mr. Kofman called for an adjournment to allow the Company time to resolve an outstanding issue.
7. The Meeting reconvened at 2:50 pm.
8. Mr. Kofman provided background on the proposal proceedings, noting that the principal purpose of the restructuring proceedings was to create a stabilized environment to enable the Company to pursue a restructuring of its financial position, business and operations by either completing the Proposal and/or a transaction identified through a sale and investor solicitation process ("SISP") for the purchase of its business and assets or for an investment in the Company.

9. Mr. Kofman advised that, as explained in the Trustee's Supplement and Second Supplement to the Report, filed February 20 and 21, 2014, respectively, no bidder had been identified during the SISP and that the Company is therefore proceeding with the Proposal.

REVIEW OF REPORT AND PROPOSAL

10. Mr. Goldstein advised that he would provide a brief summary of the Proposal and the Report. Mr. Goldstein advised that copies of the Proposal and Report were available at the Meeting for any creditor who had not had a chance to review them beforehand.
11. Mr. Goldstein advised that there were three principal causes of the Company's financial difficulties:
- Dewatering issues at the Company's Serra Pelada mine: this resulted in capital being spent on fixing this issue, which was otherwise earmarked to bring the mine into production;
 - High fixed costs: the monthly burn rate was approximately \$4.4 million, plus variable costs; and
 - General capital market conditions: As a result of general market conditions in the mining sector, the Company was unable to raise capital.
12. Mr. Goldstein advised that the affected unsecured creditors ("Creditors") of the Proposal were:
- Sandstorm Gold Inc. ("Sandstorm") in the amount of \$75 million. Of this amount, Sandstorm has a secured claim of \$10 million on the Company's wholly owned subsidiary, Colossus Mineracao Ltda. ("Colossus Brazil"), and an unsecured claim of \$65 million;
 - Unsecured Gold-Linked Noteholders: The Company owes \$86.25 million to noteholders; and
 - Other Creditors: The Company's other unsecured claims total approximately \$9.3 million, primarily representing vendor claims and amounts due to professional advisors, before employee claims.
13. Mr. Goldstein then provided a brief overview of the terms of the Proposal:
- a. Articles of Incorporation:
- The Company will reorganize its Articles of Incorporation by, among other things, consolidating its existing common shares on a 200:1 basis; providing for the cancellation of existing securities, other than existing common shares; and permitting the issuance of new common shares.

b. Treatment of Creditors' claims:

- On the date the Proposal is implemented, in exchange for the release of each unsecured claim, each creditor will receive:
 - i. One new common share for 30% of every one Canadian dollar of each Creditor's claim; and
 - ii. One new warrant for 30% of every two Canadian dollars of each Creditor's claim.
- If the Proposal is accepted by the Creditors, Sandstorm, the noteholders and the debtor-in-possession lenders are projected to own over 90% of the Company. The remainder of the Company will be owned by the other Creditors affected by the Proposal and the existing shareholders.

c. Conditions Precedent

- There are various conditions precedent to the Proposal. The main ones include:
 - i. Acceptance of the Proposal by the statutory majorities of Creditors as required under the BIA;
 - ii. The Court issuing an order approving the Proposal in a form acceptable to the Company and Sandstorm in its capacity as DIP Agent; and
 - iii. The Company and its subsidiary, Colossus Brazil, entering into a royalty agreement with Sandstorm.

14. Mr. Goldstein advised that as part of its duties under the BIA, the Proposal Trustee conducted a review of the Company's bank statements and cancelled cheques for the twelve-month period immediately preceding the NOI filing date to identify transfers at undervalue and preference transactions. The Proposal Trustee did not identify any such transactions. Most of the disbursements reviewed were to related companies to fund operations. Mr. Goldstein advised that the provisions of the BIA allowing for challenge on preferences and transfers at undervalue do not apply to this Proposal and, accordingly, if Creditors vote to accept the Proposal they are waiving their rights to challenge these types of transactions.

15. Mr. Goldstein advised that the Proposal Trustee recommends that the Creditors vote in favour of the Proposal, as the Proposal provides:

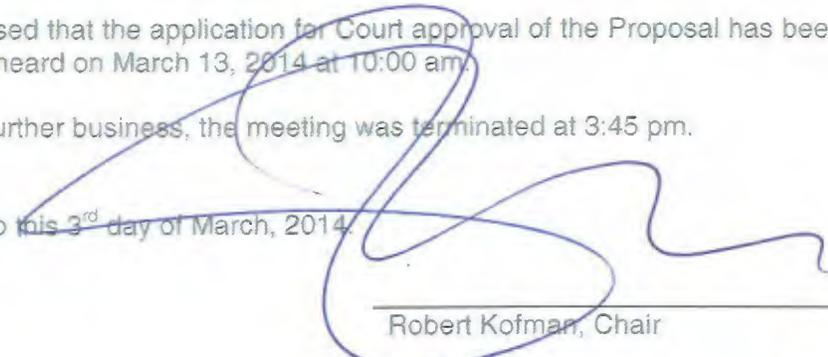
- Unsecured Creditors with a result superior to bankruptcy; and
- The Company with a recapitalized balance sheet, which should assist the Company to raise capital for the business of its subsidiaries.

16. Mr. Goldstein advised that in order for the Proposal to be completed:
- It must be accepted by at least 66.6% in dollar value of claims and over 50% in number of Creditors with claims, present and voting, in person or by proxy; and
 - If accepted by the Creditors, the Proposal must be then approved by the Court.
17. The Company would automatically be deemed bankrupt should the Creditors reject the Proposal or should the Court refuse to approve the Proposal.
18. Mr. Kofman requested questions from the floor. There were no questions.
19. Mr. Kofman called on Renee Schwartz to report on the attendance. Ms. Schwartz reported that there were 790 voting Creditors present in person or by proxy, with claims totalling \$126,840,452.70.
20. Mr. Kofman announced a second adjournment of the Meeting at 3:00 pm. to continue to work through the issue resulting in the first adjournment.

VOTE TO ACCEPT THE AMENDED PROPOSAL

21. The Meeting reconvened at 3:40 pm. Mr. Kofman directed a vote with respect to a resolution to approve the Proposal.
22. The Chair requested and read the voting results. The Proposal was accepted by 100% of the voting Creditors with claims totalling \$126,217,087.83, representing 100% in dollar value of the voting unsecured claims and 100% in number of voting unsecured claims.¹ Mr. Kofman declared that the vote on the Proposal had been carried by the statutory majority of voting Creditors.
23. Mr. Kofman advised that the application for Court approval of the Proposal has been scheduled to be heard on March 13, 2014 at 10:00 am.
24. There being no further business, the meeting was terminated at 3:45 pm.

Dated at Toronto, Ontario this 3rd day of March, 2014.



Robert Kofman, Chair



Renee Schwartz, Recording
Secretary

¹ Three claims totaling \$623,364.87 were withdrawn prior to the vote.

IN THE MATTER OF THE PROPOSAL OF COLOSSUS MINERALS INC.
OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO
GENERAL MEETING OF CREDITORS TO CONSIDER THE PROPOSAL

ATTENDANCE REGISTER

Date: February 25, 2014
Estate File No. 31-1826899

No.	Signature	Name (Print)	Representing	Amount of Claim	Remarks
		ROBERT KOFMAN	TRUSTEES		BALLOT #
		NOAH GOKSTEIN	TRUSTEE		
		RENEE SCHWARTZ			
		Stuart Epstein	legal counsel to Debtor		
		Carol O'Dell	"		
		VERONICA BUDAC	TRUSTEE		
		George Benckert	Chairman (for Trustee)		
		Michael Newina	Baker & McKenzie for Atlas Copco		
		Denis Castonguay	Atlas Copco		2

IN THE MATTER OF THE PROPOSAL OF COLOSSUS MINERALS INC.
 OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO
 GENERAL MEETING OF CREDITORS TO CONSIDER THE PROPOSAL

ATTENDANCE REGISTER

Date: February 25, 2014
 Estate File No.: 31-1826899

No.	Signature	Name (Print)	Representing	Amount of Claim	Remarks
		Bob Jones	Miron Intl		3
		Ron Ho	condstorm		
		D. Anagnost	Bob Mining Co		
		Linc Rogers	Bites (counsel to Sandbar)		4
		David Ho	CRA		
		David McElen	CRA		
		David McElen	CRA		

IN THE MATTER OF THE PROPOSAL OF COLOSSUS MINERALS INC.
 OF THE CITY OF TORONTO, IN THE PROVINCE OF ONTARIO
 GENERAL MEETING OF CREDITORS TO CONSIDER THE PROPOSAL

ATTENDANCE REGISTER

Date: February 25, 2014
 Estate File No.: 31-1826899

No.	Signature	Name (Print)	Representing	Amount of Claim	Remarks
		Anyo Shalvini	Sandstorm (Bkers)		
		Jim Madefield	DEA AMERICANS	\$1.1 mm.	5
		Ryszard-Etallen	Colossus		
		ANN WILKINSON	CSI		
		Sean Zuey	not holder	*	1
		BRUNO CHANTREAN	CSI		
		MIKE COTTELL	CSI		
		JEFF NANTAIS	Apher Technologies	\$2753	

* REPRESENTING 773 VOTING NOTHOLDERS WITH CLAIMS TOTALING \$60,871,695.00.

