

October 25, 2018

Melior Resources Inc.
120 Adelaide Street West, Suite 2500
Toronto, Ontario
M5H 1T1

Attention: Mark McCauley, Chief Executive Officer

Dear Sir:

Melior Resources Inc. ("**Melior**") and Metallica Minerals Limited ("**Metallica**") are party to an arrangement agreement made as of September 12, 2018 (the "**Arrangement Agreement**"). Initially capitalized terms used but not defined herein shall have the meanings given to them in the Arrangement Agreement.

The Parties hereby agree that the Plan of Arrangement, the form of which was attached as Schedule "A" to the Arrangement Agreement, shall be amended as shown in the form attached hereto as Exhibit "A" (amendments indicated in blacklines therein). The Plan of Arrangement as amended in accordance with the foregoing is attached hereto as Exhibit "B".

This letter agreement may be executed in counterparts, including counterparts sent by facsimile or in Portable Document Format (.pdf) sent by email transmission, each of which when so executed and delivered shall be deemed to be an original, and which when taken together shall constitute one and the same instrument.

[Signature page follows]

Sincerely,

METALLICA MINERALS LIMITED

By: (signed) "Simon Joseph Slesarewich"
Name: Simon Joseph Slesarewich
Title: Director

By: (signed) "John Kevin Haley"
Name: John Kevin Haley
Title: Secretary

ACCEPTED AND AGREED AS OF THIS 25th DAY OF OCTOBER, 2018.

MELIOR RESOURCES INC.

By: (signed) "Mark McCauley"
Name: Mark McCauley
Title: Chief Executive Officer

Exhibit "A"

Amendments to the Plan of Arrangement

See attached.

SCHEDULE “A”

PLAN OF ARRANGEMENT UNDER DIVISION 5 OF PART 9 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.01 Definitions

In this Plan of Arrangement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

“1933 Act” means the [Securities Act of 1933, as amended, of the United States of America.](#)

“Arrangement” means the arrangement under the provisions of Part 9, Division 5 of the BCBCA, on the terms and conditions set forth in this Plan of Arrangement, subject to any amendment or supplement hereto made in accordance with the Arrangement Agreement and the provisions hereof or made at the direction of the Court in the Final Order, with the written consent of Metallica and Melior, acting reasonably;

“Arrangement Agreement” means the arrangement agreement dated as of September ~~12~~, [12](#), 2018 between Melior and Metallica, as amended or supplemented prior to the Effective Date, entered into in connection with the Arrangement;

“Arrangement Application” means the arrangement application to be filed with the Registrar by Melior that includes all records required to be filed with the Registrar to give effect to each provision of the Arrangement, including an entered copy of the Final Order;

“Arrangement Resolution” means the special resolution of Melior Shareholders approving the Arrangement as required by the Interim Order;

“ASX” means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as appropriate;

“ASX Listing Rules” means the listing rules of ASX, as may be waived or modified by ASX from time to time;

“BCBCA” means the *Business Corporations Act* (British Columbia) and the regulations made thereunder, as promulgated or amended from time to time;

“Business Day” means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario or Brisbane, Queensland;

“**Court**” means the Supreme Court of British Columbia;

“**Depository**” means the trust company, bank or financial institution agreed to in writing by Metallica and Melior for the purpose of, among other things, ~~exchanging~~ facilitating the exchange of certificates representing Melior Shares for the distribution of Metallica Shares in connection with the Arrangement;

“**Dissent Procedures**” means the procedures set forth in Sections 242 to 247 of the BCBCA required to be taken by a registered holder of Melior Shares to exercise the right of dissent in respect of such Melior Shares in connection with the Arrangement;

“**Dissenting Shareholders**” means the registered holders of Melior Shares who dissent in respect of the Arrangement in strict compliance with the Dissent Procedures;

“**DRS Statement**” means statement issued by the applicable transfer agent evidencing the shares held by a shareholder in book-based form, in lieu of a physical share certificate;

“**Effective Date**” means the date a certified copy of the Final Order has been filed with the Registrar, together with the Arrangement Application, which shall be the date upon which all conditions precedent (excluding conditions that, by their terms cannot be settled until the Effective Date) to the completion of the Arrangement as set out in the Arrangement Agreement have been satisfied or waived in accordance therewith, or such other date as may be agreed to by Melior and Metallica in writing as the effective date of the Arrangement;

“**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date;

“**Encumbrance**” any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, other third Person interests or encumbrances of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

“**Exchange Rate**” means the \$ to A\$ daily exchange rate on the date of this Agreement as reported by the Bank of Canada;

“**Exchange Ratio**” means 20, which is the number representing the Share Consideration;

“**Final Order**” means the final order of the Court pursuant to Section 291 of the BCBCA, approving the Arrangement, as such order may be amended by the Court, with the consent of Melior and Metallica at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

“**Financial Advisor**” means Argonaut Capital Limited;

“**Former Melior Shareholders**” means the holders of Melior Shares immediately prior to the Effective Time;

“**Interim Order**” means the interim order of the Court, in a form acceptable to Melior and Metallica, each acting reasonably, providing for, among other things, the calling and holding of

the Melior Meeting, as such order may be amended, supplemented or varied by the Court (with the consent of Melior and Metallica, each acting reasonably);

“**Letter of Transmittal**” means the letter of transmittal to be sent by Melior to the Former Melior Shareholders to be used by the Former Melior Shareholders to surrender the certificates representing their Melior Shares to receive ~~certificates for~~ the Metallica Shares issued to them pursuant to the Arrangement;

“**Melior**” means Melior Resources Inc., a corporation existing under the BCBCA;

“**Melior Meeting**” means the special meeting, including any adjournments or postponements thereof, of the holders of Melior Shares held, among other things, to consider and, if deemed advisable, approve the Arrangement;

“**Melior Options**” means the outstanding options to purchase an aggregate of up to 866,666 Melior Shares issued pursuant to the Melior Stock Option Plan and the options to purchase up to 1,000,000 Melior Shares proposed to be issued to the Financial Advisor as contemplated by section 4.1(t) of the Arrangement Agreement;

“**Melior Securityholders**” means, collectively, the Melior Shareholders, the holders of Melior Options and the holders of Melior Warrants;

“**Melior Shares**” means the common shares in the capital of Melior;

“**Melior Stock Option Plan**” means the stock option plan of Melior dated October 17, 2006, as amended on September 28, 2007, November 15, 2010, October 27, 2011 and January 22, 2016;

“**Melior Warrants**” means the outstanding warrants to purchase an aggregate of up to 4,874,750 Melior Shares;

“**Metallica**” means Metallica Minerals Limited, a company incorporated under the Laws of the Commonwealth of Australia;

“**Metallica Replacement Option**” has the meaning ascribed thereto in section 3.01(b) hereof;

“**Metallica Replacement Warrant**” has the meaning ascribed thereto in section 3.01(d) hereof;

“**Metallica Shares**” means the ordinary shares in the capital of Metallica;

“**New Board**” has the meaning ascribed thereto in section 3.02(e) hereof;

“**Plan of Arrangement**” means this plan of arrangement, as amended, modified or supplemented from time to time in accordance herewith and with any order of the Court;

“**Proxy Circular**” means the management information circular, including all schedules and exhibits thereto, prepared by Melior with the assistance of Metallica in respect of the Melior Meeting¹;

“**Registrar**” means the Registrar of Companies appointed pursuant to Section 400 of the BCBCA;

“**Section 3(a)(10) Exemption**” means the exemption from the registration requirements of the 1933 Act provided under Section 3(a)(10) thereof; and

“**Share Consideration**” means 20 Metallica Shares in exchange for each Melior Share outstanding immediately prior to the Effective Time.

In addition, words and phrases used herein and defined in the BCBCA shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

1.02 Interpretation Not Affected by Headings

The division of this Plan of Arrangement into articles, sections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms “this Plan of Arrangement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto.

1.03 Number, Gender and Persons

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter and the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity of any kind or nature whatsoever.

1.04 Date for any Action

If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.05 Statutory References

Any reference in this Plan of Arrangement to a statute includes all regulations made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.06 Time

Time shall be of the essence in every matter or action contemplated hereunder.

1.07 Currency

Unless otherwise stated, all references herein to amounts of money are expressed in lawful money of Canada.

ARTICLE 2 ARRANGEMENT AGREEMENT

2.01 Arrangement Agreement

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement.

2.02 Effect of Arrangement

This Plan of Arrangement will become effective at, and be binding at and after the Effective Time on Metallica, Melior, the Former Melior Shareholders, the holders of Melior Options and the holders of Melior Warrants.

ARTICLE 3 ARRANGEMENT

3.01 Arrangement

At the Effective Time, the following shall occur and shall be deemed to occur in the following order without any further act or formality:

- (a) each Melior Share in respect of which Dissent Procedures have been exercised shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all liens, claims and encumbrances, to Metallica, with Metallica being obliged to pay therefor the amount determined and payable in accordance with Article 4 hereof, and the name of such holder will be removed from the register of holders of Melior Shares and Metallica will be recorded as the registered holder of the Melior Shares so transferred and will be deemed to be the legal and beneficial owner of such Melior Shares;
- (b) each Melior Share (other than Melior Shares acquired by Metallica in accordance with subsection (a)) held by Former Melior Shareholders (other than Dissenting Shareholders) shall be exchanged with Metallica for Metallica Shares on the basis of the Exchange Ratio, subject to Sections 3.03 and 4.01 hereof, and Metallica shall be recorded as the registered holder of the Melior Shares so transferred and shall be deemed to be the legal and beneficial owner of such Melior Shares free and clear of any Encumbrances. Each Former Melior Shareholder shall cease to be a holder of Melior Shares and the name of such holder shall be removed from the securities register of holders of Melior Shares and each Former Melior Shareholder shall be added to the securities register of holders of Metallica Shares showing such holder [as the registered holder of the Metallica Shares so issued;](#)

- (c) each Melior Option outstanding immediately prior to the Effective Time shall be exchanged for an ordinary share purchase option ~~to acquire a common share~~ of Metallica (each, a “**Metallica Replacement Option**”), which shall be exercisable to acquire, on the same terms and conditions as were applicable to such Melior Option immediately prior to the Effective Time, the number of Metallica Shares (rounded down to the nearest whole number) equal to the product of: (A) the number of Melior Shares subject to such Melior Option immediately prior to the Effective Time, and (B) the Exchange Ratio. The exercise price per Metallica Share subject to any such Metallica Replacement Option shall be an amount (rounded up to the nearest tenth of a cent) equal to the quotient of: (A) the exercise price per Melior Share subject to such Melior Option immediately prior to the Effective Time, divided by (B) the Exchange Ratio, converted to A\$ at the Exchange Rate. The obligations of Melior under the Melior Options as so exchanged shall be assumed by Metallica. Except as set out above and subject to any requirements necessary to conform with ASX Listing Rules, the term to expiry, conditions to and manner of exercise (provided any Metallica Replacement Option shall be exercisable at the offices of Metallica) and other terms and conditions of each of the Metallica Replacement Options shall be the same as the terms and conditions of the Melior Option for which it is exchanged and, for greater certainty, each Metallica Replacement Option shall continue to be governed by and be subject to the terms of the Melior Stock Option Plan and the agreement evidencing the grant of such Melior Option with respect to such terms and conditions, except for the Melior Options issuable to the Financial Advisor which shall continue to be governed by and subject to the terms of the agreement evidencing the grant of such Melior Options but not the Melior Stock Option Plan.
- (d) each Melior Warrant outstanding immediately prior to the Effective Time shall be exchanged for ~~a common~~ an ordinary share purchase warrant option of Metallica (each, a “**Metallica Replacement Warrant**”), which shall be exercisable to acquire, on the same terms and conditions as were applicable to such Melior Warrant immediately prior to the Effective Time, the number of Metallica Shares (rounded down to the nearest whole number) equal to the product of: (A) the number of Melior Shares subject to such Melior Warrant immediately prior to the Effective Time; and (B) the Exchange Ratio. The exercise price per Metallica Share subject to any such Metallica Replacement Warrants shall be an amount (rounded up to the nearest tenth of a cent) equal to the quotient of: (A) the exercise price per Melior Share subject to such Melior Warrant immediately prior to the Effective Time, divided by (B) the Exchange Ratio, converted to A\$ at the Exchange Rate. The obligations of Melior under the Melior Warrants as so exchanged shall be assumed by Metallica. Except as set out above and subject to any requirements necessary to conform with ASX Listing Rules, the term to expiry, conditions to and manner of exercise (provided any Metallica Replacement Warrant shall be exercisable at the offices of Metallica) and other terms and conditions of each of the Metallica Replacement Warrants shall be the same as the terms and conditions of the Melior Warrant for which it is exchanged.

3.02 Post-Effective Time Procedures

- (a) On or promptly after the Effective Date, Metallica shall issue from treasury ~~and deliver or arrange to be delivered to the Depository certificates representing~~ the Metallica Shares required to be issued to Former Melior Shareholders in accordance with the provisions of section 3.01 hereof, which ~~certificates~~ Metallica Shares shall be held by the Depository as agent and nominee for such Former Melior Shareholders for distribution to such Former Melior Shareholders in accordance with the provisions of Article 5 hereof.
- (b) Subject to the provisions of Article 5 hereof, Former Melior Shareholders shall be entitled to receive ~~delivery of the certificates~~ evidence of ownership representing the Metallica Shares to which they are entitled pursuant to subsection 3.01(b) hereof. Certificates representing former Melior Shares, other than those to which Article 5 applies, shall represent only the right to receive the Metallica Shares to which the Former Melior Shareholder is entitled to receive pursuant to the Arrangement.
- ~~(e)~~ — Metallica shall, as soon as practicable following the later of the Effective Date and date of deposit by a Former Melior Shareholder of a duly completed Letter of Transmittal and the certificates representing such Melior shares, ~~either:~~ ~~(i)~~ — forward or cause to be forwarded by first class mail (postage prepaid) to such Former Melior Shareholder at ~~the~~ their registered address specified in the Letter of Transmittal; ~~or~~
- ~~(ii)~~ — ~~if requested by such Former Melior Shareholder in the Letter of Transmittal, make available or cause to be made available at the Depository for pick up by such Former Melior Shareholder,~~ certificates evidence of ownership representing the number of Metallica Shares issued to such Former Melior Shareholder under the Arrangement.
- ~~(c)~~ ~~(d)~~ — After the Effective Time, the certificates representing the former Melior Shares to which Article 4 herein applies shall represent only the right to receive payment which the Dissenting Shareholders are entitled to receive pursuant to Article 4.
- ~~(d)~~ ~~(e)~~ — Immediately after the Effective Time, the board of directors of Metallica (the “**New Board**”) shall consist of six (6) directors appointed as follows: Peter Turnbull, Simon Slesarewich, Ian Jacobson, Mark McCauley, Martyn Buttenshaw and George Lloyd who shall also be appointed Chairman of the New Board.

3.03 No Fractional Metallica Shares

No fractional Metallica Shares shall be issued to Former Melior Shareholders. Any fractional number of Metallica Shares to which a Former Melior Shareholder would otherwise be entitled to receive shall be rounded down to the nearest whole number of Metallica Shares.

3.04 U.S. Securities Law Exemption

Notwithstanding any provision herein to the contrary, Metallica and Melior agree that the Plan of Arrangement will be carried out with the intention that all Metallica Shares, Metallica Replacement Options and Metallica Replacement Warrants to be issued in connection with the Arrangement shall be exempt from registration requirements of the 1933 Act pursuant to the Section 3(a)(10) Exemption, and the Metallica Shares to be distributed in the United States pursuant to the Arrangement shall not be subject to resale restrictions in the United States under the 1933 Act (other than as may be prescribed by Rule 144 and Rule 145 under the 1933 Act).

ARTICLE 4 DISSENT PROCEDURES

4.01 Dissent Procedures

Holders of Melior Shares may exercise Dissent Procedures with respect to Melior Shares in connection with the Arrangement, provided that, notwithstanding the Dissent Procedures, the written objection to the special resolution to approve the Arrangement contemplated by Section 242 of the BCBCA must be received by Melior no later than 4:00 p.m. (Vancouver time) at least two Business Days prior to the date of the Melior Meeting or any date to which the Melior Meeting may be postponed or adjourned and such Holders of Melior Shares must otherwise comply with Sections 242 to 247 of the BCBCA, and provided further that holders who exercise such rights of dissent and who:

- (a) are ultimately entitled to be paid fair value for their Melior Shares, which fair value shall be determined as of the close of business on the day before the Final Order becomes effective, shall be paid an amount equal to such fair value by Metallica; and
- (b) are ultimately not entitled, for any reason, to be paid fair value for their Melior Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of Melior Shares and shall be entitled to receive only the consideration contemplated in subsection 3.01(b) hereof which such holder would have received pursuant to the Arrangement if such holder had not exercised Dissent Procedures,

but further provided that in no case shall Metallica, Melior or any other person be required to recognize Dissenting Shareholders as holders of Melior Shares after the Effective Time, and the names of such Dissenting Shareholders shall be deleted from the register of holders of Melior Shares at the Effective Time.

ARTICLE 5 DELIVERY OF METALLICA SHARES

5.01 Delivery of Metallica Shares

Upon surrender to the Depositary, as specified in the Letter of Transmittal, for cancellation of a certificate which immediately prior to the Effective Time represented one or more outstanding Melior Shares which were exchanged for Metallica Shares in accordance with section 3.01

hereof, together with a completed Letter of Transmittal and such other documents and instruments as would have been required to effect the transfer of the Melior Shares formerly represented by such certificate and such additional documents and instruments as the Depository may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depository shall ~~deliver~~facilitate the delivery to such holder following the Effective Time, ~~a certificate~~of evidence of ownership representing the Metallica Shares which such holder is entitled to receive in accordance with section 3.02 hereof.

After the Effective Time and until surrendered for cancellation as contemplated by subsection 5.01(a) hereof, each certificate which immediately prior to the Effective Time represented one or more Melior Shares shall be deemed at all times to represent only the right to receive in exchange therefor ~~a certificate~~evidence of ownership representing the Metallica Shares which the holder of such certificate is entitled to receive in accordance with section 5.01(a) hereof.

5.02 Lost Certificates

In the event that any certificate which immediately prior to the Effective Time represented one or more outstanding Melior Shares which were exchanged for Metallica Shares in accordance with section 3.01 hereof shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depository shall ~~deliver~~facilitate the delivery in exchange for such lost, stolen or destroyed certificate, ~~a certificate~~of evidence of ownership representing the Metallica Shares which such holder is entitled to receive in accordance with section 3.02 hereof. When authorizing such delivery of ~~a certificate~~evidence of ownership representing the Metallica Shares which such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom ~~a certificate~~the evidence of ownership representing such Metallica Shares is to be delivered shall, as a condition precedent to the delivery of such Metallica Shares, give a bond satisfactory to Metallica and the Depository in such amount as Metallica and the Depository may direct, ~~or otherwise~~and shall indemnify Metallica and the Depository in a manner satisfactory to Metallica and the Depository, against any claim that may be made against Metallica or the Depository with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the by-laws of Melior.

5.03 Distributions with Respect to Unsurrendered Certificates

No dividend or other distribution declared or made after the Effective Time with respect to Metallica Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate which, immediately prior to the Effective Time, represented outstanding Melior Shares unless and until the holder of such certificate shall have complied with the provisions of section 5.01 or section 5.02 hereof. Subject to applicable law and to section 5.04 hereof, at the time of such compliance, there shall, in addition to the delivery of ~~a certificate~~evidence of ownership representing the Metallica Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect such Metallica Shares.

5.04 Withholding Rights

Metallica and the Depositary shall be entitled to deduct and withhold from all dividends or other distributions otherwise payable to any Former Melior Shareholder such amounts as Metallica or the Depositary is required or permitted to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada), the *United States Internal Revenue Code of 1986*, as amended, or any provision of any applicable federal, provincial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Former Melior Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

5.05 Limitation and Proscription.

To the extent that a Former Melior Shareholder shall not have complied with the provisions of section 5.01 or section 5.02 hereof on or before the date which is six years after the Effective Date (the “final proscription date”), then the Metallica Shares which such Former Melior Shareholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and ~~the certificates representing such~~ any remaining Metallica Shares ~~shall be delivered to Metallica~~ held by the Depositary ~~for cancellation and~~ as agent and nominee for such Former Melior Shareholders shall be cancelled by Metallica, and the interest of the Former Melior Shareholder in such Metallica Shares shall be terminated as of such final proscription date.

ARTICLE 6 AMENDMENTS

6.01 Amendments to Plan of Arrangement

- (a) Metallica and Melior reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) agreed to in writing by Metallica and Melior, (iii) filed with the Court and, if made following the Melior Meeting, approved by the Court, and (iv) communicated to Former Melior Shareholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Melior at any time prior to the Melior Meeting provided that Metallica shall have consented thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the persons voting at the Melior Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Melior Meeting shall be effective only if (i) it is consented to in writing by each of Metallica and Melior, and (ii) if required by

the Court, it is consented to by holders of the Melior Shares voting in the manner directed by the Court.

Exhibit "B"

Plan of Arrangement

See attached.

SCHEDULE “A”

PLAN OF ARRANGEMENT UNDER DIVISION 5 OF PART 9 OF THE *BUSINESS CORPORATIONS ACT* (BRITISH COLUMBIA)

ARTICLE 1 DEFINITIONS AND INTERPRETATION

1.01 Definitions

In this Plan of Arrangement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

“**1933 Act**” means the Securities Act of 1933, as amended, of the United States of America.

“**Arrangement**” means the arrangement under the provisions of Part 9, Division 5 of the BCBCA, on the terms and conditions set forth in this Plan of Arrangement, subject to any amendment or supplement hereto made in accordance with the Arrangement Agreement and the provisions hereof or made at the direction of the Court in the Final Order, with the written consent of Metallica and Melior, acting reasonably;

“**Arrangement Agreement**” means the arrangement agreement dated as of September 12, 2018 between Melior and Metallica, as amended or supplemented prior to the Effective Date, entered into in connection with the Arrangement;

“**Arrangement Application**” means the arrangement application to be filed with the Registrar by Melior that includes all records required to be filed with the Registrar to give effect to each provision of the Arrangement, including an entered copy of the Final Order;

“**Arrangement Resolution**” means the special resolution of Melior Shareholders approving the Arrangement as required by the Interim Order;

“**ASX**” means ASX Limited (ACN 008 624 691) or the Australian Securities Exchange, as appropriate;

“**ASX Listing Rules**” means the listing rules of ASX, as may be waived or modified by ASX from time to time;

“**BCBCA**” means the *Business Corporations Act* (British Columbia) and the regulations made thereunder, as promulgated or amended from time to time;

“**Business Day**” means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Toronto, Ontario or Brisbane, Queensland;

“**Court**” means the Supreme Court of British Columbia;

“**Depository**” means the trust company, bank or financial institution agreed to in writing by Metallica and Melior for the purpose of, among other things, facilitating the exchange of

certificates representing Melior Shares for the distribution of Metallica Shares in connection with the Arrangement;

“**Dissent Procedures**” means the procedures set forth in Sections 242 to 247 of the BCBCA required to be taken by a registered holder of Melior Shares to exercise the right of dissent in respect of such Melior Shares in connection with the Arrangement;

“**Dissenting Shareholders**” means the registered holders of Melior Shares who dissent in respect of the Arrangement in strict compliance with the Dissent Procedures;

“**DRS Statement**” means statement issued by the applicable transfer agent evidencing the shares held by a shareholder in book-based form, in lieu of a physical share certificate;

“**Effective Date**” means the date a certified copy of the Final Order has been filed with the Registrar, together with the Arrangement Application, which shall be the date upon which all conditions precedent (excluding conditions that, by their terms cannot be settled until the Effective Date) to the completion of the Arrangement as set out in the Arrangement Agreement have been satisfied or waived in accordance therewith, or such other date as may be agreed to by Melior and Metallica in writing as the effective date of the Arrangement;

“**Effective Time**” means 12:01 a.m. (Vancouver time) on the Effective Date;

“**Encumbrance**” any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, other third Person interests or encumbrances of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

“**Exchange Rate**” means the \$ to A\$ daily exchange rate on the date of this Agreement as reported by the Bank of Canada;

“**Exchange Ratio**” means 20, which is the number representing the Share Consideration;

“**Final Order**” means the final order of the Court pursuant to Section 291 of the BCBCA, approving the Arrangement, as such order may be amended by the Court, with the consent of Melior and Metallica at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

“**Financial Advisor**” means Argonaut Capital Limited;

“**Former Melior Shareholders**” means the holders of Melior Shares immediately prior to the Effective Time;

“**Interim Order**” means the interim order of the Court, in a form acceptable to Melior and Metallica, each acting reasonably, providing for, among other things, the calling and holding of the Melior Meeting, as such order may be amended, supplemented or varied by the Court (with the consent of Melior and Metallica, each acting reasonably);

“Letter of Transmittal” means the letter of transmittal to be sent by Melior to the Former Melior Shareholders to be used by the Former Melior Shareholders to surrender the certificates representing their Melior Shares to receive the Metallica Shares issued to them pursuant to the Arrangement;

“Melior” means Melior Resources Inc., a corporation existing under the BCBCA;

“Melior Meeting” means the special meeting, including any adjournments or postponements thereof, of the holders of Melior Shares held, among other things, to consider and, if deemed advisable, approve the Arrangement;

“Melior Options” means the outstanding options to purchase an aggregate of up to 866,666 Melior Shares issued pursuant to the Melior Stock Option Plan and the options to purchase up to 1,000,000 Melior Shares proposed to be issued to the Financial Advisor as contemplated by section 4.1(t) of the Arrangement Agreement;

“Melior Securityholders” means, collectively, the Melior Shareholders, the holders of Melior Options and the holders of Melior Warrants;

“Melior Shares” means the common shares in the capital of Melior;

“Melior Stock Option Plan” means the stock option plan of Melior dated October 17, 2006, as amended on September 28, 2007, November 15, 2010, October 27, 2011 and January 22, 2016;

“Melior Warrants” means the outstanding warrants to purchase an aggregate of up to 4,874,750 Melior Shares;

“Metallica” means Metallica Minerals Limited, a company incorporated under the Laws of the Commonwealth of Australia;

“Metallica Replacement Option” has the meaning ascribed thereto in section 3.01(b) hereof;

“Metallica Replacement Warrant” has the meaning ascribed thereto in section 3.01(d) hereof;

“Metallica Shares” means the ordinary shares in the capital of Metallica;

“New Board” has the meaning ascribed thereto in section 3.02(e) hereof;

“Plan of Arrangement” means this plan of arrangement, as amended, modified or supplemented from time to time in accordance herewith and with any order of the Court;

“Proxy Circular” means the management information circular, including all schedules and exhibits thereto, prepared by Melior with the assistance of Metallica in respect of the Melior Meeting;

“Registrar” means the Registrar of Companies appointed pursuant to Section 400 of the BCBCA;

“Section 3(a)(10) Exemption” means the exemption from the registration requirements of the 1933 Act provided under Section 3(a)(10) thereof.; and

“Share Consideration” means 20 Metallica Shares in exchange for each Melior Share outstanding immediately prior to the Effective Time.

In addition, words and phrases used herein and defined in the BCBCA shall have the same meaning herein as in the BCBCA unless the context otherwise requires.

1.02 Interpretation Not Affected by Headings

The division of this Plan of Arrangement into articles, sections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms “this Plan of Arrangement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto.

1.03 Number, Gender and Persons

In this Plan of Arrangement, unless the context otherwise requires, words importing the singular shall include the plural and vice versa, words importing the use of either gender shall include both genders and neuter and the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity of any kind or nature whatsoever.

1.04 Date for any Action

If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.05 Statutory References

Any reference in this Plan of Arrangement to a statute includes all regulations made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.06 Time

Time shall be of the essence in every matter or action contemplated hereunder.

1.07 Currency

Unless otherwise stated, all references herein to amounts of money are expressed in lawful money of Canada.

ARTICLE 2 ARRANGEMENT AGREEMENT

2.01 Arrangement Agreement

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement.

2.02 Effect of Arrangement

This Plan of Arrangement will become effective at, and be binding at and after the Effective Time on Metallica, Melior, the Former Melior Shareholders, the holders of Melior Options and the holders of Melior Warrants.

ARTICLE 3 ARRANGEMENT

3.01 Arrangement

At the Effective Time, the following shall occur and shall be deemed to occur in the following order without any further act or formality:

- (a) each Melior Share in respect of which Dissent Procedures have been exercised shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all liens, claims and encumbrances, to Metallica, with Metallica being obliged to pay therefor the amount determined and payable in accordance with Article 4 hereof, and the name of such holder will be removed from the register of holders of Melior Shares and Metallica will be recorded as the registered holder of the Melior Shares so transferred and will be deemed to be the legal and beneficial owner of such Melior Shares;
- (b) each Melior Share (other than Melior Shares acquired by Metallica in accordance with subsection (a)) held by Former Melior Shareholders (other than Dissenting Shareholders) shall be exchanged with Metallica for Metallica Shares on the basis of the Exchange Ratio, subject to Sections 3.03 and 4.01 hereof, and Metallica shall be recorded as the registered holder of the Melior Shares so transferred and shall be deemed to be the legal and beneficial owner of such Melior Shares free and clear of any Encumbrances. Each Former Melior Shareholder shall cease to be a holder of Melior Shares and the name of such holder shall be removed from the securities register of holders of Melior Shares and each Former Melior Shareholder shall be added to the securities register of holders of Metallica Shares showing such holder as the registered holder of the Metallica Shares so issued;
- (c) each Melior Option outstanding immediately prior to the Effective Time shall be exchanged for an ordinary share purchase option of Metallica (each, a “**Metallica Replacement Option**”), which shall be exercisable to acquire, on the same terms and conditions as were applicable to such Melior Option immediately prior to the

Effective Time, the number of Metallica Shares (rounded down to the nearest whole number) equal to the product of: (A) the number of Melior Shares subject to such Melior Option immediately prior to the Effective Time, and (B) the Exchange Ratio. The exercise price per Metallica Share subject to any such Metallica Replacement Option shall be an amount (rounded up to the nearest tenth of a cent) equal to the quotient of: (A) the exercise price per Melior Share subject to such Melior Option immediately prior to the Effective Time, divided by (B) the Exchange Ratio, converted to A\$ at the Exchange Rate. The obligations of Melior under the Melior Options as so exchanged shall be assumed by Metallica. Except as set out above and subject to any requirements necessary to conform with ASX Listing Rules, the term to expiry, conditions to and manner of exercise (provided any Metallica Replacement Option shall be exercisable at the offices of Metallica) and other terms and conditions of each of the Metallica Replacement Options shall be the same as the terms and conditions of the Melior Option for which it is exchanged and, for greater certainty, each Metallica Replacement Option shall continue to be governed by and be subject to the terms of the Melior Stock Option Plan and the agreement evidencing the grant of such Melior Option with respect to such terms and conditions, except for the Melior Options issuable to the Financial Advisor which shall continue to be governed by and subject to the terms of the agreement evidencing the grant of such Melior Options but not the Melior Stock Option Plan.

- (d) each Melior Warrant outstanding immediately prior to the Effective Time shall be exchanged for an ordinary share purchase option of Metallica (each, a “**Metallica Replacement Warrant**”), which shall be exercisable to acquire, on the same terms and conditions as were applicable to such Melior Warrant immediately prior to the Effective Time, the number of Metallica Shares (rounded down to the nearest whole number) equal to the product of: (A) the number of Melior Shares subject to such Melior Warrant immediately prior to the Effective Time; and (B) the Exchange Ratio. The exercise price per Metallica Share subject to any such Metallica Replacement Warrants shall be an amount (rounded up to the nearest tenth of a cent) equal to the quotient of: (A) the exercise price per Melior Share subject to such Melior Warrant immediately prior to the Effective Time, divided by (B) the Exchange Ratio, converted to A\$ at the Exchange Rate. The obligations of Melior under the Melior Warrants as so exchanged shall be assumed by Metallica. Except as set out above and subject to any requirements necessary to conform with ASX Listing Rules, the term to expiry, conditions to and manner of exercise (provided any Metallica Replacement Warrant shall be exercisable at the offices of Metallica) and other terms and conditions of each of the Metallica Replacement Warrants shall be the same as the terms and conditions of the Melior Warrant for which it is exchanged.

3.02 Post-Effective Time Procedures

- (a) On or promptly after the Effective Date, Metallica shall issue from treasury the Metallica Shares required to be issued to Former Melior Shareholders in accordance with the provisions of section 3.01 hereof, which Metallica Shares shall be held by

the Depository as agent and nominee for such Former Melior Shareholders for distribution to such Former Melior Shareholders in accordance with the provisions of Article 5 hereof.

- (b) Subject to the provisions of Article 5 hereof, Former Melior Shareholders shall be entitled to receive evidence of ownership representing the Metallica Shares to which they are entitled pursuant to subsection 3.01(b) hereof. Certificates representing former Melior Shares, other than those to which Article 5 applies, shall represent only the right to receive the Metallica Shares to which the Former Melior Shareholder is entitled to receive pursuant to the Arrangement.

Metallica shall, as soon as practicable following the later of the Effective Date and date of deposit by a Former Melior Shareholder of a duly completed Letter of Transmittal and the certificates representing such Melior shares, forward or cause to be forwarded by first class mail (postage prepaid) to such Former Melior Shareholder at their registered address specified in the Letter of Transmittal evidence of ownership representing the number of Metallica Shares issued to such Former Melior Shareholder under the Arrangement.

- (c) After the Effective Time, the certificates representing the former Melior Shares to which Article 4 herein applies shall represent only the right to receive payment which the Dissenting Shareholders are entitled to receive pursuant to Article 4.
- (d) Immediately after the Effective Time, the board of directors of Metallica (the “**New Board**”) shall consist of six (6) directors appointed as follows: Peter Turnbull, Simon Slesarewich, Ian Jacobson, Mark McCauley, Martyn Buttenshaw and George Lloyd who shall also be appointed Chairman of the New Board.

3.03 No Fractional Metallica Shares

No fractional Metallica Shares shall be issued to Former Melior Shareholders. Any fractional number of Metallica Shares to which a Former Melior Shareholder would otherwise be entitled to receive shall be rounded down to the nearest whole number of Metallica Shares.

3.04 U.S. Securities Law Exemption

Notwithstanding any provision herein to the contrary, Metallica and Melior agree that the Plan of Arrangement will be carried out with the intention that all Metallica Shares, Metallica Replacement Options and Metallica Replacement Warrants to be issued in connection with the Arrangement shall be exempt from registration requirements of the 1933 Act pursuant to the Section 3(a)(10) Exemption, and the Metallica Shares to be distributed in the United States pursuant to the Arrangement shall not be subject to resale restrictions in the United States under the 1933 Act (other than as may be prescribed by Rule 144 and Rule 145 under the 1933 Act).

ARTICLE 4 DISSENT PROCEDURES

4.01 Dissent Procedures

Holders of Melior Shares may exercise Dissent Procedures with respect to Melior Shares in connection with the Arrangement, provided that, notwithstanding the Dissent Procedures, the written objection to the special resolution to approve the Arrangement contemplated by Section 242 of the BCBCA must be received by Melior no later than 4:00 p.m. (Vancouver time) at least two Business Days prior to the date of the Melior Meeting or any date to which the Melior Meeting may be postponed or adjourned and such Holders of Melior Shares must otherwise comply with Sections 242 to 247 of the BCBCA, and provided further that holders who exercise such rights of dissent and who:

- (a) are ultimately entitled to be paid fair value for their Melior Shares, which fair value shall be determined as of the close of business on the day before the Final Order becomes effective, shall be paid an amount equal to such fair value by Metallica; and
- (b) are ultimately not entitled, for any reason, to be paid fair value for their Melior Shares shall be deemed to have participated in the Arrangement, as of the Effective Time, on the same basis as a non-dissenting holder of Melior Shares and shall be entitled to receive only the consideration contemplated in subsection 3.01(b) hereof which such holder would have received pursuant to the Arrangement if such holder had not exercised Dissent Procedures,

but further provided that in no case shall Metallica, Melior or any other person be required to recognize Dissenting Shareholders as holders of Melior Shares after the Effective Time, and the names of such Dissenting Shareholders shall be deleted from the register of holders of Melior Shares at the Effective Time.

ARTICLE 5 DELIVERY OF METALLICA SHARES

5.01 Delivery of Metallica Shares

Upon surrender to the Depository, as specified in the Letter of Transmittal, for cancellation of a certificate which immediately prior to the Effective Time represented one or more outstanding Melior Shares which were exchanged for Metallica Shares in accordance with section 3.01 hereof, together with a completed Letter of Transmittal and such other documents and instruments as would have been required to effect the transfer of the Melior Shares formerly represented by such certificate and such additional documents and instruments as the Depository may reasonably require, the holder of such surrendered certificate shall be entitled to receive in exchange therefor, and the Depository shall facilitate the delivery to such holder following the Effective Time, of evidence of ownership representing the Metallica Shares which such holder is entitled to receive in accordance with section 3.02 hereof.

After the Effective Time and until surrendered for cancellation as contemplated by subsection 5.01(a) hereof, each certificate which immediately prior to the Effective Time represented one or more Melior Shares shall be deemed at all times to represent only the right to receive in exchange therefor evidence of ownership representing the Metallica Shares which the holder of such certificate is entitled to receive in accordance with section 5.01(a) hereof.

5.02 Lost Certificates

In the event that any certificate which immediately prior to the Effective Time represented one or more outstanding Melior Shares which were exchanged for Metallica Shares in accordance with section 3.01 hereof shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall facilitate the delivery in exchange for such lost, stolen or destroyed certificate, of evidence of ownership representing the Metallica Shares which such holder is entitled to receive in accordance with section 3.02 hereof. When authorizing such delivery of evidence of ownership representing the Metallica Shares which such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom the evidence of ownership representing such Metallica Shares is to be delivered shall, as a condition precedent to the delivery of such Metallica Shares, give a bond satisfactory to Metallica and the Depositary in such amount as Metallica and the Depositary may direct, and shall indemnify Metallica and the Depositary in a manner satisfactory to Metallica and the Depositary, against any claim that may be made against Metallica or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the by-laws of Melior.

5.03 Distributions with Respect to Unsurrendered Certificates

No dividend or other distribution declared or made after the Effective Time with respect to Metallica Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate which, immediately prior to the Effective Time, represented outstanding Melior Shares unless and until the holder of such certificate shall have complied with the provisions of section 5.01 or section 5.02 hereof. Subject to applicable law and to section 5.04 hereof, at the time of such compliance, there shall, in addition to the delivery of evidence of ownership representing the Metallica Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect such Metallica Shares.

5.04 Withholding Rights

Metallica and the Depositary shall be entitled to deduct and withhold from all dividends or other distributions otherwise payable to any Former Melior Shareholder such amounts as Metallica or the Depositary is required or permitted to deduct and withhold with respect to such payment under the *Income Tax Act* (Canada), the *United States Internal Revenue Code of 1986*, as amended, or any provision of any applicable federal, provincial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Former Melior Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority.

5.05 Limitation and Proscription.

To the extent that a Former Melior Shareholder shall not have complied with the provisions of section 5.01 or section 5.02 hereof on or before the date which is six years after the Effective Date (the “final proscription date”), then the Metallica Shares which such Former Melior Shareholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and any remaining Metallica Shares held by the Depositary as agent and nominee for such Former Melior Shareholders shall be cancelled by Metallica, and the interest of the Former Melior Shareholder in such Metallica Shares shall be terminated as of such final proscription date.

ARTICLE 6 AMENDMENTS

6.01 Amendments to Plan of Arrangement

- (a) Metallica and Melior reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided that each such amendment, modification or supplement must be (i) set out in writing, (ii) agreed to in writing by Metallica and Melior, (iii) filed with the Court and, if made following the Melior Meeting, approved by the Court, and (iv) communicated to Former Melior Shareholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Melior at any time prior to the Melior Meeting provided that Metallica shall have consented thereto in writing, with or without any other prior notice or communication, and, if so proposed and accepted by the persons voting at the Melior Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Melior Meeting shall be effective only if (i) it is consented to in writing by each of Metallica and Melior, and (ii) if required by the Court, it is consented to by holders of the Melior Shares voting in the manner directed by the Court.