

# SECURITIES AND EXCHANGE COMMISSION

## FORM SC 13D

Schedule filed to report acquisition of beneficial ownership of 5% or more of a class of equity securities

Filing Date: **2014-05-02**  
SEC Accession No. [0000899681-14-000373](#)

(HTML Version on [secdatabase.com](http://secdatabase.com))

### SUBJECT COMPANY

#### Jaguar Mining Inc

CIK: **1333849** | IRS No.: **980396253** | State of Incorporation: **A6** | Fiscal Year End: **1231**  
Type: **SC 13D** | Act: **34** | File No.: **005-84653** | Film No.: **14807167**  
SIC: **1000** Metal mining

Mailing Address  
67 YONGE STREET  
SUITE 1203  
TORONTO A6 M5E 1J8

Business Address  
67 YONGE STREET  
SUITE 1203  
TORONTO A6 M5E 1J8  
647-494-5524

### FILED BY

#### Outrider Management, LLC

CIK: **1388110** | IRS No.: **870719067** | State of Incorporation: **CA** | Fiscal Year End: **1231**  
Type: **SC 13D**

Mailing Address  
1001 BAYHILL DRIVE, SUITE  
125  
SAN BRUNO CA 94066

Business Address  
1001 BAYHILL DRIVE, SUITE  
125  
SAN BRUNO CA 94066  
650-238-5850

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

**SCHEDULE 13D**

**Under the Securities Exchange Act of 1934**

Jaguar Mining Inc.

(Name of Issuer)

Common Shares

(Title of Class of Securities)

47009M103

(CUSIP Number)

Rob Hutchinson  
c/o Outrider Management, LLC  
1001 Bayhill Drive, Suite 125  
San Bruno, CA 94066  
USA

(650) 238-5830

(Name, Address and Telephone Number of Person  
Authorized to Receive Notices and Communications)

April 22, 2014

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of §§240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box.

**Note:** Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties to whom copies are to be sent.

\* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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1. NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Outrider Master Fund, L.P.  
20-0851457

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2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)

- (a)   
(b)
- 

3. SEC USE ONLY

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4. SOURCE OF FUNDS (see instructions)

OO, PF

---

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

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6. CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

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NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH	7.	SOLE VOTING POWER 36,044,388
	8.	SHARED VOTING POWER
	9.	SOLE DISPOSITIVE POWER 36,044,388
	10.	SHARED DISPOSITIVE POWER

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11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

36,044,388

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12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions)

□

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13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

32.4%\*

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14. TYPE OF REPORTING PERSON (see instructions)

IA, HC

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\* This calculation is based on 111,106,262 Common Shares outstanding as of April 22, 2014, as reported by the Issuer on its Form 6-K, filed with the Securities and Exchange Commission on April 23, 2014.

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 1. NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Outrider Management LLC  
87-0719067

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## 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)

- (a)   
(b)
- 

 3. SEC USE ONLY
 

---

## 4. SOURCE OF FUNDS (see instructions)

OO, PF

---

## 5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

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## 6. CITIZENSHIP OR PLACE OF ORGANIZATION

USA

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## 7. SOLE VOTING POWER

NUMBER OF  
SHARES  
BENEFICIALLY  
OWNED BY  
EACH  
REPORTING  
PERSON  
WITH

8. SHARED VOTING POWER  
36,044,388

---

9. SOLE DISPOSITIVE POWER

---

10. SHARED DISPOSITIVE POWER  
36,044,388

---

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## 12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions)

□

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13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

32.4%\*

---

14. TYPE OF REPORTING PERSON (see instructions)

IA, HC

---

---

\* This calculation is based on 111,106,262 Common Shares outstanding as of April 22, 2014, as reported by the Issuer on its Form 6-K, filed with the Securities and Exchange Commission on April 23, 2014.

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 1. NAMES OF REPORTING PERSONS I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (ENTITIES ONLY)

Stephen Hope

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## 2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (see instructions)

- (a)   
 (b)
- 

 3. SEC USE ONLY
 

---

## 4. SOURCE OF FUNDS (see instructions)

OO, PF

---

## 5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

---

## 6. CITIZENSHIP OR PLACE OF ORGANIZATION

USA

---

## 7. SOLE VOTING POWER

NUMBER OF  
 SHARES BENEFICIALLY  
 OWNED BY  
 EACH  
 REPORTING  
 PERSON  
 WITH

8. SHARED VOTING POWER  
 36,044,388

9. SOLE DISPOSITIVE POWER

10. SHARED DISPOSITIVE POWER  
 36,044,388

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## 12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES (see instructions)

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13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)

32.4%\*

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14. TYPE OF REPORTING PERSON (see instructions)

IN

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\* This calculation is based on 111,106,262 Common Shares outstanding as of April 22, 2014, as reported by the Issuer on its Form 6-K, filed with the Securities and Exchange Commission on April 23, 2014.

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**Item 1. Security and Issuer.**

This statement on Schedule 13D (this "Schedule 13D") relates to the common shares ("Common Shares"), of Jaguar Mining Inc. (the "Issuer"), a corporation organized under the laws of Ontario, Canada. The principal executive offices of the Issuer are located at 67 Yonge Street, Suite 1203, Toronto, ON M5E 1J8, Canada.

Information contained in this Schedule 13D with respect to each Reporting Person (as defined below) and, if applicable, its executive officers, directors and controlling persons, is given solely by such Reporting Person, and no other Reporting Person has responsibility for the accuracy or completeness of information supplied by such other Reporting Person.

**Item 2. Identity and Background.**

(a)–(c):

This Schedule 13D is being filed jointly by the following (each, a "Reporting Person" and collectively, the "Reporting Persons"):

- (1) Outrider Master Fund, L.P. ("OMF"), a Cayman Islands Exempted Limited Partnership;
- (2) Outrider Management, LLC ("OML"), a limited liability company organized under the laws of California; and
- (3) Stephen Hope (the "Executive").

All of the Common Shares reported by the Reporting Persons in this Schedule 13D are held of record by OMF. OMF is principally engaged in the business of investing in and holding securities, both directly in its own name and indirectly through wholly-owned subsidiaries.

OML is the general partner and investment manager of OMF. OML is principally engaged in the business of performing the functions of, and serving as, the general partner and/or investment manager to certain of its affiliates.

The Executive is the General Partner of OML and the Portfolio Manager of OMF. The Executive is a citizen of the United States.

The principal business address of each Reporting Person is 1001 Bayhill Drive, Suite 125, San Bruno, CA 94066 USA.

(d) During the last five years, none of the Reporting Persons has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

(e) During the last five years, none of the Reporting Persons has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and, as a result of such proceeding, was or is subject to a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

(f) See Item 2(a)–(c) above for citizenship or place of organization of each of the Reporting Persons.

**Item 3. Source and Amount of Funds or Other Consideration.**

On April 22, 2014, pursuant to a plan of compromise and arrangement (the "Plan") under the *Companies' Creditors Arrangement Act* (Canada) as disclosed by the Issuer in the Issuer's Form 6-K, filed with the Securities and Exchange Commission on April 23, 2014, the Issuer issued to OMF:

- (1) 2,650,775 Common Shares in exchange for certain senior unsecured convertible notes of the Issuer held by OMF (the "Notes"), in an aggregate principal amount, immediately prior to such exchange, equal to \$50,600,000;
- (2) 8,149,749 Common Shares in satisfaction of the Issuer's obligation to pay accrued interest on the Notes and in satisfaction of the Issuer's obligation to pay certain fees pursuant to the Plan and the Backstop Agreement referred to below; and



- (3) 25,243,864 Common Shares in a private placement, for an aggregate cash purchase price of \$17,788,444 (\$0.7047 per share). OMF's payment of this aggregate purchase price was funded by cash on hand.

**Item 4. Purpose of Transaction.**

The Common Shares held of record by OMF were acquired in connection with the restructuring of the Issuer in accordance with the Plan and are held for investment purposes.

The Reporting Persons intend to review on a continuing basis OMF's investment in the Issuer. As a result of the Reporting Persons' continuous review and evaluation of the business of the Issuer, the Reporting Persons may communicate with the board of the Issuer, members of management and/or other shareholders from time to time with respect to operational, strategic, financial or governance matters or otherwise work with management and the board with a view to maximizing shareholder value. The Reporting Persons may seek to sell or otherwise dispose of some or all of the Issuer's securities (which may include, but is not limited to, transferring some or all of such securities to its affiliates or distributing some or all of such securities to such Reporting Person's respective partners or members, as applicable) from time to time, and/or may seek to acquire additional securities of the Issuer (which may include rights or securities exercisable or convertible into securities of the Issuer) from time to time, in each case, in open market or private transactions, block sales or otherwise. Any transaction that the Reporting Persons may pursue may be made at any time and from time to time without prior notice and will depend on a variety of factors, including, without limitation, the price and availability of the Issuer's securities, subsequent developments affecting the Issuer, the Issuer's business and the Issuer's prospects, other investment and business opportunities available to the Reporting Persons, general industry and economic conditions, the securities markets in general, tax considerations and other factors deemed relevant by the Reporting Persons.

Except as described in this Item 4 of this Schedule 13D, the Reporting Persons do not have any present plans or proposals that relate to or would result in any of the actions described in subparagraphs (a) through (j) of Item 4 of Schedule 13D, although the Reporting Persons, at any time and from time to time, may review, reconsider and change their position and/or change their purpose and/or develop such plans and may seek to influence management or the board of the Issuer with respect to the business and affairs of the Issuer, and may from time to time consider pursuing or proposing any such transactions and, in connection therewith, may discuss, evaluate and/or pursue any such transactions with advisors, the Issuer or other persons.

**Item 5. Interest in Securities of the Issuer.**

(a)-(b):

OMF owns of record 36,044,388 common shares, representing approximately 32.4%\* of the Common Shares issued and outstanding as of the date hereof. OML is investment advisor and general partner of OMF and, in that capacity, directs its operations. The Executive is the General Partner of OML and the Portfolio Manager of OMF.

Neither the filing of this Schedule 13D nor any of its contents shall be deemed to constitute an admission that any of the Reporting Persons (other than OMF, to the extent it directly holds Common Shares reported on this Schedule 13D) is the beneficial owner of the Common Shares referred to herein for purposes of Section 13(d) of the Securities Exchange Act of 1934, as amended, or for any other purpose, and such beneficial ownership is expressly disclaimed. Each Reporting Person expressly disclaims any assertion or presumption that it and the other persons on whose behalf this statement is filed constitute a "group."

(c) Except as set forth herein, none of the Reporting Persons have engaged in any transactions with respect to the Issuer's Common Shares during the past sixty days.

(d) Not applicable.

(e) Not applicable.

**Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.**

In accordance with the Restructuring Plan, the Common Shares acquired by OMF were acquired, in part, pursuant to the terms of a Backstop Agreement dated as of November 13, 2013 (as such agreement has been subsequently

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\* This calculation is based on 111,106,262 Common Shares outstanding as of April 22, 2014, as reported by the Issuer on its Form 6-K, filed with the Securities and Exchange Commission on April 23, 2014.

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amended from time to time) between the Issuer and certain of its former noteholders, a copy of which is filed as an exhibit hereto.

Except as described herein and above, there are no contracts, agreements, understandings or relationships (legal or otherwise) between the Reporting Persons and any other person with respect to any securities of the Issuer.

**Item 7. Material to Be Filed as Exhibits.**

- Exhibit 1 Joint Filing Agreement, dated as of May 2, 2014, among the Reporting Persons
- Exhibit 2 Plan of Compromise and Arrangement of Jaguar Mining Inc. pursuant to the Companies' Creditors Arrangement Act (Canada), dated February 5, 2014 with an implementation date of April 22, 2014
- Exhibit 3 Backstop Agreement, dated as of November 13, 2013, between the Issuer and certain of its former noteholders
-

**SIGNATURE**

After reasonable inquiry and to the best of our knowledge and belief, the undersigned certify that the information set forth in this statement is true, complete and correct.

Dated: May 2, 2014

Outrider Master Fund, L.P.  
By: Outrider Management, LLC, its general partner

By: /s/ Stephen Hope  
Name: Stephen Hope  
Title: Managing Member of the General Partner

Outrider Management, LLC,

By: /s/ Stephen Hope  
Name: Stephen Hope  
Title: Managing Member

/s/ Stephen Hope  
Stephen Hope

**Exhibit 1**

**JOINT FILING AGREEMENT**

The undersigned hereby agree that the Schedule 13D with respect to the Common Shares of Jaguar Mining Inc. dated as of May 2, 2014, is, and any amendments thereto (including amendments on Schedule 13G) entered into by each of the undersigned shall be, filed on behalf of each of the undersigned pursuant to and in accordance with the provisions of Rule 13d-1(k) under the Securities Exchange Act of 1934. This Joint Filing Agreement shall be filed as an Exhibit to such Schedule 13D.

Date: May 2, 2014

Outrider Master Fund, L.P.

By: Outrider Management, LLC, its general partner

By: /s/ Stephen Hope

Name: Stephen Hope

Title: Managing Member of the General  
Partner

Outrider Management, LLC,

By: /s/ Stephen Hope

Name: Stephen Hope

Title: Managing Member

/s/ Stephen Hope

Stephen Hope

**ONTARIO**  
**SUPERIOR COURT OF JUSTICE**  
**COMMERCIAL LIST**

IN THE MATTER OF THE COMPANIES' CREDITORS  
ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE AND  
ARRANGEMENT OF JAGUAR MINING INC.

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**AMENDED AND RESTATED PLAN OF COMPROMISE AND ARRANGEMENT**  
**PURSUANT TO THE *COMPANIES' CREDITORS ARRANGEMENT ACT***  
**OF JAGUAR MINING INC.**

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**FEBRUARY 5, 2014**

**RECITALS**

- (A) Jaguar Mining Inc. (the “**Applicant**” or “**Jaguar**”) is a debtor company (as such term is defined in the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “**CCAA**”).
- (B) On December 23, 2013, the Honourable Justice Morawetz of the Ontario Superior Court of Justice (Commercial List) (the “**Court**”) granted the following Orders pursuant to the CCAA:
- (i) an Initial Order in respect of the Applicant (as such Order may be amended, restated or varied from time to time, the “**Initial Order**”);
  - (ii) a Plan Filing and Meeting Order (as such Order may be amended, restated or varied from time to time, the “**Meeting Order**”) pursuant to which, among other things, the Applicant was authorized to file a plan of compromise and arrangement and to convene a meeting of affected creditors to consider and vote on the plan of compromise and arrangement, as may be amended, restated, modified or supplemented from time to time; and
  - (iii) a Claims Procedure Order (as such Order may be amended, restated or varied from time to time, the “**Claims Procedure Order**”), which, among other things, established the procedures by which claims of affected creditors shall be filed in these proceedings.



- (C) This Amended and Restated Plan of Compromise and Arrangement will be filed on February 6, 2014 with the consent of the Majority Consenting Noteholders (as hereinafter defined).
- (D) Mineração Serras Do Oeste Ltda. (“**MSOL**”), Mineração Turmalina Ltda. (“**MTL**”), and MCT Mineração Ltda. (“**MCT**”), each incorporated under the laws of Brazil, are wholly-owned subsidiaries of Jaguar and are not applicants in the CCAA Proceedings.
- (E) The purpose of this Plan is to facilitate the continuation of the business of the Jaguar Group (as hereinafter defined) as a going concern, address certain liabilities of the Applicant, and effect a recapitalization and financing transaction on an expedited basis to provide a stronger financial foundation for the Jaguar Group going forward and additional liquidity to allow the Jaguar Group to continue to work towards its operational and financial goals from and after the Implementation Date in the expectation that all Persons (as hereinafter defined) with an economic interest in the Jaguar Group will derive a greater benefit from the implementation of this Plan than would otherwise result.

**NOW THEREFORE** the Applicant hereby proposes and presents this Plan under the CCAA.

## ARTICLE 1 – INTERPRETATION

### 1.1 Definitions

In this Plan and the Recitals, unless otherwise stated or unless the subject matter or context otherwise requires:

“**4.5% Convertible Note Indenture**” means the Indenture dated as of September 15, 2009 among Jaguar, as issuer, The Bank of New York Mellon as trustee and BNY Trust Company of Canada as co-trustee pursuant to which Jaguar issued the 4.5% convertible notes;

“**5.5% Convertible Note Indenture**” means the Indenture dated as of February 9, 2011 among Jaguar as issuer, The Bank of New York Mellon as trustee and BNY Trust Company of Canada as co-trustee pursuant to which Jaguar issued the 5.5% convertible notes;

“**Accrued Interest Claim**” means, with respect to a particular Participating Eligible Investor or Funding Backstop Party, all unpaid interest accrued under the Notes at the applicable rate under the Indentures owing as at the Record Date to such Participating Eligible Investor or Funding Backstop Party;

“**Accrued Interest Claims**” means the aggregate of all unpaid interest accrued under the Notes at the applicable rate under the Indentures owing as at the Record Date to the Participating Eligible Investors and Funding Backstop Parties;

“**Accrued Interest Offering Shares**” means 9,044,203 New Common Shares;

“**Ad Hoc Committee**” means the ad hoc committee of Noteholders represented by the Advisors;

“**Administration Charge**” has the meaning given to that term in the Initial Order;

“**Advisors**” means Goodmans LLP, Houlihan Lokey Capital, Inc., Dias Carneiro Advogados, Behre Dolbear & Company (USA), Inc. and Stroock & Stroock & Lavan LLP;

“**Affected Creditor Class**” has the meaning given to that term in Section 3.1;

“**Affected Unsecured Claims**” means all Claims against the Applicant that are not Equity Claims;

“**Affected Unsecured Creditor**” means the holder of an Affected Unsecured Claim in respect of and to the extent of such Affected Unsecured Claim;

“**Agreed Excluded Director/Officer Litigation Claims**” means any claims against a Director and/or Officer that the Majority Consenting Noteholders and the Applicant have agreed, prior to the Implementation Date, and as set out on Schedule “A” hereto, will constitute Excluded Claims for the purposes of this Plan;

“**Agreed Excluded Jaguar Litigation Claims**” means any claims against Jaguar that the Majority Consenting Noteholders and the Applicant have agreed, prior to the Implementation Date, and as set out on Schedule “B” hereto, will constitute Excluded Claims for the purposes of this Plan;

“**Agreed Excluded Litigation**” means any proceeding commenced by any Agreed Excluded Litigation Claimant in respect of any Agreed Excluded Litigation Claims, subject to the terms of this Plan;

“**Agreed Excluded Litigation Claimants**” means any Persons and, if applicable, each of their respective parents, subsidiaries, associated, affiliated and related companies, corporations and Persons, and each of their directors, officers, employees, agents, affiliates, and trustees, that have asserted an Agreed Excluded Director/Officer Litigation Claim and/or an Agreed Excluded Jaguar Litigation Claim, as agreed to by the Majority Consenting Noteholders and the Applicant prior to the Implementation Date and as set out on Schedule “C” hereto;

“**Agreed Excluded Litigation Claims**” means, collectively, the Agreed Excluded Jaguar Litigation Claims and the Agreed Excluded Director/Officer Litigation Claims;

“**Allowed**” means, with respect to a Claim, any Claim or any portion thereof that has been finally allowed as a Distribution Claim (as defined in the Claims Procedure Order) for purposes of receiving distributions under this Plan in accordance with the Claims Procedure Order and the CCAA;

“**Applicable Law**” means, with respect to any Person, property, transaction, event or other matter, any Law relating or applicable to such Person, property, transaction, event or other matter, including, where appropriate, any interpretation of the Law (or any part) by any Person, court or tribunal having jurisdiction over it, or charged with its administration or interpretation;

“**Applicant**” has the meaning given to that term in Recital A;

“**Articles of Reorganization**” means the Articles of Reorganization of Jaguar to be filed pursuant to Section 186 of the OBCA and in accordance with Section 7.4(a) hereof, in form and substance satisfactory to Jaguar and the Majority Consenting Noteholders;

“**Assumed Backstop Commitment**” means, in the event of a Backstop Default/Termination, if any, a Backstop Commitment, or a portion thereof, assumed by an Assuming Backstop Party from a Defaulting Backstop Party, Objecting Backstop Party, Breaching Backstop Party or Non-Delivering Backstop Party, as applicable, in accordance with the terms and conditions of this Plan and the Backstop Agreement;

“**Assuming Backstop Party**” means, in the event of a Backstop Default/Termination, if any, a Non-Defaulting Backstop Party, Non-Objecting Backstop Party, Non-Breaching/Non-Delivering Backstop Party, or such other party acceptable to the Backstop Parties and Jaguar in each case in accordance with the Backstop Agreement, that executes a Backstop Consent Agreement and that has assumed the obligations (and rights), or a portion thereof, of a Defaulting Backstop Party, Objecting Backstop Party, Breaching Backstop Party or Non-Delivering Backstop Party, as applicable, under the Backstop Agreement, in accordance with the terms and conditions of this Plan and the Backstop Agreement. For greater certainty, any Assuming Backstop Party that has complied with its obligations under this Plan and the Backstop Agreement shall constitute and be treated as a Funding Backstop Party for purposes of this Plan;

“**Backstop Agreement**” means the backstop agreement dated November 13, 2013 (as amended from time to time) between certain Noteholders, Jaguar, MCT, MSOL and MTL, together with any Backstop Consent Agreements executed by other parties from time to time;

“**Backstop Commitment**” means, in respect of each Backstop Party, the commitment set forth on such Backstop Party’s signature page to the Backstop Agreement or a Backstop Consent Agreement, as applicable, which commitment may be reduced in accordance with and subject to the terms and conditions of the Backstop Agreement and this Plan;

“**Backstop Commitment Reduction Election**” has the meaning given to such term in Section 4.1(c);

“**Backstop Commitment Shares**” means 11,111,111 New Common Shares;

“**Backstop Consent Agreement**” means an agreement substantially in the form of Schedule B to the Backstop Agreement;

“**Backstop Consideration Commitment**” means, in respect of each Backstop Party, the commitment set forth on such Backstop Party’s signature page to the Backstop Agreement or a Backstop Consent Agreement, as applicable, which commitment, for greater certainty, shall not be reduced as a result of a Backstop Commitment Reduction Election;

“**Backstop Default/Termination**” means any of the following: (a) a breach by a Breaching Backstop Party under section 10(b)(i) or (ii) of the Backstop Agreement in respect of which the Backstop Agreement has been terminated with respect to such Breaching Backstop Party in accordance with its terms; (b) a failure by a Defaulting Backstop Party to meet its obligations in respect of its Backstop Commitment on or before the Backstop Funding Deadline; (c) a failure by a Non-Delivering Backstop Party to deliver an executed Rep Letter to

Jaguar by the Election Deadline or if a representation or warranty made in such Rep Letter becomes untrue; and (d) the termination by an Objecting Backstop Party of its obligations under the Backstop Agreement in accordance with section 8(c) thereof;

“**Backstop Funding Deadline**” has the meaning given to such term in Section 4.1(g);

“**Backstop Parties**” means those Noteholders that have entered into the Backstop Agreement (including a Backstop Consent Agreement), and a “**Backstop Party**” means any one of the Backstop Parties, and their permitted assignees;

“**Backstop Payment Amount**” has the meaning given to such term in Section 4.1(f);

“**Backstop Purchase Obligation**” means the obligation of a Backstop Party to purchase Backstopped Shares in accordance with the terms and conditions of the Backstop Agreement and this Plan;

“**Backstopped Shares**” has the meaning given to such term in Section 4.1(f);

“**Beneficial Noteholder**” means a beneficial or entitlement holder of Notes holding such Notes in a securities account with a depository, a depository participant or other securities intermediary including, for greater certainty, such depository participant or other securities intermediary only if and to the extent such depository participant or other securities intermediary holds the Notes as a principal for its own account;

“**Bradesco**” means Banco Bradesco S.A.;

“**Breaching Backstop Party**” means a Backstop Party that has breached the Backstop Agreement under section 10(b)(i) or (ii) thereof and in respect of whom the Backstop Agreement has been terminated in accordance with its terms;

“**Business Day**” means any day, other than a Saturday, or a Sunday or a statutory or civic holiday, on which banks are generally open for business in Toronto, Ontario and New York, New York;

“**CCA Proceedings**” means the proceedings commenced by the Applicant under the CCA as contemplated by the Initial Order;

“**CRA Claim**” means the claim as described in the proof of claim, dated January 21, 2014, filed by Canada Revenue Agency in the CCA Proceedings in the amount of \$5,969.13;

“**Charges**” has the meaning ascribed thereto in the Initial Order;

“**Claim**” means:

- i. any right or claim, including any Tax Claim, of any Person that may be asserted or made in whole or in part against the Applicant, in any capacity, whether or not asserted or made, in connection with any indebtedness, liability or obligation of any kind whatsoever of the Applicant, and any interest accrued thereon or costs payable in respect thereof, in existence on the Filing Date, or which is based on an event, fact, act or omission which occurred in whole or in part prior to the Filing Date, whether at law or in equity, including by reason of the commission of a tort (intentional or unintentional), by reason of any breach of contract or other agreement (oral or written), by reason of any breach of duty (including, any legal, statutory, equitable or fiduciary duty) or by reason of any equity interest, right of ownership of or title to property or assets or right to a trust or deemed trust (statutory, express, implied, resulting, constructive or otherwise), and together with any security enforcement costs or legal costs associated with any such claim, and whether or not any indebtedness, liability or obligation is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present or future, known or unknown, by guarantee, warranty, surety or otherwise, and whether or not any right or claim is executory or anticipatory in nature, including any claim arising from or caused by the termination, disclaimer, rescission, assignment or repudiation by the Applicant of any contract, lease or other agreement, whether written or oral, any claim made or asserted against the Applicant through any affiliate, subsidiary, associated or related person, or any right or ability of any Person to advance a claim for an accounting, reconciliation, contribution, indemnity, restitution or otherwise with respect to any matter, grievance, action (including any class action or proceeding before an administrative tribunal), cause or chose in action, whether existing at present or commenced in the future, and including any other claims that would have been claims provable in bankruptcy had the Applicant become bankrupt on the Filing Date, including for greater certainty any Equity Claim and any claim against the Applicant for indemnification by Director or Officer in respect of a Director/Officer Claim but excluding any such indemnification claims covered by the Directors’ Charge (each, a “**Pre-filing Claim**”, and collectively, the “**Pre-filing Claims**”);

- ii. any right or claim of any Person against the Applicant in connection with any indebtedness, liability or obligation of any kind whatsoever owed by the Applicant to such Person arising out of the restructuring, disclaimer, resiliation, termination or breach by the Applicant on or after the Filing Date of any contract, lease or other agreement whether written or oral (each, a “**Restructuring Period Claim**”, and collectively, the “**Restructuring Period Claims**”); and

- iii. any right or claim of any Person against one or more of the Directors or Officers howsoever arising, whether or not such right or claim is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, perfected, unperfected, present, future, known, or unknown, by guarantee, surety or otherwise, and whether or not such right is executory or anticipatory in nature, 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, including any right of contribution or indemnity, for which any Director or Officer is alleged to be by statute or otherwise by law liable to pay in his or her capacity as a Director or Officer (each a “**Director/Officer Claim**”, and collectively, the “**Director/Officer Claims**”),

in each case other than any Excluded Claim;

“**Commitment Reduction Electing Backstopper**” has the meaning given to such term in Section 4.1(c);

“**Common Share Consolidation**” has the meaning given to such term in Section 7.4(a);

“**Common Shares**” means the common shares in the capital of Jaguar that are duly issued and outstanding at any time;

“**Consenting Noteholder**” means any Noteholder that has executed the Support Agreement (including a consent agreement substantially in the form of Schedule C thereto), in respect of whom the Support Agreement has not been terminated;

“**Consolidation Number**” means the quotient (to five decimal places) determined by dividing the number of Existing Shares by 1,000,000, which as of the date of this Plan is 86.39636.

“**Continuing Other Director/Officer Claims**” means Director/Officer Claims against the Other Directors and/or Officers;

“**Court**” has the meaning given to that term in Recital B;

“**Credit Agreement**” means the credit agreement made as of December 17, 2012 between Jaguar, as borrower, the Subsidiaries, as guarantors, and Global Resource Fund, as lender.

“**Creditor**” means any Person having a Claim and includes without limitation the transferee or assignee of a Claim transferred and recognized as a Creditor in accordance with the Claims Procedure Order or a trustee, executor, liquidator, receiver, receiver and manager, or other Person acting on behalf of or through such Person;

“**Crown**” means Her Majesty in right of Canada or a province of Canada;

“**Crown Claim**” means any Claim of the Crown, for all amounts that were outstanding at the Filing Date and are of a kind that could be subject to a demand under:

- i. subsection 224(1.2) of the ITA;

- ii. any provision of the Canada Pension Plan or of the Employment Insurance Act that refers to subsection 224(1.2) of the ITA and provides for the collection of a contribution, as defined in the Canada Pension Plan, or an employee’s premium, or employer’s premium, as defined in the Employment Insurance Act, and of any related interest, penalties or other amounts;

- iii. any provision of provincial legislation that has a similar purpose to subsection 224(1.2) of the ITA, or that refers to that subsection, to the extent that it provides for the collection of a sum, and of any related interest, penalties or other amounts, where the sum:

- a. has been withheld or deducted by a person from a payment to another person and is in respect of a tax similar in nature to the income tax imposed on individuals under the ITA; or

- is of the same nature as a contribution under the Canada Pension Plan if the province is a “province providing
- b. a comprehensive pension plan” as defined in subsection 3(1) of the Canada Pension Plan and the provincial legislation establishes a “provincial pension plan” as defined in that subsection.

“**Defaulting Backstop Party**” means a Backstop Party that has failed to meet its obligations in respect of its Backstop Commitment on or before the Backstop Funding Deadline;

“**Designated Offshore Securities Market**” has the meaning given to that term in Rule 902 of Regulation S.

“**Direct Registration System Advice**” means, if applicable, a statement delivered by the Transfer Agent or any such Person’s agent to any Person entitled to receive New Common Shares pursuant to the Plan indicating the number of New Common Shares registered in the name of or as directed by the applicable Person in a direct registration account administered by the Transfer Agent in which those Persons entitled to receive New Common Shares pursuant to the Plan will hold such New Common Shares in registered form and including, if applicable, a securities law legend;

“**Director**” means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, a director or de facto director of Jaguar;

“**Director Defence Costs Indemnity Claim**” means any existing or future right of any current director (as at the date of this Plan) of Jaguar who is a defendant to any Agreed Excluded Director/Officer Litigation Claims against Jaguar for indemnification of reasonable defence costs incurred by such current director of Jaguar (whether or not a director of Jaguar at the time such claim for indemnification is made) in connection with defending against such Agreed Excluded Director/Officer Litigation Claims solely to the extent that such defence costs are not covered by insurance and for which such Director or Officer of Jaguar is entitled to be indemnified by Jaguar;

“**Director/Officer Claim**” has the meaning given to that term in the definition of Claim;

“**Director/Officer Indemnity Claim**” means any existing or future right of any Director or Officer of Jaguar against Jaguar that arose or arises as a result of (i) any Person filing a Proof of Claim (as defined in the Claims Procedure Order) in respect of a Director/Officer Claim in respect of such Director or Officer of Jaguar or (ii) any Agreed Excluded Litigation Claims and/or any Agreed Excluded Litigation, in each case for which such Director or Officer of Jaguar is entitled to be indemnified by Jaguar, other than a Director Defence Costs Indemnity Claim;

“**Director/Officer Insurance Policy**” means any insurance policy pursuant to which any Director or Officer is insured, in his or her capacity as a Director or Officer;

“**Directors’ Charge**” has the meaning given to that term in the Initial Order;

“**Disputed Distribution Claim**” means an Affected Unsecured Claim (including a contingent Affected Unsecured Claim which may crystallize upon the occurrence of an event or events occurring after the Filing Date) or such portion thereof which has not been allowed as a Distribution Claim (as defined in the Claims Procedure Order), which is validly disputed for distribution purposes in accordance with the Claims Procedure Order and which remains subject to adjudication for distribution purposes in accordance with the Claims Procedure Order;

“**Disputed Distribution Claims Reserve**” means the reserve, if any, to be established by the Applicant on the Implementation Date, which shall be comprised of the Unsecured Creditor Common Shares that would have been delivered in respect of Disputed Distribution Claims if such Disputed Distribution Claims had been Allowed Claims as of such date;

“**Disputed Voting Claim**” means an Affected Unsecured Claim (including a contingent Affected Unsecured Claim which may crystallize upon the occurrence of an event or events occurring after the Filing Date) or such portion thereof which has not been allowed as a Voting Claim, which is validly disputed for voting purposes in accordance with the Claims Procedure Order and which remains subject to adjudication for voting purposes in accordance with the Claims Procedure Order;

“**Distribution Claim**” means the amount of the Affected Unsecured Claim of an Affected Unsecured Creditor against the Applicant as finally accepted and determined for distribution purposes in accordance with this Claims Procedure Order and the CCAA;

“**Distribution Record Date**” means the Business Day immediately before the Implementation Date;

“**DSU Plan**” means the Deferred Share Unit Plan for non-executive directors adopted in November of 2008 by Jaguar, as amended from time to time;



“**DSU/RSU/SAR Notice**” means a notice delivered by Goodmans to Jaguar prior to the date scheduled for the hearing of the motion for the Sanction Order, if, in satisfaction of Section 12.3(g) hereof, Jaguar and the Majority Consenting Noteholders have agreed to terminate the DSU Plan, the RSU Plan, and/or the SAR Plan;

“**DTC**” means The Depository Trust Company, or any successor thereof;

“**Early Consent Deadline**” means November 26, 2013 (or such other date as the Applicant, the Monitor and the Majority Consenting Noteholders may agree);

“**Early Consent Shares**” means 5,000,000 New Common Shares;

“**Early Consenting Noteholder**” means any Noteholder that has executed the Support Agreement (including a consent agreement substantially in the form of Schedule C thereto) on or before the Early Consent Deadline and in respect of whom the Support Agreement has not been terminated;

“**Election Deadline**” means 5:00 p.m. on the second Business Day before the Meeting (or such other time or date as the Applicant and the Majority Consenting Noteholders may agree);

“**Election Form**” has the meaning given to that term in Section 4.1(b);

“**Electing Eligible Investor**” means an Eligible Investor who has completed and submitted an Election Form on or prior to the Election Deadline to participate in the Share Offering in accordance with the Meeting Order, provided that an Electing Eligible Investor that irrevocably elects under Section 4.1(b) to participate in the Share Offering and subscribes for such number of Offering Shares that is less than such Eligible Investor’s Pro Rata Share of all Offering Shares offered pursuant to the Share Offering shall be deemed to be an Electing Eligible Investor only in respect of such lesser amount, and shall not be treated as an Electing Eligible Investor in respect of the balance;

“**Electing Eligible Investor Funding Amount**” has the meaning given to that term in Section 4.1(d);

“**Electing Eligible Investor Funding Deadline**” has the meaning given to that term in Section 4.1(e);

“**Eligible Investor**” means a person that: (i) is a Noteholder as at the Subscription Record Date; and (ii) has delivered an executed Rep Letter to Jaguar on or before the Election Deadline and the information set forth in such Rep Letter is true and correct as of the Implementation Date, and such person’s permitted assignees;

“**Eligible Voting Creditors**” means Affected Unsecured Creditors holding Voting Claims or Disputed Voting Claims;

“**Employee Priority Claims**” means the following claims of Jaguar’s employees and former employees:

- i. claims equal to the amounts that such employees and former employees would have been qualified to receive under paragraph 136(l)(d) of the *Bankruptcy and Insolvency Act* (Canada) if Jaguar had become bankrupt on the Filing Date; and
- ii. claims for wages, salaries, commissions or compensation for services rendered by them after the Filing Date and on or before the date of the Sanction Order, together with, in the case of travelling salespersons, disbursements properly incurred by them in and about Jaguar’s business during the same period.

“**Equity Claim**” has the meaning set forth in section 2(1) of the CCAA;

“**Escrow Agent**” means an independent third party escrow agent agreed to by Jaguar and the Majority Backstop Parties, in each case acting reasonably;

“**Escrow Agreement**” means the escrow agreement entered into by the Escrow Agent, Jaguar and the applicable Participating Eligible Investors and Funding Backstop Parties in connection with the Share Offering;

“**Excluded Claim**” means

- i. any claims secured by any of the Charges;

- ii. any Section 5.1(2) Director/Officer Claims;
- iii. any claims that cannot be compromised pursuant to subsection 19(2) of the CCAA, provided that no claims that have been or may be asserted by any Agreed Excluded Litigation Claimant shall constitute claims that cannot be compromised pursuant to subsection 19(2) of the CCAA for purposes of this Plan;
- iv. any claims of the Subsidiaries against the Applicant;
- v. any Secured Claims;
- vi. any Employee Priority Claims against the Applicant;
- vii. any Crown Claims against the Applicant;
- viii. the Trustees' claims under Section 6.07 of the 4.5% Convertible Note Indenture and the 5.5% Convertible Note Indenture, if any;
- ix. any Post-Filing Claims;
- x. any claims of Persons who, at the Filing Date, are senior officers or employees of the Applicant, in respect of their employment arrangements or any termination of such arrangements;
- xi. the Renvest Claim;
- xii. the Agreed Excluded Director/Officer Litigation Claims;
- xiii. the Agreed Excluded Jaguar Litigation Claims; and
- xiv. the CRA Claim.

**“Excluded Creditor”** means a Person who has an Excluded Claim, but only in respect of and to the extent of such Excluded Claim;

**“Existing Equity Holders”** means, collectively, the Existing Shareholders and, as context requires, the Registered Holders or beneficial holders of Existing Share Options and the Registered Holders or beneficial holders of Rights, in their capacities as such;

**“Existing Shareholders”** means, as context requires, Registered Holders or beneficial holders of the Existing Shares, in their capacities as such;

**“Existing Share Options”** means all rights, options, warrants and other securities (other than the Notes) convertible or exchangeable into equity securities of Jaguar;

**“Existing Shares”** means all common shares of Jaguar that are issued and outstanding at the applicable time prior to the Implementation Time;

**“Filing Date”** means December 23, 2013;

**“Funding Backstop Party”** means a Backstop Party (i) in respect of whom the Backstop Agreement has not been terminated and (ii) unless such Backstop Party's Backstop Commitment has been reduced to zero in accordance with the Backstop Agreement and this Plan, who has deposited in escrow with the Escrow Agent either (a) its Backstop Payment Amount in full in cash; or (b) a qualified letter of credit in the full amount of its Backstop Payment Amount, in each case by the Backstop Funding Deadline and in accordance with the Backstop Agreement and Section 4.1(g) of this Plan;

**“Governmental Entity”** means any government, regulatory authority, governmental department, agency, commission, bureau, official, minister, Crown corporation, court, board, tribunal or dispute settlement panel or other law, rule or regulation-making organization or entity: (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

“**Implementation Date**” means the Business Day on which this Plan becomes effective, which shall be the Business Day on which the Monitor has filed with the Court the certificate contemplated in Section 12.6 hereof, or such other date as the Applicant, the Monitor and the Majority Consenting Noteholders may agree;

“**Implementation Time**” means 12:01 a.m. on the Implementation Date (or such other time as the Applicant, the Monitor and the Majority Consenting Noteholders may agree);

“**Indentures**” means the 4.5% Convertible Note Indenture and the 5.5% Convertible Note Indenture;

“**Initial Order**” has the meaning given to that term in Recital B;

“**ITA**” means the *Income Tax Act*, R.S.C. 1985, c.1 (5<sup>th</sup> Supp.);

“**Itaú BBA**” means Banco Itaú BBA S.A.;

“**Jaguar Group**” means, collectively, Jaguar, MSOL, MCT, MTL.;

“**Jaguar Insurance Policy**” means any insurance policy pursuant to which Jaguar is insured and any Director or Officer is insured, in his or her capacity as a Director or Officer;

“**Law**” means any law, statute, order, decree, consent decree, judgment, rule regulation, ordinance or other pronouncement having the effect of law whether in Canada, the United States, Brazil or any other country, or any domestic or foreign state, county, province, city or other political subdivision or of any Governmental Entity;

“**Letter of Transmittal**” means a letter of transmittal to be used by Registered Holders of Existing Shares to obtain replacement share certificates reflecting the Common Share Consolidation;

“**Majority Backstop Parties**” means the Backstop Parties (other than Defaulting Backstop Parties) having at least 66 <sup>2/3</sup> % of the aggregate Backstop Commitment of the Backstop Parties (other than Defaulting Backstop Parties) at the time that a consent, approval, waiver or agreement is sought pursuant to the terms of this Plan;

“**Majority Consenting Noteholders**” means Consenting Noteholders holding at least a majority of the aggregate principal amount of all Notes held by all Consenting Noteholders at the time that a consent, approval, waiver or agreement is sought pursuant to the terms of this Plan;

“**MCT**” has the meaning given to that term in Recital C;

“**MSOL**” has the meaning given to that term in Recital C;

“**MTL**” has the meaning given to that term in Recital C;

“**Meeting**” means a meeting of the Affected Unsecured Creditors called for the purpose of considering and voting in respect of this Plan;

“**Monitor**” means FTI Consulting Canada Inc., in its capacity as Court-appointed Monitor of Jaguar in the CCAA Proceedings;

“**Named Directors and Officers**” means the current directors and officers of Jaguar and such other directors and officers as agreed to by the Majority Consenting Noteholders prior to the Meeting;

“**New Board**” means the board of directors in place from and after the Implementation Date, the composition and size of which shall be satisfactory to the Majority Backstop Parties, subject to applicable Law;

“**New Common Shares**” means the 110,111,111 Common Shares to be issued by Jaguar on the Implementation Date in accordance with the steps set out in Section 7.4;

“**Non-Breaching/Non-Delivering Backstop Parties**” means those Backstop Parties that are neither Breaching Backstop Parties nor Non-Delivering Backstop Parties;

“**Non-Defaulting Backstop Parties**” means those Backstop Parties that are not Defaulting Backstop Parties;



“**Non-Delivering Backstop Party**” means a Backstop Party (who is not otherwise an Objecting Backstop Party) that has not delivered an executed Rep Letter to Jaguar by the Election Deadline or for whom a representation or warranty made in such Rep Letter becomes untrue;

“**Non-Objecting Backstop Parties**” means those Backstop Parties that are not Objecting Backstop Parties;

“**Non-Released Director/Officer Claims**” means Director/Officer Claims against the Directors and Officers of Jaguar in respect of which such Director or Officer has been adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct, but excluding any claims that have been or may be asserted by any Agreed Excluded Litigation Claimants;

“**Noteholder Released Claim**” means the matters that are subject to release and discharge pursuant to Section 11.1(c);

“**Noteholder Released Party**” has the meaning given to that term in Section 11.1(c);

“**Noteholder Voting Record Date**” means December 19, 2013;

“**Noteholders**” means, as the context requires, the Registered Holders or beneficial holders of the Notes, in their capacities as such;

“**Noteholders Allowed Claim**” means all principal amounts outstanding and all accrued interest under the Notes as at the applicable record date under this Plan as determined in accordance with the Claims Procedure Order for purposes of voting on, and receiving distributions under, this Plan;

“**Noteholder’s Allowed Claim**” means, in respect of a particular Noteholder, all principal amounts outstanding and accrued interest under the Notes owing to such Noteholder as at the applicable record date under this Plan as determined in accordance with the Claims Procedure Order for purposes of voting on, and receiving distributions under, this Plan;

“**Notes**” means, collectively, the notes issued by Jaguar under and pursuant to the Indentures;

“**Objecting Backstop Party**” means a Backstop Party that has terminated its obligations under the Backstop Agreement in accordance with section 8(c) thereof;

“**Offering Shares**” means the 70,955,797 New Common Shares to be issued by Jaguar pursuant to the Share Offering;

“**Offered Shares**” means, collectively, the Offering Shares (including the Backstopped Shares), the Accrued Interest Offering Shares, and the Backstop Commitment Shares;

“**Officer**” means anyone who is or was, or may be deemed to be or have been, whether by statute, operation of law or otherwise, an officer or de facto officer of Jaguar;

“**Order**” means any order of the Court in the CCAA Proceedings;

“**Other Directors and/or Officers**” means any Directors and/or Officers other than the Named Directors and Officers;

“**Outside Date**” means February 28, 2014 (or such other date as the Applicant and the Majority Consenting Noteholders may agree);

“**Participant Holder**” has the meaning ascribed thereto in the Meeting Order;

“**Participating Eligible Investor**” has the meaning given to that term in Section 4.1(h);

“**Participating Eligible Investor Shares**” has the meaning given to that term in Section 4.1(h);

“**Party**” means a party to the Support Agreement and/or to the Backstop Agreement, and any reference to a Party includes its successors and permitted assigns; and “**Parties**” means every Party;

“**Person**” is to be broadly interpreted and includes any individual, firm, corporation, limited or unlimited liability company, general or limited partnership, association, trust, unincorporated organization, joint venture, Government Entity or any agency, officer or instrumentality thereof or any other entity, wherever situate or domiciled, and whether or not having legal status;

“**Plan**” means this Amended and Restated Plan of Compromise and Arrangement and any amendments, modifications or supplements hereto made in accordance with the terms hereof or made at the direction of the Court in the Sanction Order or otherwise with the consent of Jaguar and the Majority Consenting Noteholders, each acting reasonably;

“**Plan Resolution**” means the resolution of the Affected Unsecured Creditors relating to this Plan considered at the Meeting;

“**Post-Filing Claim**” means any claims against the Applicant that arose from the provision of authorized goods and services provided or otherwise incurred on or after the Filing Date in the ordinary course of business, but specifically excluding any Restructuring Period Claim;

“**Pre-filing Claim**” has the meaning given to that term in the definition of Claim;

“**Pro Rata Share**” means:

- (a) in respect of Unsecured Creditor Common Shares, the percentage that an Affected Unsecured Creditor’s Allowed Affected Unsecured Claim calculated as at the Record Date bears to the aggregate of all Allowed Affected Unsecured Claims calculated as at the Record Date and all Disputed Distribution Claims calculated as at the Record Date;
- (b) in respect of the Early Consent Shares, the percentage that an Early Consenting Noteholder’s Noteholder’s Allowed Claim calculated as at the Record Date bears to the aggregate of all Early Consenting Noteholders’ Noteholder’s Allowed Claims calculated as at the Record Date;
- (c) in respect of the Subscription Privilege, the percentage that an Eligible Investor’s Noteholder’s Allowed Claim calculated as at the Record Date bears to the Noteholders Allowed Claim calculated as at the Record Date, subject to adjustment pursuant to Section 5.2(c) hereof;
- (d) in respect of the Accrued Interest Offering Shares, the percentage that a Participating Eligible Investor’s Accrued Interest Claim or a Funding Backstop Party’s Accrued Interest Claim (without duplication), as applicable, bears to the aggregate of all Accrued Interest Claims;
- (e) in respect of the Backstop Commitment Shares, the percentage that a Funding Backstop Party’s Backstop Consideration Commitment bears to the aggregate of all Funding Backstop Parties’ Backstop Consideration Commitments; and
- (f) in respect of the Backstopped Shares, the percentage that a Backstop Party’s Backstop Commitment bears to the aggregate of all Backstop Commitments.

“**Record Date**” means December 31, 2013;

“**Registered Holder**” means (i) in respect of the Notes, the holder of such Notes as recorded on the books and records of the Trustees, (ii) in respect of the Existing Shares, the holder of such Existing Shares as recorded on the share register maintained by the Transfer Agent, and (iii) in respect of the Existing Share Options, the holder of such Existing Share Options as recorded on the books and records of Jaguar;

“**Regulation S**” means Regulation S as promulgated by the US Securities Commission under the US Securities Act;

“**Released Claims**” means the matters that are subject to release and discharge pursuant to Section 11.1(a) and (b) hereof;

“**Released Party**” has the meaning given to that term in Section 11.1(b);

“**Reinvest Claim**” means any claim for amounts owing by the Applicant to Global Resource Fund, pursuant to the Credit Agreement or pursuant to any Credit Document (as such term is defined in the Credit Agreement).

“**Rep Letter**” means a letter from a Noteholder, or an Assuming Backstop Party who is not a Noteholder, or an Affected Unsecured Creditor with an Allowed Affected Unsecured Claim who is not a Noteholder, if applicable in accordance with Section 5.2(c) hereof, to Jaguar containing representations and warranties relating to such Person’s eligibility to acquire the Offering Shares (including the Backstopped Shares), Accrued Interest Offering Shares, or Backstop Commitment Shares under US Securities Laws, in a form acceptable to such Person and Jaguar, each acting reasonably;

**“Required Majority”** means a majority in number of Affected Unsecured Creditors representing at least two thirds in value of the Voting Claims of Affected Unsecured Creditors who are entitled to vote at the Meeting in accordance with the Meeting Order and who are present and voting in person or by proxy on the Plan Resolution at the Meeting;

**“Restructuring Period Claim”** has the meaning given to that term in the definition of Claim;

**“Rights”** means the rights issued pursuant to the Shareholder Rights Plan;

**“RSU Plan”** means the restricted share unit plan for senior officers, employees and consultants adopted in November of 2008 by Jaguar, as amended from time to time;

**“SAR Plan”** means the Fourth Amended and Restated Share Appreciation Rights Plan of Jaguar, effective as of October 4, 2013;

**“Sanction Order”** means the Order of the Court sanctioning and approving this Plan pursuant to section 6(1) of the CCAA, which shall include such terms as may be necessary or appropriate to (i) give effect to this Plan, in form and substance satisfactory to the Applicant and the Majority Consenting Noteholders, each acting reasonably, and (ii) allow Jaguar to rely on the exemption from registration set forth in section 3(a)(10) of the US Securities Act;

**“Section 5.1(2) Director/Officer Claim”** means any claim against any Director and/or Officer that is not permitted to be compromised pursuant to section 5.1(2) of the CCAA, but only to the extent not so permitted, provided that any Director/Officer Claim that qualifies as a Non-Released Director/Officer Claim shall not constitute a Section 5.1(2) Director/Officer Claim for the purposes of Section 11.1(a) hereof; and provided further that no claims that have been or may be asserted by any Agreed Excluded Litigation Claimant shall constitute Section 5.1(2) Director/Officer Claims for the purposes of this Plan;

**“Secured Claims”** means that portion of a Claim that is (i) secured by security validly charging or encumbering property or assets of the Applicant (including statutory and possessory liens that create security interests) but only up to the value of such collateral, and (ii) duly and properly perfected in accordance with the relevant legislation in the appropriate jurisdiction as of the Filing Date;

**“Share Offering”** means the offering by Jaguar of Offering Shares at the Subscription Price in accordance with this Plan;

**“Shareholder Rights Plan”** means the Shareholder Rights Plan Agreement dated May 2, 2013 between Jaguar Mining Inc. and Computershare Investor Services Inc. as Rights Agent;

**“Solicitation/Election Agent”** means Globic Advisors Inc., or any successor solicitation or election agent;

**“Stock Option Plan”** means the stock option plan of Jaguar in effect as of the Filing Date;

**“Subscription Price”** means \$0.7047 per Offering Share;

**“Subscription Privilege”** means the right of an Eligible Investor to participate in the Share Offering by electing, in accordance with the provisions of this Plan, to subscribe for and purchase from Jaguar up to its Pro Rata Share of Offering Shares under the Share Offering;

**“Subscription Record Date”** means December 19, 2013;

**“Subsidiaries”** means, collectively, MTL, MSOL and MCT, and **“Subsidiary”** means any one of the Subsidiaries;

**“Support Agreement”** means the Support Agreement made November 13, 2013 (as amended from time to time) between Jaguar, the Subsidiaries and the Noteholders party thereto, together with any consent agreements executed by other Noteholders from time to time, substantially in the form of Schedule C thereto;

**“Tax”** or **“Taxes”** means any and all taxes, duties, fees, premiums, assessments, imposts, levies and other charges of any kind whatsoever, including all interest, penalties, fines, additions to tax or other additional amounts in respect thereof, and including those levied on, or measured by, or referred to as, income, gross receipts, profits, capital, transfer, land transfer, sales, goods and services, harmonized sales, use, value-added, excise, stamp, withholding, business, franchising, property, development, occupancy, employer health, payroll, employment, health, social services, education and social security taxes, all surtaxes, all customs duties and import and export taxes, countervail and anti-dumping, all licence, franchise and registration fees and all employment insurance, health insurance and Canada, Quebec and other government pension plan premiums or contributions;

**“Tax Claim”** means any Claim against the Applicant for any Taxes in respect of any taxation year or period;

“**Transfer Agent**” means Computershare Investor Services Inc.;

“**Trustees**” means The Bank of New York Mellon, as trustee, and BNY Trust Company of Canada, as co-trustee, under each of the Indentures;

“**TSX**” means Toronto Stock Exchange;

“**TSXV**” means TSX Venture Exchange;

“**Undeliverable Distribution**” has the meaning given to that term in Section 8.3;

“**Unsecured Creditor Common Shares**” means 14,000,000 New Common Shares;

“**US Dollars**” or “**US\$**” means the lawful currency of the United States of America;

“**US Securities Act**” means the *United States Securities Act of 1933*, as amended from time to time, and the rules and regulations promulgated thereunder, or any successor statute;

“**US Securities Commission**” means the United States Securities and Exchange Commission;

“**US Securities Laws**” means, collectively, the *Sarbanes-Oxley Act of 2002* (“Sarbanes-Oxley”), the US Securities Act, as amended, the *United States Securities Exchange Act of 1934*, as amended, the rules and regulations of the US Securities Commission, the auditing principles, rules, standards and practices applicable to auditors of “issuers” (as defined in Sarbanes-Oxley) promulgated or approved by the Public Company Accounting Oversight Board and, as applicable, the rules of the New York Stock Exchange;

“**Voting Claim**” means the amount of the Affected Unsecured Claim of an Affected Unsecured Creditor against the Applicant as finally accepted and determined for purposes of voting at the Meeting, in accordance with the provisions of the Claims Procedure Order and the CCAA; and

“**Voting Deadline**” means 10 a.m. on the Business Day prior to the Meeting.

## 1.2 Certain Rules of Interpretation

For the purposes of this Plan:

- (a) Unless otherwise expressly provided herein, any reference in this Plan to an instrument, agreement or an Order or an existing document or exhibit filed or to be filed means such instrument, agreement, Order, document or exhibit as it may have been or may be amended, modified, or supplemented in accordance with its terms;
- (b) The division of this Plan into articles and sections are for convenience of reference only and do not affect the construction or interpretation of this Plan, nor are the descriptive headings of articles and sections intended as complete or accurate descriptions of the content thereof;
- (c) The use of words in the singular or plural, or with a particular gender, including a definition, shall not limit the scope or exclude the application of any provision of this Plan to such Person (or Persons) or circumstances as the context otherwise permits;
- (d) The words “includes” and “including” and similar terms of inclusion shall not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather shall mean “includes but is not limited to” and “including but not limited to”, so that references to included matters shall be regarded as illustrative without being either characterizing or exhaustive;
- (e) Unless otherwise specified, all references to time herein and in any document issued pursuant hereto mean local time in Toronto, Ontario and any reference to an event occurring on a Business Day shall mean prior to 5:00 p.m. on such Business Day;
- (f) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends;

(g) Unless otherwise provided, any reference to a statute or other enactment of parliament, a legislature or other Governmental Entity includes all regulations made thereunder, all amendments to or re-enactments of such statute or regulations in force from time to time, and, if applicable, any statute or regulation that supplements or supersedes such statute or regulation;

(h) References to a specific Recital, Article or Section shall, unless something in the subject matter or context is inconsistent therewith, be construed as references to that specific Recital, Article or Section of this Plan, whereas the terms “this Plan”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions shall be deemed to refer generally to this Plan and not to any particular Recital, Article, Section or other portion of this Plan and include any documents supplemental hereto; and

(i) The word “or” is not exclusive.

### **1.3 Governing Law**

This Plan shall be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein. All questions as to the interpretation or application of this Plan and all proceedings taken in connection with this Plan and its provisions shall be subject to the jurisdiction of the Court.

### **1.4 Currency**

Unless otherwise stated, all references in this Plan to sums of money are expressed in, and all payments provided for herein shall be made in, US Dollars.

### **1.5 Date for Any Action**

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

### **1.6 Time**

Time shall be of the essence in this Plan.

## **ARTICLE 2– PURPOSE AND EFFECT OF THIS PLAN**

### **2.1 Purpose**

The purpose of this Plan is to facilitate the continuation of the business of the Jaguar Group as a going concern, address certain liabilities of the Applicant, and effect a recapitalization and financing transaction on an expedited basis to provide a stronger financial foundation for the Jaguar Group going forward and additional liquidity to allow the Jaguar Group to continue to work towards its operational and financial goals from and after the Implementation Date in the expectation that all Persons with an economic interest in the Jaguar Group will derive a greater benefit from the implementation of this Plan than would otherwise result.

### **2.2 Effectiveness**

Subject to the satisfaction, completion or waiver (to the extent permitted pursuant to Section 12.4) of the conditions precedent set out herein, this Plan will become effective in the sequence described in Section 7.4 from and after the Implementation Time and shall be binding on and enure to the benefit of the Jaguar Group, the Affected Unsecured Creditors, all Existing Equity Holders, all holders of Equity Claims, the Released Parties, the Noteholder Released Parties and all other Persons as provided for herein, or subject to, this Plan and their respective successors and assigns and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

### **2.3 Persons Not Affected**

For greater certainty, except as provided in Sections 11.1(a)(iii), 11.1(b)(i), 11.2, 12.2(c) and 13.1, this Plan does not affect the holders of Excluded Claims to the extent of those Excluded Claims. Nothing in this Plan shall affect the Jaguar Group’s rights and defences, both legal and equitable, with respect to any Excluded Claims, including, but not limited to, all rights with respect to legal and equitable

defences or entitlements to set-offs or recoupments against such Excluded Claims. Nothing herein shall constitute a waiver of any right of either the Monitor or the Applicant to dispute the quantum of an Excluded Claim.

## ARTICLE 3– CLASSIFICATION, VOTING CLAIMS AND RELATED MATTERS

### 3.1 Classes

For the purposes of considering and voting on the Plan Resolution, there shall be one class of stakeholders, consisting of Affected Unsecured Creditors (the “**Affected Creditor Class**”).

### 3.2 Meeting

- The Meeting shall be held in accordance with this Plan, the Meeting Order and any further Order in the CCAA Proceedings. Subject to the terms of any further Order in the CCAA Proceedings, the only Persons entitled to notice of, to attend or to speak at the Meeting are the Eligible Voting Creditors (or their respective duly appointed proxyholders),
- (a) representatives of the Monitor, the Applicant, the Consenting Noteholders, all such parties’ financial and legal advisors, the Chair (as defined in the Meeting Order), the Secretary (as defined in the Meeting Order) and the Scrutineers (as defined in the Meeting Order). Any other person may be admitted to the Meeting only by invitation of the Applicant or the Chair.
  - (b) For the purposes of voting at the Meeting, each Affected Unsecured Creditor (including a Beneficial Noteholder with respect to its Noteholder’s Allowed Claim) shall be entitled to one vote as a member of the Affected Creditor Class.
  - (c) For the purposes of voting at the Meeting, the Voting Claim of any Beneficial Noteholder shall be deemed to be equal to its Noteholder’s Allowed Claim as at the Noteholder Voting Record Date. Registered Holders of Notes, in their capacities as such, will not be entitled to vote at the Meeting.

### 3.3 Required Majority

In order to be approved, this Plan must receive the affirmative vote of the Required Majority of the Affected Creditor Class.

### 3.4 Excluded Claims

Excluded Creditors shall not be entitled to vote or (except as otherwise expressly stated in the Meeting Order) attend in respect of their Excluded Claims at any meeting to consider and approve this Plan.

### 3.5 Existing Equity Holders and Holders of Equity Claims

Existing Equity Holders and holders of Equity Claims shall not be entitled to attend or vote in respect of their Equity Claims at any meeting to consider and approve this Plan.

### 3.6 Crown Claims

All Crown Claims in respect of all amounts that were outstanding at the Filing Date shall be paid in full to the Crown within six months of the Sanction Order, as required by subsection 6(3) of the CCAA.

### 3.7 Payments to Employees

Immediately after the date of the Sanction Order, the Applicant will pay in full all Employee Priority Claims, if any, to its employees and former employees.

## ARTICLE 4 – ELECTIONS AND SHARE OFFERING

### 4.1 Participation In Share Offering

- (a) Each Noteholder that is an Eligible Investor shall be entitled to participate in the Share Offering.
- (b) Pursuant to and in accordance with the Meeting Order, there shall be delivered an election form (an “**Election Form**”) to each Participant Holder of the Notes, as of the Subscription Record Date, together with instructions to



deliver such Election Form (or copies thereof) to the applicable Beneficial Noteholders to the extent such Participant Holder is not also the Beneficial Noteholder of such Notes. Each Eligible Investor shall have the right, but not the obligation, to irrevocably elect to exercise its Subscription Privilege, with such subscription to be conditioned upon the implementation of this Plan and effective on the Implementation Date in accordance with Section 7.4. In order to exercise its Subscription Privilege, such Eligible Investor shall return, or cause to be returned, the duly executed Election Form (including a Rep Letter) in accordance with the Meeting Order, so that it is received by the Solicitation/Election Agent on or before the Election Deadline.

- (c) An Electing Eligible Investor that is also a Backstop Party may elect, in accordance with the Election Form, to have its Backstop Commitment reduced by the total funds that such Electing Eligible Investor deposits into escrow on or before the Electing Eligible Investor Funding Deadline in respect of Offering Shares that such Electing Eligible Investor subscribes for pursuant to the exercise of all or part of its Subscription Privilege, provided that such Backstop Commitment shall not be reduced below zero (the “**Backstop Commitment Reduction Election**”, with a Backstop Party so electing being a “**Commitment Reduction Electing Backstopper**”).

- (d) Following the issuance of the Sanction Order, but in any event by 5:00 p.m. on the tenth Business Day prior to the expected Implementation Date, Jaguar shall inform each Electing Eligible Investor of (i) the expected Implementation Date, (ii) the number of Offering Shares that, subject to compliance with the procedures described in this Plan, will be acquired by such Electing Eligible Investor on the Implementation Date pursuant to the Subscription Privilege; and (iii) the amount of funds (in cash) required to be deposited in escrow with the Escrow Agent by such Electing Eligible Investor to purchase such Offering Shares pursuant to the Share Offering (the “**Electing Eligible Investor Funding Amount**”) by the Electing Eligible Investor Funding Deadline.

- (e) Each Electing Eligible Investor must deposit its Electing Eligible Investor Funding Amount in escrow with the Escrow Agent so that it is received by the Escrow Agent by no later than 11:00 a.m. on the seventh Business Day prior to the expected Implementation Date (the “**Electing Eligible Investor Funding Deadline**”). If an Electing Eligible Investor deposits less than the full amount of its Electing Eligible Investor Funding Amount by the Electing Eligible Investor Funding Deadline, then (i) the funds so deposited by such Electing Eligible Investor shall be returned to such Electing Eligible Investor within five Business Days following the Electing Eligible Investor Funding Deadline; and (ii) such Electing Eligible Investor shall be deemed to have ceased, as of the Electing Eligible Investor Funding Deadline, to be an Electing Eligible Investor and its subscription for Offering Shares pursuant to the Subscription Privilege and right to receive Accrued Interest Offering Shares shall be null and void.

- (f) As soon as practicable but in any event no later than 11:00 a.m. one Business Day after the Electing Eligible Investor Funding Deadline, Jaguar shall inform each Backstop Party (other than a Backstop Party in respect of whom the Backstop Agreement has been terminated) of (i) the total number of Offering Shares not validly subscribed for pursuant to the Subscription Privilege (the “**Backstopped Shares**”), (ii) the number of Backstopped Shares to be acquired by such Backstop Party pursuant to its Backstop Commitment, based upon its Pro Rata Share of the Backstopped Shares, and (iii) the amount of funds (by way of cash or a letter of credit) required to be deposited in escrow with the Escrow Agent by such party to purchase such Backstopped Shares (the “**Backstop Payment Amount**”) by the Backstop Funding Deadline.

- (g) Each Backstop Party (other than a Backstop Party in respect of whom the Backstop Agreement has been terminated) shall deliver to the Escrow Agent and the Escrow Agent shall have received, not later than 2:00 p.m. (Toronto time) on the day that is five Business Days prior to the expected Implementation Date (the “**Backstop Funding Deadline**”), either:

- (i) cash in an amount equal to the full amount of such Backstop Party’s Backstop Payment Amount; or
- (ii) a letter of credit, in form and substance reasonably satisfactory to Jaguar, having a face amount equal to such Backstop Party’s Backstop Payment Amount, and issued by a financial institution having an equity market capitalization of at least \$10,000,000,000 and a credit rating of at least A+ from Standard & Poor’s or A1 from Moody’s,

in each case: (1) to be held in escrow in accordance with the Escrow Agreement until all conditions to the Share Offering have been satisfied or waived in accordance with the Backstop Agreement and with irrevocable instructions to use such cash or letter of credit, as applicable, to the extent required to enable such Backstop Party to comply with its Backstop Purchase Obligation; and (2) provided for greater certainty that, if a Backstop Party (A) has exercised all or part of its Subscription Privilege and has paid its Electing Eligible Investor Funding Amount on or before

the Electing Eligible Investor Funding Deadline, and (B) is a Commitment Reduction Electing Backstopper whose Backstop Commitment has been reduced to zero, such Backstop Party shall not be required to deliver cash or a letter of credit to the Escrow Agent.

- (h) An Electing Eligible Investor who complies with Section 4.1(e) (the “**Participating Eligible Investor**”) shall participate in the Share Offering and shall be deemed to have subscribed for Offering Shares in an amount equal to the Electing Eligible Investor Funding Amount deposited in escrow with the Escrow Agent by that Participating Eligible Investor in accordance with Section 4.1(e) divided by the Subscription Price (the “**Participating Eligible Investor Shares**”).
- (i) Each Funding Backstop Party shall be deemed to have subscribed for its Pro Rata Share of the Backstopped Shares.
- (j) On or prior to the Implementation Date, Jaguar shall inform: (i) each Participating Eligible Investor of the number of Accrued Interest Offering Shares to be allocated to such Participating Eligible Investor in accordance with section 5.1(b); and (ii) each Funding Backstop Party of the number of Accrued Interest Offering Shares and the number of Backstop Commitment Shares to be allocated to such Funding Backstop Party in accordance with section 5.1(b).

- (k) In the event of a Backstop Default/Termination, provided that the Backstop Agreement remains in full force and effect with respect to other Backstop Parties thereafter, Jaguar shall, in accordance with the Backstop Agreement, provide the applicable Backstop Parties, or such other parties acceptable to the Backstop Parties and Jaguar in accordance with the Backstop Agreement that will execute a Backstop Consent Agreement, with an opportunity to assume the obligations (and rights) of a Defaulting Backstop Party, Objecting Backstop Party, Breaching Backstop Party or Non-Delivering Backstop Party, as applicable, in each case in accordance with and subject to the terms and conditions of this Plan and the Backstop Agreement. Any Assuming Backstop Party shall comply with its obligations in connection with its Assumed Backstop Commitment and shall be entitled to receive the applicable Offered Shares under this Plan in connection with such Assumed Backstop Commitment, subject to such Assuming Backstop Party having complied with its obligations under this Plan and the Backstop Agreement and such other terms and conditions under this Plan and the Backstop Agreement. For greater certainty, any Assuming Backstop Party that has complied with its obligations under this Plan and the Backstop Agreement shall constitute and be treated as a Funding Backstop Party for purposes of this Plan.

## ARTICLE 5 – TREATMENT OF CLAIMS

### 5.1 Treatment of Noteholders

- (a) For the purposes of distributions under this Plan, the Distribution Claim of any Beneficial Noteholder shall be deemed to be equal to its Noteholder’s Allowed Claim.
- (b) On the Implementation Date and in accordance with the steps and sequence as set forth in this Plan, each Noteholder shall and shall be deemed to irrevocably and finally exchange its Notes for the following consideration which shall and shall be deemed to be received in full and final settlement of its Notes and its Noteholder’s Allowed Claim:
  - (i) its Pro Rata Share of the Unsecured Creditor Common Shares;
  - (ii) its Pro Rata Share of the Early Consent Shares, if such Noteholder is an Early Consenting Noteholder;
  - (iii) its Pro Rata Share of Accrued Interest Offering Shares if such Noteholder is a Participating Eligible Investor and/or a Funding Backstop Party, provided that in no event shall a Participating Eligible Investor or a Funding Backstop Party receive a greater number of Accrued Interest Offering Shares than Offering Shares (including Backstopped Shares, as applicable) received by such person. Any Accrued Interest Offering Shares remaining after the allocation of the Accrued Interest Offering Shares to Participating Eligible Investors and Funding Backstop Parties pursuant to the immediately preceding sentence shall be reallocated among those Participating Eligible Investors and/or Funding Backstop Parties who have received less Accrued Interest Offering Shares than Offering Shares (including Backstopped Shares, as applicable) on a *pro rata* basis based on Accrued Interest Claims of such Participating Eligible Investors and/or Funding Backstop Parties (calculated as at the Record Date); and
  - (iv) its Pro Rata Share of the Backstop Commitment Shares, if such Noteholder is a Funding Backstop Party.



- (c) On the Implementation Date and in accordance with the steps and sequence as set forth in this Plan, each Participating Eligible Investor shall receive its Participating Eligible Investor Shares and each Funding Backstop Party shall receive its Pro Rata Share of the Backstopped Shares.

- (d) After giving effect to the terms of this Section 5.1, the obligations of Jaguar with respect to the Notes of each Noteholder shall, and shall be deemed to, have been irrevocably and finally extinguished and each Noteholder shall have no further right, title or interest in or to the Notes or its Noteholder's Allowed Claim.

## **5.2 Treatment of Affected Unsecured Creditors Other Than Noteholders**

- (a) On the Implementation Date and in accordance with the steps and sequence as set forth in this Plan, each Affected Unsecured Creditor (except for a Noteholder in respect of its Noteholder's Allowed Claim, which shall be dealt with in accordance with Section 5.1) shall receive its Pro Rata Share of the Unsecured Creditor Common Shares and shall be deemed to irrevocably and finally exchange its Affected Unsecured Claim for its Pro Rata Share of the Unsecured Creditor Common Shares, which shall and shall be deemed to be received in full and final settlement of its Affected Unsecured Claim.

- (b) After giving effect to the terms of this Section 5.2, the obligations of Jaguar with respect to such Affected Unsecured Creditor's Affected Unsecured Claim shall, and shall be deemed to, have been irrevocably and finally extinguished and such Affected Unsecured Creditor shall have no further right, title or interest in or to the Affected Unsecured Claim.

- (c) With the consent of the Monitor and the Majority Backstop Parties, an Affected Unsecured Creditor with an Allowed Affected Unsecured Claim who is not a Noteholder may be entitled to participate in the Share Offering for its Pro Rata Share of the Offering Shares (calculated as if the Affected Unsecured Creditor's Allowed Affected Unsecured Claim was a Noteholder's Allowed Claim); provided that any such Affected Unsecured Creditor completes and submits an Election Form and Rep Letter on or prior to the Election Deadline and complies with all of the obligations of a Participating Eligible Investor in accordance with the terms and conditions of the Plan, including without limitation Section 4.1(e) hereof, in which case, such Affected Unsecured Creditor shall be treated as an Eligible Investor for the purpose of the Offering Shares and each Eligible Investor's Subscription Privilege will be adjusted accordingly.

## **5.3 Treatment of Existing Equity Holders**

- (a) Each Existing Shareholder shall retain its Existing Shares subject to the Common Share Consolidation pursuant to Section 7.4(a) and in accordance with the steps and sequences set forth herein.

- (b) Pursuant to this Plan and in accordance with the steps and sequences set forth herein, all Existing Share Options, Rights and the Shareholder Rights Plan shall be cancelled and shall be deemed to be cancelled without the need for any repayment of capital thereof or any other liability, payment or compensation therefor and for greater certainty, no holders of Existing Share Options or Rights shall be entitled to receive any interest, dividends, premium or other payment in connection therewith.

## **5.4 Equity Claims**

All Equity Claims shall be fully, finally and irrevocably and forever compromised, released, discharged, cancelled and barred on the Implementation Date. Holders of Equity Claims shall not receive any consideration or distributions under this Plan and shall not be entitled to vote on this Plan at the Meeting. Notwithstanding the foregoing, Existing Shareholders shall be entitled to continue to hold their Existing Shares in accordance with the terms of this Plan, subject to the Common Share Consolidation.

## **5.5 Claims of the Trustees**

The Trustees' claims under Section 6.07 of the 4.5% Convertible Note Indenture and the 5.5% Convertible Note Indenture shall be unaffected by this Plan.

## **5.6 Application of Plan Distributions**

- (a) All amounts paid or payable hereunder on account of the Noteholders Allowed Claim (including, for greater certainty, any securities received hereunder) shall be applied as follows: (i) first, in respect of the principal amount of the obligations to which such Noteholders Allowed Claim relate, and (ii) second, if such principal amounts have been fully repaid, in respect of any accrued but unpaid interest on such obligations.

- (b) In the event that a Funding Backstop Party is not a Noteholder, such Funding Backstop Party shall receive its Backstop Commitment Shares as a fee.

## ARTICLE 6 – MEETING

### 6.1 Meeting

The Meeting to consider and vote on this Plan shall be conducted in accordance with the terms of the Claims Procedure Order and the Meeting Order.

### 6.2 Acceptance of Plan

If this Plan is approved by the Required Majority entitled to vote at the Meeting, then this Plan shall be deemed to have been agreed to, accepted and approved by the Affected Unsecured Creditors and shall be binding upon all Affected Unsecured Creditors, if the Sanction Order is granted and the conditions described in Section 12.3 hereof have been satisfied or waived, as applicable.

## ARTICLE 7 – IMPLEMENTATION

### 7.1 Administration Charge

On the Implementation Date, all outstanding, invoiced obligations, liabilities, fees and disbursements secured by the Administration Charge shall be fully paid by the Applicant. Upon receipt by the Monitor of confirmation from each of the beneficiaries of the Administration Charge that payments of the amounts secured by the Administration Charge have been made, the Monitor shall file a certificate with the Court confirming same and thereafter, the Administration Charge shall be and be deemed to be discharged from the assets of the Applicant, without the need for any other formality.

### 7.2 Corporate Authorizations

The adoption, execution, delivery, implementation and consummation of all matters contemplated under this Plan involving corporate action of any members of the Jaguar Group will occur and be effective as of the Implementation Date (or such other date as Jaguar and the Majority Consenting Noteholders may agree), and will be authorized and approved under this Plan and by the Court, where appropriate, as part of the Sanction Order, in all respects and for all purposes without any requirement of further action by shareholders, directors or officers of the Jaguar Group. All necessary approvals to take actions shall be deemed to have been obtained from the directors or the shareholders of the Jaguar Group, as applicable, including the deemed passing by any class of shareholders of any resolution or special resolution and no shareholders' agreement or agreement between a shareholder and another Person limiting in any way the right to vote shares held by such shareholder or shareholders with respect to any of the steps contemplated by this Plan shall be deemed to be effective and no such agreement shall have any force or effect.

### 7.3 Fractional Interests

No certificates representing fractional Common Shares shall be allocated under this Plan, and fractional share interests shall not entitle the owner thereof to vote or to any rights of a shareholder of Jaguar. Any legal, equitable, contractual and any other rights or claims (whether actual or contingent, and whether or not previously asserted) of any Person with respect to fractional Common Shares pursuant to this Plan shall be rounded down to the nearest whole number without compensation therefor.

### 7.4 Implementation Date Transactions

Commencing at the Implementation Time, the following events or transactions will occur, or be deemed to have occurred and be taken and effected, in the following order in five minute increments and at the times set out in this Section 7.4 (or in such other manner or order or at such other time or times as Jaguar and the Majority Consenting Noteholders may agree, acting reasonably), without any further act or formality required on the part of any Person, except as may be expressly provided herein:

- (a) Articles of Reorganization shall be filed under the OBCA to amend the articles of Jaguar to effect a consolidation (the “**Common Share Consolidation**”) of the issued and outstanding Common Shares on the basis of one post-consolidation Common Share for each Consolidation Number of Common Shares outstanding immediately prior to the Common Share Consolidation. Any fractional interests in the consolidated Common Shares will, without any further act or formality, be cancelled without payment of any consideration therefor. Following the completion of such

consolidation, the stated capital of the Common Shares shall be equal to the stated capital of the Common Shares immediately prior to consolidation.

- (b) The following shall occur concurrently:
- (i) the Rights and the Shareholder Rights Plan shall be cancelled and shall be deemed to be cancelled without the need for any repayment of capital thereof or any other compensation therefor and shall cease to be of any further force or effect;
  - (ii) any and all Existing Share Options and the Stock Option Plan shall be cancelled and shall be deemed to be cancelled without the need for any repayment of capital thereof or any other compensation therefor and shall cease to be of any further force or effect;
  - (iii) if the DSU/RSU/SAR Notice is delivered, the DSU Plan, the RSU Plan and/or the SAR Plan, as set out in the DSU/RSU/SAR Notice shall be cancelled and shall be deemed to be cancelled without the need for any repayment of capital thereof or any other compensation therefor and shall cease to be of any further force or effect; and
  - (iv) all Equity Claims shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without any consideration or distributions therefor.

- (c) In exchange for, and in full and final settlement of, the Noteholders Allowed Claim as at the Implementation Date, Jaguar shall issue:
- (i) to each Noteholder its Pro Rata Share of Unsecured Creditor Common Shares;
  - (ii) to each Early Consenting Noteholder its Pro Rata Share of the Early Consent Shares;
  - (iii) to each Participating Eligible Investor and Funding Backstop Party the number of Accrued Interest Offering Shares such Participating Eligible Investor or Funding Backstop Party is entitled to receive in accordance with Section 5.1(b); and
  - (iv) to each Funding Backstop Party, its Pro Rata Share of the Backstop Commitment Shares,

which New Common Shares shall be distributed in the manner described in Section 8.2 hereof. Upon issuance of these New Common Shares, the Noteholders Allowed Claim shall and shall be deemed to be irrevocably and finally extinguished and such Noteholder shall have no further right, title or interest in and to the Notes or its Noteholder's Allowed Claim.

- (d) The Notes and the Indentures will not entitle any Noteholder to any compensation or participation other than as expressly provided for in this Plan and shall be cancelled and will thereupon be null and void, and the obligations of the Applicant thereunder or in any way related thereto shall be satisfied and discharged, except to the extent expressly set forth in section 6.07 of the Indentures, which section shall remain in effect until two months following the Implementation Date or such later date agreed to by the Applicant, the Monitor, the Trustees and the Majority Consenting Noteholders.

- (e) In exchange for, and in full and final settlement of, its Affected Unsecured Claim, Jaguar shall issue to each Affected Unsecured Creditor, other than the Noteholders, its Pro Rata Share of the Unsecured Creditor Common Shares;

- (f) The following shall occur concurrently:
- (i) Jaguar shall issue to each Participating Eligible Investor its Participating Eligible Investor Shares in accordance with Section 5.1(c) hereof in consideration for its Electing Eligible Investor Funding Amount, which Participating Eligible Investor Shares shall be distributed in the manner described in Section 8.2 hereof; and
  - (ii) Jaguar shall issue to each Funding Backstop Party the number of Backstopped Shares such Funding Backstop Party is entitled to receive in accordance with Section 5.1(c) hereof in consideration for such Funding

Backstop Party's Backstop Payment Amount, which Backstopped Shares shall be distributed in the manner described in Section 8.2 hereof.

- (g) The releases and injunctions referred to in Section 11 shall become effective.
- (h) The directors of Jaguar immediately prior to the Implementation Time shall be deemed to have resigned and the New Board shall be deemed to have been appointed.
- (i) The Escrow Agent shall be deemed to be holding the Electing Eligible Investor Funding Amounts and the Backstop Payment Amounts for Jaguar and shall release from escrow such amounts to Jaguar in accordance with the Escrow Agreement.
- (j) Jaguar shall pay: (i) all of the reasonable fees and expenses of the Advisors for services rendered to the Ad Hoc Committee up to and including the Implementation Date, (ii) the reasonable accrued and unpaid third party expenses of any of the Consenting Noteholders up to an amount agreed to by the Majority Backstop Parties; (iii) the fees and expenses of Jaguar's financial advisors in connection with the transactions contemplated under this Plan pursuant to their engagement letter, as amended, with Jaguar, subject to a maximum amount agreed to by the Majority Backstop Parties, (iv) the reasonable fees and expenses of Jaguar's Canadian and U.S. legal advisors and legal advisor to the special committee of the board of directors of Jaguar, and (v) amounts owing to the Trustees under Section 6.07 of the 4.5% Convertible Note Indenture and the 5.5% Convertible Note Indenture

## ARTICLE 8 – ISSUANCE AND DISTRIBUTION OF NEW COMMON SHARES

### 8.1 Issuance of New Common Shares

All New Common Shares issued and outstanding as part of the implementation of this Plan shall be deemed to be issued and outstanding as fully-paid and non-assessable. The amount added to the stated capital of the Common Shares as a result of the issuance of New Common Shares in accordance with this Plan shall be equal to the fair market value of the consideration received by Jaguar for the issuance of such New Common Shares.

### 8.2 Delivery of New Common Shares

- (a) Jaguar shall use its commercially reasonable best efforts to cause the delivery of the New Common Shares to be distributed under this Plan no later than the second Business Day following the Implementation Date (or such other date as Jaguar and the Majority Consenting Noteholders may agree).
- (b) The Notes are held by DTC (as sole Registered Holder) through its nominee company CEDE & Co. DTC will surrender, or will cause the surrender of, the certificates, if any, representing the Notes to the Trustees in exchange for New Common Shares as contemplated in this Plan.
- (c) The delivery of Unsecured Creditor Common Shares to Noteholders in exchange for the Notes will be made through the facilities of DTC to Participant Holders who, in turn will make delivery of the Unsecured Creditor Common Shares to the Beneficial Noteholders pursuant to standing instructions and customary practices of DTC. If for any reason the New Common Shares are not DTC eligible, then the delivery of the Unsecured Creditor Common Shares shall be made (at the election of Jaguar with the consent of the Monitor and the Majority Consenting Noteholders) either (i) by delivery of a Direct Registration System Advice to each Noteholder or (ii) by delivery of a share certificate to each Noteholder, in either case based on registration instructions received by, or on behalf of, the Monitor from Participant Holders in such manner as the Monitor determines reasonable in the circumstances.
- (d) The delivery of Early Consent Shares to Early Consenting Noteholders will be made (at the election of Jaguar with the consent of the Monitor and the Majority Consenting Noteholders) either: (i) by delivery of a Direct Registration System Advice to each Early Consenting Noteholder; or (ii) by delivery of a share certificate to each Early Consenting Noteholder, in any case based on registration and delivery instructions contained in the Rep Letter.
- (e) The delivery of Offering Shares, Backstopped Shares, Backstop Commitment Shares and Accrued Interest Offering Shares to the Participating Eligible Investors and the Funding Backstop Parties will be made (at the election of Jaguar with the consent of the Monitor and the Majority Consenting Noteholders) either (i) by delivery of a Direct Registration System Advice to each Participating Eligible Investor and Funding Backstop Party or (ii) by delivery of a share certificate to each Participating Eligible Investor and Funding Backstop Party, in either case based on registration and

delivery instructions contained in the Election Forms in the case of Participating Eligible Investors and in the Rep Letter in the case of Funding Backstop Parties.

- (f) The delivery of New Common Shares to Affected Unsecured Creditors (other than Noteholders) in consideration for their Affected Unsecured Claims will be made (at the election of Jaguar with the consent of the Monitor and the Majority Consenting Noteholders) either (i) by delivery of a Direct Registration System Advice to each of the Affected Unsecured Creditors (other than Noteholders) or (ii) by delivery of a share certificate to each of the Affected Unsecured Creditors (other than Noteholders), in either case based on registration and delivery instructions received by the Monitor pursuant to the Claims Procedure Order and the Meeting Order.
- (g) Jaguar, the Monitor and the Trustees will have no liability or obligation in respect of all deliveries from DTC, or its nominee, to Participant Holders or from Participant Holders to Beneficial Noteholders.
- (h) Upon receipt of and in accordance with written instructions from the Monitor, the Trustees shall instruct DTC to, and DTC shall: (i) establish an escrow position representing the respective positions of the Noteholders as of the Implementation Date for the purpose of making distributions to the Noteholders on and after the Implementation Date; and (ii) block any further trading in the Notes, effective as of the close of business on the Distribution Record Date, all in accordance with the customary practices and procedures of DTC.
- (i) Unless a securities law legend is not required by US Securities Laws, the Direct Registration System Advices and share certificates delivered pursuant to this Section 8.2 shall have legends affixed thereon in substantially the form provided for in the Rep Letter.

### 8.3 Undeliverable Distributions

If any distribution of New Common Shares is undeliverable (that is for greater certainty that cannot be properly registered or delivered to the intended recipient because of inadequate or incorrect registration or delivery information or otherwise) (an “**Undeliverable Distribution**”) it shall be delivered to the Escrow Agent, which shall hold such Undeliverable Distribution in escrow, and administered in accordance with this Section 8.3. No further distributions in respect of an Undeliverable Distribution shall be made unless and until the Escrow Agent is notified by the applicable Person of its current address and/or registration information, as applicable, at which time the Escrow Agent shall make such distributions to such Person. All claims for Undeliverable Distributions must be made on or before the date that is the 365<sup>th</sup> day following the Implementation Date, after which the right to receive distributions under this Plan in respect of such an Undeliverable Distribution shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred without any compensation therefor, notwithstanding any federal, provincial, or state laws to the contrary, and any New Common Shares that are the subject of such Undeliverable Distribution shall be cancelled.

## ARTICLE 9 – RELEASE OF FUNDS FROM ESCROW

### 9.1 Release of Funds from Escrow

The Escrow Agent shall release any Electing Eligible Investor Funding Amounts and Backstop Payment Amounts, or portions thereof, as follows and in accordance with the terms of the Escrow Agreement:

- (a) If an Electing Eligible Investor deposits less than the full amount of its Electing Eligible Investor Funding Amount by the Electing Eligible Investor Funding Deadline, such party shall cease to be an Electing Eligible Investor and the Escrow Agent shall return such funds so deposited by such Electing Eligible Investor to such Electing Eligible Investor in accordance with Section 4.1(e) hereof.
- (b) On the Implementation Date, the Escrow Agent shall release from escrow to Jaguar, at the applicable time, the applicable Electing Eligible Investor Funding Amounts and Backstop Payment Amounts pursuant to and in accordance with Section 7.4 hereof.
- (c) If this Plan is terminated for any reason or not implemented in accordance with the terms hereof by the Outside Date, the Escrow Agent shall as soon as practicable return all Electing Eligible Investor Funding Amounts and Backstop Payment Amounts to the applicable Participating Eligible Investors and Funding Backstop Parties.
- (d) If any Electing Eligible Investor or Funding Backstop Party provides to the Escrow Agent more than its applicable Electing Eligible Investor Funding Amount or Backstop Payment Amount under this Plan, the Escrow Agent shall as soon as practicable return any excess funds to such Electing Eligible Investor or Funding Backstop Party.

## ARTICLE 10 – PROCEDURE FOR DISTRIBUTIONS REGARDING DISPUTED DISTRIBUTION CLAIMS

### 10.1 No Distribution Pending Allowance

An Affected Unsecured Creditor holding a Disputed Distribution Claim will not be entitled to receive a distribution under the Plan in respect of such Disputed Distribution Claim or any portion thereof unless and until, and then only to the extent that, such Disputed Distribution Claim becomes an Allowed Affected Unsecured Claim.

### 10.2 Distributions After Disputed Distribution Claims Resolved

- (a) Unsecured Creditor Common Shares in relation to a Disputed Distribution Claim of an Affected Unsecured Creditor will be, on or prior to the Implementation Date, either:

(i) issued by the Applicant and held by the Applicant, in a segregated account; or

(ii) authorized by the Applicant's board of directors for issuance by the Applicant,

which in either case shall constitute the Disputed Distribution Claims Reserve for the benefit of the Affected Unsecured Creditors with Allowed Affected Unsecured Claims until the final determination of the Disputed Distribution Claim in accordance with the Claims Procedure Order and this Plan.

- (b) To the extent that any Disputed Distribution Claim becomes an Allowed Affected Unsecured Claim in accordance with this Plan, the Applicant shall distribute to the holder of such Allowed Affected Unsecured Claim, that number of Unsecured Creditor Common Shares from the Disputed Distribution Claims Reserve equal to such Affected Unsecured Creditor's Pro Rata Share of Unsecured Creditor Common Shares.

- (c) On the date that all Disputed Distribution Claims have been finally resolved in accordance with the Claims Procedure Order and any required distributions contemplated in section (b) have been made, if (i) the aggregate number of Unsecured Creditor Common Shares remaining in the Disputed Distribution Claims Reserve is less than 14,000, the Applicant shall cancel those Unsecured Creditor Common Shares; or (ii) the aggregate number of Unsecured Creditor Common Shares remaining in the Disputed Distribution Claims Reserve is equal to or greater than 14,000, the Applicant shall distribute such Unsecured Creditor Common Shares to the Affected Unsecured Creditors with Allowed Affected Unsecured Claims such that after giving effect to such distributions each such Affected Unsecured Creditor has received its applicable Pro Rata Share of such Unsecured Creditor Common Shares.

## ARTICLE 11– RELEASES

### 11.1 Release

- (a) On the Implementation Date, the following shall be fully, finally, irrevocably and forever compromised, released, discharged, cancelled and barred:

(i) all Affected Unsecured Claims;

(ii) all Equity Claims;

- (iii) all Director/Officer Claims other than Continuing Other Director/Officer Claims and Non-Released Director/Officer Claims and also (for greater certainty) excluding Section 5.1(2) Director/Officer Claims and any Agreed Excluded Director/Officer Litigation Claims; provided that any Section 5.1(2) Director/Officer Claims and any Agreed Excluded Director/Officer Litigation Claims shall be limited to recovery from any insurance proceeds payable in respect of such Section 5.1(2) Director/Officer Claims or Agreed Excluded Director/Officer Litigation Claims, as applicable, pursuant to the Director/Officer Insurance Policies, and any Persons with any such Section 5.1(2) Director/Officer Claims or Agreed Excluded Director/Officer Litigation Claims shall have no right to, and shall not, make any claim or seek any recoveries from any Person (including Jaguar, any of its Subsidiaries or any Director or Officer), other than enforcing such Person's rights to be paid from the proceeds of a Director/Officer Insurance Policy by the applicable insurer(s); provided that nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any insurer in respect



of a Director/Officer Insurance Policy or any insured in respect of a Section 5.1(2) Director/Officer Claim or Agreed Excluded Director/Officer Litigation Claim; and

- (iv) all Director/Officer Indemnity Claims.

On the Implementation Date, the Applicant, the Subsidiaries, and each of their respective financial advisors, legal counsel and agents, the Monitor, legal counsel to the Monitor, and legal counsel to the special committee of the board of directors of Jaguar (collectively, the “**Released Parties**”) shall be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person (including any Person who may claim contribution or indemnification against or from them) may be entitled to assert, whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, 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 Implementation Date that are in any way relating to, arising out of or in connection with (i) the restructuring, disclaimer, resiliation, breach or termination of any contract, lease, agreement or other arrangement, whether written or oral; (ii) the business and affairs of the Applicant or the Subsidiaries; (iii) the Notes; (iv) the Indentures; (v) the Existing Shares; (vi) the Existing Share Options; (vii) the Shareholder Rights Plan; (viii) Equity Claims; (ix) the Support Agreement; (x) the Backstop Agreement; (xi) this Plan; or (xii) the CCAA Proceedings; provided, however, that nothing in this Section 11.1 will release or discharge:

(b)

the Applicant or any of the Subsidiaries from or in respect of (x) any Excluded Claim, (y) its obligation to Affected Unsecured Creditors under this Plan or under any Order, or (z) its obligations under the Backstop Agreement or the Support Agreement; provided that any Agreed Excluded Jaguar Litigation Claims shall be limited to recovery from any insurance proceeds payable in respect of such Agreed Excluded Jaguar Litigation Claims pursuant to the Jaguar Insurance Policies, and any Persons with any such Agreed Excluded Jaguar Litigation Claims against the Applicant shall have no right to, and shall not, make any claim or seek any recoveries from any Person (including Jaguar, any of its Subsidiaries or any Director or Officer), other than enforcing such Person’s rights to be paid from the proceeds of a Jaguar Insurance Policy by the applicable insurer(s); provided further that nothing in this Plan shall prejudice, compromise, release or otherwise affect any right or defence of any insurer in respect of a Jaguar Insurance Policy or any insured in respect of an Agreed Excluded Jaguar Litigation Claim; or

(i)

(ii) a Released Party if the Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct.

At the Implementation Time, each of the Noteholders, the Ad Hoc Committee, the Trustees, and each of their respective present and former shareholders, officers, directors, and the Advisors and the Trustees’ counsel (collectively, the “**Noteholder Released Parties**”) will be released and discharged from any and all demands, claims, actions, causes of action, counterclaims, suits, debts, sums of money, accounts, covenants, damages, judgments, expenses, executions, liens and other recoveries on account of any indebtedness, liability, obligation, demand or cause of action of whatever nature that any Person (including any Person who may claim contribution or indemnification against or from them) may be entitled to assert whether known or unknown, matured or unmatured, direct, indirect or derivative, foreseen or unforeseen, 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 Implementation Date that are in any way relating to, arising out of or in connection with: (i) the Notes; (ii) the Indentures; (iii) the Existing Shares; (iv) the Existing Share Options; (v) the Shareholder Rights Plan; (vi) Equity Claims; (vii) the Support Agreement; (viii) the Backstop Agreement; (ix) this Plan; or (x) the CCAA Proceedings, and any other matters or actions related directly or indirectly to the foregoing; provided that nothing in this Section 11.1(c) will release or discharge a Noteholder Released Party in respect of their obligations under this Plan, the Backstop Agreement, the Support Agreement, any Election Form and provided further that nothing in this Section 11.1(c) will release or discharge a Noteholder Released Party if the Noteholder Released Party is adjudged by the express terms of a judgment rendered on a final determination on the merits to have committed fraud or wilful misconduct.

(c)

## 11.2 Injunctions

All Persons (regardless of whether or not such Persons are Affected Unsecured Creditors) are permanently and forever barred, estopped, stayed and enjoined, on and after the Implementation Time, with respect to any and all Released Claims or Noteholder Released Claims, from (i) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits, demands or other proceedings of

any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against the Released Parties, the Named Directors and Officers and the Noteholder Released Parties; (ii) enforcing, levying, attaching, collecting or otherwise recovering or enforcing by any manner or means, directly or indirectly, any judgment, award, decree or order against the Released Parties, the Named Directors and Officers and Noteholder Released Parties or their property; (iii) commencing, conducting or continuing in any manner, directly or indirectly, any action, suits or demands, including without limitation, by way of contribution or indemnity or other relief, in common law, or in equity, or for breach of trust or breach of fiduciary duty or under the provisions of any statute or regulation, or other proceedings of any nature or kind whatsoever (including, without limitation, any proceeding in a judicial, arbitral, administrative or other forum) against any Person who makes such a claim or might reasonably be expected to make such a claim, in any manner or forum, against one or more of the Released Parties, the Named Directors and Officers and Noteholder Released Parties; (iv) creating, perfecting, asserting or otherwise enforcing, directly or indirectly, any lien or encumbrance of any kind against the Released Parties, the Named Directors and Officers and Noteholder Released Parties or their property; or (v) taking any actions to interfere with the implementation or consummation of this Plan; provided, however, that the foregoing shall not apply to the enforcement of any obligations under this Plan. For greater certainty, the provisions of this Section 11.2 shall apply to Section 5.1(2) Director/Officer Claims, Agreed Excluded Director/Officer Litigation Claims and Agreed Excluded Jaguar Litigation Claims in the same manner as Released Claims, except to the extent that the rights of a holder of such Section 5.1(2) Director/Officer Claims, Agreed Excluded Director/Officer Litigation Claims and/or Agreed Excluded Jaguar Litigation Claims to enforce such claims against an insurer in respect of a Directors/Officer Insurance Policy and/or a Jaguar Insurance Policy, as applicable, are expressly preserved pursuant to Section 11.1(a)(iii) and/or Section 11.1(b)(i) hereof.

### **11.3 Timing of Releases and Injunctions**

All releases and injunctions set forth in this Article 11 shall become effective on the Implementation Date at the time or times and in the manner set forth in Section 7.4 hereof.

### **11.4 Knowledge of Claims**

Each Person to which Section 11.1 hereof applies shall be deemed to have granted the releases set forth in Section 11.1 notwithstanding that it may hereafter discover facts in addition to, or different from, those which it now knows or believes to be true, and without regard to the subsequent discovery or existence of such different or additional facts, and such party expressly waives any and all rights that it may have under any applicable law which would limit the effect of such releases to those Claims or causes of action known or suspected to exist at the time of the granting of the release.

## **ARTICLE 12 – COURT SANCTION, CONDITIONS PRECEDENT AND IMPLEMENTATION**

### **12.1 Application for Sanction Order**

If this Plan is approved by the Required Majority, the Applicant shall apply for the Sanction Order on the date set for the hearing for the Sanction Order or such later date as the Court may set.

### **12.2 Sanction Order**

The Sanction Order shall, among other things, declare that:

- (a) (i) this Plan has been approved by the Required Majority entitled to vote at the Meeting in conformity with the CCAA; (ii) the Applicant acted in good faith and has complied with the provisions of the CCAA and the Orders made in the CCAA Proceedings in all respects; (iii) the Court is satisfied that the Applicant has not done nor purported to do anything that is not authorized by the CCAA; and (iv) this Plan and the transactions contemplated by it are fair and reasonable;

- (b) this Plan (including the arrangements and releases set out herein) has been sanctioned and approved pursuant to section 6 of the CCAA and will be binding and effective as herein set out on the Applicant, all Affected Unsecured Creditors, all holders of Equity Claims and all other Persons as provided for in this Plan or in the Sanction Order;

- (c) subject to the performance by the Applicant of its obligations under this Plan, and except to the extent expressly contemplated by this Plan or the Sanction Order, all obligations or agreements to which the Applicant is a party immediately prior to the Implementation Time, will be and shall remain in full force and effect as at the Implementation Date, unamended except as they may have been amended by agreement of the parties subsequent to the Filing Date, and no Person who is a party to any such obligations or agreements shall, following the Implementation Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right



(including any right of set-off, option, dilution or other remedy) or make any demand under or in respect of any such obligation or agreement, by reason of:

- (i) any defaults or events of default arising as a result of the insolvency of the Applicant prior to the Implementation Date;
- (ii) any change of control of the Applicant arising from implementation of this Plan (except in respect of existing, written senior officer and employee employment agreements of Persons who remain senior officers and employees of Jaguar as of the Implementation Date and any payments due under such agreements, which may only be waived by the senior officers and employees who are parties to such agreements);
- (iii) the fact that the Applicant has sought or obtained relief under the CCAA or that this Plan has been implemented by the Applicant;
- (iv) the effect on the Applicant of the completion of any of the transactions contemplated by this Plan;
- (v) any compromises or arrangements effected pursuant to this Plan; or
- (vi) any other event(s) which occurred on or prior to the Implementation Date which would have entitled any Person to enforce rights and remedies, subject to any express provisions to the contrary in any agreements entered into with the Applicant after the Filing Date.

For greater certainty, nothing in this paragraph 12.2(c) shall waive, compromise or discharge any obligations of the Applicant in respect of any Excluded Claim;

- (d) the commencement or prosecution, whether directly, indirectly, derivatively or otherwise, of any demands, claims, actions, counterclaims, suits, judgment, or other remedy or recovery as described in Section 11.2 hereof shall be permanently enjoined;
- (e) the releases effected by this Plan shall be approved, and declared to be binding and effective as of the Implementation Date upon all Affected Unsecured Creditors, holders of Equity Claims and all other Persons affected by this Plan and shall enure to the benefit of all such Persons;
- (f) from and after the Implementation Date, all Persons with an Affected Unsecured Claim shall be deemed to (i) have consented and agreed to all of the provisions of this Plan as an entirety; and (ii) each Affected Unsecured Creditor shall be deemed to have granted, and executed and delivered to the Applicant all consents, releases, assignments and waivers, statutory or otherwise, required to implement and carry out this Plan in its entirety.

### **12.3 Conditions to Plan Implementation**

The implementation of this Plan shall be conditional upon the fulfillment, satisfaction or waiver (to the extent permitted by Section 12.4 hereof) of the following conditions:

- (a) The Court shall have granted the Sanction Order, the operation and effect of which shall not have been stayed, reversed or amended, and in the event of an appeal or application for leave to appeal, final determination shall have been made by the applicable appellate court;
- (b) No Applicable Law shall have been passed and become effective, the effect of which makes the consummation of this Plan illegal or otherwise prohibited;
- (c) All necessary judicial consents and any other necessary or desirable third party consents, if any, to deliver and implement all matters related to this Plan shall have been obtained;
- (d) All documents necessary to give effect to all material provisions of this Plan (including the Sanction Order, this Plan, the Share Offering and the Common Share Consolidation and all documents related thereto) shall have been executed and/or delivered by all relevant Persons in form and substance satisfactory to the Applicant and the Majority Consenting Noteholders;

- (e) All required stakeholder, regulatory and Court approvals, consents, waivers and filings shall have been obtained or made, as applicable, on terms satisfactory to the Majority Consenting Noteholders and the Company, each acting reasonably and in good faith;
- (f) All senior officer and employee employment agreements shall have been modified to reflect the revised capital structure of Jaguar following implementation of the Plan, including, without limitation, to provide that the implementation of the Plan does not constitute a change of control under such employment agreements, and no change of control payments shall be owing or payable to Jaguar's officers or employees in connection with the implementation of the Plan;
- (g) The DSU Plan, the RSU Plan and the SAR Plan shall have been addressed in a manner acceptable to Jaguar and the Majority Consenting Noteholders;
- (h) The Articles of Reorganization shall have been filed under the OBCA;
- (i) All material filings under applicable Laws shall have been made and any material regulatory consents or approvals that are required in connection with this Plan shall have been obtained and, in the case of waiting or suspensory periods, such waiting or suspensory periods shall have expired or been terminated;
- (j) The New Common Shares shall have been conditionally approved for listing on the TSX, the TSXV or such other Designated Offshore Securities Market acceptable to the Majority Consenting Noteholders without any vote or approval of the Existing Shareholders, subject only to receipt of customary final documentation;
- (k) All conditions to implementation of this Plan set out in the Support Agreement (which for greater certainty include the conditions set out in sections 9(a), (b) and (c) of the Support Agreement) shall have been satisfied or waived in accordance with their terms and the Support Agreement shall not have been terminated;
- (l) All conditions to implementation of this Plan set out in the Backstop Agreement (which for greater certainty include the conditions set out in sections 7(a), (b) and (c) of the Backstop Agreement) shall have been satisfied or waived in accordance with their terms, and the Backstop Agreement shall not have been terminated;
- (m) The issuance of the Unsecured Creditor Common Shares and Early Consent Shares shall be exempt from registration under the US Securities Act pursuant to the provisions of section 3(a)(10) of the US Securities Act; and
- (n) No insurer under a Director/Officer Insurance Policy or a Jaguar Insurance Policy shall have an unresolved objection, filed in the CCAA Proceedings, to the implementation of this Plan.

#### **12.4 Waiver of Conditions**

The Applicant and the Majority Consenting Noteholders may at any time and from time to time waive the fulfillment or satisfaction, in whole or in part, of the conditions set out herein, to the extent and on such terms as such parties may agree to provided however that the conditions set out in Section 12.3(a) cannot be waived and that the conditions set out in Section 12.3(l) can only be waived by the Applicant and the Majority Backstop Parties.

#### **12.5 Implementation Provisions**

If the conditions contained in Section 12.3 are not satisfied or waived (to the extent permitted under Section 12.4) by the Outside Date, unless the Applicant and the Majority Consenting Noteholders agree in writing to extend such period, this Plan and the Sanction Order shall cease to have any further force or effect and will not be binding on any Person.

#### **12.6 Monitor's Certificate of Plan Implementation**

Upon written notice from the Applicant (or counsel on its behalf) and Goodmans LLP on behalf of the Majority Consenting Noteholders and the Majority Backstop Parties to the Monitor that the conditions to Plan implementation set out in Section 12.3, have been satisfied or waived, the Monitor shall, as soon as possible following receipt of such written notice, deliver to the Applicant and Goodmans LLP on behalf of the Majority Consenting Noteholders and the Majority Backstop Parties, and file with the Court, a certificate which states that all conditions precedent set out in Section 12.3 have been satisfied or waived and that the Implementation Date has occurred.

### **ARTICLE 13 – GENERAL**

### 13.1 Waiver of Defaults

Subject to the performance by the Applicant of its obligations under this Plan, and except to the extent expressly contemplated by this Plan or the Sanction Order, no Person who is a party to any obligations or agreements with the Applicant or any Subsidiary shall, following the Implementation Date, accelerate, terminate, rescind, refuse to perform or otherwise repudiate its obligations thereunder, or enforce or exercise any right (including any right of set-off, option, dilution or other remedy) or make any demand under or in respect of any such obligation or agreement, by reason of:

- (a) any defaults or events of default arising as a result of the insolvency of the Applicant prior to the Implementation Date;
- (b) any change of control of the Applicant or any Subsidiary arising from implementation of this Plan (except in respect of existing, written senior officer and employee employment agreements of Persons who remain senior officers and employees of Jaguar as of the Implementation Date and any payments due under such agreements, which may only be waived by the senior officers and employees who are parties to such agreements);
- (c) the fact that the Applicant has sought or obtained relief under the CCAA or that this Plan has been implemented by the Applicant;
- (d) the effect on the Applicant or any Subsidiary of the completion of any of the transactions contemplated by this Plan;
- (e) any compromises or arrangements effected pursuant to this Plan; or
- (f) any other event(s) which occurred on or prior to the Implementation Date which would have entitled any Person to enforce rights and remedies, subject to any express provisions to the contrary in any agreements entered into with the Applicant after the Filing Date.

For greater certainty, nothing in this paragraph 13.1 shall waive, compromise or discharge any obligations of the Applicant in respect of any Excluded Claim.

### 13.2 Deeming Provisions

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

### 13.3 Non-Consummation

The Applicant reserves the right to revoke or withdraw this Plan at any time prior to the Implementation Date, with the consent of the Monitor and the Majority Consenting Noteholders.

If the Implementation Date does not occur on or before the Outside Date (as the same may be extended in accordance with the terms hereof and of the Support Agreement), or if this Plan is otherwise withdrawn in accordance with its terms: (a) this Plan shall be null and void in all respects, and (b) nothing contained in this Plan, and no acts taken in preparation for consummation of this Plan, shall (i) constitute or be deemed to constitute a waiver or release of any Claims by or against the Jaguar Group, their respective successors or any other Person; (ii) prejudice in any manner the rights of the Jaguar Group, their respective successors or any other Person in any further proceedings involving the Jaguar Group or their respective successors; or (iii) constitute an admission of any sort by the Jaguar Group, their respective successors or any other Person.

### 13.4 Modification of Plan

- (a) The Applicant may, at any time and from time to time, amend, restate, modify and/or supplement this Plan with the consent of the Monitor and the Majority Consenting Noteholders, provided that: any such amendment, restatement, modification or supplement must be contained in a written document that is filed with the Court and:
  - (i) if made prior to or at the Meeting: (A) the Monitor, the Applicant or the Chair (as defined in the Meeting Order) shall communicate the details of any such amendment, restatement, modification and/or supplement to Affected Unsecured Creditors and other Persons present at the Meeting prior to any vote being taken at the Meeting; (B) the Applicant shall provide notice to the service list of any such amendment, restatement, modification and/or supplement and shall file a copy thereof with the Court forthwith and in any event prior to the Court hearing in respect of the Sanction Order; and (C) the Monitor shall post an electronic copy of such

amendment, restatement, modification and/or supplement on the Monitor's Website forthwith and in any event prior to the Court hearing in respect of the Sanction Order; and

- if made following the Meeting: (A) the Applicant shall provide notice to the service list of any such amendment, restatement, modification and/or supplement and shall file a copy thereof with the Court; (B) the
- (ii) Monitor shall post an electronic copy of such amendment, restatement, modification and/or supplement on the Monitor's Website; and (C) such amendment, restatement, modification and/or supplement shall require the approval of the Court following notice to the Affected Unsecured Creditors.

- Notwithstanding Section 13.4(a) hereof, any amendment, restatement, modification or supplement may be made by the Applicant: (i) if prior to the date of the Sanction Order, with the consent of the Monitor and the Majority Consenting Noteholders; and (ii) if after the date of the Sanction Order, with the consent of the Monitor and the Majority Consenting Noteholders and upon approval by the Court, provided in each case that it concerns a matter that, in the opinion of the Applicant, acting reasonably, is of an administrative nature required to better give effect to the implementation of this Plan and the Sanction Order or to cure any errors, omissions or ambiguities and is not materially adverse to the financial or economic interests of the Affected Unsecured Creditors.
- (b)

- Any amended, restated, modified or supplementary plan or plans of compromise filed with the Court and, if required
- (c) by this section, approved by the Court, shall, for all purposes, be and be deemed to be a part of and incorporated in this Plan.

### **13.5 Severability of Plan Provisions**

If, prior to the Implementation Time, any term or provision of this Plan is held by the Court to be invalid, void or unenforceable, at the request of the Applicant, made with the consent of the Majority Consenting Noteholders (acting reasonably), the Court shall have the power to either (a) sever such term or provision from the balance of this Plan and provide the Applicant and the Majority Consenting Noteholders with the option to proceed with the implementation of the balance of this Plan as of and with effect from the Implementation Time, or (b) alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision shall then be applicable as altered or interpreted, provided that the Majority Consenting Noteholders have approved such alteration or interpretation, acting reasonably. Notwithstanding any such holding, alteration or interpretation, and provided that this Plan is implemented, the remainder of the terms and provisions of this Plan shall remain in full force and effect and shall in no way be affected, impaired or invalidated by such holding, alteration or interpretation.

### **13.6 Preservation of Rights of Action**

Except as otherwise provided in this Plan or in the Sanction Order, or in any contract, instrument, release, indenture or other agreement entered into in connection with this Plan, following the Implementation Date, the Applicant will retain and may enforce, sue on, settle, or compromise (or decline to do any of the foregoing) all claims, rights or causes of action, suits and proceedings, whether in law or in equity, whether known or unknown, that the Applicant may hold against any Person or entity without further approval of the Court.

### **13.7 Responsibilities of Monitor**

FTI Consulting Canada Inc. is acting in its capacity as Monitor in the CCAA Proceedings with respect to the Applicant and this Plan and not in its personal or corporate capacity, and will not be responsible or liable for any obligations of the Applicant under the Plan or otherwise.

### **13.8 Notices**

Any notice or other communication to be delivered hereunder must be in writing and refer to this Plan and may, as hereinafter provided, be made or given by personal delivery, ordinary mail, email or by facsimile addressed to the respective Parties as follows:

- (a) c/o Jaguar Mining Inc.  
67 Yonge Street, Suite 1203  
Toronto, Ontario M5E 1J8

Attention: David Petroff  
Email: david.petroff@jaguarmining.com

with a required copy (which shall not be deemed notice) to:

Norton Rose Fulbright Canada LLP  
Royal Bank Plaza, South Tower, Suite 3800  
200 Bay Street P.O. Box 84  
Toronto, Ontario M5J 2Z4

Attention: Walied Soliman and Evan Cobb  
Fax: (416) 216-3930  
Email: [walied.soliman@nortonrosefulbright.com](mailto:walied.soliman@nortonrosefulbright.com)  
[evan.cobb@nortonrosefulbright.com](mailto:evan.cobb@nortonrosefulbright.com)

(b) If to the Ad Hoc Committee of Noteholders:

Goodmans LLP  
Suite 3400  
333 Bay Street  
Bay Adelaide Centre  
Toronto, Ontario M5H 2S7

Attention: Rob Chadwick and Melaney Wagner  
Fax: (416) 979-1234  
Email [rhadwick@goodmans.ca](mailto:rhadwick@goodmans.ca)  
[mwagner@goodmans.ca](mailto:mwagner@goodmans.ca)

(c) If to the Monitor, at:

FTI Consulting Canada Inc.  
TD Waterhouse Tower  
Suite 2010  
79 Wellington Street  
Toronto, Ontario M5K 1G8

Attention: Greg Watson and Jodi Porepa  
Fax: (416) 649-8101  
Email: [Greg.Watson@fticonsulting.com](mailto:Greg.Watson@fticonsulting.com)  
[Jodi.Porepa@fticonsulting.com](mailto:Jodi.Porepa@fticonsulting.com)

With a required copy (which shall not be deemed notice) to:

Osler, Hoskin & Harcourt LLP  
Box 50  
1 First Canadian Place  
Toronto, Ontario M5X 1B8

Attention: Marc Wasserman  
Fax: (416) 862-6666  
Email: [mwasserman@osler.com](mailto:mwasserman@osler.com)

or to such other address as any Party may from time to time notify the others in accordance with this Section 13.8. 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 emailing, provided that such day in either event is a Business Day and the communication is so delivered, faxed or emailed before 5:00 p.m. 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.

### **13.9 Consent of Majority Consenting Noteholders or Majority Backstop Parties**

For the purposes of this Plan, any matter requiring the agreement, waiver, consent or approval of the Majority Consenting Noteholders or the Majority Backstop Parties shall be deemed to have been agreed to, waived, consented to or approved by such Majority Consenting

Noteholders or Majority Backstop Parties if such matter is agreed to, waived, consented to or approved in writing by Goodmans LLP, provided that Goodmans LLP expressly confirms in writing (which can be by way of e-mail) that it is providing such agreement, consent, waiver or approval on behalf of the Majority Consenting Noteholders or the Majority Backstop Parties, as applicable.

### **13.10 Paramountcy**

From and after the Implementation Time on the Implementation Date, any conflict between:

- (a) this Plan; 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 any Person and the Applicant and/or the Subsidiaries as at the Implementation Date,

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

### **13.11 Further Assurances**

Notwithstanding that the transactions and events set out herein will occur and be deemed to occur in the order set out in this Plan without any further act or formality, each of the Persons named or referred to in, or subject to, this Plan will make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them to carry out the full intent and meaning of this Plan and to give effect to the transactions contemplated herein.

## **Schedule “A”**

### **Agreed Excluded Director/Officer Litigation Claims**

- (i) Claims asserted by Daniel R. Titcomb; Robert J. Lloyd; James M. Roller; William E. Dow; Jeffrey Kirchhoff and/or Brazilian Resources, Inc. (collectively, the “New Hampshire Litigation Plaintiffs”) in the proceeding in the United States District Court for the District of New Hampshire bearing Civil Action No. 1:13-cv-00428-JL against Gary E. German, Gilmour Clausen, John Andrews, Richard Falconer, David Petroff and Frederick Hermann (collectively, the “Director/Officer Defendants”); and
- (ii) those claims of the New Hampshire Litigation Plaintiffs against the Director/Officer Defendants as allowed in accordance with and subject to the terms of paragraph 3 of the Minutes of Settlement dated February 5, 2014 between the New Hampshire Litigation Plaintiffs and Jaguar Mining Inc.

## **Schedule “B”**

### **Agreed Excluded Jaguar Litigation Claims**

- (i) Claims asserted by Daniel R. Titcomb; Robert J. Lloyd; James M. Roller; William E. Dow; Jeffrey Kirchhoff and/or Brazilian Resources, Inc. (collectively, the “New Hampshire Litigation Plaintiffs”) in the proceeding in the United States District Court for the District of New Hampshire bearing Civil Action No. 1:13-cv-00428-JL against Jaguar Mining Inc.; and
- (ii) those claims of the New Hampshire Litigation Plaintiffs against Jaguar Mining Inc. as allowed in accordance with and subject to the terms of paragraph 4 of the Minutes of Settlement dated February 5, 2014 between the New Hampshire Litigation Plaintiffs and Jaguar Mining Inc.

## **Schedule “C”**

### **Agreed Excluded Litigation Claimants**

Daniel R. Titcomb

Robert J. Lloyd

James M. Roller

William E. Dow

Jeffrey Kirchhoff

Brazilian Resources, Inc.



as of November 13, 2013

**BACKSTOP AGREEMENT**

**WHEREAS**, this backstop agreement (the “**Agreement**”) sets out the agreement among: (a) Jaguar Mining Inc. (“**Jaguar**” or the “**Company**”), (b) its subsidiaries, MCT Mineração Ltda., Mineração Turmalina Ltda. and Mineração Serras do Oeste Ltda. (collectively, the “**Subsidiaries**”), and (c) each of the other signatories to this Agreement (each a “**Backstopper**” and collectively the “**Backstoppers**”), regarding the obligation of Backstoppers to purchase any and all Offering Shares (as defined below) that are offered but not otherwise purchased pursuant to the Subscription Privilege (as defined below) under the Share Offering (as defined below), on the terms and conditions set forth in this Agreement and the Plan (as defined below);

**WHEREAS**, the Company and the Backstoppers, in their capacities as holders of Jaguar’s \$165.0 million 4.5% Senior Unsecured Convertible Notes due November 1, 2014 (the “**4.5% Convertible Notes**”) and/or \$103.5 million 5.5% Senior Unsecured Convertible Notes due March 31, 2016 (the “**5.5% Convertible Notes**”, together with the 4.5% Convertible Notes, the “**Notes**”), are party to a Support Agreement dated the date hereof (together with the Schedules thereto, the “**Support Agreement**”) regarding the principal aspects of a series of transactions (collectively, the “**Transaction**”) under which it is contemplated that, among other things, the Notes and potentially certain other unsecured claims will be compromised and extinguished in exchange for common shares in the capital of reorganized Jaguar (the “**New Jaguar Common Shares**”) and the right for eligible subscribers to participate in an offering (the “**Share Offering**”) of 70,955,797<sup>i</sup> New Jaguar Common Shares (the “**Offering Shares**”), all as more fully defined and described in the Support Agreement and in the term sheet attached thereto as Schedule B and forming a part thereof (the “**Term Sheet**”, with the terms of the Transaction set out therein, in the Support Agreement and in this Agreement being, collectively, the “**Transaction Terms**”), which Transaction Terms shall form the basis for the terms of, be set forth in, and be implemented pursuant to, a plan of arrangement (the “**Plan**”) to be filed in respect of the Company in proceedings (the “**Proceedings**”) to be commenced under the *Canada Business Corporations Act* (the “**CBCA**”) or the *Companies’ Creditors Arrangement Act* (the “**CCAA**”), as applicable; and

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<sup>i</sup> Assuming the issuance of 111,111,111 New Jaguar Common Shares in the aggregate. If a different number of New Jaguar Common Shares are issued, the number of Offering Shares to be issued will be adjusted proportionally.

**WHEREAS**, capitalized terms used but not otherwise defined in this Agreement have the meanings ascribed to such terms in the Schedule A attached hereto or in the Support Agreement.

**WHEREAS** unless otherwise stated, all monetary amounts contained herein are expressed in US dollars.

**NOW THEREFORE**, the Company and the Backstoppers (each, a “**Party**” and collectively, the “**Parties**”) hereby agree as follows:

**1. Share Offering**

- Subject to and in accordance with the terms and conditions of this Agreement, the Plan and the Support Agreement, the Issuer shall undertake the Share Offering as part of the Plan. Pursuant to the Share Offering: (i) each Eligible Subscriber (for greater certainty, including each of the Backstoppers delivering a Rep Letter to the Issuer on or before the Election Deadline) will have the right to participate in the Share Offering by electing, in accordance with the provisions of the Plan, to subscribe for and purchase from the Issuer up to its *pro rata* share (based on the fraction that its Convertible Notes Claim represents of the total Convertible Notes Claims) of Offering Shares under the Share Offering (the “**Subscription Privilege**”); and (ii) each Participating Subscriber shall be allocated its *pro rata* share (based on the fraction that its Accrued Interest Claim represents of the total Accrued Interest Claims) of 9,044,203<sup>ii</sup> New Jaguar Common Shares (the “**Accrued Interest Offering Shares**”), provided that in no event shall a Participating Subscriber receive a greater number of Accrued Interest Offering Shares than Offering Shares. Any Accrued Interest Offering Shares remaining after the allocation of the Accrued Interest Offering Shares to the Participating Subscribers pursuant to (ii) above shall be reallocated among Participating Subscribers who have received less Accrued Interest Offering Shares than Offering Shares on a *pro rata* basis based on Accrued Interest Claims.



<sup>ii</sup> Assuming the issuance of 111,111,111 New Jaguar Common Shares in the aggregate. If a different number of New Jaguar Common Shares are issued, the number of Accrued Interest Offering Shares to be issued will be adjusted proportionally.

- (b) The subscription price for any Offering Shares issued pursuant to an exercise of the Subscription Privilege or any Backstopped Shares issued pursuant to the Backstop Purchase Obligation shall be as set out in the Information Circular and the Plan (the “**Issue Price**”).
- (c) The Information Circular and Plan shall provide for:
  - (i) the manner in which Eligible Subscribers may elect to participate in the Share Offering (including the Election Deadline);
  - (ii) the manner in which Participating Subscribers that are Backstoppers may elect to have their Backstop Commitment reduced by the total Issue Price that such Backstopper deposits into escrow on or before the Participating Subscriber Funding Deadline (as defined below) in respect of Offering Shares that such Backstopper subscribes for pursuant to the exercise of all or part of its Subscription Privilege, provided that such Backstopper’s Backstop Commitment shall not be reduced below zero (the “**Backstop Commitment Reduction Election**”, with a Backstopper so electing being a “**Commitment Reduction Electing Backstopper**”);
  - (iii) the manner in which each Participating Subscriber will be informed of the number of Offering Shares to be acquired by them on implementation of the Plan pursuant to the Subscription Privilege and the aggregate Issue Price therefor, and the number of Accrued Interest Offering Shares allocated to them;
  - (iv) the date (the “**Participating Subscriber Funding Deadline**”, which date shall be a date prior to the Funding Deadline relating to the Backstop Commitments) by which each Participating Subscriber (for greater certainty, including each Backstopper who has properly exercised all or part of its Subscription Privilege) must deposit in escrow the aggregate Issue Price for all Offering Shares subscribed for by it pursuant to the exercise of all or part of its Subscription Privilege (the “**Participating Subscriber’s Payment Amount**”), failing which it will cease to be a Participating Subscriber and its subscription for Offering Shares pursuant to the Subscription Privilege and right to receive Accrued Interest Offering Shares shall be null and void;
  - (v) the manner in which the Backstoppers will be informed of the number of Offering Shares not validly subscribed for pursuant to the Subscription Privilege and the number of Backstop Consideration Shares allocated to them;
  - (vi) the release to the Issuer of funds from escrow in respect of the aggregate Issue Price for the Offering Shares subscribed for pursuant to the Subscription Privilege; and
  - (vii) the issuance of the Offering Shares and Accrued Interest Offering Shares to the Participating Subscribers and the Backstopped Shares and Backstop Consideration Shares to the Backstoppers.
- (d) No fractional Offering Shares, Accrued Interest Offering Shares, Backstopped Shares or Backstop Consideration Shares shall be issued under the Share Offering. To the extent that any Eligible Subscriber would otherwise be entitled to receive a fractional Offering Share, Accrued Interest Offering Share, Backstopped Share or Backstop Consideration Share pursuant to the Subscription Privilege, its Backstop Purchase Obligation or otherwise, the number of Offering Shares or Backstopped Shares that would be acquired by or Accrued Interest Offering Shares or Backstop Consideration Shares allocated to such Eligible Subscriber shall be rounded down to the nearest whole number.
- (e) Any Backstopped Shares remaining after any assumption of all or a part of the Backstop Commitment(s) of the Defaulting Backstopper(s) or Objecting Backstopper(s) in accordance with Section 2(d) or Section 8(c), as applicable, as at the Implementation Date shall not be issued by the Issuer.

## **2. Covenants and Agreements of the Backstoppers**

- (a) Subject to and in accordance with the terms and conditions of this Agreement, each of the Backstoppers hereby severally agrees to:

- (i) purchase from the Issuer, at the Issue Price and on the Implementation Date, its *pro rata* share (based on the fraction that its Backstop Commitment represents of the Total Offering Size) of the Offering Shares that were not validly subscribed for and taken up pursuant to the Subscription Privilege (the “**Backstopped Shares**”);
- (ii) co-operate with the Issuer (at the Issuer’s sole cost and expense) in obtaining such consents and approvals as are required in order to permit such Backstopper to acquire all of the Offering Shares, Accrued Interest Offering Shares, Backstopped Shares and Backstop Consideration Shares that may be issued to it pursuant to the Share Offering and this Agreement; and
- (iii) co-operate with the Company (at the Company’s sole cost and expense) in the preparation of the Information Circular to the extent information is required from the Backstopper or is otherwise contemplated hereunder.

(b) Each Backstopper represents, warrants and covenants that it has, and at the Funding Deadline (as defined below) will have, the financial ability and sufficient funds available to make and complete the payment for all Backstopped Shares that it has committed to purchase hereunder, and the availability of such funds is not and will not be subject to the consent, approval or authorization of any other Person.

(c) Without limiting Section 2(b), each Backstopper shall deliver to the Escrow Agent, not later than 2:00 p.m. (Toronto time) on the day that is five Business Days prior to the Implementation Date (the “**Funding Deadline**”), either:

- (i) cash in an amount equal to such Backstopper’s Backstop Commitment as at the date on which the Backstopper makes such delivery based on the number of Backstopped Shares to be purchased by it in accordance with Section 2(a)(i); or
- (ii) a letter of credit, in form and substance reasonably satisfactory to the Issuer, having a face amount equal to the amount described in Section 2(c)(i), and issued by a financial institution having an equity market capitalization of at least \$10,000,000,000 and a credit rating of at least A+ from Standard & Poor’s or A1 from Moody’s,

in each case: (1) to be held in escrow, on terms acceptable to the Issuer and the Backstoppers, in each case acting reasonably, until all conditions to the Share Offering have been satisfied or waived in accordance with this Agreement and with irrevocable instructions to use such cash or letter of credit, as applicable, to the extent required to enable such Backstopper to comply with its Backstop Purchase Obligation; and (2) provided for greater certainty that, if a Backstopper (A) has exercised all or part of its Subscription Privilege and has paid its Participating Subscriber’s Payment Amount on or before the Participating Subscriber Funding Deadline, and (B) is a Commitment Reduction Electing Backstopper whose Backstop Commitment has been reduced to zero, such Backstopper shall not be required to deliver cash or a letter of credit to the Escrow Agent to comply with its Backstop Purchase Obligation under this Agreement and in no event shall such non-delivery constitute a default or failure to meet its obligations hereunder.

(d) In the event that any one or more Backstoppers fails to meet its obligations in respect of its Backstop Commitment on or before the Funding Deadline (any such Backstopper, a “**Defaulting Backstopper**”), the Issuer shall provide the non-defaulting Backstoppers (the “**Non-Defaulting Backstoppers**”) or such other party or parties acceptable to the Non-Defaulting Backstoppers and the Issuer, in each case acting reasonably, that execute a Consent Agreement with the opportunity to assume those obligations (and the rights), and the Non-Defaulting Backstoppers or such other party or parties acceptable to the Non-Defaulting Backstoppers and the Issuer may, but shall not be obligated to, assume the Backstop Commitment(s) of the Defaulting Backstopper(s).

### **3. Covenants and Agreements of the Company**

Subject to and in accordance with the terms and conditions of this Agreement, the Company undertakes and agrees with and in favour of each of the Backstoppers that:

(a) The Company will advise each Backstopper, within three Business Days following the Election Deadline, of the total number of Offering Shares subscribed for under the Subscription Privilege.

(b) If a Backstopper (A) has exercised all or part of its Subscription Privilege and has paid the Participating Subscriber’s Payment Amount on or before the Participating Subscriber Funding Deadline, and (B) is a Commitment Reduction Electing Backstopper whose Backstop Commitment has been reduced to zero, such Backstopper shall not be required to deliver cash or a letter of credit to the Escrow Agent to comply with its Backstop Purchase Obligation under this Agreement and in no event shall such non-delivery constitute a default or failure to meet its obligations hereunder.

(c) The Company will use commercially reasonable efforts to obtain all necessary consents, approvals or exemptions for the creation, offering and issuance of the Offering Shares, Accrued Interest Offering Shares, Backstopped Shares and Backstop Consideration Shares and the entering into and performance by it of this Agreement and the transactions contemplated herein.

(d) The Company will pay all fees and expenses as set out in paragraph 7(b)(x).

(e) The Issuer shall file a Form D with the U.S. Securities Commission with respect to the applicable Offering Shares, Accrued Interest Offering Shares, Backstopped Shares and Backstop Consideration Shares that are issued pursuant to Regulation D.

(f) After the date hereof, the Company will not incur any new indebtedness prior to the Implementation Date except for indebtedness that is incurred in the ordinary course of business and that is not material.

(g) From the date hereof through the earlier of the Implementation Date and termination of this Agreement, the Company will notify Goodmans, in writing, within two Business Days of receipt of any notice, written demand, request, inquiry or other correspondence (in each case, both formal or informal) by any Governmental Entity concerning the Share Offering or the issuance, or threatened or contemplated issuance, by any Governmental Entity of any cease trading or similar order or ruling relating to any securities of the Company. Any notice delivered pursuant to this Section 3(g) shall contain reasonable details of the notice, demand, request, inquiry, correspondence, order or ruling in question.

(h) The Issuer shall take all action as may be required so that, as of the Election Deadline and the Implementation Date, each of the Offering Shares, Accrued Interest Offering Shares, Backstopped Shares and Backstop Consideration Shares shall be conditionally approved for listing on the TSX or such other Designated Offshore Securities Market acceptable to the Majority Consenting Noteholders, subject only to receipt of customary final documentation.

(i) The Issuer shall take all action as may be required so that, as of the Implementation Date, each of the Offering Shares, Accrued Interest Offering Shares, Backstopped Shares and Backstop Consideration Shares (i) shall be freely tradable in Canada (provided that the trade is not a “control distribution” as defined in Canadian Securities Laws, no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade, no extraordinary commission or consideration is paid to a person or company in respect of the trade, and if the selling security holder is an insider or officer of the Issuer, the selling security holder has no reasonable grounds to believe that the Issuer is in default of Canadian Securities Laws) and (ii) shall be eligible for immediate resale on or through the facilities of the TSX or such other Designated Offshore Securities Market acceptable to the Majority Consenting Noteholders pursuant to Rule 904 of Regulation S (subject to execution and delivery by the seller of a Declaration in the form attached as Schedule C).

(j) Prior to the Implementation Date, the Issuer shall enter into the Registration Rights Agreement and offer all of the Participating Subscribers and Backstoppers the opportunity to become party to the Registration Rights Agreement.

(k) The Company shall use best efforts to the extent possible under applicable Laws to maintain a listing on a Designated Offshore Securities Market and its status as a reporting company in the United States under Section 12 of the *Securities Exchange Act of 1934* (or, if the Issuer is not the Company, the Issuer will use its best efforts to the extent possible under applicable Laws to be a successor to the Company and shall make all necessary filings under such Act so that as of the Implementation Date the Issuer to the extent possible under applicable Laws will succeed to the Company’s status as a reporting company in the United States under Section 12 of such Act and thereafter shall use best efforts to maintain such status), including using best efforts to prepare and file with the U.S. Securities Commission in a timely manner all required reports and other filings.

(l) The Company (and the Issuer if not the Company) agrees to remove (and cause any registrar and transfer agent to remove) any legend on a share certificate required by the U.S. Securities Act to permit sales made in reliance on Rule 904 of Regulation S upon delivery of a signed declaration in the form as set out on Schedule C (or such other form as the Issuer and the seller may agree) and the Company (and the Issuer if not the Company) agrees to implement similar procedures for any shares held through the Canadian Depository for Securities (CDS) of the Depository Trust Company (DTC).

(m) Assuming the delivery by each of the Backstoppers of, and the accuracy of representations and warranties of each of the Backstoppers provided in the Rep Letters and herein, the Company shall take all action as may be necessary so

that the Share Offering and the other transactions contemplated in this Agreement will be effected in accordance with Securities Laws.

- (n) As of the date hereof, the Company's filings made under Securities Laws on or after September 10, 2012, do not contain any material misstatements or omissions.

- (o) Within three Business Days following the earlier of the termination of this Agreement or the Effective Time, to the extent not required to enable a Backstopper to comply with its Backstop Purchase Obligation, the Escrow Agent will return to such Backstopper the cash deposit (or, as applicable, such portion thereof as may remain after its application towards the Backstop Payment Amount as provided in Section 6(b)(i) hereof) or the letter of credit (or, as applicable, such portion thereof as may be undrawn after payment of the Backstop Payment Amount as provided in Section 6(b)(ii) hereof), as applicable, that was provided by that Backstopper to the Escrow Agent pursuant to Section 2(c).

- (p) Following implementation of the Plan, the net proceeds of the Share Offering shall be used by the Issuer for general corporate purposes as determined and approved by the new Board of Directors in place on completion of and in accordance with the Transaction.

- (q) Following a request by Goodmans or the Backstoppers, the Company shall, to the extent permitted by Law and the terms of any confidentiality obligations to which the Company is subject, and subject to and in accordance with the terms of the Advisor Confidentiality Agreement and applicable Noteholder Confidentiality Agreement, provide Goodmans or such Backstoppers, or any of them, as the case may be, with reasonable access to the Company's and its subsidiaries' books and records (other than books or records that are subject to solicitor-client privilege) for review in connection with the Share Offering; provided that the provision of access to books and records shall be made or undertaken in a manner that minimizes disruption to the Company and its business and operations.

- (r) On the Implementation Date, the Non-Defaulting Backstoppers shall receive their *pro rata* share of 11,111,111<sup>iii</sup> New Jaguar Common Shares (based on the fraction that the Backstop Commitment of each Non-Defaulting Backstopper represents of the total Backstop Commitments of all Non-Defaulting Backstoppers) in consideration for acting as a Backstopper (collectively, the "**Backstop Consideration Shares**"). For the purpose of determining the number of Backstop Consideration Shares each Non-Defaulting Backstopper is due to receive, (i) the Backstop Commitment of each Non-Defaulting Backstopper set out on its signature page hereto shall be used without any reduction, regardless of whether a Backstopper is a Commitment Reduction Electing Backstopper; and (ii) for avoidance of doubt, an Objecting Backstopper shall not be entitled to receive any Backstop Consideration Shares and shall not be considered a Non-Defaulting Backstopper.

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<sup>iii</sup> Assuming the issuance of 111,111,111 New Jaguar Common Shares in the aggregate. If a different number of New Jaguar Common Shares are issued, the number of Backstop Consideration Shares to be issued will be adjusted proportionally.

- (s) The Company will use reasonable best efforts to close the Transaction.

- (t) Each of the Company and the Subsidiaries covenants and agrees jointly and severally to be liable to and to indemnify and save harmless each of the Backstoppers (other than any Defaulting Backstopper), together with their respective subsidiaries and affiliates and their respective present and former shareholders, officers, directors, employees, advisors and agents (each an "**Indemnified Party**") and, collectively, the "**Indemnified Parties**") from and against any and all liabilities, claims, actions, proceedings, losses (other than indirect loss), costs, damages and expenses of any kind (including, without limitation, the reasonable costs of defending against any of the foregoing, but excluding any and all liabilities, claims, actions, proceedings, losses, costs, damages and expenses of any kind that are attributable to the gross negligence, fraud or wilful misconduct of any Indemnified Party) to which any Indemnified Party may become subject or may suffer or incur in any way in relation to or arising from a breach by the Company or the Subsidiaries of any of their obligations, covenants, representations or warranties hereunder. If any matter or thing contemplated in the preceding sentence (any such matter or thing being a "**Claim**") is asserted against any Indemnified Party or if any potential Claim contemplated hereby comes to the knowledge of any Indemnified Party, the Indemnified Party shall notify the Company as soon as reasonably possible of the nature and particulars of such Claim (provided that any failure to so notify shall not affect the Company's and the Subsidiaries' liability hereunder except to the extent that the Company or the Subsidiaries are prejudiced thereby and then only to the extent of any such prejudice) and the Company shall, subject as hereinafter provided, be entitled (but not required) to assume at its expense the defence

of any suit brought to enforce such Claim; provided that the defence of such Claim shall be conducted through legal counsel reasonably acceptable to the Indemnified Party and that no admission of liability or settlement in respect of any such Claim may be made by the Company or the Subsidiaries (other than a settlement that includes a full and unconditional release of the Indemnified Parties without any admission or attribution of fault or liability on their part) or the Indemnified Party without, in each case, the prior written consent of the other, such consent not to be unreasonably withheld. In respect of any Claim, the Indemnified Party shall have the right to retain separate or additional counsel to act on its behalf in the defence thereof, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless (i) the Company fails to assume and diligently and actively prosecute the defence of the Claim on behalf of the Indemnified Party within ten Business Days after the Company has received notice of the Claim, (ii) the Company and the Indemnified Party shall have mutually agreed to the retention of the separate or additional counsel, or (iii) the named parties to the Claim (including any added third or impleaded party) include both the Indemnified Party and the Company and/or the Subsidiaries, and the Indemnified Party shall have been advised by its counsel that representation of both parties by the same counsel would be inappropriate due to the actual or potential differing interests between them, in which case the Company shall not have the right to assume the exclusive defence of the Claim and the Company and the Subsidiaries shall be liable to pay the reasonable fees and expenses of the separate or additional counsel for the Indemnified Party.

- (u) The covenants of the Company set out in Sections 3(k), 3(l), 3(p) and 3(t) shall survive the implementation of the Transaction (including the Share Offering) for the benefit of the Backstoppers.

#### **4. Representations and Warranties of the Backstoppers**

Each Backstopper hereby represents and warrants, severally and not jointly, to the Company (and acknowledges that the Company is relying upon such representations and warranties) that:

- (a) This Agreement has been duly executed and delivered by it, and, assuming the due authorization, execution and delivery by the Company, this Agreement constitutes the legal, valid and binding obligation of such Backstopper, enforceable in accordance with its terms, subject to laws of general application and bankruptcy, insolvency and other similar laws affecting creditors' rights generally and general principles of equity.
- (b) It is duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization and has all necessary power and authority to execute and deliver this Agreement and to perform its obligations hereunder and consummate the transactions contemplated hereby.
- (c) The execution and delivery of this Agreement by it and the completion by it of its obligations hereunder and the consummation of the transactions contemplated herein do not and will not violate or conflict with any Law applicable to the Backstopper or any of its properties or assets.
- (d) To the best of its knowledge, there is no proceeding, claim or investigation pending before any Governmental Entity, or threatened against the Backstopper or any of its properties that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Backstopper's ability to execute and deliver this Agreement and to consummate the transactions contemplated by this Agreement.
- (e) It has, and on the Funding Deadline will have, the financial ability and sufficient funds to make and complete the payment for all of the Backstopped Shares that it has committed to purchase pursuant to its Backstop Commitment, and the availability of such funds will not be subject to the consent, approval or authorization of any Person(s).
- (f) It acknowledges that an executed Rep Letter will be required by the Issuer prior to the issuance of any Offering Shares, Accrued Interest Offering Shares, Backstopped Shares or Backstop Consideration Shares to such Backstopper in order to be an Eligible Subscriber.
- (g) It acknowledges that neither the Company nor any person representing the Company has made any representation to it with respect to the Company or the Share Offering, other than the representations and warranties of the Company contained in Section 5 and in the Support Agreement. Notwithstanding anything contained in this Section 4(g), the acknowledgments contained in this Section 4(g) do not affect the representations and warranties contained in Section 5 and in the Support Agreement.
- (h) It acknowledges that a newly incorporated CBCA company may issue the Offering Shares, Accrued Interest Offering Shares, Backstopped Shares and Backstop Consideration Shares on the Implementation Date pursuant to the Plan,



which shares shall be (i) freely tradable in Canada (provided that the trade is not a “control distribution” as defined in Canadian Securities Laws, no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade, no extraordinary commission or consideration is paid to a person or company in respect of the trade, and if the selling security holder is an insider or officer of the Issuer, the selling security holder has no reasonable grounds to believe that the Issuer is in default of Canadian Securities Laws), and (ii) subject to the Registration Rights Agreement.

All representations and warranties of the each of the Backstoppers contained in this Agreement shall survive the implementation of the Transaction (including the Share Offering) for the benefit of the Company.

## **5. Representations and Warranties of the Company**

The Company hereby represents and warrants to each Backstopper (and the Company acknowledges that each of the Backstoppers is relying upon such representations and warranties) that:

(a) This Agreement has been duly executed and delivered by it, and, assuming the due authorization, execution and delivery by each Backstopper, this Agreement constitutes the legal, valid and binding obligation of the Company, enforceable in accordance with its terms, subject to laws of general application and bankruptcy, insolvency and other similar laws affecting creditors’ rights generally and general principles of equity.

(b) It is duly organized, validly existing and in good standing under the laws of Ontario and has all necessary power and authority to own its properties and assets and to conduct its business as currently being conducted, and to execute and deliver this Agreement and, subject to the satisfaction of the conditions in this Agreement, to perform its obligations hereunder and consummate the transactions contemplated hereby.

(c) The execution and delivery of this Agreement by the Company and the completion by it of its obligations hereunder and the consummation of the transactions contemplated hereby do not and will not violate or conflict with (i) any Law applicable to the Company or any of its properties or assets, (ii) its articles, bylaws and constating documents, or (iii) any Material Contract to which the Company is a party, except, in each case, where such violation or conflict would not reasonably be expected to result in a Material Adverse Change;

(d) Other than Canaccord Genuity Corp. and its affiliates, the Company and its subsidiaries have engaged no brokers or finders entitled to compensation in connection with the Share Offering.

(e) All Offering Shares, Accrued Interest Offering Shares, Backstopped Shares and Backstop Consideration Shares issued in connection with the Share Offering have been or shall be duly authorized, validly issued, fully paid and non-assessable.

(f) All Offering Shares, Accrued Interest Offering Shares, Backstopped Shares and Backstop Consideration Shares issued in connection with the Share Offering have been, as of the Election Deadline and the Implementation Date, conditionally approved for listing on the TSX or such other Designated Offshore Securities Market acceptable to the Majority Consenting Noteholders, subject only to receipt of customary final documentation.

(g) All Offering Shares, Accrued Interest Offering Shares, Backstopped Shares and Backstop Consideration Shares issued in connection with the Share Offering shall, as of the Implementation Date, (i) be freely tradable in Canada (provided that the trade is not a “control distribution” as defined in Canadian Securities Laws, no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade, no extraordinary commission or consideration is paid to a person or company in respect of the trade, and if the selling security holder is an insider or officer of the Issuer, the selling security holder has no reasonable grounds to believe that the Issuer is in default of Canadian Securities Laws), and (ii) be eligible for immediate resale on or through the facilities of the TSX or such other Designated Offshore Securities Market acceptable to the Majority Consenting Noteholders pursuant to Rule 904 of Regulation S (subject to execution and delivery by the seller of a Declaration in the form attached as Schedule C).

In addition, each of the Company and the Subsidiaries, severally and not jointly, makes to each Backstopper the representations and warranties made by it in the Support Agreement. All representations and warranties of the Company and the Subsidiaries contained in this Agreement shall survive the implementation of the Transaction (including the Share Offering) for the benefit of the Backstoppers.

## **6. Closing**

- (a) The closing of the issuance by the Issuer and the purchase by the Backstoppers of the Backstopped Shares hereunder shall be completed at the offices of Norton Rose Fulbright Canada LLP in Toronto, Ontario in connection with the implementation of the Plan.

- (b) Subject to and in accordance with the terms and conditions of this Agreement and the Plan, on the Implementation Date, an amount equal to the aggregate Issue Price for the Backstopped Shares to be purchased by each Backstopper (the “**Backstop Payment Amount**”) pursuant to its Backstop Purchase Obligation, as determined in accordance with its Backstop Commitment shall be released from escrow and paid as follows:

- (i) in the case of a Backstopper who has delivered a cash deposit pursuant to Section 2(c)(i), the Company shall apply that cash deposit towards the Backstop Payment Amount; and
- (ii) in the case of a Backstopper who delivers a letter of credit pursuant to Section 2(c)(ii) and who has not otherwise paid its Backstop Payment Amount to the Company as required hereunder, the Company shall draw upon the letter of credit for payment of the Backstop Payment Amount.

## 7. Conditions to Closing

- The respective obligations of each of the Company and the Backstoppers to complete the transactions contemplated hereby are subject to the reasonable satisfaction of the following conditions prior to or at the Effective Time, each of which is for the mutual benefit of the Company, on the one hand, and the Backstoppers, on the other hand, and may be waived, in whole or in part, jointly by the Company and the Backstoppers (provided that such conditions shall not be enforceable by the Company or the Backstoppers, as the case may be, if any failure to satisfy such conditions results from an action, error or omission by or within the control of the Party seeking enforcement (or, in the case where the party seeking enforcement is one or more of the Backstoppers, an action, error or omission by or within the control of the Backstopper seeking enforcement)):

- (a)
  - (i) the Information Circular as filed and distributed, and the Plan, as filed, distributed and approved, shall be acceptable to the Company and the Backstoppers;
  - (ii) all conditions precedent to the Transaction and implementation of the Plan (including those set out in the Support Agreement) shall have been satisfied or waived in accordance with the terms of the Support Agreement and the Plan and the Company shall have provided Goodmans with a certificate certifying such conditions have been satisfied or waived as of the Implementation Date;
  - (iii) there shall not be any actions, investigations or proceedings, including appeals and applications for review, in progress, or to the knowledge of the Company or the Backstoppers, pending or threatened, by or before any Governmental Entity in Canada or the United States, in relation to the Offering Shares, Accrued Interest Offering Shares, Backstopped Shares or Backstop Consideration Shares or the Share Offering, any of which is reasonably likely to be successful against the Company or the Issuer and which operates to prevent or restrict the lawful distribution of such shares (which prevention or restriction is continuing); and
  - (iv) there shall not be any order issued by a Governmental Entity pursuant to applicable Laws, nor shall there be any change of applicable Law, in either case which operates to prevent or restrict the lawful distribution of the Offering Shares, Accrued Interest Offering Shares, Backstopped Shares or Backstop Consideration Shares (which prevention or restriction is continuing).

- The obligations of the Backstoppers to complete the purchase of the Backstopped Shares are subject to satisfaction of the following conditions on or before the Implementation Date, each of which is for the benefit of the Backstoppers and may be waived, in whole or in part, by the Backstoppers (provided that such conditions shall not be enforceable by the Backstoppers if any failure to satisfy such conditions results from an action, error or omission by or within the control of the Backstopper seeking enforcement):

- (i) the Backstoppers shall have completed their due diligence with respect to the Share Offering on or before the date that is seven Business Days prior to the Implementation Date and such due diligence shall be satisfactory to the Backstoppers in their sole discretion;
- (ii) all actions required to be taken by or on behalf of the Company and/or the Issuer, including the passing of all requisite resolutions of their directors and all requisite filings with, or approvals, orders, rulings and consents of,

any Governmental Entity will have occurred on or prior to the Implementation Date, so as to validly authorize the Share Offering, the creation and issuance of the Offering Shares, the Accrued Interest Offering Shares, the Backstopped Shares, the Backstop Consideration Shares and the purchase of Backstopped Shares by the Backstoppers as contemplated by this Agreement;

- (iii) the Company shall have obtained all applicable material non-governmental third party consents;
- (iv) counsel to the Issuer shall have delivered to the Backstoppers one or more legal opinions satisfactory to Goodmans, acting reasonably, collectively confirming that, as of the Implementation Date, the Offering Shares, Accrued Interest Offering Shares, Backstopped Shares and Backstop Consideration Shares shall be: (a) duly authorized, validly issued and fully paid and non-assessable and, subject to receipt by the Issuer of an executed Rep Letter from each Backstopper and all information set forth in each such Rep Letter remaining true and correct as of the Implementation Date, the issuance thereof shall be in compliance with applicable Securities Laws and exempt from registration under the US Securities Act; and (b) freely tradable in Canada (provided that the Issuer is and has been a reporting issuer in a jurisdiction of Canada for four months preceding the trade, the trade is not a “control distribution” as defined in Canadian Securities Laws, no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade, no extraordinary commission or consideration is paid to a person or company in respect of the trade, and if the selling security holder is an insider or officer of the Issuer, the selling security holder has no reasonable grounds to believe that the Issuer is in default of Canadian Securities Laws). For greater certainty, the opinions of counsel may contain standard assumptions, including, without limitation, to assume the accuracy of statements made in the executed Rep Letters;
- (v) all terms and conditions of the Share Offering included in the Information Circular, the Plan and any other related document prepared by the Company or the Issuer for distribution or circulation shall have been acceptable to the Backstoppers and shall not have been changed in any material respect unless otherwise agreed to in writing by the Company and the Backstoppers in accordance with the terms of this Agreement;
- (vi) the Issuer (if it is not the Company) shall have entered into an agreement prior to the Election Deadline agreeing to be bound by the terms of this Agreement;
- (vii) the Company, the Issuer and the Subsidiaries shall have performed all of their material obligations under and in accordance with this Agreement and the Support Agreement (for greater certainty, material obligations include, without limitation, the obligations of the Company or the Issuer in Sections 3(h), 3(i), 3(j) and 3(k) hereof);
- (viii) the representations and warranties of each of the Company and its Subsidiaries contained in this Agreement and the Support Agreement shall continue to be true and correct, except to the extent such representations and warranties are by their terms given as of a specified date, in which case such representations and warranties shall be true and correct in all respects as of such date, and except as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Agreement and the Support Agreement and each of the Company and the Subsidiaries shall have provided Goodmans with a certificate signed by an officer of the Company or the Subsidiary, as applicable, certifying compliance with this Section 7(b)(viii) as of the Implementation Date;
- (ix) no change of control payments shall be owing or payable to the Company’s officers or employees in connection with the Transaction;
- (x) on the Implementation Date, all of the reasonable fees and expenses of the Advisors, for services rendered as counsel to the Backstoppers up to and including the Implementation Date, shall have been paid; provided that the Advisors shall have provided the Company with invoices for all such fees and expenses incurred up to the date that is five Business Days prior to the Implementation Date, and shall have also provided the Company with a reasonable estimate of all such fees and expenses to be incurred by the Advisors in the period from that date to the Implementation Date;
- (xi) there shall not have occurred after the date hereof a Material Adverse Change; and
- (xii) there shall not exist, after giving effect to the Transaction and the other transactions contemplated by this Agreement and the Support Agreement and assuming implementation of the Plan, any Material default or event of default under any Material Contract now in effect that will remain in effect following the Implementation Date (other than those defaults or events of default that are remedied, waived, stayed, extinguished or otherwise in any way rendered inoperative as part of the Proceedings).



- The obligations of the Issuer to consummate the issuance of the Offering Shares, Accrued Interest Offering Shares, Backstopped Shares and the Backstop Consideration Shares are subject to satisfaction of the following conditions on or before the Implementation Date, which are for the benefit of the Issuer and may be waived, in whole or in part, by the Issuer (provided that such condition shall not be enforceable by the Issuer if any failure to satisfy such condition results from an action, error or omission by or within the control of the Issuer):
- (c)
    - (i) the representation and warranties of each of the Backstoppers (other than the Defaulting Backstoppers or the Objecting Backstoppers) contained in this Agreement shall continue to be true and correct, except to the extent such representations and warranties are by their terms given as of a specified date, in which case such representations and warranties shall be true and correct in all respects as of such date, and except as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Agreement; and
    - (ii) each of the Backstoppers shall have performed all of its material obligations to be performed by such Backstopper under and in accordance with this Agreement and the Support Agreement.
  - (d) Each of the Company and the Backstoppers agree that it will use commercially reasonable efforts to cause the conditions set forth in this Section 7 to be satisfied on or before the Implementation Date to the extent that such conditions relate to acts to be performed or caused to be performed by such Party.

## **8. Approval, Consent, Waiver, Amendment, Termination of or by Backstoppers**

- Except as may be otherwise specifically provided for under this Agreement, where this Agreement provides that a matter shall have been approved, agreed to, consented to, waived, amended or terminated by the Backstoppers, or that a matter must be satisfactory to the Backstoppers, such approval, agreement, consent, waiver, amendment, termination, satisfaction or other action shall have been obtained or satisfied, as the case may be, for the purposes of this Agreement where Backstoppers (other than Defaulting Backstoppers) having at least 66 2/3% of the aggregate Backstop Commitment of the Backstoppers (other than Defaulting Backstoppers) shall have confirmed their approval, consent, waiver, amendment, termination or satisfaction, as the case may be, to the Company or to Goodmans, in which case Goodmans shall communicate any such approval, agreement, consent, waiver, amendment, termination, satisfaction or other action to (i) all Backstoppers, and (ii) the Company for purposes of this Agreement and the terms and conditions hereof. The Company shall be entitled to rely on any such confirmation of approval, agreement, consent, waiver, amendment, termination, satisfaction or other action communicated to the Company by Goodmans without any obligation to inquire into Goodmans' authority to do so on behalf of the Backstoppers and such communication shall be effective for all purposes of this Agreement and the terms and conditions hereof.
- (a) Except as expressly set forth in this Agreement, no Backstopper shall enter into any agreement or understanding with any other Backstopper which requires any voting threshold higher than that which is set forth in Section 8(a). Each Backstopper represents and warrants to the Company that it has not entered into any such agreement or understanding.
  - (b) Notwithstanding anything to the contrary herein, (i) if this Agreement is amended, modified or supplemented or any matter herein is approved, consented to or waived in a manner that: (x) materially adversely changes the fundamental terms of the Share Offering as they relate to the Backstoppers (including, without limitation (1) subject to Section 1(e), affects the number of Offering Shares, Accrued Interest Offering Shares, Backstopped Shares or Backstop Consideration Shares to be provided to Participating Subscribers (including the Backstoppers) on the Implementation Date as a percentage of such shares to be issued, (2) would have the effect of increasing the amount of the Backstop Commitment of an individual Backstopper, or (3) would have the effect of the Offering Shares, Accrued Interest Offering Shares, Backstopped Shares or Backstop Consideration Shares not being conditionally approved for listing from the Implementation Date on the TSX or such other Designated Offshore Securities Market acceptable to the Majority Consenting Noteholders, subject only to receipt of customary final documentation, or not being eligible for immediate resale on or through the facilities of the TSX or such other Designated Offshore Securities Market pursuant to Rule 904 of Regulation S (subject to execution and delivery by the seller of a declaration in the form attached as Schedule C hereto or such other form as the Issuer and the seller may agree); or (y) extends the Outside Date, then any Backstopper that objects to any such amendment, modification, supplement, approval, consent or waiver within five Business Days after receipt of notice of such amendment, modification, supplement, approval, consent or waiver may terminate its obligations under this Agreement upon five Business Days' written notice to the other Parties hereto, or (ii) if a Backstopper determines (acting reasonably) that it is unable to execute a Rep Letter, then in each case such Backstopper may terminate its obligations under this Agreement upon five Business Days' written notice to the other Parties hereto (in each case such Backstopper, an "**Objecting Backstopper**") and shall upon such termination no longer be a Backstopper. In the event of such termination by an Objecting Backstopper, any other Backstopper
  - (c)

or Backstoppers or other third party acceptable to the non-Objecting Backstoppers and the Company, each acting reasonably, that has signed a Consent Agreement shall be entitled to assume the rights and obligations of any such Objecting Backstopper.

## 9. **Backstopper Termination Events**

This Agreement may be terminated by the delivery to the Company of a written notice in accordance with Section 15(l) by the Backstoppers (as determined in accordance with Section 8 hereof) in the exercise of their sole discretion, upon the occurrence and, if applicable, continuation of any of the following events:

- (a) the Support Agreement has been terminated for any reason;
- (b) the form of Rep Letter has not been agreed between the Backstoppers and the Issuer by eight Business Days before the Election Deadline;
- (c) the Share Offering is not completed on or before February 28, 2014 (or such other date as the Company and the Backstoppers may agree in writing) (the “**Outside Date**”);
- (d) failure by the Company to comply in all material respects with, or default by the Company in the performance or observance of, any material term, condition, covenant or agreement set forth in this Agreement or the Support Agreement, which is not cured within five Business Days after the receipt of written notice of such failure or default;
- (e) if any representation or warranty of the Company or its subsidiaries made in this Agreement or the Support Agreement shall prove untrue in any material respect as of the date when made, except as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Agreement and the Support Agreement; provided, however, that if any such breach of any such representation or warranty is susceptible to cure, the Company shall have five (5) Business Days after receipt of written notice (which notice includes a summary description of such breach) from the Backstoppers of their intention to terminate this Agreement if such breach continues in which to cure such breach;
- (f) if any order is issued by a Governmental Entity pursuant to applicable Laws, or if there is any change of Law, either of which operates to prevent or restrict the lawful distribution of the Offering Shares, Accrued Interest Offering Shares, Backstopped Shares or Backstop Consideration Shares or prevents or restricts such shares from being (i) freely tradable in Canada (provided that the trade is not a “control distribution” as defined in Canadian Securities Laws, no unusual effort is made to prepare the market or to create a demand for the security that is the subject of the trade, no extraordinary commission or consideration is paid to a person or company in respect of the trade, and if the selling security holder is an insider or officer of the Issuer, the selling security holder has no reasonable grounds to believe that the Issuer is in default of Canadian Securities Laws) on the Implementation Date or (ii) eligible for immediate resale on or through the facilities of the TSX or another Designated Offshore Securities Market acceptable to the Majority Consenting Noteholders pursuant to Rule 904 of Regulation S (subject to execution and delivery by the seller of a declaration in the form attached as Schedule C hereto or such other form as the Issuer and the seller may agree);
- (g) the occurrence of a Material Adverse Change after the date hereof;
- (h) if there are one or more Defaulting Backstoppers, Objecting Backstoppers or Breaching/Non-Delivering Backstoppers, and the Backstop Shortfall remaining after any assumption of all or a part of the Backstop Commitment(s) of the Defaulting Backstopper(s), Objecting Backstopper(s) or Breaching/Non-Delivering Backstopper(s) in accordance with Section 2(d), Section 8(c) or Section 10(b), as applicable, is material; and
- (i) the Consenting Noteholders determine that there is no reasonable prospect that the conditions set forth in Section 7 will be satisfied or waived by the Outside Date.

## 10. **Company Termination Events**

- This Agreement may be terminated by the delivery to the Backstoppers of a written notice in accordance with Section 15(l) by the Company, in the exercise of its sole discretion, upon the occurrence and, if applicable, continuation of any of the following events:
- (i) the Support Agreement has been terminated for any reason;

- (ii) if any order is issued by a Governmental Entity pursuant to applicable Laws, or if there is any change of Law, which operates to prevent or restrict the lawful distribution of the Offering Shares, Accrued Interest Offering Shares, Backstopped Shares or Backstop Consideration Shares; and
- (iii) if there are one or more Defaulting Backstoppers, Objecting Backstoppers or Breaching/Non-Delivering Backstoppers, and the Backstop Shortfall remaining after any assumption of all or a part of the Backstop Commitment(s) of the Defaulting Backstopper(s), Objecting Backstopper(s) or Breaching/Non-Delivering Backstopper(s) in accordance with Section 2(d), Section 8(c) or Section 10(b), as applicable, is material.

(b) This Agreement may be terminated as to a breaching Backstopper only (a “**Breaching Backstopper**”) or, in the case of Section 10(b)(iii), as to any such Backstopper (a “**Non-Delivering Backstopper**”), together with a Breaching Backstopper, the “**Breaching/Non-Delivering Backstoppers**”), by delivery to such Breaching Backstopper or Non-Delivering Backstopper of a written notice in accordance with Section 15(1) by the Company, in the exercise of its sole discretion and provided that the Company is not in default hereunder, upon the occurrence and continuation of any of the following events:

- (i) failure by the breaching Backstopper to comply in all material respects with, or default by the breaching Backstopper in the performance or observance of, any material term, condition, covenant or agreement set forth in this Agreement which is not cured within five Business Days after the receipt of written notice of such failure or default;
- (ii) if any representation, warranty or other statement of the breaching Backstopper made or deemed to be made in this Agreement shall prove untrue in any material respect as of the date when made except as such representations and warranties may be affected by the occurrence of events or transactions contemplated and permitted by this Agreement and the Support Agreement; provided, however, that if any such breach of any such representation or warranty is susceptible to cure, the Backstopper shall have five (5) Business Days after receipt of written notice (which notice includes a summary description of such breach) from the Company of its intention to terminate this Agreement if such breach continues in which to cure such breach; or
- (iii) the Backstopper (who is not otherwise an Objecting Backstopper) has not delivered an executed Rep Letter to the Issuer by the Election Deadline or a representation or warranty made in such Rep Letter becomes untrue.

In the event of such termination, any other Backstopper or Backstoppers or other third party acceptable to the non-Breaching/Non-Delivering Backstoppers and the Company, each acting reasonably, that has signed a Consent Agreement shall be entitled to assume the rights and obligations of any such Breaching Backstopper or Non-Delivering Backstopper. For greater certainty, an Objecting Backstopper is not a Breaching Backstopper or Non-Delivering Backstopper.

## 11. Mutual Termination

This Agreement and the obligations of all Parties hereunder, may be terminated by mutual agreement between (a) the Company and (b) the Backstoppers.

## 12. Effect of Termination

(a) Upon termination of this Agreement pursuant to Section 9, Section 10(a) or Section 11 hereof, this Agreement shall be of no further force and effect and each Party hereto shall be automatically and simultaneously released from its commitments, undertakings, and agreements under or related to this Agreement, except for the rights, agreements, commitments and obligations under Sections 3(t), 13 and 15, all of which shall survive the termination, and each Party shall have the rights and remedies that it would have had it not entered into this Agreement and shall be entitled to take all actions, whether with respect to the Transaction or otherwise, that it would have been entitled to take had it not entered into this Agreement.

(b) Upon termination of this Agreement by the Company with respect to a Breaching Backstopper or Non-Delivering Backstopper under Section 10(b), this Agreement shall be of no further force or effect with respect to such Backstopper and, subject to the right of the Company to pursue any and all legal and equitable rights against a Breaching Backstopper in respect of the circumstances that resulted in them becoming a Breaching Backstopper, all rights, obligations, commitments, undertakings, and agreements under or related to this Agreement of or in respect of such Breaching Backstopper or Non-Delivering Backstopper shall be of no further force or effect, except for the rights and

obligations under Sections 13 and 15, all of which shall survive such termination, and such Breaching Backstopper or Non-Delivering Backstopper shall have the rights and remedies that it would have had had it not entered into this Agreement and shall be entitled to take all actions, whether with respect to the Transaction or otherwise, that it would have been entitled to take had it not entered into this Agreement. For certainty, if the Company terminates this Agreement with respect to a Breaching Backstopper or Non-Delivering Backstopper, the non-Breaching/Non-Delivering Backstoppers shall have no liability whatsoever with respect to such Breaching Backstopper or Non-Delivering Backstopper.

- Upon termination by an Objecting Backstopper of its obligations under this Agreement pursuant to Section 8(c), this Agreement shall be of no further force or effect with respect to such Objecting Backstopper and all rights, obligations, commitments, undertakings, and agreements under or related to this Agreement of or in respect of such Objecting
- (c) Backstopper shall be of no further force or effect, except for the rights and obligations under Sections 3(t), 13 and 15, all of which shall survive such termination, and such Objecting Backstopper shall have the rights and remedies that it would have had it not entered into this Agreement and shall be entitled to take all actions, whether with respect to the Transaction or otherwise, that it would have been entitled to take had it not entered into this Agreement.

### **13. Confidentiality**

Each of the Company and each of the Subsidiaries agrees to use reasonable best efforts to maintain the confidentiality of the identity and commitments of the Backstoppers (including among the Backstoppers and, without limitation, the information contained on the signature pages hereto); provided, however, that such information may be disclosed: (i) to the Company's Representatives provided that each such Representative is informed of and complies with this confidentiality provision; (ii) to Persons in response to, and to the extent required by, any subpoena or other legal proceedings; and (iii) as may be required by applicable Law or applicable rules of the TSX. If the Company, its Representatives or the Subsidiaries receive a subpoena or other legal proceeding for such information, or determine, on the advice of counsel, that disclosure of such information is required by applicable Law, the Company or the Subsidiaries, as applicable, shall provide the applicable Backstopper(s) with prompt written notice and a copy of the subpoena or other applicable legal proceeding so that the Backstopper(s) may seek a protective order or other appropriate remedy or waiver of compliance with the provisions of this Agreement. Notwithstanding the provisions in this Section 13, the Company may disclose the existence of and nature of support evidenced by this Agreement in any public disclosure (including, without limitation, press releases and court materials) produced by the Company at the discretion of the Company, provided that all such disclosures are (a) made in accordance with Section 10 of the Support Agreement and (b) in the context of any such public disclosure, only the aggregate holdings of the Backstoppers may be disclosed (but not their individual identities or holdings, provided that individual entities or holdings may be disclosed to the TSX on a confidential basis if required under the applicable rules of the TSX). Except as set forth in this Section 13, nothing in this Agreement shall obligate the Company to make any public disclosure of this Agreement.

### **14. Further Assurances**

Each Party shall do all such things in its control, take all such actions as are commercially reasonable, deliver to the other Parties such further information and documents and execute and deliver to the other Parties such further instruments and agreements as another Party shall reasonably request to consummate or confirm the transactions provided for in this Agreement, to accomplish the purpose of this Agreement or to assure to the other Party the benefits of this Agreement.

### **15. Miscellaneous**

- (a) The headings in this Agreement are for reference only and shall not affect the meaning or interpretation of this Agreement.
- (b) Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.
- (c) Unless otherwise specifically indicated, all sums of money referred to in this Agreement are expressed in lawful money of the United States of America.
- (d) This Agreement shall become effective upon the execution hereof by the Company and by Backstoppers whose aggregate Backstop Commitments, as indicated on their signature pages hereto, equal \$50 million and no more than \$50 million.
- (e) This Agreement and any other agreements contemplated by or entered into pursuant to this Agreement (which will include the Plan), together with the Noteholder Confidentiality Agreements, the Advisor Confidentiality Agreements

and the Support Agreement, constitutes the entire agreement and supersedes all prior agreements and understandings, both oral and written, among the Parties with respect to the subject matter hereof.

(f) The Company acknowledges and agrees that any waiver or consent that the Backstoppers may make on or after the date hereof has been made by the Backstoppers, in reliance upon, and in consideration for, the covenants, agreements, representations and warranties of the Company hereunder.

(g) The agreements, representations and obligations of the Backstoppers under this Agreement are, in all respects, several (in proportion to the percentage of the aggregate Backstop Commitments of all the Backstoppers represented by each such Backstopper's Backstop Commitment) and not joint and several.

(h) Any person signing this Agreement in a representative capacity (i) represents and warrants that he/she is authorized to sign this Agreement on behalf of the Party he/she represents and that his/her signature upon this Agreement will bind the represented Party to the terms hereof, and (ii) acknowledges that the other Parties hereto have relied upon such representation and warranty.

(i) No director, officer or employee of the Company or any of their legal, financial or other advisors shall have any personal liability to any of the Backstoppers under this Agreement. No director, officer or employee of any of the Backstoppers or their Advisors shall have any personal liability to the Company under this Agreement.

(j) This Agreement may be modified, amended or supplemented as to any matter by an instrument in writing signed by the Company, the Subsidiaries and the Backstoppers (as determined in accordance with Section 8 hereof).

(k) Any date, time or period referred to in this Agreement shall be of the essence except to the extent to which the Parties agree in writing to vary any date, time or period, in which event the varied date, time or period shall be of the essence.

(l) All notices, consents and other communications which may be or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if served personally or by PDF/email transmission, in each case addressed to the particular Party:

(i) If to the Company or the Subsidiaries, at:

c/o Jaguar Mining Inc.  
67 Yonge Street, Suite 1203  
Toronto, Ontario M5E 1J8

Attention: David Petroff  
Email: david.petroff@jaguarmining.com

with a required copy (which shall not be deemed notice) to:

Norton Rose Fulbright Canada LLP  
Royal Bank Plaza, South Tower, Suite 3800  
200 Bay Street P.O. Box 84  
Toronto, Ontario M5J 2Z4

Attention: Walied Soliman/ Nicole Sigouin  
Email: walied.soliman@nortonrosefulbright.com/  
nicole.sigouin@nortonrosefulbright.com

and

Schulte Roth & Zabel LLP  
919 Third Avenue  
New York, New York 10022

Attention: David Rosewater  
Email: david.rosewater@srz.com



(ii) If to the Backstopper, at:

the address set forth for the Backstopper at the address shown for it beside its signature, with a required copy (which shall not be deemed notice) to:

Goodmans LLP  
Bay Adelaide Centre  
333 Bay Street, Suite 3400  
Toronto, Ontario, Canada M5H 2S7

Attention: Robert J. Chadwick / Melaney J. Wagner  
Email: rchadwick@goodmans.ca / mwagner@goodmans.ca

or at such other address of which any Party may, from time to time, advise the other Parties by notice in writing given in accordance with the foregoing. The date of receipt of any such notice shall be deemed to be the date of delivery or transmission thereof.

(m) If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in a mutually acceptable manner in order that the terms of this Agreement remain as originally contemplated to the fullest extent possible.

(n) The provisions of this Agreement shall be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns, provided that no Party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other Parties hereto, except that any Backstopper may assign its rights, interests and obligations under this Agreement to any Noteholder, holder of Existing Shares or options or other third party; provided that, contemporaneously with the assignment, such assignee delivers an executed consent agreement in the form attached hereto as Schedule B (the “**Consent Agreement**”). Each Backstopper hereby agrees to provide the Company with written notice and a fully executed copy of the Consent Agreement within five (5) Business Days following any assignment pursuant to this Section 15(n).

(o) This Agreement is governed by the laws of the State of New York and the federal laws of the United States applicable therein.

(p) The Parties waive any right to trial by jury in any proceeding arising out of or relating to this Agreement or any of the transactions contemplated by this Agreement, present or future, and whether sounding in contract, tort or otherwise. Any Party may file a copy of this provision with any court as written evidence of the knowing, voluntary and bargained for agreement between the Parties irrevocably to waive trial by jury, and that any proceeding whatsoever between them relating to this Agreement or any of the transactions contemplated by this Agreement shall instead be tried by a judge or judges sitting without a jury.

(q) Unless expressly stated herein, this Agreement shall be solely for the benefit of the Parties, and no other person or entity shall be a third-party beneficiary hereof.

(r) This Agreement may be executed by facsimile or other electronic means and in one or more counterparts, all of which shall be considered one and the same agreement.

*[Signature pages follow]*

**JAGUAR MINING INC.**

Per: \_\_\_\_\_  
Name:

Title:

**MCT MINERAÇÃO LTDA.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**MINERAÇÃO TURMALINA LTDA.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**MINERAÇÃO SERRAS DO OESTE LTDA.**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Signature Page to Backstop Agreement

**STRICTLY CONFIDENTIAL**

**Name of Backstopper or Authorized Representative:**

Per: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Backstop Commitment:**

\$

Address: \_\_\_\_\_  
\_\_\_\_\_

**SCHEDULE A**

**DEFINITIONS**

Definition	Section or Page Number
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“4.5% Convertible Notes”	Page 1 (2 <sup>nd</sup> paragraph)
“5.5% Convertible Notes”	Page 1 (2 <sup>nd</sup> paragraph)
“Accrued Interest Offering Shares”	Section 1(a)
“Agreement”	Page 1 (1 <sup>st</sup> paragraph)
“Backstop Consideration Shares”	Section 3(r)
“Backstop Commitment Reduction Election”	Section 1(c)(ii)
“Backstop Payment Amount”	Section 6(b)
“Backstopper” or “Backstoppers”	Page 1 (1 <sup>st</sup> paragraph)
“Backstopped Shares”	Section 2(a)(i)
“Breaching Backstopper”	Section 10(b)
“Breaching/Non-Delivering Backstoppers”	Section 10(b)
“CBCA”	Page 1 (2 <sup>nd</sup> paragraph)
“CCAA”	Page 1 (2 <sup>nd</sup> paragraph)
“Commitment Reduction Electing Backstopper”	Section 1(c)(ii)
“Company”	Page 1 (1 <sup>st</sup> paragraph)
“Consent Agreement”	Section 15(n)
“Defaulting Backstopper”	Section 2(d)
“Funding Deadline”	Section 2(c)
“Indemnified Parties”	Section 3(t)
“Issue Price”	Section 1(b)
“Jaguar”	Page 1 (1 <sup>st</sup> paragraph)
“New Jaguar Common Shares”	Page 1 (2 <sup>nd</sup> paragraph)
“Notes”	Page 1 (2 <sup>nd</sup> paragraph)
“Non-Defaulting Backstoppers”	Section 2(d)
“Non-Delivering Backstopper”	Section 10(b)
“Objecting Backstopper”	Section 8(c)
“Offering Shares”	Page 1 (2 <sup>nd</sup> paragraph)
“Outside Date”	Section 9(c)
“Participating Subscriber Funding Deadline”	Section 1(c)(iv)
“Participating Subscriber’s Payment Amount”	Section 1(c)(ii)
“Party” or “Parties”	Page 1 (4 <sup>th</sup> paragraph)
“Plan”	Page 1 (2 <sup>nd</sup> paragraph)
“Proceedings”	Page 1 (2 <sup>nd</sup> paragraph)
“Share Offering”	Page 1 (2 <sup>nd</sup> paragraph)
“Subscription Privilege”	Section 1(a)
“Subsidiaries”	Page 1 (1 <sup>st</sup> paragraph)
“Support Agreement”	Page 1 (2 <sup>nd</sup> paragraph)
“Term Sheet”	Page 1 (2 <sup>nd</sup> paragraph)
“Transaction”	Page 1 (2 <sup>nd</sup> paragraph)
“Transaction Terms”	Page 1 (2 <sup>nd</sup> paragraph)

In addition, capitalized terms used but not otherwise defined in this Agreement have the meanings ascribed to such terms in the Support Agreement, and the following terms used in this Agreement shall have the following meanings:

“**Accrued Interest Claim**” means, with respect to a particular Participating Subscriber, all unpaid interest accrued under the Notes at the applicable contract rate owing as at the Record Date to such Participating Subscriber.



“**Accrued Interest Claims**” means all unpaid interest accrued under the Notes at the applicable contract rate owing as at the Record Date to the Participating Subscribers.

“**Backstop Commitment**” means the commitment of each Backstopper as set forth on such Backstopper’s signature page hereto (which signature page shall be kept confidential by the Parties), which commitment may be reduced in accordance with and subject to Section 1(c)(ii) hereof.

“**Backstop Purchase Obligation**” means the obligation of a Backstopper to purchase Backstopped Shares in accordance with the terms and conditions of this Agreement.

“**Backstop Shortfall**” means the aggregate Backstop Purchase Obligations of Defaulting Backstoppers, Objecting Backstoppers and Breaching/Non-Delivering Backstoppers, if any.

“**Consenting Noteholders**” means all Noteholders that have executed the Support Agreement or a consent agreement thereto.

“**Convertible Notes Claim**” means, with respect to a particular Noteholder, all outstanding obligations owed to such Noteholder as at the Record Date under or pursuant to the Notes including, without limitation, outstanding principal and all accrued and unpaid interest thereon at the applicable contract rate.

“**Convertible Notes Claims**” means all outstanding obligations owed to the Noteholders as at the Record Date under or pursuant to the Notes, including, without limitation, outstanding principal and all accrued and unpaid interest thereon at the applicable contract rate.

“**Designated Offshore Securities Market**” has the meaning given to that term in Rule 902 of Regulation S.

“**Effective Time**” means the time the Plan is implemented.

“**Election Deadline**” means 4:00 p.m. (Toronto time) on the date specified in the Plan as being the date and time by which Eligible Subscribers must elect, in accordance with the terms and conditions of the Plan, to participate in the Share Offering.

“**Eligible Subscriber**” means a person that: (i) is a Noteholder as at the Subscription Record Date; and (ii) delivers an executed Rep Letter to the Issuer on or before the Election Deadline and the information set forth in such Rep Letter is true and correct as of the Implementation Date, and includes, for greater certainty, each Backstopper delivering a Rep Letter to the Issuer.

“**Escrow Agent**” means an independent third party escrow agent agreed to by the Company and the Backstoppers, in each case acting reasonably.

“**Existing Shares**” shall have the meaning set out in the Term Sheet.

“**Implementation Date**” means the date of implementation of the Plan.

“**Information Circular**” means the information circular to be prepared by the Company and distributed to Noteholders in connection with the meeting of Noteholders to consider and vote on the Plan, all in accordance with applicable order(s) of the Court.

“**Issuer**” means Jaguar or a new CBCA corporation that is a successor to Jaguar and may issue all New Jaguar Common Shares (including those under the Share Offering) pursuant to the Plan.

“**Majority Consenting Noteholders**” means Consenting Noteholders holding in aggregate not less than a majority of the aggregate principal amount of the Notes held by all Consenting Noteholders.

“**Noteholders**” means, collectively, holders of the Notes and “**Noteholder**” means any one of them.

“**Participating Subscriber**” means an Eligible Subscriber who validly elects, in accordance with the provisions of the Plan, to subscribe for Offering Shares pursuant to the Subscription Privilege or a Backstopper delivering a Rep Letter to the Issuer.

“**Record Date**” means December 31, 2013.

“**Registration Rights Agreement**” means a registration rights agreement between the Issuer and any and all Participating Subscribers and Backstoppers that advise the Issuer they desire to have their Offering Shares, Accrued Interest Offering Shares, Backstopped Shares or Backstop Consideration Shares registered for resale under the US Securities Act, which agreement shall require the Issuer to promptly

prepare and file with the U.S. Securities Commission, and to use commercially reasonable efforts to cause to become effective within 120 days after the Implementation Date, either (a) a “shelf” registration statement under such Act in order to permit resales of such Offering Shares, Accrued Interest Offering Shares, Backstopped Shares or Backstop Consideration Shares by such Participating Subscribers or Backstoppers or (b) if permitted by the U.S. Securities Commission, an exchange offer registration statement on Form S-4 pursuant to which such Participating Subscribers and Backstoppers would have the opportunity to exchange their Offering Shares, Accrued Interest Offering Shares, Backstopped Shares or Backstop Consideration Shares for newly-issued shares that will be freely tradable under the US Securities Act, and, in the case of clause (a), to maintain the effectiveness of such registration statement for resales by such parties until such time as the shares covered by such registration statement become freely tradable under U.S. Securities Commission Rule 144 or otherwise or, in the case of clause (b), to maintain the effectiveness of registration statement for a period of not less than thirty (30) days.

“**Regulation D**” means Regulation D as promulgated by the U.S. Securities Commission under the U.S. Securities Act.

“**Regulation S**” means Regulation S as promulgated by the U.S. Securities Commission under the U.S. Securities Act.

“**Rep Letter**” means a letter from a Backstopper to the Company containing representations and warranties relating to such Backstopper’s eligibility to acquire the Offering Shares, Accrued Interest Offering Shares, Backstopped Shares or Backstop Consideration Shares under US Securities Laws, in a form acceptable to such Backstopper and the Company, each acting reasonably.

“**Subscription Record Date**” means the record date for determining Noteholders entitled to vote on the Plan as set out in the Interim Order or the Meeting Order, as applicable.

“**Total Offering Size**” means \$50,000,000.

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended from time to time, and the rules and regulations promulgated thereunder, or any successor statute.

“**U.S. Securities Commission**” means the United States Securities and Exchange Commission.

## SCHEDULE B

### FORM OF CONSENT AGREEMENT

This Consent Agreement is made as of the date below (the “**Consent Agreement**”) by the undersigned (the “**Consenting Party**”) in connection with the backstop agreement dated November ●, 2013 (the “**Backstop Agreement**”) among Jaguar Mining Inc. and the Backstoppers. Capitalized terms used herein have the meanings assigned in the Backstop Agreement unless otherwise defined herein.

#### RECITALS:

- A. Section 2(d) of the Backstop Agreement allows third parties acceptable to the Non-Defaulting Backstoppers and the Company, in each case acting reasonably, that execute a Consent Agreement to assume the rights and obligations of a Defaulting Backstopper.
- B. Section 8(c) of the Backstop Agreement allows third parties acceptable to the non-Objecting Backstoppers and the Company, in each case acting reasonably, that execute a Consent Agreement to assume the rights and obligations of an Objecting Backstopper.
- C. Section 10(b) of the Backstop Agreement allows third parties acceptable to the non-Breaching/Non-Delivering Backstoppers and the Company, in each case acting reasonably, that execute a Consent Agreement to assume the rights and obligations of a Breaching Backstopper or Non-Delivering Backstopper.
- D. Section 15(n) of the Backstop Agreement allows Backstoppers to assign their rights, interests and obligations under the Backstop Agreement to any Noteholder, holder of Existing Shares or options or other third party; provided that, contemporaneously with the assignment, such assignee delivers an executed Consent Agreement.
- E. The Consenting Party wishes to be bound by the terms of the Backstop Agreement pursuant to Section 2(d), 8(c), 10(b) or 15(n) of the Backstop Agreement, as applicable, on the terms and subject to the conditions set forth in this Consent Agreement.

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Consenting Party agrees as follows:

1. The Consenting Party hereby agrees to be fully bound as a Backstopper under the Backstop Agreement in respect of the Backstop Commitment that is identified on the signature page in connection with the Share Offering.
2. The Consenting Party hereby represents and warrants to each of the other Parties that the representations and warranties set forth in Section 4 of the Backstop Agreement are true and correct with respect to such Consenting Party as if given on the date hereof. In addition, the Consenting Party agrees to deliver to the Company an executed Rep Letter on or before the Election Deadline.
3. Except as expressly modified hereby, the Backstop Agreement shall remain in full force and effect, in accordance with its terms.
4. This Consent Agreement shall be governed by and construed in accordance with the laws of the State of New York and the federal laws of the United States applicable therein, without regard to principles of conflicts of law.
5. This Consent Agreement may be executed by facsimile or other electronic means and in one or more counterparts, all of which shall be considered one and the same agreement.

*[Remainder of this page intentionally left blank; next page is signature page]*

DATED as of \_\_\_\_\_.

**Name of Backstopper or Authorized Representative:**

Per: \_\_\_\_\_

\_\_\_\_\_  
Name:

\_\_\_\_\_  
Title:

\_\_\_\_\_  
Address:

**Backstop Commitment:**

\$ \_\_\_\_\_

## SCHEDULE C

### DECLARATION FOR REMOVAL OF LEGEND

**TO:** Computershare Investor Services Inc. as registrar and transfer agent  
for the shares of [Issuer].

The undersigned seller (a) acknowledges that the sale of an aggregate of \_\_\_\_\_ shares of [Issuer] (the “**Corporation**”) represented by certificate no(s). \_\_\_\_\_ to which this declaration relates is being made in reliance on Rule 904 of Regulation S (“**Regulation S**”) under the United States *Securities Act of 1933*, as amended (the “**U.S. Securities Act**”) and (b) certifies that (1) it is not an affiliate of the Corporation (as defined in Rule 405 under the U.S. Securities Act), (2) either (A) the offer of such securities was not made to a person in the United States and at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (B) the transaction was executed on or through the facilities of a “designated offshore securities market” (as defined in Rule 902 of Regulation S) and neither the seller nor

any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any “directed selling efforts” (as defined in Rule 902 of Regulation S) in the United States in connection with the offer and sale of such securities, (4) the sale is *bona fide* and not for the purpose of “washing off” the resale restrictions imposed because the securities are “restricted securities” (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S with fungible unrestricted securities, and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S.

**Dated:** \_\_\_\_\_, 20\_\_\_\_

**[Insert seller’s name]**

Per: \_\_\_\_\_  
Name:  
Title: