

PLAN OF ALLOCATION

THE DEFINED TERMS

1. The definitions set out in the Settlement Agreement, except as modified herein, apply to and are incorporated into this Plan of Allocation and, in addition, the following definitions apply:
 - (a) “**Acquisition Expense**” means the total monies paid by the Claimant (including brokerage commissions) to acquire Eligible Securities;
 - (b) “**Authorized Claimant**” means a Class Member who: (i) submitted a properly completed Claim Form and all required supporting documentation to the Administrator prior to the Claims Bar Deadline; (ii) suffered a Net Loss and (iii) is eligible to receive a Distribution from the Compensation Fund as determined by the Administrator;
 - (c) “**Claimant**” means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator, on or before the Claims Bar Deadline;
 - (d) “**Compensation Fund**” means the Settlement Amount less Class Counsel Fees and the Administration Expenses;
 - (e) “**Database**” means the web-based database in which the Administrator stores information received from the Claimants and/or acquired through the claims process;
 - (f) “**Distribution**” means payment to Authorized Claimants in accordance with this Plan of Allocation, the Settlement Agreement and any order of the Court;
 - (g) “**Distribution Proceeds**” means the total proceeds paid to the Claimant (without deducting any commissions paid in respect of the dispositions) in consideration of the sale of all of his/her/its Eligible Securities;

- (h) “**Distribution List**” means a list containing the name and address of each Authorized Claimant, the calculation of his/her/its Net Loss and the calculation of the Authorized Claimant’s *pro rata* share of the Compensation Fund;
- (i) “**FIFO**” means the principle of first-in first-out, wherein securities are deemed to be sold in the same order that they were purchased (i.e. the first securities purchased are deemed to be the first sold), which requires, in the case of a Claimant who held Securities at the commencement of the Class Period, that those Securities be deemed to have been sold completely before Eligible Securities are sold;
- (j) “**Net Loss**” means that the Claimant’s Disposition Proceeds are less than the Claimant’s Acquisition Expense; and is the difference between: (1) the Claimant’s Acquisition Expenses; and (2) the Claimants Disposition Proceeds;
- (k) “**Nominal Entitlement**” means an Authorized Claimant’s nominal damages as calculated pursuant to the formula set forth herein, which forms the basis upon which each Authorized Claimant’s *pro rata* share of the Compensation Fund is calculated;
- (l) “**Reference**” means the procedure by which a Claimant who disagrees with the Administrator’s decision relating to eligibility for compensation, the determination of the number of Eligible Securities, or the amount of the Nominal Entitlement, may appeal the Administrator’s decision and have it reviewed by the Referee;
- (m) “**Shares**” means common shares of Aurcana;
- (n) “**Warrant**” or “**Warrants**” means warrants of Aurcana; and
- (o) “**Website**” means the website at www.aurcanaaction.com.

THE OVERVIEW

2. This Plan of Allocation contemplates a determination of eligibility and an allocation and Distribution to each Authorized Claimant of a share of the Compensation Fund calculated as the ratio of his/her/its Nominal Entitlement to the total Nominal Entitlement of all Authorized Claimants multiplied by the amount of the Compensation Fund. An Authorized Claimant will be eligible to participate in the Distribution of the Compensation Fund only if he/she/it has a Net Loss on the disposition of Eligible Securities.

3. For the purpose of determining Net Loss, Warrants and Shares will be treated as distinct entities so that a Net Loss will be calculated separately for each.

4. For the purpose of determining the amount an Authorized Claimant may recover pursuant to this Settlement, the Plan reflects the Plaintiffs' damages theory, namely, that the value of the Security was artificially inflated by the misrepresentation first stated on June 24, 2011 regarding the resource levels and production capacity of the Shafter Mine and that subsequent correction disclosures on April 12, 2013 and December 19, 2013 acted to reduce the inflation in the value of the Security.

THE CLAIMS PROCEDURE

5. The Administrator shall, in accordance with the Settlement Agreement and Plan, determine the eligibility of Claimants for compensation, the amount of compensation to which each Claimant is entitled, and shall distribute the Compensation Fund to Authorized Claimants subject to the terms and conditions set out herein.

6. In order to be eligible to participate in the Distribution of the Compensation Fund, a Class Member must submit to the Administrator, on or before the Claims Bar Deadline, a completed Claim form and the required supporting documents.

7. The required supporting documentation which a Claimant must submit to the Administrator will include:

- (a) trading account statements, trade confirmation slips or other evidence confirming the number of Securities held at the close of trading on the last trading day prior to the commencement of the Class Period, namely, June 23, 2011.
- (b) trading account statements, trade confirmation slips or other evidence confirming the number of Securities acquired during the Class Period, the date(s) upon which such Securities were acquired, and the acquisition price(s) including commissions paid in respect thereof, if applicable;
- (c) trading account statements, trade confirmation slips or other evidence confirming the number of Securities disposed of during the Class Period and/or during the 10 day period commencing on December 20, 2013 through and including January 7, 2014, the date(s) upon which such Securities were disposed of, and the disposition price(s) excluding commissions paid in respect thereof, if applicable;
- (d) trading account statements, trade confirmation slips or other evidence confirming the current retention of Securities purchased during the Class Period;
- (e) if the Claimant is acting in a representative capacity, documents that confirm his/her/its authority to act on behalf of the Class Member beneficiary, such as letters probate, letters of administration or other document evidencing authority to act.

8. In order to remedy any deficiency in the completion of a Claim Form, the Administrator may require and request that additional information be submitted by Claimants. Such Claimants shall have thirty (30) days from the date of the communication or correspondence to rectify the deficiency. Any person who does not respond to such a request for information within the thirty (30) day period, or prior to the Claims Bar Deadline which ever is later, shall be forever barred from receiving any payments pursuant to the Settlement, subject to any order of the Court to the contrary, but will in all other respects be subject to, and bound by, the provisions of the Settlement Agreement and the releases contained herein.

9. Any Class Member who does not submit a Claim Form and required supporting documentation with the Administrator on or before the Claims Bar Deadline will not be permitted to participate in the Distribution without permission of the Court. The Administrator will not accept or process any Claim Form received after the Claims Bar Deadline unless directed to do so by the Court.

10. The Administrator shall cause the information in the Database to be posted and accessible at the settlement Website.

11. Information in the Database concerning a claim shall be accessible to the Claimant electronically. Each Claimant shall be supplied with a person user identification name and personal password that will permit the Claimant to access only his/her/its own information in the Database.

12. The Administrator may deal with Claimants in a manner that is not through an electronic medium as and when it determines that such a step is feasible and/or necessary. However, in all cases the information acquired concerning Claimants shall be entered into the Database.

13. Once a Claim Form and required supporting documentation is received by the Administrator, the Administrator shall:
- (a) determine the number of Eligible Securities;
 - (b) decide whether the Claimant is eligible to participate in the Distribution taking into account whether the Claimant has sustained a Net Loss from his/her/its Eligible Securities transactions;
 - (c) determine the number of Securities the Claimant held at the commencement of the Class Period;
 - (d) calculate the Claimant's Nominal Entitlement; and
 - (e) if the total value of the Nominal Entitlements of all Authorized Claimants exceeds the settlement monies, calculate the amount of the Claimant's *pro rata* share of the Compensation Fund.
14. A decision of the Administrator in respect of a claim and any Claimant's entitlement to participate in or a share of the Distribution, subject to the Claimant's right to elect to refer the decision to the Referee for review, will be final and binding upon the Claimant and the Administrator.

CALCULATION OF COMPENSATION

Formulae for Calculating Nominal Entitlement

15. Each Authorized Claimant will be paid a portion of the Compensation Fund calculated as the ratio of his/her/its Nominal Entitlement to the total Nominal Entitlement of all Authorized Claimants multiplied by the amount of the Compensation Fund.

16. For the purpose of calculating the Nominal Entitlement of a Class Member, Warrants and Shares shall be treated as separate entities, such that a Nominal Entitlement is calculated for each and these Nominal Entitlements are added together to determine the total Nominal Entitlement of an Authorized Claimant.

17. The Administrator will apply FIFO to distinguish the sale of Securities held at the beginning of the Class Period from the sale of Eligible Securities, and will then apply the applicable formula, as stipulated further below, to the sale of Eligible Securities.

18. An Authorized Claimant's Recognized Claim will be calculated as follows:

- A. For Eligible Securities disposed of on or between April 15 and April 26, 2013, the Nominal Entitlement shall be an amount equal to the difference between the average price paid for the Eligible Securities thus disposed of (including any commissions paid in respect thereof) and the price received upon the disposition of those Eligible Securities (without deducting any commissions paid in respect of the disposition).
- B. For Eligible Securities disposed of on or between April 29, 2013 and December 19, 2013, the Nominal Entitlement shall be the lesser of:
 - (a) an amount equal to the difference between the average price paid for the Eligible Securities thus disposed of, (including any commissions paid in respect thereof), and the price received upon the disposition of those Eligible Securities (without deducting any commissions paid in respect of the disposition); and
 - (b) an amount equal to the number of Eligible Securities thus disposed of, multiplied by the difference between the average price per Security paid for those Eligible Securities (including any commissions paid in respect

thereof determined on a per security basis) and the 10 trading day volume weighted average price of the securities from December 20, 2013 to January 7, 2014.

- C. For Eligible Securities disposed of on or between December 20, 2013 and January 7, 2014, the Nominal Entitlement shall be an amount equal to the difference between the average price paid for the Eligible Securities thus disposed of (including any commissions paid in respect thereof) and the price received upon the disposition of those Eligible Securities (without deducting any commissions paid in respect of the disposition);
- D. For Eligible Securities disposed of after the close of trading on January 7, 2014, the Nominal Entitlement shall be the lesser of:
 - (a) an amount equal to the difference between the average price paid for the Eligible Securities thus disposed of (including any commissions paid in respect thereof) and the price received upon the disposition of those Eligible Securities (without deducting any commissions paid in respect of the disposition); and
 - (b) an amount equal to the number of Eligible Securities thus disposed of, multiplied by the difference between the average price per security paid for those Eligible Securities (including any commissions paid in respect thereof determined on a per security basis) and the 10 trading day volume weighted average price of securities from December 20, 2013 to January 7, 2014.

- E. For any Eligible Securities which have not been disposed of the Nominal Entitlement shall be an amount equal to the number of Eligible Securities still held, multiplied by the difference between the average price per security paid for those Eligible Securities (including any commissions paid in respect thereof determined on a per security basis) and the 10 trading day volume weighted average price of securities from December 20, 2013 to January 7, 2014.

- F. No Nominal Entitlement shall be available for any Eligible Securities disposed of prior to April 15, 2013 or, in the case of Eligible Securities purchased during the period from April 15, 2013 to December 19, 2013, disposed of prior to December 20, 2013.

GENERAL PRINCIPLES OF THE ADMINISTRATION

- 19. The administration to be established shall:
 - (a) implement and conform to the Plan of Allocation;
 - (b) employ secure, paperless, web-based systems with electronic registration and record keeping, wherever practical; and
 - (c) be bilingual (English, French) in all respects and include a bilingual website and a bilingual toll-free telephone helpline.

THE ADMINISTRATOR

- 20. The Administrator shall have such powers and rights reasonably necessary to discharge its duties and obligations to implement and administer the Escrow Account and the Plan of Allocation in accordance with their terms, subject to the direction of the Court.

THE ADMINISTRATOR'S DUTIES AND RESPONSIBILITIES

21. The Administrator shall administer the Plan of Allocation under the oversight and direction of the Court and act as trustee in respect of the monies held within the Escrow Account upon receipt from Sutts Strosberg LLP.

22. The Administrator shall, wherever practical, develop, implement and operate an administration system utilizing web-based technology and other electronic systems for the following:

- (a) receipt of information from Computershare and/or TMX Equity Transfer Services or Broadridge Financial Solutions Inc. concerning the identity and contact information of registered holders or beneficial owners of Securities, respectively;
- (b) class notification, as required;
- (c) claim filing and document collection;
- (d) claim evaluation, analysis, and Reference procedures;
- (e) distribution analysis and Distributions;
- (f) *cy près* award distribution, if any, and reporting thereon;
- (g) Administration Expense payments; and
- (h) cash management, audit control and reporting thereon.

23. The Administrator's duties and responsibilities shall include the following:

- (a) receiving the monies in the Escrow Account from Sutts Strosberg LLP and investing them in trust in accordance with the Settlement Agreement;
- (b) preparing any protocols required for submission to and approval of the Court;
- (c) providing the hardware, software solutions and other resources necessary for an electronic web-based bilingual claims processing centre to function in a commercially reasonable manner;

- (d) providing, training and instructing personnel in such reasonable numbers as are required for the performance of its duties in the most expedient, commercially reasonable manner;
- (e) instituting a tracing process to locate a current address for those Class Members whose Second Notice is returned “address unknown,” and re-mailing the Second Notice, at least forty five (45) days prior to the Claims Bar Deadline, to those Class Members for whom the tracing process provides a new mailing address, and who have not yet filed a Claim Form;
- (f) developing, implementing and operating electronic web-based systems and procedures for receiving, processing, evaluating and decision making respecting the claims of Class Members, including making all necessary inquiries to determine the validity of such claims;
- (g) if practicable, providing any Claimant whose Claim Form is not properly completed or does not include some of the required supporting documentation, an opportunity to remedy the deficiency as stipulated in the Settlement Agreement;
- (h) making timely assessments of eligibility for compensation and providing prompt notice thereof;
- (i) making Distributions from the Compensation Fund in a timely fashion;
- (j) dedicating sufficient personnel to communicate with a Claimant in English or French as the Claimant elects;
- (k) using its best efforts to ensure that its personnel provide timely, helpful and supportive assistance to Claimants in completing the claims application process and in responding to inquiries respecting claims;
- (l) preparing for, attending and defending its decisions at all References;

- (m) distributing and reporting on any *cy prè*s awards;
- (n) making payments of Administration Expenses;
- (o) maintaining a database with all information necessary to permit the Court to evaluate the progress of the administration, as may, from time to time, be required;
- (p) reporting to the Court respecting claims received and administered, and Administration Expenses; and
- (q) preparing such financial statements, reports and records as directed by the Court.

24. The Administrator shall cause the information in the Database to be secured and accessible from the Website to an individual with a user identification name and password.

25. Information in the Database concerning a claim shall be accessible to the Claimant electronically. Each Claimant shall use a unique personal user identification name and personal password that will permit the Claimant to access only his/her/its own information in the Database.

26. Once a Claim Form and required supporting documentation is received by the Administrator, the Administrator shall:

- (a) determine the number of Eligible Securities;
- (b) decide whether the Claimant is eligible to participate in the Distribution;
- (c) determine the number of Securities the Claimant held at the commencement of the Class Period;
- (d) calculate the Claimant's Nominal Entitlement;

- (e) if the total value of the Nominal Entitlements of all Authorized Claimants exceeds the settlement monies, calculate the amount of the Claimant's *pro rata* share of the Compensation Fund; and
- (f) if the value of all valid claims for compensation is less than the amount of the Compensation Fund, distribute the balance *cy près*.

27. Once the Administrator determines a Claimant's Authorized Claimant status, the respective number of his, her or its Eligible Securities; his, her or its Nominal Entitlement and his, her or its *pro rata* share of the Compensation Fund, the Administrator shall advise the Claimant of the Administrator's decision by posting it on the Claimant's online claim file.

28. The Administrator may deal with Claimants in a manner that is not through an electronic medium, if necessary. However, in all cases the information acquired concerning Claimants shall be entered into the Database.

29. A decision of the Administrator in respect of a claim and any Claimant's entitlement to participate in or a share of the Distribution, subject to the Claimant's right to elect to refer the decision to the Referee for review, will be final and binding upon the Claimant and the Administrator.

THE REFEREE

30. The Referee shall have such powers and rights as are reasonably necessary to discharge his duties and obligations.

31. The Referee shall establish and employ a summary procedure to review any disputes arising from a decision of the Administrator, and may enter into such mediation and arbitration proceedings as the Referee may deem necessary.

32. All decisions of the Referee shall be in writing and shall be final and conclusive and there shall be no appeal therefrom whatsoever.

The Procedure for References

33. If a Claimant disagrees with the Administrator's decision relating to eligibility to share in the Distribution, the determination of the number of Eligible Securities, or the amount of the Nominal Entitlement, a Claimant may elect a Reference by the Referee by delivering a written election for review to the Administrator within fifteen (15) days of receipt of the Administrator's decision.

34. The election for a Reference must set out the basis for the disagreement with the Administrator's decision and attach all documents relevant to the review which have not previously been delivered to the Administrator. This election for a Reference must be accompanied by a certified cheque or money order, payable to the Administrator, in the amount of \$150.

35. Upon receipt of an election for a Reference, the Administrator shall provide the Referee with online access to a copy of:

- (a) the election for a Reference and accompanying documents;
- (b) the Administrator's decision on eligibility, the number of Eligible Securities and its calculation of the Nominal Entitlement, as applicable; and

(c) the Claim Form and supporting documents.

36. The Referee will carry out the Reference in an inexpensive, summary manner. The Referee will provide all necessary procedural directions and the review will be in writing unless the Referee provides otherwise.

37. The Administrator shall participate in the process established by the Referee to the extent directed by the Referee.

38. The Referee shall deliver a written decision to the Claimant and the Administrator. If the Referee disturbs the Administrator's decision relating to eligibility to share in the Distribution, the number of Eligible Securities or Nominal Entitlement, the Administrator shall return the \$150 deposit to the Claimant. If the Referee does not disturb the Administrator's decision, the Administrator shall add the \$150 to the Compensation Fund.

ADMINISTRATION EXPENSES

39. The Administrator shall pay the fees, disbursements, taxes and other costs of:

- (a) the Administrator;
- (b) the Referee; and
- (c) such other persons at the direction of the Court;

out of the Settlement Fund in accordance with the provisions of the Settlement Agreement, the Approval Order and any other orders of the Court.

40. The costs of giving the notices required pursuant to the Approval Order and the Plan of Allocation are not to be paid by the Administrator from its fee.

DISTRIBUTION TO AUTHORIZED CLAIMANTS

41. As soon as practicable after the completion of the claims submission and election for review process, the Administrator will bring a motion for authorization to make Distributions from the Compensation Fund. In support of this motion the Administrator will file the Distribution List with the Court in a manner that protects the privacy of persons on the Distribution List.

42. No Distribution shall be made by the Administrator until authorized by the Court.

43. The Administrator may make interim Distributions if authorized by the Court.

44. Each Authorized Claimant whose name appears on the Distribution List shall comply with any condition precedent to Distribution that the Court may impose.

45. The Administrator shall make Distributions from the Compensation Fund forthwith after receipt of authorization from the Court to make Distributions to the Authorized Claimants whose names are on the Distribution List.

46. If the Escrow Account is in a positive balance after one hundred eighty (180) days from the date of Distribution (whether by reason of tax refunds, un-cashed cheques or otherwise), the Administrator shall, if economically feasible, allocate such balance among those Claimants whose names are on the Distribution List in an equitable fashion up to the limit of each person's actual loss. If there is a balance in the Escrow Settlement Account after each Authorized Claimant is paid up to his/her/its actual loss, the remaining funds shall be paid *cy près* to a recipient selected by Class Counsel and approved by the Court.

RESTRICTION ON CLAIMS

47. Any Class Member who does not submit a Claim Form and required supporting documentation with the Administrator on or before the Claims Bar Deadline will not be permitted to participate in the Distribution without permission of the Court. The Administrator will not accept or process any Claim Form received after the Claims Bar Deadline unless directed to do so by the Court.

NO ASSIGNMENT

48. No amount payable under the Plan of Allocation may be assigned without the written consent of the Administrator.

ADMINISTRATOR'S FINAL REPORT TO THE COURT

49. Upon the conclusion of the administration, or at such other time as the Court directs, the Administrator shall report to the Court on the administration and shall account for all monies it has received, administered and disbursed by Distribution or otherwise obtain an order from the Court discharging it as Administrator.