

*This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment advisor, stockbroker, bank manager, trust company manager, accountant, lawyer or other professional advisor.*

*The Offer has not been approved or disapproved by any securities regulatory authority, nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is an offence.*

*This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Securityholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Securityholders in any such jurisdiction.*

January 30, 2012

## **OFFER TO PURCHASE FOR CASH**

**all of the outstanding common shares and common share purchase warrants  
of**

### **GOLDBROOK VENTURES INC.**

**by 0931017 B.C. LTD.**

**a wholly-owned indirect subsidiary of**



**吉林吉恩镍业股份有限公司  
JILIN JIEN NICKEL INDUSTRY CO.,LTD**

**on the basis of**

**Cdn.\$0.39 in cash per Share,  
Cdn.\$0.14 in cash per \$0.25 Warrant and  
Cdn.\$0.04 in cash per \$0.35 Warrant**

0931017 B.C. Ltd. (the “Offeror”), a corporation indirectly wholly-owned by Jilin Jien Nickel Industry Co., Ltd. (the “Parent” or “JJNICK”), hereby offers (the “Offer”) to purchase, on and subject to the terms and conditions of the Offer: (i) all of the issued and outstanding common shares of Goldbrook Ventures Inc. (“Goldbrook”) (other than common shares directly or indirectly owned by the Parent, any subsidiary of the Parent or any of their affiliates) and any common shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time (as defined herein) upon the conversion, exchange or exercise of options (the “Options”) under Goldbrook’s Stock Option Plan (as defined herein) or other securities of Goldbrook that are convertible into or exchangeable or exercisable for common shares, together with the associated SRP Rights (as defined herein) (such common shares together with the SRP Rights, the “Shares”), at a price of Cdn.\$0.39 in cash per Share, (ii) all outstanding common share purchase warrants to acquire Shares with an exercise price of \$0.25 (the “\$0.25 Warrants”) at a price of Cdn.\$0.14 in cash per \$0.25 Warrant, and (iii) all outstanding common share purchase warrants to acquire Shares with an exercise price of \$0.35 (the “\$0.35 Warrants”, and together with the \$0.25 Warrants, the “Warrants”) at a price of Cdn.\$0.04 in cash per \$0.35 Warrant.

**The Offer is open for acceptance until 8:00 p.m. (Toronto time) on March 12, 2012 (the “Expiry Time”), unless the Offer is extended or withdrawn.**

**The Board of Directors of Goldbrook (the “Goldbrook Board”), after consultation with its legal advisors and on receipt of a recommendation of its Special Committee, has UNANIMOUSLY DETERMINED that the Offer is in the best interests of Goldbrook, holders of Shares (the “Shareholders”) (other than the Parent and its affiliates) and holders of Warrants (the “Warrantholders”) and, accordingly, the Goldbrook Board has agreed to UNANIMOUSLY RECOMMEND that Shareholders and Warrantholders ACCEPT the Offer and DEPOSIT their Shares and Warrants under the Offer.**

The Shares are listed on the TSX Venture Exchange (the “TSXV”) under the stock symbol “GBK” and are also listed on the Frankfurt Stock Exchange (“FSE”) under the stock symbol “GVE”. The Offer represents a premium of 59% to Goldbrook’s closing Share price of Cdn.\$0.245 on the TSXV on January 19, 2012 (the last trading day prior to the announcement of the Offer) and a premium of 69% to Goldbrook’s volume weighted average Share price of Cdn.\$0.222 on the TSXV for the 20 trading days prior to the announcement of the Offer. The Offer also represents a premium of 160% to Goldbrook’s closing Share price of Cdn.\$0.15 on the TSXV on November 29, 2011 (the last trading day prior to the issuance by Goldbrook of the Goldbrook Press Release (as defined herein)) and a premium of 141% to Goldbrook’s volume weighted average Share price of Cdn.\$0.1619 on the TSXV for the 20 trading days prior to the issuance by Goldbrook of the Goldbrook Press Release.

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The Depository and Information Agent for the Offer is:

**Kingsdale Shareholder Services Inc.**



*If you have any questions or need any assistance in depositing your Shares and Warrants please call Kingsdale Shareholder Services at 1-877-659-1822 or 1-416-867-2272 (collect calls accepted) or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).*

Raymond James Ltd. delivered a verbal opinion to the Special Committee to the effect that, as of the date of that opinion and based on and subject to certain assumptions, limitations and qualifications, the consideration to be received under the Offer was fair, from a financial point of view, to Shareholders (other than the Parent and its affiliates). For further information, see the Directors' Circular to be delivered by the Goldbrook Board in connection with the Offer.

The Parent and Goldbrook entered into a support agreement on January 19, 2012 pursuant to which, among other things, the Parent has agreed to cause the Offeror to make the Offer and Goldbrook has agreed to support the Offer and not solicit any competing acquisition proposals. See Section 6 of the accompanying circular (the "**Circular**"), "Support Agreement". The Parent is also a party to lock-up agreements dated January 19, 2012 (the "**Lock-Up Agreements**") with all of the directors and officers of Goldbrook (collectively, the "**Locked-Up Securityholders**"), pursuant to which each Locked-Up Securityholder has agreed to support the Offer and to accept the Offer and deposit or cause to be deposited under the Offer and not withdraw, subject to certain exceptions, all of the Shares (including Shares underlying any Options and other Goldbrook convertible securities held by such Locked-Up Securityholders) and Warrants beneficially owned by the Locked-Up Securityholder. The aggregate number of Shares and Warrants subject to Lock-Up Agreements represents approximately 6% of the issued and outstanding Shares and Warrants on a fully diluted basis. See Section 7 of the Circular "Lock-Up Agreements".

The Offer is conditional on, among other things, there having been validly deposited pursuant to the Offer and not withdrawn at the Expiry Time that number of Shares which, together with Shares directly or indirectly owned by the Parent, any subsidiary of the Parent or any of their affiliates, constitutes at least 50% of the Shares outstanding (calculated on a fully diluted basis) plus one (1) Share. This and the other conditions of the Offer are described in Section 4 of the Offer, "Conditions of the Offer". Subject to applicable Laws (as defined herein), the Offeror reserves the right to withdraw the Offer and to not take up and pay for Shares deposited under the Offer unless each of the conditions of the Offer is satisfied or waived at or prior to the Expiry Time. The Offer is not subject to any financing condition.

Securityholders who wish to accept the Offer must properly complete and duly execute the accompanying Letter of Transmittal (printed on YELLOW paper) or a manually executed facsimile thereof and deposit it, at or prior to the Expiry Time, together with certificates representing such Securityholders' Shares and Warrants, as applicable, and all other required documents, with Kingsdale Shareholder Services Inc. (the "**Depository and Information Agent**") at the office of the Depository and Information Agent in Toronto, Ontario, Canada specified in the Letter of Transmittal, in accordance with the instructions in the Letter of Transmittal. Alternatively, Securityholders may (i) accept the Offer by following the procedures for book-entry transfer of Shares, set forth under Section 3 of the Offer, "Manner of Acceptance – Acceptance by Book-Entry Transfer"; or (ii) follow the procedures for guaranteed delivery set forth under Section 3 of the Offer, "Manner of Acceptance – Procedure for Guaranteed Delivery", using the accompanying Notice of Guaranteed Delivery (printed on GREEN paper).

**Securityholders whose Shares or Warrants are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact that nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Shares and Warrants under the Offer. Intermediaries likely have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. Securityholders should instruct their brokers or other nominees promptly if they wish to tender.**

Questions and requests for any assistance in depositing your Shares and Warrants may be directed to the Depository and Information Agent. Please call Kingsdale Shareholder Services at 1-877-659-1822 or 1-416-867-2272 (collect calls accepted) or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com). Additional copies of this document, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained without charge on request from the Depository and Information Agent at its addresses shown on the last page of this document. Copies of this document and related materials may also be accessed at [www.sedar.com](http://www.sedar.com).

Securityholders will not be required to pay any fee or commission if they accept the Offer by depositing their Shares and Warrants directly with the Depository and Information Agent.

**All payments under the Offer will be made in Canadian dollars.** However, a Securityholder can also elect to receive payment in U.S. dollars by checking the appropriate box in the Letter of Transmittal, in which case such Securityholder will have acknowledged and agreed that the exchange rate for one (1) Canadian dollar expressed in U.S. dollars will be based on the exchange rate available to the Depository and Information Agent at its typical banking institution on the date the funds are converted. Securityholders electing to have the payment for their Shares and Warrants paid in U.S. dollars will have further acknowledged and agreed that any change to the currency exchange rates of the United States or Canada will be at the sole risk of the Securityholder. The Depository and Information Agent may receive a fee from its banking institution for referring foreign exchange transactions to it. Resident Holders, or Non-Resident Holders that may be liable for tax in Canada (see discussion in Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada"), that elect to receive their payment in U.S. dollars may realize a foreign exchange gain or loss in certain circumstances. Please see discussion in Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations".

If a Securityholder wishes to receive cash payable in U.S. dollars, Block D captioned "Currency of Payment" in the Letter of Transmittal must be completed; otherwise the consideration paid will be in Canadian dollars.

No broker, dealer, salesperson or other person has been authorized to give any information or make any representation other than those contained in this document and, if given or made, such information or representation must not be relied upon as having been authorized by the Offeror, the Parent, the Depository and Information Agent.

#### NOTICE TO SECURITYHOLDERS IN THE UNITED STATES

**The Offer is being made for the securities of a Canadian company that does not have securities registered under Section 12 of the United States *Securities Exchange Act* of 1934, as amended (the "U.S. Exchange Act"). Accordingly, the Offer is not subject to Section 14(d) of the U.S. Exchange Act, or Regulation 14D promulgated by the U.S. Securities and Exchange Commission (the "SEC") thereunder. The Offer is being conducted in accordance with Section 14(e) of the U.S. Exchange Act and Regulation 14E as applicable to tender offers conducted under the U.S.-Canadian multijurisdictional disclosure system tender offer rules adopted by the SEC. The Offer is made in the United States with respect to securities of a Canadian foreign private issuer also in accordance with Canadian tender offer rules. Securityholders resident in the United States should be aware that such requirements might be different from those of the United States applicable to tender offers under the U.S. Exchange Act and the rules and regulations promulgated thereunder.**

**The Offer does not address any United States federal or state income tax consequences of the Offer to Securityholders in the United States. Securityholders in the United States should also be aware that the disposition of Shares and Warrants by them as described herein may have tax consequences both in the United States and in Canada. Such consequences are not fully described herein. Accordingly, Securityholders in the United States should consult their**

own tax advisors with respect to their particular circumstances and tax considerations applicable to them. See Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”.

Securityholders in the United States should be aware that the Offeror or its affiliates, directly or indirectly, may bid for or make purchases of Shares and Warrants other than pursuant to the Offer during the period of the Offer, as permitted by applicable Canadian securities laws or regulations. See Section 12 of the Offer, “Market Purchases and Sales of Shares”.

The enforcement by Securityholders of civil liabilities under United States federal securities laws may be affected adversely by the fact that the Parent is organized and is existing under the laws of the People’s Republic of China (the “PRC”) and each of the Offeror and Goldbrook are organized and are existing under the laws of the Province of British Columbia, Canada, that the majority of the officers and directors of the Parent, the Offeror and Goldbrook reside outside the United States and that the experts named herein reside outside the United States, and that all or a substantial portion of the assets of the Parent, the Offeror, Goldbrook and the other above-mentioned persons are located outside the United States.

### NOTICE TO HOLDERS OF OPTIONS

The Offer is made only for Shares and Warrants and is not made for any Options or other securities of Goldbrook that are convertible into or exchangeable or exercisable for Shares. Any holder of Options or other securities of Goldbrook that are convertible into or exchangeable or exercisable for Shares (other than Warrants) who wishes to accept the Offer must, to the extent permitted by the terms of the security and applicable Laws, exercise, exchange or convert such Options or other securities of Goldbrook that are convertible into or exchangeable or exercisable for Shares in order to acquire Shares and certificates representing such Shares and deposit such Shares in accordance with the terms of the Offer.

Any such exercise, exchange or conversion must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Options or other securities of Goldbrook that are convertible into or exchangeable or exercisable for Shares will have certificates representing the Shares received upon such exercise, exchange or conversion, available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures described under Section 3 of the Offer, “Manner of Acceptance — Procedure for Guaranteed Delivery”.

It is a condition of the Offer that at or prior to the Expiry Time all outstanding Options will have been exercised in full, cancelled or irrevocably released, surrendered or waived or otherwise dealt with on terms satisfactory to the Parent, acting reasonably.

**The tax consequences to holders of Options or other securities of Goldbrook that are convertible into, or exchangeable or exercisable for Shares (other than Warrants) of exercising, exchanging or converting such securities is not described in the Circular. Such holders of Options or other convertible securities of Goldbrook should consult their tax advisors for advice with respect to potential income tax consequences to them in connection with the decision as to whether to exercise, exchange or convert such Options or other securities.**

### CURRENCY

Unless otherwise indicated, all “Cdn.\$” or “\$” references in the Offer and Circular are to Canadian dollars and all “U.S.\$” references in the Offer and Circular are to U.S. dollars.

The following table sets forth, for the periods indicated, certain information with respect to the rate of exchange for one Canadian dollar expressed in U.S. dollars.

	January 1 – January 27, 2012	Year Ended December 31,		
	2012 YTD	2011	2010	2009
Cdn.\$1 to U.S. \$	1.0144	1.0117	0.9713	0.8797
Average Rate for Period <sup>(1)</sup>	0.9987	0.9833	1.0054	0.9555
Rate at End of Period <sup>(2)</sup>				

(1) Represents the period average of the noon rates as reported by the Bank of Canada.

(2) Represents the noon rates as reported by the Bank of Canada on the last trading day of the period.

As at January 27, 2012, the last trading day prior to the date of the Offer, the Bank of Canada noon rate of exchange for one Canadian dollar expressed in U.S. dollars was Cdn.\$1.00 = U.S.\$1.0013.

### **STATEMENTS REGARDING FORWARD-LOOKING INFORMATION**

Certain information contained in the accompanying Offer and Circular, including information in Section 8 of the Circular, "Purpose of the Offer and Plans for Goldbrook", Section 11 of the Circular, "Source of Funds" and Section 15 of the Circular, "Acquisition of Shares Not Deposited Under the Offer", and any other information contained herein as to the Parent's or the Offeror's strategy, projects, plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance by management of the Parent and the Offeror, constitute "forward-looking statements". All statements, other than statements of historical fact, are forward-looking statements. The words "believe", "expect", "will", "anticipate", "contemplate", "target", "plan", "continue", "budget", "may", "intend", "estimate" and similar expressions identify forward-looking statements. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management of the Parent and the Offeror, are inherently subject to significant business, economic and competitive uncertainties and contingencies. The Parent and the Offeror caution the reader that such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of the Parent and the Offeror to be materially different from the Parent's and the Offeror's estimated future results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. These risks, uncertainties and other factors include, but are not limited to: changes in the worldwide price of gold, copper or certain other commodities (such as fuel and electricity); inaccuracies or material omissions in Goldbrook's publicly available information or the failure by Goldbrook to disclose events or facts which may have occurred or which may affect the significance or accuracy of any such information; the ability of the Parent and the Offeror to complete or successfully integrate an announced acquisition proposal; legislative, political or economic developments in Canada, the United States, the PRC or elsewhere; the need to obtain permits and comply with laws and regulations and other regulatory requirements; operating or technical difficulties in connection with mining or development activities; availability and costs associated with mining inputs and labor and expectations as to the funding thereof; the risks involved in the exploration, development and mining business; and estimates of future mineral production and sales estimates.

Unless otherwise indicated, the information concerning Goldbrook contained herein has been taken from or is based upon Goldbrook's and other publicly available documents and records on file with Canadian securities regulatory authorities and other public sources at the time of the Offer. Although the Offeror and the Parent have no knowledge that would indicate that any statements contained herein relating to Goldbrook, taken from or based on such documents and records are untrue or incomplete, neither the Offeror, the Parent nor any of their respective directors or officers assumes any responsibility for the accuracy or completeness of such information, or for any failure by Goldbrook to disclose events or facts that may have occurred or which may affect the significance or accuracy of any such information, but which are unknown to the Offeror or the Parent.

The Parent and the Offeror disclaim any intention or obligation to update or revise any forward-looking statements whether as a result of new information, further events or otherwise, except as required by applicable Law.

## TABLE OF CONTENTS

	Page
SUMMARY OF THE OFFER.....	1
GLOSSARY.....	7
OFFER .....	13
1.    The Offer.....	13
2.    Time for Acceptance.....	14
3.    Manner of Acceptance.....	14
4.    Conditions of the Offer.....	18
5.    Extension, Variation or Change in the Offer.....	20
6.    Take-Up and Payment for Deposited Securities.....	21
7.    Return of Deposited Securities.....	22
8.    Withdrawal of Securities Deposited Under the Offer.....	22
9.    Changes in Capitalization; Adjustment; Liens; Dividends.....	23
10.   Notices and Delivery.....	24
11.   Mail Service Interruption.....	24
12.   Market Purchases and Sales of Shares.....	25
13.   Other Terms of the Offer.....	25
CIRCULAR.....	27
1.    The Parent and the Offeror.....	27
2.    Goldbrook.....	27
3.    Certain Information Concerning Goldbrook and Its Securities.....	27
4.    Price Range and Trading Volumes of the Shares.....	28
5.    Background to the Offer.....	28
6.    Support Agreement.....	33
7.    Lock-Up Agreements.....	40
8.    Purpose of the Offer and Plans for Goldbrook.....	42
9.    Effect of the Offer on the Market for and Listing of Shares and Status as a Reporting Issuer.....	42
10.   Shareholder Rights Plan.....	43
11.   Source of Funds.....	44
12.   Ownership of and Trading in Securities of Goldbrook.....	44
13.   Arrangements, Agreements or Understandings.....	44
14.   Other Material Facts.....	46
15.   Acquisition of Shares Not Deposited Under the Offer.....	46
16.   Regulatory Matters.....	49
17.   Certain Canadian Federal Income Tax Considerations.....	50
18.   Legal Matters.....	55
19.   Acceptance of the Offer.....	55
20.   Depository and Information Agent.....	55
21.   Soliciting Dealer Group.....	56
22.   Statutory Rights.....	56
23.   Directors' Approval.....	56
CONSENT OF GOWLING LAFLEUR HENDERSON LLP.....	C-1
CERTIFICATE OF THE OFFEROR.....	C-2
CERTIFICATE OF THE PARENT.....	C-3

## SUMMARY OF THE OFFER

*The following is a summary only and is not meant to be a substitute for the information contained in the Offer and the Circular. Therefore, Securityholders are urged to read the Offer and the Circular in their entirety. Certain terms used in this Summary are defined in the Glossary. Unless otherwise indicated, the information concerning Goldbrook contained herein and in the Offer and the Circular has been taken from or is based upon Goldbrook's publicly available documents and records on file with Canadian securities regulatory authorities and other public sources at the time of the Offer. Although the Offeror and the Parent have no knowledge that would indicate that any statements contained herein relating to Goldbrook, taken from or based upon such documents and records are untrue or incomplete, neither the Offeror, the Parent nor any of their respective officers or directors assumes any responsibility for the accuracy or completeness of such information or for any failure by Goldbrook to disclose events or facts that may have occurred or may affect the significance or accuracy of any such information, but that are unknown to the Offeror and the Parent. Unless otherwise indicated, information concerning the Parent, the Offeror and Goldbrook is given as of the date hereof.*

### **The Offer**

The Offeror is offering to purchase, on and subject to the terms and conditions of the Offer, all of the issued and outstanding Shares (other than Shares directly or indirectly owned by the Parent, any subsidiary of the Parent or any of their affiliates) and any Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time upon the conversion, exchange or exercise of Options or other securities of Goldbrook that are convertible into or exchangeable or exercisable for Shares, at a price of Cdn.\$0.39 in cash per Share, all of the issued and outstanding \$0.25 Warrants at a price of Cdn.\$0.14 in cash per \$0.25 Warrant, and all of the issued and outstanding \$0.35 Warrants at a price of Cdn.\$0.04 in cash per \$0.35 Warrant.

The Offer is made only for Shares and Warrants and is not made for any Options or other securities of Goldbrook that are convertible into or exchangeable or exercisable for Shares. Any holder of Options or other securities of Goldbrook that are convertible into or exchangeable or exercisable for Shares (other than Warrants) who wishes to accept the Offer must, to the extent permitted by the terms of the security and applicable Laws, exercise, exchange or convert such Options or other securities of Goldbrook that are convertible into or exchangeable or exercisable for Shares in order to acquire Shares and obtain certificates representing such Shares and deposit such Shares in accordance with the terms of the Offer.

**The Offer represents a premium of 59% to Goldbrook's closing Share price on the TSXV of Cdn.\$0.245 on January 19, 2012 (the last trading day prior to the announcement of the Offer) and a premium of 69% to Goldbrook's volume weighted average Share price of Cdn.\$0.222 on the TSXV for the 20 trading days prior to the announcement of the Offer. The Offer also represents a premium of 160% to Goldbrook's closing Share price of Cdn.\$0.15 on the TSXV on November 29, 2011 (the last trading day prior to the issuance by Goldbrook of the Goldbrook Press Release) and a premium of 141% to Goldbrook's volume weighted average Share price of Cdn.\$0.1619 on the TSXV for the 20 trading days prior to the issuance by Goldbrook of the Goldbrook Press Release.**

The obligation of the Offeror to take up and pay for Shares and Warrants under the Offer is subject to certain conditions. See Section 4 of the Offer, "Conditions of the Offer".

### **The Parent and the Offeror**

JJNICL is a corporation existing under the laws of the PRC. The head office of JJNICL is located at Panshi City, Jilin Province, China.

JJNICL is one of China's largest producers of nickel, copper and cobalt sulphates, as well as other nickel products including nickel matte, electrolytic nickel, nickel hydroxide and nickel chloride. With profitable operations spanning exploration, mining, smelting, refining, chemicals and research, JJNICL has total assets of over RMB3 billion, nearly 10,000 employees and its facilities occupy 4.5 million square meters.

JJNICL was the first company in China's nickel industry to list in the A-share market of the Shanghai Stock Exchange under stock code 600432. JJNICL is one of the companies comprising the SSE180 index and the CSI300 index.

The Offeror was incorporated under the laws of the Province of British Columbia on January 25, 2012. The Offeror is a wholly-owned indirect subsidiary of JJNICL.

The Offeror has not carried on any material business prior to the date hereof other than business incidental to making the Offer. The head office and the registered and records office of the Offeror is Suite 2300, Bentall 5, 550 Burrard Street, Vancouver, British Columbia, V6C 2B5. See Section 1 of the Circular, "The Parent and the Offeror".

## **Goldbrook**

Goldbrook is a corporation continued under the laws of the Province of British Columbia. Goldbrook is engaged in the exploration and development of nickel-copper-platinum group element sulphide deposits, a class of mineral deposit that, due to its polymetallic nature, has the advantage of protection against individual metal price cycles and has strong long term supply-demand fundamentals.

The head office and the registered and records office of Goldbrook is located at 1550-200 Burrard Street, Vancouver, British Columbia V6C 3L6.

The Shares are listed and posted for trading on the TSXV under the symbol “GBK” and are also listed on the FSE under the trading symbol “GVE”. The Warrants are not listed on any stock exchange. Goldbrook is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario and files its continuous disclosure documents with the relevant Canadian securities regulatory authorities. Such documents are available at [www.sedar.com](http://www.sedar.com).

See Section 2 of the Circular, “Goldbrook”.

## **Recommendation of the Goldbrook Board**

The Goldbrook Board, after consultation with its legal advisors and on receipt of a recommendation of its Special Committee, has UNANIMOUSLY DETERMINED that the Offer is in the best interests of Goldbrook, the Shareholders (other than the Parent and its affiliates) and the Warrantholders and, accordingly, the Goldbrook Board has agreed to **UNANIMOUSLY RECOMMEND** that Shareholders and Warrantholders **ACCEPT** the Offer and **DEPOSIT** their Shares and Warrants under the Offer. For further information, see the Circular, including Section 6 of the Circular, “Support Agreement”.

## **Fairness Opinion**

Raymond James Ltd. delivered a verbal opinion to the Special Committee to the effect that, as of the date of that opinion and based on and subject to certain assumptions, limitations and qualifications, the consideration to be received under the Offer was fair, from a financial point of view, to Shareholders (other than the Parent and its affiliates). For further information, see the Directors’ Circular to be delivered by the Goldbrook Board in connection with the Offer.

## **Support Agreement**

On January 19, 2012, Goldbrook entered into the Support Agreement with the Parent which sets out, among other things, the terms and conditions upon which the Offer is to be made. Pursuant to the Support Agreement, Goldbrook has agreed to support the Offer and not solicit any competing Acquisition Proposals. See Section 6 of the Circular, “Support Agreement”.

On January 19, 2012, Goldbrook, the Parent and McCarthy Tétrault LLP entered into the Escrow Agreement pursuant to which, among other things, the Parent deposited \$6,895,635 with McCarthy Tétrault LLP on January 27, 2012 to be disbursed pursuant to the Escrow Agreement in respect of payments identified therein. See Section 13 of the Circular, “Arrangements, Agreements or Understandings”.

The Parent advanced \$2,000,000 to Goldbrook on January 27, 2012 under the terms of the Support Agreement, which loan has been reflected by the issuance of a Promissory Note by Goldbrook to the Parent. The purpose of this interim funding arrangement is to enable Goldbrook to fund expenses it incurs in the ordinary course of business. See Section 13 of the Circular, “Arrangements, Agreements or Understandings”.

## **Lock-Up Agreements**

The Parent has also entered into Lock-Up Agreements on January 19, 2012 with each of the directors and officers of Goldbrook, pursuant to which each Locked-Up Securityholder has agreed to support the Offer and to accept the Offer and deposit or cause to be deposited under the Offer and not withdraw, subject to certain exceptions, all of the Shares (including Shares underlying any Options and other Goldbrook convertible securities held by such Locked-Up Securityholders) and Warrants that the Locked-Up Securityholder beneficially owns. The aggregate number of Shares and Warrants subject to the Lock-Up Agreements represents approximately 6% of the issued and outstanding Shares and Warrants on a fully diluted basis. See Section 7 of the Circular, “Lock-Up Agreements”.



### **Litigation Standstill Agreement**

On January 19, 2012, the Parent, JIIL, JCML, CRI, Goldbrook, Mr. David Baker, Mr. Brian Grant and Gowling Lafleur Henderson LLP entered into the Litigation Standstill Agreement pursuant to which, among other things, pending completion of the Offer or the termination of the Support Agreement, the parties agreed to suspend all litigation and arbitration proceedings between themselves and, upon the successful completion of the Offer, all such litigation and arbitration proceedings will be dismissed. See Section 13 of the Circular, "Arrangements, Agreements or Understandings".

### **Interim Arrangements Agreements**

On January 19, 2012, the Parent, JIIL, JCML and Goldbrook entered into the Interim Arrangements Agreement which provides for the interim operations and interim funding of JCML prior to the completion of the Offer. See Section 13 of the Circular, "Arrangements, Agreements or Understandings".

### **Time for Acceptance**

The Offer is open for acceptance until 8:00 p.m. (Toronto time) on March 12, 2012 or such later time or times and date or dates as may be fixed by the Offeror from time to time, unless the Offer is withdrawn by the Offeror. The Offeror may, in accordance with the terms of the Support Agreement and subject to applicable Laws, extend the Expiry Time, as described under Section 5 of the Offer, "Extension, Variation or Change in the Offer".

### **Manner of Acceptance**

A Securityholder wishing to accept the Offer must properly complete and execute a Letter of Transmittal (printed on YELLOW paper) or a manually executed facsimile thereof and deposit and, at or prior to the Expiry Time, together with the certificates representing such Securityholder's Shares or Warrants, as applicable, and all other required documents with the Depository and Information Agent at the office of the Depository and Information Agent in Toronto, Ontario, Canada specified in the Letter of Transmittal, in accordance with the instructions in the Letter of Transmittal. Detailed instructions are contained in the Letter of Transmittal which accompanies the Offer. See Section 3 of the Offer, "Manner of Acceptance — Letter of Transmittal".

If a Securityholder wishes to accept the Offer and deposit Shares pursuant to the Offer and: (a) the certificates representing such Securityholder's Shares are not immediately available, (b) the Securityholder cannot complete the procedure for book-entry transfer of the Shares on a timely basis, or (c) the certificates and all other required documents cannot be provided to the Depository and Information Agent at or prior to the Expiry Time, such Shares may nevertheless be deposited under the Offer in compliance with the procedures for guaranteed delivery using the Notice of Guaranteed Delivery (printed on GREEN paper) or a manually executed facsimile thereof. Detailed instructions are contained in the Notice of Guaranteed Delivery which accompanies the Offer. See Section 3 of the Offer, "Manner of Acceptance — Procedure for Guaranteed Delivery".

Shareholders may accept the Offer by following the procedures for book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depository and Information Agent at its office in Toronto, Ontario, Canada specified in the Letter of Transmittal at or prior to the Expiry Time. Shareholders may also accept the Offer by following the procedure for book-entry transfer established by DTC, provided that a Book-Entry Confirmation, together with an Agent's Message in respect thereof, or a properly completed and executed Letter of Transmittal, with the signatures guaranteed, if required, and all other required documents, are received by the Depository and Information Agent at its office in Toronto, Ontario, Canada specified in the Letter of Transmittal at or prior to the Expiry Time. Shareholders accepting the Offer through book-entry transfer must make sure such documents or Agent's Message, as applicable, are received by the Depository and Information Agent.

Securityholders who have deposited their Shares pursuant to the Offer will be deemed to have deposited the SRP Rights associated with such Shares. No additional payment will be made for the SRP Rights and no part of the consideration to be paid by the Offeror for Shares will be allocated to the SRP Rights.

**Securityholders whose Shares or Warrants are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact that nominee for assistance if they wish to accept the Offer in order to take the necessary steps to be able to deposit such Shares and Warrants under the Offer. Intermediaries likely have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. Securityholders should instruct their brokers or other nominees promptly if they wish to tender.**

Securityholders will not be required to pay any fee or commission if they accept the Offer by depositing their Shares and Warrants directly with the Depository and Information Agent.

**Securityholders should contact the Depository and Information Agent or a broker or dealer for assistance in accepting the Offer and in depositing Shares and Warrants with the Depository and Information Agent. Kingsdale Shareholder Services can be contacted within North America at 1-877-659-1822 and outside North America at 1-416-867-2272 (collect calls accepted) or by e-mail at [contactus@kingsdleshareholder.com](mailto:contactus@kingsdleshareholder.com).**

### **Purpose of the Offer and Plans for Goldbrook**

The purpose of the Offer is to enable the Offeror to acquire (and the Parent to acquire indirectly through the Offeror) voting control of Goldbrook. The effect of the Offer is to give all Shareholders the opportunity to receive Cdn.\$0.39 in cash per Share, each holder of \$0.25 Warrants the opportunity to receive Cdn.\$0.14 in cash per \$0.25 Warrant, and each holder of \$0.35 Warrants the opportunity to receive Cdn.\$0.04 in cash per \$0.35 Warrant. The Offer represents a premium of 59% to Goldbrook's closing Share price of Cdn.\$0.245 on the TSXV on January 19, 2012 (the last trading day prior to the announcement of the Offer) and a premium of 69% to Goldbrook's volume weighted average Share price of Cdn.\$0.222 on the TSXV for the 20 trading days prior to the announcement of the Offer. The Offer also represents a premium of 160% to Goldbrook's closing Share price of Cdn.\$0.15 on the TSXV on November 29, 2011 (the last trading day prior to the issuance by Goldbrook of the Goldbrook Press Release) and a premium of 141% to Goldbrook's volume weighted average Share price of Cdn.\$0.1619 on the TSXV for the 20 trading days prior to the issuance by Goldbrook of the Goldbrook Press Release.

Upon the successful completion of the Offer, the Offeror intends to conduct a detailed review of Goldbrook, including an evaluation of its business plans, assets, operations and organizational and capital structure to determine what changes would be desirable in light of such review and the circumstances that then exist. Without limiting the foregoing, it is the Offeror's present intention to exercise its influence to cause Goldbrook to support the expeditious development and commercial production of the Nunavik Nickel Project for the benefit of all stakeholders. Such development will require substantial additional funds and it is the Offeror's present intention to exercise its influence to cause JCML and/or CRI to pursue one or more financing alternatives to fund such development. Such alternatives could include, among other things, issuing additional equity or incurring material debt and/or entering into arrangements with strategic partners. Further, it is the Offeror's intention to dismiss the outstanding litigation between Goldbrook and JJNICL and other parties pursuant to the terms of the Litigation Standstill Agreement.

See Section 8 of the Circular, "Purpose of the Offer and Plans for Goldbrook" and Section 15 of the Circular, "Acquisition of Shares Not Deposited Under the Offer".

### **Conditions of the Offer**

The Offeror reserves the right to withdraw the Offer and not take up and pay for any Shares or Warrants deposited under the Offer unless the conditions described in Section 4 of the Offer, "Conditions of the Offer" are satisfied or waived by the Offeror at or prior to the Expiry Time. The Offer is conditional on, among other things, there having been validly deposited pursuant to the Offer and not withdrawn at the Expiry Time that number of Shares which, together with Shares directly or indirectly owned by the Parent, any subsidiary of the Parent or any of their affiliates, constitutes at least 50% of the Shares outstanding (calculated on a fully diluted basis) plus one (1) Share. See Section 4 of the Offer, "Conditions of the Offer".

### **Take-Up and Payment for Deposited Securities**

If all of the conditions described in Section 4 of the Offer, "Conditions of the Offer", have been satisfied or waived by the Offeror, at or prior to the Expiry Time, the Offeror will take up and pay for all Shares and Warrants validly deposited under the Offer and not properly withdrawn promptly and, in any event, not later than three business days after the Expiry Date. Any Shares and Warrants taken up will be paid for as soon as possible, and in any event, not more than three business days after they are taken up under the Offer. Subject to applicable Laws, any Shares and Warrants deposited under the Offer after the first date upon which Shares and Warrants are first taken up by the Offeror under the Offer but prior to the Expiry Time will be taken up and paid for within 10 days of such deposit. See Section 6 of the Offer, "Take-Up and Payment for Deposited Securities".

All payments under the Offer will be made in Canadian dollars. However, a Securityholder can also elect to receive payment in U.S. dollars by checking the appropriate box in the Letter of Transmittal, in which case such Securityholder will have acknowledged and agreed that the exchange rate for one (1) Canadian dollar expressed in U.S. dollars will be based on the exchange rate available to the Depository and Information Agent at its typical banking institution on the date the funds are converted. Securityholders electing to have the payment for their Shares and Warrants paid in U.S. dollars will have further acknowledged and agreed that any change to the currency exchange rates of the United States or Canada will be at the sole risk of the Securityholder. The Depository and Information Agent may receive a fee from its banking institution for referring foreign exchange transactions to it. Resident Holders, or Non-Resident Holders that may be liable for tax in Canada (see discussion in Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada"), that elect

to receive their payment in U.S. dollars may realize a foreign exchange gain or loss in certain circumstances. Please see discussion in Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations".

If a Securityholder wishes to receive cash payable in U.S. dollars, Block D captioned "Currency of Payment" in the Letter of Transmittal must be completed; otherwise the consideration paid will be in Canadian dollars.

### **Withdrawal of Deposited Securities**

Shares and Warrants deposited under the Offer may be withdrawn by or on behalf of the depositing Securityholder at any time before the Shares and Warrants have been taken up by the Offeror under the Offer and in the other circumstances described in Section 8 of the Offer, "Withdrawal of Securities Deposited Under the Offer". Except as so indicated or as otherwise required by applicable Laws, deposits of Shares and Warrants are irrevocable.

### **Acquisition of Shares Not Deposited**

If, within 120 days after the date of the Offer (or such later time as a court may permit), the Offer has been accepted by Shareholders holding not less than 90% of the issued and outstanding Shares as at the Expiry Time, excluding Shares held at the date of the Offer by or on behalf of the Offeror or an affiliate or an "associate" (as such term is defined in the BCBCA) of the Offeror, and the Offeror acquires such deposited Shares under the Offer, the Offeror shall, to the extent possible, acquire the remainder of the Shares from those Shareholders who have not accepted the Offer on the same terms pursuant to a Compulsory Acquisition under Section 300 of the BCBCA. If a Compulsory Acquisition is not available to the Offeror because the Offer has been accepted by holders of less than 90% of the outstanding Shares as at the Expiry Time, excluding Shares held by or on behalf of the Offeror or an affiliate or an associate of the Offeror, the Offeror may, at its option, pursue other means of acquiring the remaining Shares not tendered to the Offer, provided that the consideration per Share offered in connection with the Subsequent Acquisition Transaction is at least equivalent in value to the consideration per Share paid under the Offer. At the Offeror's request, Goldbrook will assist the Offeror in order for the Offeror to acquire a sufficient number of Shares to successfully complete a Subsequent Acquisition Transaction involving Goldbrook and the Parent or a subsidiary of the Parent. See Section 15 of the Circular, "Acquisition of Shares Not Deposited Under the Offer".

### **Canadian Federal Income Tax Considerations**

Generally, a Resident Holder who holds Shares and/or Warrants as capital property and who sells those securities to the Offeror under the Offer will realize a capital gain (or capital loss) equal to the amount by which the cash received by such holder, net of any reasonable costs of disposition, exceeds (or is less than) the adjusted cost base (as determined under the Tax Act) to the Securityholder of these securities.

Generally, a Non-Resident Holder will not be subject to tax in Canada in respect of any capital gain realized on the sale of Shares and/or Warrants to the Offeror under the Offer, unless those securities constitute "taxable Canadian property" to such Securityholder within the meaning of the Tax Act and that gain is not otherwise exempt from tax under the Tax Act pursuant to an exemption contained in an applicable income tax treaty or convention.

**The foregoing is a very brief summary of certain Canadian federal income tax consequences. See Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations", for a summary of the principal Canadian federal income tax considerations generally applicable to Securityholders. Securityholders are urged to consult their own tax advisors to determine the particular tax consequences to them of a sale of Shares and/or Warrants under the Offer, a Compulsory Acquisition or a Subsequent Acquisition Transaction.**

### **Stock Exchange Listings**

The Shares are listed on the TSXV under the symbol "GBK" and are also listed on the FSE under the symbol "GVE". See Section 4 of the Circular, "Price Range and Trading Volumes of the Shares". Depending on the number of Shares purchased by the Offeror under the Offer or otherwise, it is possible that the Shares, as applicable, will fail to meet the criteria of the TSXV and the FSE for continued listing on such exchange(s). If permitted by applicable Laws, the Offeror may cause Goldbrook to apply to delist the Shares from the TSXV and from the FSE as soon as practicable after completion of the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction. The Warrants are not listed on any stock exchange. See Section 9 of the Circular, "Effect of the Offer on the Market for and Listing of Shares and Status as a Reporting Issuer".

### **Depository and Information Agent**

The Parent and the Offeror have engaged Kingsdale Shareholder Services Inc. as the Depository and Information Agent to receive deposits of certificates representing Shares and Warrants and accompanying Letters of Transmittal deposited under the

Offer at its office in Toronto, Ontario, Canada specified in the Letter of Transmittal. In addition, the Depositary and Information Agent will receive Notices of Guaranteed Delivery at its office in Toronto, Ontario, Canada specified in the Notice of Guaranteed Delivery. The Depositary and Information Agent will also be responsible for giving certain notices, if required, and for making payment for all Shares and Warrants purchased by the Offeror under the Offer. The Depositary and Information Agent will also facilitate book-entry transfers of Shares.

The Depositary and Information Agent will also provide a resource for information for Securityholders. See Section 20 of the Circular, "Depositary and Information Agent".

Questions and requests for assistance may be directed to the Depositary and Information Agent for the Offer within North America at 1-877-659-1822 and outside North America at 1-416-867-2272 or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com). Full contact details for the Depositary and Information Agent are provided on the last page of this document.

## GLOSSARY

*The Glossary forms a part of the Offer and Circular. In the Offer, the Summary, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, unless the context otherwise requires, the following terms shall have the meanings set forth below, and grammatical variations thereof shall have the corresponding meanings:*

“**Acquisition Proposal**” has the meaning ascribed thereto in Section 6 of the Circular, “Support Agreement – No Solicitation”;

“**affiliate**” means an “affiliate” as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*;

“**Agent’s Message**” means a message, transmitted by DTC to, and received by, the Depository and Information Agent and forming part of a Book-Entry Confirmation, which states that DTC has received an express acknowledgement from the participant in DTC depositing the Securities which are the subject of such Book-Entry Confirmation that such participant has received and agrees to be bound by the terms of the Letter of Transmittal as if executed by such participant and that the Offeror may enforce such agreement against such participant;

“**allowable capital loss**” has the meaning ascribed thereto in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations - Sale Pursuant to the Offer”;

“**associate**” has the meaning ascribed thereto in the Securities Act;

“**BCBCA**” means the *Business Corporations Act* (British Columbia), as amended, and the regulations thereunder;

“**Book-Entry Confirmation**” means confirmation of a book-entry transfer of a Shareholder’s Shares into the Depository and Information Agent’s account at CDS or DTC, as applicable;

“**business day**” means any day (other than a Saturday or Sunday) on which commercial banks located in Vancouver, British Columbia, Canada and the PRC are open for the conduct of business;

“**Cash-Out Amount**” has the meaning ascribed thereto in Section 6 of the Circular, “Support Agreement – Outstanding Goldbrook Options”;

“**CDB**” means China Development Bank;

“**CDB Loan**” has the meaning ascribed thereto in Section 5 of the Circular, “Background to the Offer”;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**CDSX**” means the CDS on-line tendering system pursuant to which book-entry transfers may be effected;

“**Circular**” means the take-over bid circular accompanying and forming part of the Offer;

“**Commissioner**” means the Commissioner of Competition appointed under the Competition Act or any person duly authorized to perform duties on behalf of the Commissioner of Competition;

“**Compelled Acquisition**” has the meaning ascribed thereto in Section 15 of the Circular, “Acquisition of Shares Not Deposited Under the Offer – Compelled Acquisition”;

“**Competition Act**” means the *Competition Act* (Canada), as amended, and the regulations thereunder;

“**Compulsory Acquisition**” has the meaning ascribed thereto in Section 15 of the Circular, “Acquisition of Shares Not Deposited Under the Offer – Compulsory Acquisition”;

“**Conditional Option Exercise**” has the meaning ascribed thereto in Section 6 of the Circular, “Support Agreement – Outstanding Goldbrook Options”;

“**Contemplated Transactions**” has the meaning ascribed thereto in Section 6 of the Circular, “Support Agreement - Termination of the Support Agreement”;

“**CRA**” has the meaning ascribed thereto in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”;

“**CRI**” means Canadian Royalties Inc., a wholly-owned subsidiary of JCML existing under the federal laws of Canada;

“**De Minimis Exemption**” has the meaning ascribed thereto in Section 15 of the Circular, “Acquisition of Shares Not Deposited Under the Offer – Subsequent Acquisition Transaction”;

“**Depository and Information Agent**” means Kingsdale Shareholder Services Inc. at its office in Toronto, Ontario, Canada specified in the Letter of Transmittal;

“**Deposited Securities**” has the meaning ascribed thereto in Section 3 of the Offer, “Manner of Acceptance - Dividends and Distributions”;

“**Directors’ Circular**” means the directors’ circular of the Goldbrook Board recommending that Shareholders and Warranholders accept the Offer;

“**Dissenting Offeree**” has the meaning ascribed thereto in Section 15 of the Circular, “Acquisition of Shares Not Deposited Under the Offer - Compulsory Acquisition”;

“**Distributions**” has the meaning ascribed thereto in Section 3 of the Offer, “Manner of Acceptance - Dividends and Distributions”;

“**DTC**” means The Depository Trust Company;

“**Effective Time**” has the meaning ascribed thereto in Section 3 of the Offer, “Manner of Acceptance - Power of Attorney”;

“**Eligible Institution**” means a Canadian Schedule I chartered bank, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange, Inc. Medallion Signature Program (MSP);

“**Escrow Agreement**” means the escrow agreement dated January 19, 2012 among Goldbrook, the Parent and McCarthy Tétrault LLP;

“**Expiry Date**” means March 12, 2012 or such later date or dates as may be fixed by the Offeror from time to time as provided in Section 5 of the Offer, “Extension, Variation or Change in the Offer”, unless the Offer is withdrawn by the Offeror;

“**Expiry Time**” means 8:00 p.m. (Toronto time) on the Expiry Date, or such later time or times as may be fixed by the Offeror from time to time as provided in Section 5 of the Offer, “Extension, Variation or Change in the Offer”, unless the Offer is withdrawn by the Offeror;

“**FSE**” means the Frankfurt Stock Exchange;

“**fully diluted basis**” means, with respect to the number of outstanding Shares at any time, the number of Shares that would be outstanding if all rights to acquire Shares, other than SRP Rights, were exercised, including, for greater certainty, all Shares issuable upon exercise of the Options and Warrants, whether vested or unvested;

“**GAAP**” means generally accepted accounting principles as set out in the Handbook of the Canadian Institute of Chartered Accountants, as amended from time to time, consistently applied, or International Financial Reporting Standards, as applicable, consistently applied;

“**Goldbrook**” means Goldbrook Ventures Inc., a corporation existing under the laws of the Province of British Columbia;

“**Goldbrook Board**” means the board of directors of Goldbrook;

“**Goldbrook Directors**” has the meaning ascribed thereto in Section 5 of the Circular, “Background to the Offer”;

“**Goldbrook Press Release**” means the press release issued by Goldbrook on November 30, 2011 announcing, among other things, the Parent’s request for consent to make a Cdn.\$0.30 in cash per Share offer to Shareholders as is further discussed in Section 5 of the Circular, “Background to the Offer”;

**“Governmental Entity”** means: (i) any supranational government body or organization (such as the European Union), sovereign nation, government, state, province, country, territory, municipality, quasi-government, administrative, judicial or regulatory authority, agency, board, body, bureau, commission (including any securities commission), instrumentality, court or tribunal or any political subdivision thereof, or any central bank (or similar monetary or regulatory authority) thereof, any taxing authority, any ministry or department or agency of any of the foregoing; (ii) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government, including any court; (iii) any stock exchange; or (iv) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of the foregoing entities established to perform a duty or function on its behalf;

**“Investment Canada Act”** means the Investment Canada Act (Canada), as amended, and the regulations thereunder;

**“Interim Arrangements Agreement”** means the interim arrangements agreement dated January 19, 2012 among the Parent, JIIL, JCML and Goldbrook;

**“JCML”** means Jien Canada Mining Ltd., a company jointly owned by JJNCL and Goldbrook existing under the federal laws of Canada;

**“JCML Directors”** has the meaning ascribed thereto in Section 5 of the Circular, “Background to the Offer”;

**“JIIL”** means Jien International Investment Ltd., a wholly-owned subsidiary of JJNCL existing under the federal laws of Canada;

**“JJ”** has the meaning ascribed thereto in Section 5 of the Circular, “Background to the Offer”;

**“JJ Directors”** has the meaning ascribed thereto in Section 5 of the Circular, “Background to the Offer”;

**“JNMEL”** means Jien Nunavik Mining Exploration Ltd., a wholly-owned indirect subsidiary of the Parent existing under the federal laws of Canada;

**“JV Agreement”** means the option and joint venture agreement dated August 28, 2008 between the Parent and Goldbrook;

**“Latest Mailing Time”** has the meaning ascribed thereto in Section 6 of the Circular, “Support Agreement – Termination of the Support Agreement”;

**“Laws”** means any applicable laws, including international, national, provincial, state, municipal and local laws, treaties, statutes, ordinances, judgments, decrees, injunctions, writs, certificates and orders, notices, bylaws, rules, regulations, ordinances, or other requirements, policies or instruments of any Governmental Entity having the force of law;

**“Letter of Transmittal”** means the letter of transmittal (printed on YELLOW paper) in the form accompanying the Offer and Circular, or a manually signed facsimile thereof;

**“Litigation Standstill Agreement”** means the litigation standstill agreement dated January 19, 2012 between the Parent, JIIL, JCML, CRI, Goldbrook, Mr. David Baker, Mr. Brian Grant and Gowling Lafleur Henderson LLP;

**“Lock-Up Agreements”** means the lock-up agreements dated January 19, 2012 between the Parent and each director and officer of Goldbrook;

**“Locked-Up Securities”** means all Shares and Warrants beneficially owned, or over which control or direction is exercised, by the Locked-Up Securityholders at any time from the date of the Lock-Up Agreements to and including the Expiry Time (including any Shares issued pursuant to any Options, Warrants or other convertible security of Goldbrook owned by the Locked-Up Securityholders from the date of the Lock-Up Agreements to and including the Expiry Time) that will be tendered or caused to be tendered to the Offer by the Locked-Up Securityholders pursuant to the terms of the Lock-Up Agreements;

**“Locked-Up Securityholders”** means, collectively, the directors and officers of Goldbrook, and **“Locked-Up Securityholder”** means any one of the Locked-Up Securityholders;

**“Material Adverse Effect”** means, when used in connection with a person, any effect that is, or could reasonably be expected to be, material and adverse to the financial condition, properties, assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), obligations (whether absolute, accrued, conditional or

otherwise), businesses, operations or results of operations of that person and its subsidiaries taken as a whole, whether before or after giving effect to the transactions contemplated by the Support Agreement other than any effect:

- (a) resulting from the announcement of the Support Agreement or the transactions contemplated thereby;
- (b) relating to general political, economic or financial conditions or securities or capital markets generally in Canada, the United States, the PRC or elsewhere;
- (c) relating to any changes in currency exchange rates, interest rates or inflation;
- (d) affecting the global mining industry in general;
- (e) relating to a change in the market trading price or trading volume of securities of that person;
- (f) resulting from compliance with the terms of the Support Agreement or resulting from actions or inactions to which the other party has expressly consented, in writing; or
- (g) related to any changes to the financial condition, properties, assets, liabilities (including any contingent liabilities that may arise through outstanding, pending or threatened litigation or otherwise), obligations (whether absolute, accrued, conditional or otherwise), businesses, operations or results of operations of JCML, the Nunavik Nickel Project or the Raglan Project,

provided that such effect referred to in clauses (b), (c) or (d) above does not materially disproportionately adversely affect that person and its subsidiaries, taken as a whole, compared to other companies of similar size operating in the industry in which that person and its subsidiaries operate;

“**Minimum Tender Condition**” has the meaning ascribed thereto in paragraph (a) of Section 4 of the Offer, “Conditions of the Offer”;

“**Minister**” has the meaning ascribed thereto in Section 16 of the Circular, “Regulatory Matters - Investment Canada Act”;

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

“**MI 62-104**” means Multilateral Instrument 62-104 – *Take-Over Bids and Issuer Bids*;

“**Non-Resident Holder**” has the meaning ascribed thereto in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations – Holders Not Resident In Canada”;

“**Notice of Guaranteed Delivery**” means the notice of guaranteed delivery (printed on GREEN paper) in the form accompanying the Offer and Circular, or a manually signed facsimile thereof;

“**Nunavik Nickel Project**” means the mineral project located in Nunavik, Quebec owned by CRI;

“**Offer**” means the offer to purchase all of the issued and outstanding Shares and Warrants made hereby to the Shareholders and Warrantheolders pursuant to the terms and subject to the conditions set out herein;

“**Offeror**” means 0931017 B.C. Ltd., a wholly-owned indirect subsidiary of the Parent, incorporated under the laws of British Columbia;

“**Offeror’s Notice**” has the meaning ascribed thereto in Section 15 of the Circular, “Acquisition of Shares Not Deposited Under the Offer - Compulsory Acquisition”;

“**Options**” means the outstanding options to acquire Shares under the Stock Option Plan;

“**OSA**” means the Securities Act (Ontario), as amended;

“**OSC Rule 62-504**” means Ontario Securities Commission Rule 62-504 – *Take-Over Bids and Issuer Bids*;

“**Parent**” or “**JJNICL**” means Jilin Jien Nickel Industry Co., Ltd., a corporation existing under the laws of the PRC;



“**person**” includes an individual, general partnership, limited partnership, corporation, company, limited liability company, body corporate, joint venture, unincorporated organization, other form of business organization, trust, trustee, executor, administrator or other legal representative;

“**PRC**” means the People’s Republic of China;

“**PRC Approvals**” means the approvals required to be obtained from the following Governmental Entities of the PRC in order for the Parent and the Offeror to complete the transactions contemplated by the Support Agreement: (i) the National Development and Reform Commission of the PRC, (ii) the Administration of Foreign Exchange, and (iii) the Ministry of Commerce;

“**Promissory Note**” has the meaning ascribed thereto in Section 13 of the Circular, “Arrangements, Agreements or Understandings”;

“**Purchased Securities**” has the meaning ascribed thereto in Section 3 of the Offer, “Manner of Acceptance - Power of Attorney”;

“**Raglan Project**” means the mineral project located in the Raglan area of northern Quebec and operating as a 50-50 joint venture between Goldbrook and the Parent;

“**Redeemable Shares**” has the meaning ascribed thereto in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations – Subsequent Acquisition Transaction”;

“**Representative**” means, in respect of a person, its subsidiaries and each of such persons’ and its subsidiaries’ directors, officers, employees, agents or other representatives (including any financial, legal or other advisors);

“**Required Regulatory Approvals**” means the PRC Approvals;

“**Resident Holder**” has the meaning ascribed thereto in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations – Holders Resident In Canada”;

“**Right to Match Period**” has the meaning ascribed thereto in Section 6 of the Circular, “Support Agreement - Superior Proposals, Right to Match, etc.”;

“**SEC**” means the U.S. Securities and Exchange Commission;

“**Securities**” means, collectively, the Shares and the Warrants;

“**Securities Act**” means the *Securities Act* (British Columbia), as amended, and the regulations thereunder;

“**Securityholders**” means, collectively, the Shareholders and the Warrantholders;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

“**Separation Time**” has the meaning ascribed thereto in Section 10 of the Circular, “Shareholder Rights Plan”;

“**Shareholders Agreement**” means the shareholder, joint bid and operating agreement dated August 6, 2009 among the Parent, JIIL, JCML and Goldbrook;

“**Shareholder Rights Plan**” means the amended and restated shareholder rights plan agreement dated as of November 17, 2005, and amended as of September 25, 2008, entered into between Goldbrook and Computershare Investor Services Inc., as rights agent, as modified or amended and superseded by any replacement shareholder rights plan;

“**Shareholders**” means the holders of Shares, and “**Shareholder**” means any one of them;

“**Shares**” means the common shares of Goldbrook, including those common shares issued on the exercise of Options or Warrants or upon the conversion, exchange or exercise of any other securities of Goldbrook that are convertible into or exchangeable or exercisable for common shares (other than SRP Rights), and the associated SRP Rights, and “**Share**” means any one common share of Goldbrook;

“**Soliciting Dealer**” has the meaning set out under Section 21 of the Circular, “Soliciting Dealer Group”;

“**Soliciting Dealer Group**” has the meaning set out under Section 21 of the Circular, “Soliciting Dealer Group”;

“**Special Committee**” has the meaning ascribed thereto in Section 5 of the Circular, “Background to the Offer”;

“**SRP Right**” means a right issued pursuant to the Shareholder Rights Plan;

“**Stock Option Plan**” means the Goldbrook stock option plan and any other plan, agreement or arrangement which provides for the issuance of Options to acquire Shares;

“**Subsequent Acquisition Transaction**” has the meaning ascribed thereto in Section 15 of the Circular, “Acquisition of Shares Not Deposited Under the Offer - Subsequent Acquisition Transaction”;

“**subsidiary**” means a “subsidiary” as defined in National Instrument 45-106 – *Prospectus and Registration Exemptions*;

“**Superior Proposal**” has the meaning ascribed thereto in Section 6 of the Circular, “Support Agreement – Superior Proposals, Right to Match, etc.”;

“**Support Agreement**” means the support agreement dated January 19, 2012 between the Parent and Goldbrook, as amended from time to time;

“**Tax Act**” has the meaning ascribed thereto in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”;

“**Tax Proposals**” has the meaning ascribed thereto in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”;

“**taxable capital gain**” has the meaning ascribed thereto in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations – Sale Pursuant to the Offer”;

“**Termination Payment**” has the meaning ascribed thereto in Section 6 of the Circular, “Support Agreement – Termination Payment and Expense Reimbursement”;

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

“**U.S. Exchange Act**” means the United States *Securities Exchange Act of 1934*, as amended;

“**Warrantholders**” means the holders of the \$0.35 Warrants and the \$0.25 Warrants;

“**Warrants**” means the \$0.35 Warrants and the \$0.25 Warrants;

“**Withholding Amount**” has the meaning ascribed thereto in Section 6 of the Circular, “Support Agreement – Outstanding Goldbrook Options”;

“**\$0.25 Warrants**” means all outstanding share purchase warrants to acquire Shares with an exercise price of \$0.25; and

“**\$0.35 Warrants**” means all outstanding share purchase warrants to acquire Shares with an exercise price of \$0.35.

## OFFER

*The accompanying Circular, which is incorporated into and forms part of the Offer, contains important information that should be read carefully before making a decision with respect to the Offer. Terms used in the Offer, where not otherwise defined herein, have the meaning set out in the accompanying Glossary, unless the context otherwise requires.*

January 30, 2012

### TO: THE HOLDERS OF SHARES AND WARRANTS OF GOLDBROOK VENTURES INC.

#### 1. The Offer

The Offeror is offering to purchase, on and subject to the terms and conditions of the Offer, all of the issued and outstanding Shares (other than Shares directly or indirectly owned by the Parent, any subsidiary of the Parent or any of their affiliates) and any Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time upon the conversion, exchange or exercise of Options or other securities of Goldbrook that are convertible into or exchangeable or exercisable for Shares, at a price of Cdn.\$0.39 in cash per Share, all of the issued and outstanding \$0.25 Warrants at a price of Cdn.\$0.14 in cash per \$0.25 Warrant and all of the issued and outstanding \$0.35 Warrants at a price of Cdn.\$0.04 in cash per \$0.35 Warrant.

The Offer is made only for Shares and Warrants and is not made for any Options or other securities of Goldbrook that are convertible into or exchangeable or exercisable for Shares. Any holder of Options or other securities of Goldbrook that are convertible into or exchangeable or exercisable for Shares (other than Warrants) who wishes to accept the Offer must, to the extent permitted by the terms of the security and applicable Laws, exercise, exchange or convert such Options or other securities of Goldbrook that are convertible into or exchangeable or exercisable for Shares in order to acquire Shares and certificates representing such Shares and deposit such Shares in accordance with the terms of the Offer. Any such exercise, exchange or conversion must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Options or other securities of Goldbrook that are convertible into or exchangeable or exercisable for Shares will have certificates representing such Shares received upon such exercise, exchange or conversion, available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to under Section 3 of the Offer, "Manner of Acceptance - Procedure for Guaranteed Delivery".

**The Goldbrook Board, after consultation with its legal advisors and on receipt of a recommendation of its Special Committee, has UNANIMOUSLY DETERMINED that the Offer is in the best interests of Goldbrook, the Shareholders (other than the Parent and its affiliates) and Warrant holders and, accordingly, has agreed to UNANIMOUSLY RECOMMEND that Shareholders and Warrant holders ACCEPT the Offer and DEPOSIT their Shares and Warrants under the Offer.**

The Offer represents a premium of 59% to Goldbrook's closing Share price of Cdn.\$0.245 on the TSXV on January 19, 2012 (the last trading day prior to the announcement of the Offer) and a premium of 69% over Goldbrook's volume weighted average Share price of Cdn.\$0.222 on the TSXV for the 20 trading days prior to the announcement of the Offer. The Offer also represents a premium of 160% to Goldbrook's closing Share price of Cdn.\$0.15 on the TSXV on November 29, 2011 (the last trading day prior to the issuance by Goldbrook of the Goldbrook Press Release) and a premium of 141% to Goldbrook's volume weighted average Share price of Cdn.\$0.1619 on the TSXV for the 20 trading days prior to the issuance by Goldbrook of the Goldbrook Press Release.

The obligation of the Offeror to take up and pay for Shares and Warrants pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer, "Conditions of the Offer".

**Securityholders who have deposited their Shares pursuant to the Offer will be deemed to have deposited the SRP Rights associated with such Shares. No additional payment will be made for the SRP Rights and no part of the consideration to be paid by the Offeror for Shares will be allocated to the SRP Rights.**

Securityholders who do not deposit their Shares and Warrants under the Offer will not be entitled to any dissent or appraisal rights in connection with the Offer. However, Securityholders who do not deposit their Shares under the Offer may have certain rights of dissent in the event the Offeror acquires such Shares by way of a Compulsory Acquisition or Subsequent Acquisition Transaction, including the right to seek a judicial determination of the fair value of their Shares. See Section 15 of the Circular, "Acquisition of Shares Not Deposited Under the Offer".

By depositing their Shares and Warrants under the Offer, and provided the Offeror takes up and pays for their deposited Shares and Warrants, Securityholders release the Parent, the Offeror and Goldbrook and their respective past and present subsidiaries, affiliates, associates, directors, officers, employees, advisors, agents and assigns from certain claims and actions as are more particularly set out in the accompanying Letter of Transmittal.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Securityholders in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, the Offeror may, in its sole discretion, take such action as it may deem necessary to extend the Offer to Securityholders in any such jurisdiction.

## **2. Time for Acceptance**

The Offer is open for acceptance until 8:00 p.m. (Toronto time) on March 12, 2012 or such later time or times and date or dates as may be fixed by the Offeror from time to time pursuant to Section 5 of the Offer, "Extension, Variation or Change in the Offer", unless the Offer is withdrawn by the Offeror.

## **3. Manner of Acceptance**

### ***Letter of Transmittal***

The Offer may be accepted by delivering to the Depository and Information Agent at its office in Toronto, Ontario, Canada specified in the accompanying Letter of Transmittal (printed on YELLOW paper), so as to be actually received at or prior to the Expiry Time:

- (a) the certificate(s) representing the Shares and Warrants in respect of which the Offer is being accepted;
- (b) a Letter of Transmittal in the form accompanying the Offer or a manually executed facsimile thereof, properly completed and duly executed in accordance with the instructions set out in the Letter of Transmittal (including signature guarantee, if required); and
- (c) all other documents required by the terms of the Offer and the Letter of Transmittal.

Participants in CDS or DTC should contact the Depository and Information Agent within North America at 1-877-659-1822 and outside North America at 1-416-867-2272 or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com) with respect to the deposit of their Shares and Warrants under the Offer. The Offeror understands that CDS and DTC will be issuing instructions to their participants as to the method of depositing such Shares and Warrants under the terms of the Offer.

Except as otherwise provided in the instructions set out in the Letter of Transmittal, the signature on the Letter of Transmittal must be guaranteed by an Eligible Institution. If a Letter of Transmittal is executed by a person other than the registered holder of the certificate(s) deposited therewith, and in certain other circumstances as set out in the Letter of Transmittal, the certificate(s) deposited therewith must be endorsed, or be accompanied by an appropriate share transfer power of attorney in either case, duly and properly completed by the registered holder(s), with the signature on the endorsement panel or share transfer power of attorney corresponding exactly to the name(s) of the registered holder(s) as registered or as written on the face of the certificate(s) and guaranteed by an Eligible Institution (except that no guarantee is required if the signature is that of an Eligible Institution).

In addition, Shares may be deposited under the Offer in compliance with the procedures for guaranteed delivery set out below under the heading "Procedure for Guaranteed Delivery" or in compliance with the procedures for book-entry transfers set out below under the heading "Acceptance by Book-Entry Transfer".

The cash payable under this Offer will be denominated in Canadian dollars. However, a Securityholder can also elect to receive payment in U.S. dollars by checking the appropriate box in the Letter of Transmittal, in which case such Securityholder will have acknowledged and agreed that the exchange rate for one (1) Canadian dollar expressed in U.S. dollars will be based on the exchange rate available to the Depository and Information Agent at its typical banking institution on the date the funds are converted. Securityholders electing to have the payment for their Shares and Warrants paid in U.S. dollars will have further acknowledged and agreed that any change to the currency exchange rates of the United States or Canada will be at the sole risk of the Securityholder. The Depository and Information Agent may receive a fee from its banking institution for referring foreign exchange transactions to it. Resident Holders, or Non-Resident Holders that may be liable for tax in Canada (see discussion in Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada"), that elect

to receive their payment in U.S. dollars may realize a foreign exchange gain or loss in certain circumstances. Please see discussion in Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations".

If a Securityholder wishes to receive cash payable in U.S. dollars, Block D captioned "Currency of Payment" in the Letter of Transmittal must be completed; otherwise the consideration paid will be in Canadian dollars.

### ***SRP Rights***

Shareholders who have deposited their Shares pursuant to the Offer will be deemed to have deposited the SRP Rights associated with such Shares. No additional payment will be made for the SRP Rights and no part of the consideration to be paid by the Offeror for Shares will be allocated to the SRP Rights.

### ***Acceptance by Book-Entry Transfer***

Shareholders may accept the Offer by following the procedures for a book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depositary and Information Agent at its office in Toronto, Ontario, Canada specified in the Letter of Transmittal at or prior to the Expiry Time. The Depositary and Information Agent will establish an account at CDS for the purpose of the Offer. Any financial institution that is a participant in CDS may cause CDS to make a book-entry transfer of a Shareholder's Shares into the Depositary and Information Agent's account in accordance with CDS procedures for such transfer. Delivery of Shares to the Depositary and Information Agent by means of a book-entry transfer will constitute a valid deposit under the Offer.

Shareholders, through their respective CDS participants, who utilize CDSX to accept the Offer through a book-entry transfer of their holdings into the Depositary and Information Agent's account with CDS shall be deemed to have completed and delivered a Letter of Transmittal and to be bound by the terms thereof and therefore such instructions received by the Depositary and Information Agent are considered a valid deposit in accordance with the terms of the Offer.

Shareholders may also accept the Offer by following the procedure for book-entry transfer established by DTC, provided that a Book-Entry Confirmation, together with an Agent's Message in respect thereof, or a properly completed and executed Letter of Transmittal, with the signatures guaranteed, if required, and all other required documents, are received by the Depositary and Information Agent at its office in Toronto, Ontario, Canada specified in the Letter of Transmittal at or prior to the Expiry Time. The Depositary and Information Agent will establish an account at DTC for the purpose of the Offer. Any financial institution that is a participant in DTC may cause DTC to make a book-entry transfer of a Shareholder's Shares into the Depositary and Information Agent's account in accordance with DTC's procedures for such transfer.

However, as noted above, although delivery of Shares may be effected through book-entry transfer at DTC, either a Letter of Transmittal (or a manually executed facsimile thereof), properly completed and duly executed, together with any required signature guarantees, or an Agent's Message in lieu of a Letter of Transmittal, and any other required documents must, in each case, be received by the Depositary and Information Agent at its office in Toronto, Ontario, Canada specified in the Letter of Transmittal at or prior to the Expiry Time. Delivery of documents to DTC in accordance with its procedures does not constitute delivery to the Depositary and Information Agent. Such documents or Agent's Message should be sent to the Depositary and Information Agent for receipt by the Depositary and Information Agent at its office in Toronto, Ontario, Canada specified in the Letter of Transmittal at or prior to the Expiry Time.

### ***Procedure for Guaranteed Delivery***

If a Shareholder wishes to deposit Shares pursuant to the Offer and: (a) the certificate(s) representing such Shares is (are) not immediately available, (b) the Shareholder cannot complete the procedure for book-entry transfer of the Shares on a timely basis, or (c) the certificates and all other required documents cannot be delivered to the Depositary and Information Agent at or prior to the Expiry Time, such Shares may nevertheless be deposited under the Offer provided that all of the following conditions are met:

- (a) the deposit is made by or through an Eligible Institution;
- (b) a properly completed and executed Notice of Guaranteed Delivery (printed on GREEN paper) in the form accompanying the Offer, or a manually executed facsimile thereof, including the guarantee of delivery by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery, is received by the Depositary and Information Agent at its office in Toronto, Ontario, Canada specified in the Notice of Guaranteed Delivery at or prior to the Expiry Time; and

- (c) the certificate(s) representing all deposited Shares, together with a Letter of Transmittal, or a manually executed facsimile thereof, properly completed and duly executed as required by the instructions set out in the Letter of Transmittal (including signature guarantee if required), or, in the case of a book-entry transfer, a Book-Entry Confirmation with respect to such deposited Shares and, in the case of DTC accounts, a Letter of Transmittal, or a manually executed facsimile thereof, properly completed and duly executed (including signature guarantee, if required), or an Agent's Message in lieu of a Letter of Transmittal, and all other documents required by the terms of the Offer and the Letter of Transmittal, are received by the Depository and Information Agent at its office in Toronto, Ontario, Canada specified in the Letter of Transmittal prior to 8:00 p.m. (Toronto time) on the third trading day on the TSXV after the Expiry Date.

**The Notice of Guaranteed Delivery must be delivered by mail, hand or courier or transmitted by facsimile transmission to the Depository and Information Agent at its office in Toronto, Ontario, Canada specified in the Notice of Guaranteed Delivery and must include a guarantee by an Eligible Institution in the form set out in the Notice of Guaranteed Delivery. Delivery of the Notice of Guaranteed Delivery and the Letter of Transmittal and accompanying certificate(s) representing Shares and all other required documents to any office other than the Toronto, Ontario, Canada office of the Depository and Information Agent specified in the Letter of Transmittal does not constitute valid delivery for purposes of satisfying a guaranteed delivery.**

### *General*

Payment for Shares and Warrants taken up by the Offeror under the Offer will be made only after timely receipt by the Depository and Information Agent of (a) certificate(s) representing the Shares and Warrants (or, in the case of a book-entry transfer to the Depository and Information Agent, a Book-Entry Confirmation for the Shares), (b) a Letter of Transmittal, or a manually executed facsimile thereof, properly completed and duly executed as required by the instructions set out in the Letter of Transmittal (including signature guarantee, if required) or, in the case of Shares deposited using the procedures for book-entry transfer established by DTC, an Agent's Message, and (c) all other required documents.

**The method of delivery of certificate(s) representing Shares and Warrants, the Letter of Transmittal, the Notice of Guaranteed Delivery and all other required documents is at the option and risk of the person delivering those documents. The Offeror recommends that such documents be delivered by hand to the Depository and Information Agent and that a receipt be obtained or, if mailed, that registered mail, with return receipt requested, be used and that proper insurance be obtained. It is suggested that any such mailing be made sufficiently in advance of the Expiry Time to permit delivery to the Depository and Information Agent at or prior to the Expiry Time. Delivery will only be effective upon actual physical receipt by the Depository and Information Agent.**

**Securityholders whose Shares or Warrants are registered in the name of an investment advisor, stockbroker, bank, trust company or other nominee should immediately contact that nominee for assistance if they wish to accept the Offer and in order to take the necessary steps to be able to deposit such Shares and Warrants under the Offer. Intermediaries likely have established tendering cut-off times that are up to 48 hours prior to the Expiry Time. Securityholders should instruct their brokers or other nominees promptly if they wish to tender their Shares and Warrants to the Offer.**

All questions as to the validity, form, eligibility (including, without limitation, timely receipt) and acceptance of any Shares and Warrants deposited under the Offer will be determined by the Offeror in its sole discretion. Depositing Securityholders agree that such determination shall be final and binding. The Offeror reserves the absolute right to reject any and all deposits that it determines not to be in proper form or that may be unlawful to accept under the laws of any jurisdiction. The Offeror reserves the absolute right to waive any defects or irregularities in the deposit of any Shares or Warrants. There shall be no duty or obligation of the Offeror, the Parent, the Depository and Information Agent or any other person to give notice of any defects or irregularities in any deposit and no liability shall be incurred or suffered by any of them for failure to give any such notice. The Parent's interpretation of the terms and conditions of the Offer, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery and any other related documents will be final and binding.

Under no circumstance will interest accrue or any amount be paid by the Offeror or the Depository and Information Agent by reason of any delay in making payments for Shares and Warrants to any person on account of Shares and Warrants accepted for payment under the Offer.

Securityholders should contact the Depository and Information Agent or a broker or dealer for assistance in accepting the Offer and in depositing Shares and Warrants with the Depository and Information Agent.

Securityholders will not be required to pay any fee or commission if they accept the Offer by depositing their Shares and Warrants directly with the Depository and Information Agent.

### ***Dividends and Distributions***

Subject to the terms and conditions of the Offer and subject, in particular, to Shares and Warrants being validly withdrawn by or on behalf of a depositing Securityholder, and except as provided below, by accepting the Offer pursuant to the procedures set out herein, a Securityholder deposits, sells, assigns and transfers to the Offeror all right, title and interest in and to the Shares and Warrants covered by the Letter of Transmittal delivered to the Depositary and Information Agent or deposited by book-entry transfer, as applicable (the “**Deposited Securities**”) and in and to all rights and benefits arising from such Deposited Securities including, without limitation, any and all dividends, distributions, payments, securities, property or other interests (including the SRP Rights) that may be declared, paid, accrued, issued, distributed, made or transferred on or in respect of the Deposited Securities or any of them on and after the date of the Offer, including, without limitation, any dividends, distributions or payments on such dividends, distributions, payments, securities, property or other interests (collectively, “**Distributions**”).

### ***Power of Attorney***

The execution and delivery of a Letter of Transmittal (or, in the case of Shares deposited by book-entry transfer by the making of a book-entry transfer) irrevocably constitutes and appoints, effective on and after the time (the “**Effective Time**”) that the Offeror takes up the Deposited Securities, each director or officer of the Offeror, and any other person designated by the Offeror in writing, as the true and lawful agent, attorney and attorney-in-fact and proxy of the holder of the Deposited Securities covered by the Letter of Transmittal (which Deposited Securities upon being taken up are, together with any Distributions thereon, hereinafter referred to as the “**Purchased Securities**”), with respect to such Purchased Securities, with full power of substitution (such powers of attorney, being coupled with an interest, being irrevocable), in the name of and on behalf of such Securityholder:

- (a) to register or record the transfer and/or cancellation of Purchased Securities (to the extent consisting of securities) on the appropriate registers maintained by or on behalf of Goldbrook;
- (b) for so long as any such Purchased Securities are registered or recorded in the name of such Securityholder, to exercise any and all rights of such Securityholder including, without limitation, the right to vote, to execute and deliver (provided the same is not contrary to applicable Laws), as and when requested by the Offeror, any and all instruments of proxy, authorizations or consents in form and on terms satisfactory to the Offeror in respect of any Purchased Securities, to revoke any such instruments, authorizations or consents given prior to or after the Effective Time, and to designate in any such instruments, authorizations or consents any person or persons as the proxyholder of such Securityholder in respect of such Purchased Securities for all purposes including, without limitation, in connection with any meeting or meetings (whether annual, special or otherwise, or any adjournment thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Goldbrook;
- (c) to execute, endorse and negotiate, for and in the name of and on behalf of such Securityholder, any cheques or other instruments representing any Distributions payable to or to the order of, or endorsed in favour of such Securityholder; and
- (d) to exercise any other rights of a holder of the Purchased Securities with respect to such Purchased Securities, all as set out in the Letter of Transmittal.

A Securityholder accepting the Offer under the terms of the Letter of Transmittal (including by book-entry transfer) revokes any and all other authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise, previously conferred or agreed to be conferred by the Securityholder at any time with respect to Deposited Securities under the Offer and not withdrawn and any Distributions. The Securityholder accepting the Offer agrees that no subsequent authority, whether as agent, attorney-in-fact, attorney, proxy or otherwise will be granted by or on behalf of the depositing Securityholder with respect to Deposited Securities and Distributions unless such Deposited Securities are not taken up and paid for under the Offer or are withdrawn in accordance with Section 8 of the Offer, “Withdrawal of Securities Deposited Under the Offer”.

A Securityholder accepting the Offer also agrees not to vote any of the Purchased Securities at any meeting (whether annual, special or otherwise or any adjournment thereof, including, without limitation, any meeting to consider a Subsequent Acquisition Transaction) of holders of relevant securities of Goldbrook, and, except as may otherwise be agreed with the Offeror, not to exercise any of the other rights or privileges attached to the Purchased Securities, and agrees to execute and deliver to the Offeror any and all instruments of proxy, authorizations or consents in respect of all or any of the Purchased Securities, and agrees to appoint in any such instruments of proxy, authorizations or consents, the person or persons specified by the Offeror as the proxy or the proxy nominee(s) of the holder of the Purchased Securities. Upon such appointment, all prior proxies and other authorizations (including, without limitation, all appointments of any agent, attorney or attorney-in-fact) or consents given by the holder of such Purchased Securities with respect thereto will be revoked and no subsequent proxies or other authorizations or

consents may be given by such person with respect thereto. The Offer does not constitute a solicitation of proxies for any meeting of Securityholders, which would be made only pursuant to separate proxy material complying with the requirement of applicable Laws.

#### ***Further Assurances***

A Securityholder accepting the Offer covenants under the terms of the Letter of Transmittal (including by book-entry transfer) and agrees to execute, upon request of the Offeror, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Securities to the Offeror and to give effect to the covenants of the Securityholder under the terms of the Offer. Each authority therein conferred or agreed to be conferred, is to the extent permitted by applicable Law, irrevocable and may be exercised during any subsequent legal incapacity of such holder and shall, to the extent permitted by applicable Law, survive the death or incapacity, bankruptcy or insolvency of the holder and all obligations of the holder therein shall be binding upon the heirs, executors, administrators, attorneys, personal representatives, successors and assigns of such Securityholder.

#### ***Formation of Agreement***

The acceptance of the Offer pursuant to the procedures set out above constitutes a binding agreement between a depositing Securityholder and the Offeror, effective immediately following the time at which the Offeror takes up Deposited Securities deposited by such Securityholder, in accordance with the terms and conditions of the Offer and the Letter of Transmittal. This agreement includes a representation and warranty by the depositing Securityholder that: (i) the person signing the Letter of Transmittal (or the person on whose behalf a book-entry transfer of Shares is made) has full power and authority to deposit, sell, assign and transfer the Deposited Securities and all rights and benefits arising from such Deposited Securities, including without limitation, any Distributions; (ii) the person signing the Letter of Transmittal (or the person on whose behalf a book-entry transfer of Shares is made) owns the Deposited Securities and any Distributions deposited under the Offer; (iii) the Deposited Securities or Distributions have not been sold, assigned or transferred, nor has any agreement been entered into to sell, assign or transfer any of the Deposited Securities and Distributions, to any other person; (iv) the deposit of the Deposited Securities and Distributions complies with applicable Laws; and (v) when the Deposited Securities and Distributions are taken up and paid for by the Offeror, the Offeror will acquire good title thereto (and to any Distributions), free and clear of all liens, restrictions, charges, encumbrances, claims and rights of others.

#### ***Other Forms of Acceptance***

The Offeror reserves the right to permit the Offer to be accepted in a manner other than that set forth in this Section 3 of the Offer.

#### **4. Conditions of the Offer**

The Parent shall have the right to cause the Offeror to withdraw the Offer and not take up and pay for any Shares deposited under the Offer and shall, subject to the terms of the Support Agreement, have the right to or extend the period of time during which the Offer is open for acceptance, unless all of the following conditions are satisfied or waived by the Parent, in its sole discretion, at or prior to the Expiry Time:

- (a) there shall have been validly deposited pursuant to the Offer and not withdrawn at the Expiry Time, that number of Shares which, together with any Shares beneficially owned or which control or direction is to be exercised by the Parent, any subsidiary of the Parent or any of their affiliates, constitutes at least 50% of the issued and outstanding Shares (on a fully diluted basis) plus one (1) Share (the “**Minimum Tender Condition**”);
- (b) any and all government or regulatory approvals, including the Required Regulatory Approvals, waiting or suspensory periods (and any extensions thereof), waivers, permits, consents, reviews, sanctions, orders, rulings, decisions, declarations, certificates and exemptions required by Law (including, those of any Governmental Entity) that are, as determined by the Parent, acting reasonably, necessary to complete the Offer shall have been obtained, received or concluded or, in the case of waiting or suspensory periods, expired or been terminated, each on terms satisfactory to the Parent, acting reasonably;
- (c) no act, action, suit or proceeding shall have been taken or threatened or be pending before or by any Governmental Entity or by any elected or appointed public official or private person (including, by any individual, company, firm, group or other entity), whether or not having the force of Law, and no Law shall have been proposed, amended, enacted, promulgated or applied, in either case:



- (i) challenging the Offer or the ability of the Offeror to make or maintain the Offer;
  - (ii) seeking to cease trade, prohibit, restrict or impose material limitations or conditions on: (A) the acquisition by, or sale to, the Offeror of any Shares or Warrants, (B) the take-up or acquisition of Shares or Warrants by the Offeror, (C) the ability of the Offeror to acquire or hold, or exercise full rights of ownership of, any Shares or Warrants, (D) the ownership or operation or effective control by the Offeror of any material portion of the business, property, assets, licenses or permits of Goldbrook or its affiliates or subsidiaries or to compel the Offeror or its affiliates or subsidiaries to dispose of or hold separate any material portion of the business, property, assets, licenses or permits of Goldbrook or any of its affiliates or subsidiaries as a result of the Offer, or (E) the ability of the Offeror and its affiliates and subsidiaries to complete any Compulsory Acquisition or Subsequent Acquisition Transaction;
  - (iii) seeking to obtain from the Offeror, any of its affiliates or subsidiaries, or any director or officer of any of the foregoing, or from Goldbrook, any of its affiliates or subsidiaries, or any director or officer of any of the foregoing, any material damages directly or indirectly in connection with the Offer; or
  - (iv) which, if successful, as determined by the Parent, acting reasonably, would be reasonably likely to result in a Material Adverse Effect on Goldbrook if the Offer were consummated;
- (d) the Parent shall have determined, acting reasonably, that, on terms satisfactory to the Parent acting reasonably: (i) the Goldbrook Board shall have waived the application of the Shareholder Rights Plan to the purchase of Shares by the Offeror under the Offer, any Compulsory Acquisition and any Subsequent Acquisition Transaction; (ii) a cease trade order or an injunction shall have been issued that has the effect of prohibiting or preventing the exercise of SRP Rights or the issue of Shares upon the exercise of the SRP Rights in relation to the purchase of Shares by the Offeror under the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction; (iii) a court of competent jurisdiction shall have ordered that the SRP Rights are illegal or of no force or effect or may not be exercised in relation to the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction; or (iv) the SRP Rights and the Shareholder Rights Plan shall otherwise have become or been held unexercisable or unenforceable in relation to the Shares with respect to the Offer, any Compulsory Acquisition and any Subsequent Acquisition Transaction and any acquisition of Shares pursuant thereto;
  - (e) all outstanding Options shall have been exercised, cancelled or otherwise dealt with on terms satisfactory to the Parent, acting reasonably;
  - (f) the Parent shall have determined, acting reasonably, that there has not occurred any change in the compensation paid or payable by Goldbrook, any of its affiliates or subsidiaries, to its directors, officers or employees including the granting of additional shares, stock options or bonuses;
  - (g) no Lock-Up Agreement shall have been terminated, (ii) each Locked-Up Securityholder shall have performed his, her or its obligations under such Locked-Up Securityholder's Lock-Up Agreement, and (iii) none of the representations and warranties of a Locked-Up Securityholder contained in such Person's Lock-Up Agreement shall be untrue in any material respect; and
  - (h) the Interim Arrangements Agreement and the Litigation Standstill Agreement shall not have been terminated and Goldbrook shall not have materially breached the terms of such agreements.

The foregoing conditions are for the exclusive benefit of the Parent and may be asserted by the Parent regardless of the circumstances giving rise to any such assertion, including any action or inaction by the Parent. The Parent may waive any of the foregoing conditions in whole or in part at any time and from time to time without prejudice to any other rights which the Parent may have, subject to the terms of the Support Agreement. The failure by the Parent at any time to exercise any of the foregoing rights will not be deemed to be a waiver of any such right and each such right shall be deemed to be an ongoing right which may be asserted at any time and from time to time.

Any waiver of a condition or the termination or withdrawal of the Offer shall be effective upon written notice (or other communication confirmed in writing) being given by the Offeror to that effect to the Depositary and Information Agent at its office in Toronto, Ontario, Canada. The Offeror, forthwith after giving any such notice, will make a public announcement of such waiver, termination or withdrawal and, if required by applicable Laws, will cause the Depositary and Information Agent as soon as is practicable thereafter to notify the Securityholders in the manner set forth under Section 10 of the Offer, "Notices and

Delivery”, and will provide a copy of the aforementioned notice to the TSXV. If the Offer is withdrawn, the Offeror shall not be obligated to take up, or pay for any Shares or Warrants deposited under the Offer, and the Depositary and Information Agent will promptly return all certificates for Deposited Securities and Letters of Transmittal, Notices of Guaranteed Delivery and related documents in its possession to the parties by whom they were deposited. See Section 7 of the Offer, “Return of Deposited Securities”.

#### **5. Extension, Variation or Change in the Offer**

The Offer is open for acceptance in the manner specified under Section 3 of the Offer, “Manner of Acceptance”, until, but not after, the Expiry Time, subject to extension or variation in accordance with the terms of the Support Agreement, unless the Offer is withdrawn by the Offeror.

Subject to the limitations hereafter described, the Offeror reserves the right, in accordance with the terms of the Support Agreement, at any time and from time to time while the Offer is open for acceptance (or at any other time if permitted by applicable Laws), to extend the Expiry Time or to vary the Offer by giving written notice (or other communication subsequently confirmed in writing, provided that such confirmation is not a condition of the effectiveness of the notice) of such extension or variation to the Depositary and Information Agent at its office in Toronto, Ontario, Canada and, if required by applicable Law, by causing the Depositary and Information Agent as soon as practicable thereafter to communicate such notice in the manner set out in Section 10 of the Offer, “Notices and Delivery”, to all registered Securityholders whose Shares and Warrants have not been taken up prior to the extension or variation and to all holders of Options. The Offeror shall, as soon as practicable after giving notice of an extension or variation to the Depositary and Information Agent, make a public announcement of the extension or variation to the extent and in the manner required by applicable Laws and provide a copy of such notice to the TSXV. Any notice of extension or variation will be deemed to be effective and the Offer deemed to be extended or varied in accordance with such notice effective on the day on which it is delivered or otherwise communicated in writing to the Depositary and Information Agent at its office in Toronto, Ontario, Canada.

The Parent has covenanted in the Support Agreement that if the Minimum Tender Condition is satisfied at the Expiry Time, the Parent shall make a public announcement of this fact and shall procure the extension of the Offer by the Offeror for one additional ten (10) day period. However, under the terms of the Support Agreement, the Offeror cannot extend the Expiry Date beyond a date that is 60 days after the commencement of the Offer without the prior written consent of Goldbrook.

The Support Agreement restricts the Offeror’s ability to amend certain of the terms and conditions of the Offer without the prior written consent of Goldbrook. See Section 6 of the Circular, “Support Agreement”.

Where the terms of the Offer are varied (other than a variation consisting solely of a waiver of one or more conditions of the Offer and any extension of the Offer resulting from such waiver), the Offer will not expire before ten days after the notice of such variation has been given to Securityholders, unless otherwise permitted by applicable Laws and subject to abridgement or elimination of that period pursuant to such orders or other forms of relief as may be granted by applicable courts and securities regulatory authorities.

If, prior to the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in the Offer, the Circular or a notice of change or notice of variation, that would reasonably be expected to affect the decision of a Securityholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror), the Offeror will give written notice of such change to the Depositary and Information Agent at its office in Toronto, Ontario, Canada, and will cause the Depositary and Information Agent, if required by applicable Laws, to provide as soon as practicable thereafter a notice of such change in the manner set forth in Section 10 of the Offer, “Notices and Delivery”, to all registered Securityholders whose Shares and Warrants have not been taken up under the Offer at the date of the occurrence of the change and to all holders of Options. As soon as practicable after giving notice of a change in information to the Depositary and Information Agent, the Offeror will make a public announcement of the change in information to the extent and in the manner required by applicable Laws and provide a copy of the notice thereof to the TSXV and the applicable securities regulatory authorities. Any notice of change in information will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary and Information Agent at its office in Toronto, Ontario, Canada.

Notwithstanding the foregoing, but subject to applicable Laws, the Offer may not be extended by the Offeror if all of the terms and conditions of the Offer have been complied with or waived, unless the Offeror first takes up all Shares and Warrants deposited under the Offer and not withdrawn.

During any extension or in the event of any variation of the Offer or change in information, all Shares and Warrants previously deposited and not taken up or withdrawn will remain subject to the Offer and may be taken up by the Offeror in accordance with the terms hereof, subject to Section 8 of the Offer, “Withdrawal of Securities Deposited Under the Offer”. An

extension of the Expiry Time, a variation of the Offer or a change in information does not, unless otherwise expressly stated, constitute a waiver by the Offeror of its rights under Section 4 of the Offer, "Conditions of the Offer".

If, prior to the Expiry Time, the consideration being offered for the Shares and Warrants under the Offer is increased, the increased consideration will be paid to all depositing Securityholders whose Shares and Warrants are taken up under the Offer, whether or not such Shares and Warrants were taken up before the increase.

## **6. Take-Up and Payment for Deposited Securities**

If all of the conditions described in Section 4 of the Offer, "Conditions of the Offer", have been satisfied, or waived by the Parent, at or prior to the Expiry Time, the Parent shall procure the prompt take up and payment by the Offeror for all Shares and Warrants validly deposited under the Offer and not properly withdrawn promptly and, in any event, not later than three business days after the Expiry Time. Any Shares and Warrants taken up under the Offer will be paid for as soon as possible, and in any event, not later than three business days after they are taken up. Subject to applicable Laws, any Shares and Warrants deposited under the Offer after the date on which Shares and Warrants are first taken up by the Offeror under the Offer but prior to the Expiry Time will be taken up and paid for within 10 days of such deposit.

The Offeror will be deemed to have taken up and accepted for payment Shares and Warrants validly deposited and not withdrawn under the Offer if, as and when the Offeror gives written notice, or other communication confirmed in writing, to that effect, to the Depositary and Information Agent at its office in Toronto, Ontario, Canada. Subject to applicable Laws and the Support Agreement, the Offeror expressly reserves the right to, in its sole discretion, on or after the initial Expiry Time, terminate or withdraw the Offer and not take-up or pay for any Shares and Warrants if any condition specified in Section 4 of the Offer, "Conditions of the Offer", is not satisfied or waived, by giving written notice thereof, or other communication confirmed in writing, to the Depositary and Information Agent at its office in Toronto, Ontario, Canada. The Offeror will not, however, take-up and pay for any Shares and Warrants deposited under the Offer unless it simultaneously takes-up and pays for all Shares and Warrants then validly deposited under the Offer and not withdrawn.

The Offeror will pay for Shares and Warrants validly deposited under the Offer and not withdrawn by providing the Depositary and Information Agent with sufficient funds (by bank transfer or other means satisfactory to the Depositary and Information Agent) for transmittal to depositing Securityholders. Under no circumstances will interest accrue or any amount be paid by the Offeror, the Parent or the Depositary and Information Agent to persons depositing Shares and Warrants on the purchase price of Shares and Warrants purchased by the Offeror, regardless of any delay in making payments for Shares or Warrants. The Depositary and Information Agent will act as the agent of persons who have Deposited Shares or Warrants under the Offer for the purposes of receiving payment from the Offeror and transmitting such payment to such persons, and receipt of payment by the Depositary and Information Agent will be deemed to constitute receipt of payment by persons depositing Shares and Warrants under the Offer.

All payments under the Offer will be made in Canadian dollars. However, a Securityholder can also elect to receive payment in U.S. dollars by checking the appropriate box in the Letter of Transmittal, in which case such Securityholder will have acknowledged and agreed that the exchange rate for one (1) Canadian dollar expressed in U.S. dollars will be based on the exchange rate available to the Depositary and Information Agent at its typical banking institution on the date the funds are converted. Securityholders electing to have the payment for their Shares and Warrants paid in U.S. dollars will have further acknowledged and agreed that any change to the currency exchange rates of the United States or Canada will be at the sole risk of the Securityholder. The Depositary and Information Agent may receive a fee from its banking institution for referring foreign exchange transactions to it. Resident Holders, or Non-Resident Holders that may be liable for tax in Canada (see discussion in Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada"), that elect to receive their payment in U.S. dollars may realize a foreign exchange gain or loss in certain circumstances. Please see discussion in Section 17 of the Circular, "Certain Canadian Federal Income Tax Considerations".

If a Securityholder wishes to receive cash payable in U.S. dollars, Block D captioned "Currency of Payment" in the Letter of Transmittal must be completed; otherwise the consideration paid will be in Canadian dollars.

Settlement with each Securityholder who has deposited (and not withdrawn) Shares and Warrants under the Offer will be made by the Depositary and Information Agent issuing or causing to be issued a cheque (except for payments in excess of Cdn.\$25 million, which will be made by wire transfer, as set out in the Letter of Transmittal) payable in Canadian funds (or in U.S. dollars if elected by a Securityholder in the Letter of Transmittal) in the amount to which the person depositing Shares and Warrants is entitled. Unless otherwise directed by the Letter of Transmittal, the cheque will be issued in the name of the registered holder of the Deposited Securities. Unless the person depositing the Shares or Warrants instructs the Depositary and Information Agent to hold the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, the cheque will be forwarded by first class mail to such person at the address specified in the Letter of Transmittal.

If no such address is specified, the cheque will be sent to the address of the registered holder as shown on the securities register maintained by or on behalf of Goldbrook. Cheques mailed in accordance with this paragraph will be deemed to be delivered at the time of mailing. Pursuant to applicable Laws, the Offeror may, in certain circumstances, be required to make withholdings from the amount otherwise payable to a Securityholder.

Securityholders will not be required to pay any fee or commission if they accept the Offer by depositing their Shares and Warrants directly with the Depositary and Information Agent. However, a broker or other nominee through whom a Securityholder owns Shares or Warrants may charge a fee to tender any such securities on behalf of the Securityholder. Securityholders should consult their investment advisors, stock brokers or other nominees to determine whether any charges will apply.

## **7. Return of Deposited Securities**

If any Shares or Warrants deposited under the Offer are not taken up and paid for pursuant to the terms and conditions of the Offer for any reason, certificates for Shares and Warrants not taken up and paid for will be returned, at the Offeror's expense, to the depositing Securityholder as soon as practicable following the Expiry Time or withdrawal of the Offer by either: (a) sending certificates representing such unpurchased Shares and Warrants or by returning the deposited certificates (and other relevant documents); or (b) in the case of Shares deposited by book-entry transfer pursuant to the procedures set out in Section 3 of the Offer, "Manner of Acceptance - Acceptance by Book-Entry Transfer", such Shares will be credited to the depositing Shareholder's account maintained by CDS or DTC, as applicable. Any such certificates (and other relevant documents) will be forwarded by first-class mail to the address of the depositing Securityholder specified in the Letter of Transmittal or, if such name or address is not so specified, in such name and to such address as shown on the Share and Warrant registers maintained by or on behalf of Goldbrook.

## **8. Withdrawal of Securities Deposited Under the Offer**

Except as otherwise stated in this Section 8 or as otherwise required by applicable Laws, all deposits of Shares and Warrants under the Offer are irrevocable. Unless otherwise required or permitted by applicable Laws, any Shares and Warrants deposited in acceptance of the Offer may be withdrawn by or on behalf of the depositing Securityholder:

- (a) at any time before the Shares and Warrants have been taken up by the Offeror under the Offer;
- (b) if the Shares and Warrants have not been paid for by the Offeror within three business days after having been taken up; or
- (c) at any time before the expiration of ten days from the date upon which either:
  - (i) a notice of change relating to a change that has occurred in the information contained in the Offer or the Circular, a notice of change or a notice of variation, that would reasonably be expected to affect the decision of a Securityholder to accept or reject the Offer (other than a change that is not within the control of the Offeror or of an affiliate of the Offeror), in the event that such change occurs before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer; or
  - (ii) a notice of variation concerning a variation in the terms of the Offer (other than a variation consisting solely of an increase in the consideration offered for the Shares and Warrants where the time for deposit is not extended for more than ten days, or a variation consisting solely of a waiver of one or more conditions of the Offer, or both),

is mailed, delivered or otherwise properly communicated to the Depositary and Information Agent (subject to abridgement of that period pursuant to such order or orders or other forms of relief as may be granted by applicable courts or Canadian securities regulatory authorities) and only if such Deposited Securities have not been taken up by the Offeror in advance of the receipt of such communication by the Depositary and Information Agent.

Withdrawals of Shares and Warrants deposited under the Offer must be effected by notice of withdrawal made by or on behalf of the depositing Securityholder and must be actually received by the Depositary and Information Agent at the place of deposit of the applicable Shares and Warrants (or Notice of Guaranteed Delivery in respect of any such Shares) within the time limits indicated above. Notices of withdrawal: (a) must be made by a method, including a manually executed facsimile transmission, that provides the Depositary and Information Agent with a written or printed copy; (b) must be signed by or on

behalf of the person(s) who signed the Letter of Transmittal accompanying the Shares and Warrants (or Notice of Guaranteed Delivery in respect of any such Shares) that are to be withdrawn; and (c) must specify such person's name, the number of Shares and Warrants to be withdrawn, the name of the registered holder and the certificate number shown on each certificate representing the Shares and Warrants to be withdrawn. Any signature in a notice of withdrawal must be guaranteed by an Eligible Institution in the same manner as in a Letter of Transmittal (as described in the instructions set out therein), except in the case of Shares and Warrants deposited for the account of an Eligible Institution.

Alternatively, if Shares have been deposited pursuant to the procedures for book-entry transfer, as set out in Section 3 of the Offer, "Manner of Acceptance - Acceptance by Book-Entry Transfer", any notice of withdrawal must specify the name and number of the account at CDS or DTC, as applicable, to be credited with the withdrawn Shares and otherwise comply with the procedures of CDS or DTC, as applicable.

**A withdrawal of Shares and Warrants deposited under the Offer can only be accomplished in accordance with the foregoing procedures. The withdrawal will take effect only upon actual receipt by the Depositary and Information Agent of the properly completed and executed written notice of withdrawal.**

**Investment advisors, stockbrokers, banks, trust companies or other nominees may set deadlines for the withdrawal of Shares and Warrants deposited under the Offer that are earlier than those specified above. Securityholders should contact their investment advisor, stockbroker, bank, trust company or other nominee for assistance.**

All questions as to the validity (including, without limitation, timely receipt) and form of notices of withdrawal will be determined by the Offeror in its sole discretion, and such determination will be final and binding. There is no duty or obligation on the Depositary and Information Agent, the Offeror, the Parent or any other person to give notice of any defect or irregularity in any notice of withdrawal and no liability shall be incurred or suffered by any of them for any failure to give such notice.

Withdrawals may not be rescinded and any Shares or Warrants withdrawn will be deemed not validly deposited for the purposes of the Offer, but may be re-deposited at any subsequent time at or prior to the Expiry Time by following any of the procedures described in Section 3 of the Offer, "Manner of Acceptance".

If the Offeror extends the period of time during which the Offer is open, is delayed in taking up or paying for Shares and Warrants or is unable to take up or pay for Shares and Warrants for any reason, then, without prejudice to the Offeror's other rights, Shares and Warrants deposited under the Offer may, subject to applicable Laws, be retained by the Depositary and Information Agent on behalf of the Offeror and such Shares and Warrants may not be withdrawn except to the extent that depositing Securityholders are entitled to withdrawal rights as set out in this Section 8 or pursuant to applicable Laws.

In addition to the foregoing rights of withdrawal, Securityholders in certain provinces and territories of Canada are entitled to one or more statutory rights of rescission, price revision or to damages, in certain circumstances. See Section 22 of the Circular, "Statutory Rights".

## **9. Changes in Capitalization; Adjustment; Liens; Dividends**

If, on or after the date of the Offer, Goldbrook should divide, combine, reclassify, consolidate, convert or otherwise change any of the Shares or Warrants or its capitalization, or disclose that it has taken or intends to take any such action, then the Offeror may, in its sole discretion and without prejudice to its rights under Section 4 of the Offer, "Conditions of the Offer", make such adjustments as it considers appropriate to the purchase price and other terms of the Offer (including, without limitation, the type of securities offered to be purchased and the amount payable therefor) to reflect such division, combination, reclassification, consolidation, conversion, or other change. See Section 5 of the Offer, "Extension, Variation or Change in the Offer".

Purchased Securities and any Distributions acquired pursuant to the Offer shall be transferred by the Securityholder and acquired by the Offeror free and clear of all liens, restrictions, charges, encumbrances, claims and equities and together with all rights and benefits arising therefrom, including without limitation, the right to any and all dividends, distributions, payments, securities, property, rights (including SRP Rights), assets or other interests that may be accrued, declared, paid, issued, distributed, made or transferred on or after the date of the Offer on or in respect of the Purchased Securities, whether or not separated from the Purchased Securities.

If, on or after the date of the Offer, Goldbrook should declare, set aside or pay any dividend or declare, make or pay any other distribution or payment on or declare, allot, reserve or issue any securities, rights or other interests with respect to any Purchased Security, which is or are payable or distributable to Securityholders on a record date prior to the date of transfer into the name of the Offeror or its nominee or transferee on the securities register maintained by or on behalf of Goldbrook in respect

of Shares and Warrants taken up under the Offer, then (and without prejudice to its rights under Section 4 of the Offer, “Conditions of the Offer”): (a) in the case of any such cash dividends, distributions or payments that in an aggregate amount do not exceed the consideration per Purchased Security payable, the amount of the dividends, distributions or payments will be received and held by the depositing Securityholder for the account of the Offeror until the Offeror pays for such Purchased Securities and the purchase price per Purchased Security payable by the Offeror pursuant to the Offer will be reduced by the amount of any such dividend, distribution or payment; and (b) in the case of any such cash dividends, distributions or payments that in an aggregate amount exceeds the consideration per Purchased Security payable by the Offeror pursuant to the Offer, or in the case of any non-cash dividend, distribution, payment, securities, property, rights, assets or other interests, the whole of any such dividend, distribution, payment, securities, property, rights, assets or other interests (and not simply the portion that exceeds the purchase price per Purchased Security payable by the Offeror under the Offer) will be received and held by the depositing Securityholder for the account of the Offeror and will be promptly remitted and transferred by the depositing Securityholder to the Depository and Information Agent for the account of the Offeror, accompanied by appropriate documentation of transfer. Pending such remittance, the Offeror will be entitled to all rights and privileges as the owner of any such dividend, distribution, payment, securities, property, rights, assets or other interests and may withhold the entire purchase price payable by the Offeror under the Offer or deduct from the consideration payable by the Offeror under the Offer the amount or value thereof, as determined by the Offeror in its sole discretion.

The declaration or payment of any such dividend or distribution may have tax consequences not discussed in Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”.

## **10. Notices and Delivery**

Without limiting any other lawful means of giving notice, and unless otherwise specified by applicable Law, any notice to be given by the Offeror or the Depository and Information Agent under the Offer will be deemed to have been properly given if it is mailed by first class mail, postage prepaid, to the registered Securityholders and to registered holders of Options at their respective addresses as shown on the registers maintained by or on behalf of Goldbrook in respect of the Shares, Warrants or Options, as the case may be and, unless otherwise specified by applicable Laws, will be deemed to have been received on the first business day following the date of mailing. For this purpose, “business day” means any business day other than a Saturday, Sunday or statutory holiday in the jurisdiction to which the notice is mailed. These provisions apply notwithstanding any accidental omission to give notice to any one or more Securityholders or holders of Options and notwithstanding any interruption of mail service in any relevant jurisdiction following mailing. Except as otherwise permitted by applicable Laws, in the event of any interruption or delay of mail service following mailing, the Offeror intends to make reasonable efforts to disseminate the notice by other means, such as publication. Except as otherwise required or permitted by applicable Law, if post offices in Canada are not open for the deposit of mail, any notice that the Offeror or the Depository and Information Agent may give or cause to be given to Securityholders under the Offer will be deemed to have been properly given and to have been received by Securityholders if (a) it is given to the TSXV for dissemination through its respective facilities, or (b) it is published once in the national edition of *The Globe and Mail* or *The National Post*, or (c) it is given to the Canada NewsWire Service or Marketwire News Wire Service for dissemination through its facilities.

The Offer and the Circular and accompanying Letter of Transmittal and Notice of Guaranteed Delivery will be mailed to registered Securityholders and to registered holders of Options by first class mail, postage prepaid, or made in such other manner as is permitted by applicable Laws and the Offeror will use its reasonable efforts to furnish such documents to investment advisors, stockbrokers, banks, trust companies and similar persons whose names, or the names of whose nominees, appear in the registers maintained by or on behalf of Goldbrook in respect of the Shares, Warrants and Options or, if security position listings are available, who are listed as participants in a clearing agency’s security position listing, for subsequent transmittal to the beneficial owners of Shares and Warrants where such listings are received.

These securityholder materials are being sent to both registered and non-registered owners of securities of Goldbrook. If you are a non-registered owner, and the Offeror or its agent has sent these materials directly to you, the Offeror believes your name and address and information about your holdings of securities of Goldbrook have been obtained in accordance with applicable regulatory requirements from the intermediary holding securities on your behalf.

**Wherever the Offer calls for documents to be delivered by or on behalf of Securityholders to a particular office of the Depository and Information Agent, those documents will not be considered delivered unless and until they have been physically received at the particular office of the Depository and Information Agent at the address specified therefor in the Letter of Transmittal or Notice of Guaranteed Delivery, as applicable.**

## **11. Mail Service Interruption**

Notwithstanding the provisions of the Offer, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, cheques and any other relevant documents will not be mailed if the Offeror determines that delivery thereof by mail

may be delayed. Persons entitled to cheques or any other relevant documents that are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary and Information Agent to which the deposited certificates for Shares and Warrants were delivered until such time as the Offeror has determined that delivery by mail will no longer be delayed. The Offeror shall provide notice of any such determination not to mail made under this Section 11 as soon as reasonably practicable after the making of such determination and in accordance with Section 10 of the Offer, "Notices and Delivery". Notwithstanding Section 6 of the Offer, "Take-Up and Payment for Deposited Securities", cheques and any other relevant documents not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery to the depositing Securityholder at the Toronto, Ontario, Canada office of the Depositary and Information Agent.

## **12. Market Purchases and Sales of Shares**

Except as set forth below, the Offeror reserves the right to, and may, acquire or cause an affiliate to acquire beneficial ownership of Shares by making purchases through the facilities of the TSXV at any time, and from time to time, prior to the Expiry Time subject to and in accordance with applicable Laws. In no event will the Offeror make any such purchases through the facilities of the TSXV until the third business day following the date of the Offer. The aggregate number of Shares acquired in this manner will not exceed 5% of the Shares outstanding on the date of the Offer and the Offeror will issue and file a press release containing the information prescribed by applicable Law immediately after the close of business of the exchange on which such Shares were purchased on each day on which such Shares have been purchased.

Such purchases of Shares pursuant to Section 2.2(3) of MI 62-104 or Section 2.1 of OSC Rule 62-504 shall be counted in any determination as to whether the Minimum Tender Condition has been fulfilled.

Although the Offeror has no present intention to sell Shares or Warrants taken up under the Offer, the Offeror reserves the right to enter into arrangements, commitments or understandings at or prior to the Expiry Time to sell any of such Shares and Warrants after the Expiry Time, subject to applicable Laws and to compliance with Section 2.7(2) of MI 62-104 or Section 93.4(2) of the OSA, as applicable.

For the purposes of this Section 12, the "Offeror" includes any person acting jointly or in concert with the Offeror.

## **13. Other Terms of the Offer**

- (a) The Offer and all contracts resulting from acceptance thereof shall be governed by and construed in accordance with the Laws of the Province of British Columbia and the federal Laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the exclusive jurisdiction of the courts of the Province of British Columbia and all courts competent to hear appeals therefrom.
- (b) The Offeror reserves the right to transfer to one or more affiliates of the Offeror the right to purchase all or any portion of the Shares and Warrants deposited under the Offer, but any such transfer will not relieve the Offeror of its obligations under the Offer and will in no way prejudice the rights of persons depositing Shares and Warrants to receive payment for Shares and Warrants validly deposited and accepted for payment under the Offer.
- (c) In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer, the Offer shall be made on behalf of the Offeror by brokers or dealers licensed under the Laws of such jurisdiction.
- (d) No broker, dealer or other person has been authorized to give any information or make any representation on behalf of the Offeror not contained herein or in the accompanying Circular, and, if given or made, such information or representation must not be relied upon as having been authorized. No broker, dealer or other person shall be deemed to be the agent of the Offeror, the Parent, the Depositary and Information Agent for the purposes of the Offer.
- (e) The provisions of the Glossary, the Summary, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery accompanying the Offer, including the instructions contained therein, as applicable, form part of the terms and conditions of the Offer.
- (f) The Offeror, in its sole discretion, shall be entitled to make a final and binding determination of all questions relating to the interpretation of the terms and conditions of the Offer (including, without limitation, the satisfaction of the conditions of the Offer), the Glossary, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, the validity of any acceptance of the Offer and the validity of any withdrawals of

Shares and Warrants.

- (g) The Offer and Circular do not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, Securityholders residing in any jurisdiction in which the making or the acceptance of the Offer would not be in compliance with the Laws of such jurisdiction. However, the Offeror may, in the Offeror's sole discretion, take such action as the Offeror may deem necessary to make the Offer in any jurisdiction and extend the Offer to Securityholders in any such jurisdiction.
- (h) The Offeror reserves the right to waive any defect in acceptance with respect to any particular Shares or Warrants or any particular Securityholder. There shall be no duty or obligation of the Offeror, the Parent, the Depositary and Information Agent or any other person to give notice of any defect or irregularity in the deposit of Shares or Warrants or in any notice of withdrawal and, in each case, no liability shall be incurred or suffered by any of them for failure to give such notice.

The Offer and the accompanying Circular together constitute the take-over bid circular required under Canadian securities legislation with respect to the Offer. Securityholders are urged to refer to the accompanying Circular for additional information relating to the Offer.

Dated: January 30, 2012

**0931017 B.C. LTD.**

Per: (signed) "WU SHU"  
President

Per: (signed) "XU GUANG PING"  
Treasurer



## CIRCULAR

*The Circular is furnished in connection with the accompanying Offer dated January 30, 2012 by the Offeror to purchase all of the issued and outstanding Shares (other than Shares owned by the Parent, any subsidiary of the Parent or any of their affiliates) and any Shares that may become issued and outstanding after the date of the Offer but prior to the Expiry Time upon the conversion, exchange or exercise of Options or other securities of Goldbrook that are convertible into or exchangeable or exercisable for Shares, and all of the issued and outstanding Warrants. The terms and conditions of the Offer, the Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of the Circular. Securityholders should refer to the Offer for details of the terms and conditions of the Offer, including details as to the manner of payment and withdrawal rights. Terms defined in the Glossary and not otherwise defined in the Circular have the respective meanings given to them in the Glossary, unless the context otherwise requires.*

*Unless otherwise indicated, the information concerning Goldbrook contained in the Offer and the Circular has been taken from or based upon Goldbrook's publicly available documents and records on file with Canadian securities regulatory authorities and other public sources available at the time of the Offer. Although the Offeror and the Parent have no knowledge that would indicate that any statements contained herein relating to Goldbrook, taken from or based on such documents and records, are untrue or incomplete, neither the Offeror, the Parent nor any of their respective officers or directors assumes any responsibility for the accuracy or completeness of such information or for any failure by Goldbrook to disclose events or facts that may have occurred or which may affect the significance or accuracy of any such information, but that are unknown to the Offeror or the Parent. Unless otherwise indicated, information concerning the Parent, the Offeror and Goldbrook is given as of the date hereof.*

### **1. The Parent and the Offeror**

JJNICL is a corporation existing under the laws of the China. The head office of JJNICL is located at Panshi City, Jilin Province, China.

JJNICL is one of China's largest producers of nickel, copper and cobalt sulphates, as well as other nickel products including nickel matte, electrolytic nickel, nickel hydroxide and nickel chloride. With profitable operations spanning exploration, mining, smelting, refining, chemicals and research, JJNICL has total assets of over RMB3 billion, nearly 10,000 employees and its facilities occupy 4.5 million square meters.

JJNICL was the first company in China's nickel industry to list in the A-share market of the Shanghai Stock Exchange under stock code 600432. JJNICL is one of the companies comprising the SSE180 index and the CSI300 index.

The Offeror was incorporated under the laws of the Province of British Columbia on January 25, 2012. The Offeror is a wholly-owned indirect subsidiary of JJNICL.

The Offeror has not carried on any material business prior to the date hereof other than business incidental to making the Offer. The head office and the registered and records office of the Offeror is Suite 2300, Bentall 5, 550 Burrard Street, Vancouver, British Columbia, V6C 2B5.

### **2. Goldbrook**

Goldbrook is a corporation continued under the laws of the Province of British Columbia. Goldbrook is engaged in the exploration and development of nickel-copper-platinum group element sulphide deposits, a class of mineral deposit that, due to its polymetallic nature, has the advantage of protection against individual metal price cycles and has strong long term supply-demand fundamentals.

The head office and the registered and records office of Goldbrook is located at 1550-200 Burrard Street, Vancouver, British Columbia V6C 3L6.

The Shares are listed and posted for trading on the TSXV under the trading symbol "GBK" and are also listed on the FSE under the trading symbol "GVE". The Warrants are not listed on any stock exchange. Goldbrook is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario and files its continuous disclosure documents with the relevant Canadian securities regulatory authorities. Such documents are available at [www.sedar.com](http://www.sedar.com).

### **3. Certain Information Concerning Goldbrook and Its Securities**

Goldbrook is authorized to issue an unlimited number of Shares and an unlimited number of preference shares issuable

in series. Goldbrook has represented in the Support Agreement that as of January 19, 2012 there were 222,266,171 Shares and no preference shares issued and outstanding.

In addition, Goldbrook has represented in the Support Agreement that as of January 19, 2012, the outstanding Options were exercisable to acquire an aggregate of up to 18,883,000 Shares and the outstanding Warrants were exercisable to acquire an aggregate of up to 42,820,307 Shares. Based on information furnished to it by Goldbrook, the Offeror understands that, assuming the exercise or conversion of all convertible securities of Goldbrook (which Goldbrook represents in the Support Agreement are limited to only Options, Warrants and SRP Rights), 283,969,478 Shares would be subject to the Offer (excluding SRP Rights).

Holders of Shares are entitled to (a) vote at all meetings of Shareholders, except meetings at which only holders of a specified class of shares are entitled to vote; (b) receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares, any dividends declared by Goldbrook; and (c) receive, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of Goldbrook, the remaining property of Goldbrook upon the liquidation, dissolution or winding-up of Goldbrook, whether voluntary or involuntary.

#### 4. Price Range and Trading Volumes of the Shares

The Shares are traded on the TSXV under the trading symbol “GBK”. The following tables set forth the reported high and low daily trading prices and the aggregate volume of trading of the Shares on the TSXV, for the periods indicated:

	Trading of Shares		
	TSXV		
	High	Low	Volume
	Cdn. \$	Cdn.\$	(#)
<u>2011</u>			
January.....	0.23	0.21	4,788,429
February.....	0.225	0.18	6,778,140
March.....	0.215	0.175	5,783,190
April.....	0.225	0.17	4,375,992
May.....	0.215	0.155	2,181,820
June.....	0.21	0.17	1,738,021
July.....	0.30	0.16	6,289,926
August.....	0.31	0.27	6,056,991
September.....	0.305	0.24	3,221,913
October.....	0.22	0.17	2,403,364
November.....	0.23	0.15	4,223,889
December.....	0.24	0.205	7,165,936
<u>2012</u>			
January 1 – January 27.....	0.37	0.215	23,392,121

The closing price of the Shares on the TSXV on January 19, 2012, the last trading day prior to Goldbrook’s announcement of the entering into of the Support Agreement, was Cdn.\$0.245.

#### 5. Background to the Offer

The Parent and Goldbrook have a history of joint business activities in the Raglan area of Northern Quebec, dating back to August 2008, initially through an exploration joint venture pursuant to the JV Agreement, and subsequently through the ownership of JCML, the owner of CRI, which owns the Nunavik Nickel Project.

##### *The Exploration Joint Venture*

In 2008, Goldbrook was the owner of certain mining claims in the Raglan district of Northern Quebec. On August 28, 2008, Goldbrook and the Parent entered into the JV Agreement granting to the Parent, an option to acquire a 50% interest in that property that would be exercised upon funding approximately \$45 million of exploration expenditures.

The JV Agreement defined an “Area of Interest”, being any area situated within 50 kilometers of the boundaries of the Goldbrook mining claims. If either Goldbrook or the Parent acquired any interest in property within that area, then the interest so acquired would automatically become subject to the JV Agreement. During the course of 2008-2010, the Parent funded the required expenditures, its 50% interest in the properties vested and a joint venture was formed.

### ***CRI Take-Over Bid***

Soon after execution of the JV Agreement, Goldbrook identified an opportunity to acquire a publicly traded mining exploration company that held a project within the Area of Interest. This company, CRI, had already begun work to develop a nickel mine, and that development was much further advanced than any work on Goldbrook's property.

In November 2008, Goldbrook approached the Parent concerning the potential take-over of CRI. Goldbrook proposed that the two companies work together to acquire CRI and thereby gain control of its properties and operations.

The parties decided to incorporate JCML for the purpose of launching a take-over bid to acquire all of the shares of CRI, and thereafter to finance the development, construction, and operation of its mine. To this end, the parties negotiated and entered into the Shareholders Agreement respecting JCML on August 6, 2009. Under the Shareholders Agreement, the parties agreed that the Parent and its subsidiary, JIIL (collectively, "**JJ**"), and Goldbrook, as shareholders of JCML, would own the equity of JCML and use JCML to make a joint bid to acquire all of the shares of CRI.

The bid by JCML was successful and JCML completed the acquisition and became the sole shareholder of CRI in early January 2010. JCML's board of directors directs and controls both JCML and CRI.

In accordance with the Shareholders Agreement, JCML is directed by a board of five directors (the "**JCML Directors**"). Three of the JCML Directors are nominated by JJ (the "**JJ Directors**") and two of the JCML Directors are nominated by Goldbrook (the "**Goldbrook Directors**"), however, certain decisions of JCML require the unanimous approval of all of the JCML Directors.

### ***Differences between JJ and Goldbrook, and their Nominee Directors, regarding JCML and the JV Agreement***

From early 2010 until the present time, relations between the JJ Directors and the Goldbrook Directors have been strained over a series of differing views concerning the affairs of JCML and CRI, in particular regarding the management, information disclosure and financing of such entities and the interpretation of the Shareholders Agreement. The relationship between JJ and Goldbrook was also strained as a result of differences in respect of the interpretation of the JV Agreement.

As a consequence, several litigation and arbitration proceedings ensued. From late 2010 to early 2012, a unanimous decision could not be achieved in respect of, among other things, the approval of the financing terms proposed by JIIL for JCML and CRI, resulting in an impasse in decision making at JCML. In recent weeks, however, it became clear to the Parent that a resolution to the impasse was essential to the survival of JCML and CRI, which led to the negotiation of the transactions contemplated by the Support Agreement, the Litigation Standstill Agreement and the Interim Arrangements Agreement.

The following is a summary of the current state of the litigation and arbitration proceedings in respect of JCML and the JV Agreement. These disputes are further described in the Note 8 to the Interim Financial Statements of Goldbrook for the six months ended October 31, 2011 and subsequent press releases, filed on [www.sedar.com](http://www.sedar.com).

### ***Arbitration #1 and Related Proceedings***

At a JCML Directors' meeting held on September 21, 2010, JIIL presented a proposal to fund the \$122 million 2010 Program and Budget of JCML in return for units comprised of JCML's preferred shares and voting common shares. The JCML Directors approved the proposal, by majority vote, without the support of the Goldbrook Directors. The issuance of the units had the effect of increasing JIIL's economic interest in JCML in consideration for the \$122 million investment, while reducing Goldbrook's proportion of JCML voting common shares. In October 2010, Goldbrook commenced arbitration proceedings ("**Arbitration #1**") against JIIL, JIIL and JCML alleging various breaches of the Shareholders Agreement in respect of the issuance of the units. Goldbrook disputed, among other things, the validity of the resolution and the issuance of units.

The arbitration was heard and determined by a panel of three arbitrators (such three arbitrators also heard and determined subsequent arbitrations involving Goldbrook, JIIL and its affiliates discussed herein and are collectively referred to as the "**Tribunal**"). On July 20, 2011, the Tribunal issued a partial final award (the "**July 20 Award**") in respect of Arbitration #1. The Tribunal found that Goldbrook was entitled under the Shareholders Agreement to 25% of JCML's voting common shares and that the issuance of additional voting common shares was not permitted by the Shareholders Agreement. A subsequent application by JJ and JCML to clarify the award was dismissed.

On September 19, 2011, the Parent and its affiliates filed a petition in the British Columbia Supreme Court seeking an order granting leave to appeal the July 20 Award. This application was heard on December 12, 2011 and the Court has not yet issued its ruling.

On September 27, 2011, the Tribunal issued a further partial final award on supplementary issues (the “**September 27 Award**”). The September 27 Award included a declaration that the units were null and void and permitted the parties 30 days to discuss and attempt to agree on the steps necessary to implement the award. No agreement was reached on these issues and Goldbrook commenced a petition as against JNICAL, JIIL and JCML (“**Court Proceeding #2**”) in the Supreme Court of British Columbia seeking to enforce the awards in Arbitration #1, which petition has not yet been heard.

#### ***Arbitration #2 and Related Proceedings***

Arbitration #2 related to the JV Agreement. In this proceeding, JJ sought, and was awarded, an order declaring that its interest in the JV Agreement had vested on January 31, 2011, that JIIL was the operator of the joint venture and that Goldbrook should transfer 50% of its interest in the Raglan properties to JIIL. Goldbrook was also ordered to pay to the Parent the sum of \$937,426, plus costs. A subsequent application by Goldbrook to clarify the award was dismissed, with Goldbrook ordered to pay the actual reasonable legal fees and expenses of the Parent for the clarification application, including the arbitrators’ fees. No appeal of the award was made.

#### ***Arbitration #3 and Related Proceedings***

In the Spring of 2011, Goldbrook commenced arbitration proceedings as against JNICAL, JIIL and JCML (“**Arbitration #3**”). Goldbrook sought, and was awarded, a declaration that JHG International Capital Inc. (“**JHG**”) (an affiliate of the Parent that had offered to finance CRI’s 2011 Program and Budget), and the Parent are “Related Parties” within the meaning of the Shareholders Agreement, a declaration that the unanimous consent of the JCML Directors was required to approve a proposed JHG financing of JCML, a declaration that the purported approval of the JHG financing by a majority of the JCML Directors over the objection of the Goldbrook Directors was in breach of the Shareholders Agreement, and a declaration that JCML breached the Shareholders Agreement by failing to provide information to the Goldbrook Directors.

Arbitration #3 was heard before the Tribunal commencing on December 13, 2011. The Tribunal issued its final award on December 20, 2011. The Tribunal dismissed the arbitration against JNICAL and JIIL, but held that JCML had breached the Shareholders Agreement by purporting to approve the JHG financing without unanimous consent and by failing to provide information to the Goldbrook Directors. JCML was ordered to pay Goldbrook 75% of Goldbrook’s actual reasonable legal fees and expenses, including Goldbrook’s share of the arbitrators’ remuneration and expenses.

JCML has commenced a petition as against Goldbrook in the Supreme Court of British Columbia seeking leave to appeal the final award in Arbitration #3, which petition has not yet been heard.

#### ***Arbitration #4***

Goldbrook commenced arbitration proceedings (“**Arbitration #4**”) against JIIL, JNICAL and JNMEL with respect to issues arising out of the joint venture project of which JNMEL is now the operator. Goldbrook claimed reimbursement for expenditures in the amount of \$1,550,121; an order that part of the rebates received from the Quebec Government in the amount of \$668,735.73 should be repaid to Goldbrook; a declaration that an environmental contingency fund established by JNMEL was not authorized, or that JNMEL must contribute the full amount of that fund; ancillary declarations with respect to the operation of the JV Agreement; and unspecified damages. JNMEL counterclaimed against Goldbrook, seeking a declaration that Goldbrook must participate in funding the 2011 Program and Budget, a declaration that Goldbrook breached the JV Agreement for failing to pay an invoice of \$179,284, a declaration that Goldbrook’s interest in the JV Agreement had been diluted with respect to the 2011 Program, a declaration that the environmental contingency fund was authorized by the JV Agreement, a declaration that Goldbrook was required to contribute \$172,291.50 to the environmental contingency fund or, in the alternative, damages against Goldbrook for \$2.7 million for breaches of the JV Agreement.

This arbitration hearing took place during the week of October 17, 2011 before the Tribunal. At the commencement of the arbitration, JNMEL withdrew part of its counterclaim without prejudice. On October 28, 2011, the Tribunal issued its award. The Tribunal held that Goldbrook was not entitled to be reimbursed for any rebates, but that the rebates are to be credited pro rata to the parties’ interests in the joint venture. The Tribunal further held that JNMEL was not entitled to establish an environmental contingency fund, or use any of the rebates for, or require contributions to, such a fund. The Tribunal further declared that Goldbrook’s interest in the joint venture cannot be diluted if payment on a cash call has not been made until 90 days after Goldbrook’s election to participate in the Program and Budget. The Tribunal also denied Goldbrook’s other requested declarations and relief, as well as JNMEL’s requested declarations. No costs or damages were awarded.

#### ***Arbitration #5***

In the Fall of 2011, Goldbrook commenced arbitration proceedings (“**Arbitration #5**”) against JIIL, JNICAL and JCML seeking remedies including a declaration that JCML’s failure to provide information in response to requests of the JCML Directors was in breach of the Shareholders Agreement; an order that information be provided to Goldbrook and the Goldbrook Directors of JCML; and a declaration that the denial of access to JCML’s properties to Goldbrook’s representatives was in breach of the Shareholders Agreement. JIIL, JNICAL and JCML have denied the allegations. No date has been set for the hearing of Arbitration #5.

### ***Court Proceeding #1***

In April 2011, Goldbrook commenced a petition as against JNICAL, JIIL, JCML and CRI in the Supreme Court of British Columbia. On January 17, 2012, Goldbrook amended the petition. In the amended petition, Goldbrook seeks a declaration that the affairs of JCML have been, and continue to be, conducted in a manner oppressive or unfairly prejudicial to Goldbrook or in a manner which unfairly disregards the interest of Goldbrook. Goldbrook seeks orders replacing the JJ Directors on the JCML board of directors, alternatively an order appointing a monitor of JCML’s affairs, interim orders restraining JCML’s conduct, an order removing Gowling Lafleur Henderson LLP (“**Gowlings**”) as counsel to JIIL, JNICAL and its affiliates with respect to the affairs of JCML, directing that a qualified valuator prepare a mineral property valuation with respect to CRI’s properties, and an order that the JCML voting common shares issued to JIIL in 2010 be cancelled and that no further voting common shares be issued and that JNICAL, JIIL or JCML purchase the shares of Goldbrook in JCML at fair market value or in an amount to be determined by the Court.

This petition has been served upon JCML, JIIL and CRI. To date, none of the respondents have filed responses to either the original or amended petition.

### ***Court Proceeding #3***

Mr. Brian Grant and Mr. David Baker, the two Goldbrook nominated directors to the board of directors of JCML, have commenced a petition as against JNICAL, JIIL, JCML, CRI and Gowlings in the Supreme Court of British Columbia. The petition seeks a declaration that the affairs of JCML are being conducted in a manner oppressive to those directors, that they are entitled to see the privileged communications between JCML and Gowlings and that Gowlings should be removed as counsel to JCML, JIIL and JNICAL. The petition has been served on JIIL, JCML, CRI and Gowlings, but no date has yet been set for hearing the petition. To date, none of the respondents have filed responses.

### ***Resolution of the Impasse at JCML***

In the Fall of 2011, JNICAL began to consider alternatives that could be pursued in order to resolve the impasse between the parties to the Shareholders Agreement and the JV Agreement, settle the various proceedings, and set JCML and CRI on a productive path forward.

Since the relief requested by Goldbrook in Court Proceeding #1 included a proposed buy-out of its interest in JCML, one such potential resolution was to make an offer to acquire all of the issued and outstanding Shares. The Shareholders Agreement, however, contains a standstill clause which requires the Parent to obtain the consent of the Goldbrook Board to the making of an offer to acquire the Shares.

Accordingly, on October 19, 2011, the Parent sent a letter to Mr. David Baker, the Chairman of Goldbrook, requesting Goldbrook’s consent, pursuant to the Shareholders Agreement, prior to 5:00 p.m. (Toronto time) on October 26, 2011 for the Parent to make an offer of Cdn.\$0.30 in cash per Share to Shareholders to acquire all of the issued and outstanding Shares.

Mr. Baker replied to the Parent’s letter on October 26, 2011. He advised that the Goldbrook Board formed a special committee (the “**Special Committee**”) of independent directors comprised of William R. LeClair (Chair) and J. Earl Terris to evaluate the request for consent by the Parent and to provide a recommendation to the Goldbrook Board. He also advised that the Special Committee retained McCarthy Tétrault LLP as independent legal counsel. In the letter, Goldbrook declined to provide the requested consent.

The Parent sent a second letter to Mr. Baker on October 30, 2011 extending the deadline under which Goldbrook had to consent to the making of the offer to 8:00 p.m. (Toronto time) on November 1, 2011 and addressing certain concerns identified by Goldbrook with respect to the offer that were set out in Goldbrook’s October 26 letter.

On November 1, 2011, Goldbrook responded that the requested consent was denied but suggested that the parties meet to discuss the potential offer further. A meeting was subsequently arranged for November 21-22, 2011 in Beijing, China.

On November 8, 2011, after receiving proposals from potential independent financial advisors, the Special Committee retained Raymond James Ltd. as its financial advisor. Prior to the meetings in Beijing, the Special Committee worked with its financial and legal advisors and considered their fiduciary obligations in the circumstances. The Special Committee and its advisors identified areas of concern with respect to the potential offer, missing information with respect to the progress of the development of the Nunavik Nickel Project and developed preliminary views with respect to value. The Special Committee and its advisors also considered potential strategic alternatives. The preliminary views of the Special Committee were also communicated to the full Goldbrook Board and feedback was provided to the Special Committee.

Meetings were held in Beijing, China on November 21 and 22, 2011 between representatives and advisors of the Parent and Goldbrook in respect of a potential transaction. The parties reached broad concurrence on a number of issues, but no agreement was reached on price and certain other material matters.

Goldbrook subsequently issued a press release on November 30, 2011 announcing the Parent's request for consent to make an offer for the Shares and citing the reasons it declined to provide the Parent with the requested consent.

In late 2011, the Parent concluded negotiations with CDB for a \$352 million secured project finance loan for CRI (the "CDB Loan"). The Shareholders Agreement required unanimous consent of the JCML board of directors to approve the CDB Loan. At a JCML board of directors meeting held on November 22, 2011 that was not attended by the Goldbrook Directors, the JJ Directors voted in favour of the CDB Loan. The Goldbrook Directors subsequently filed dissents. Following the November 22, 2011 meeting, JJ advised Goldbrook that CDB approved the CDB Loan and advanced funds into an escrow account, but made it a condition that, to advance the funds under the loan to CRI, the impasse at the board of directors of JCML had to be resolved to the satisfaction of CDB.

In early January 2012, the CRI management advised that the financial situation at CRI had become critical and it became clear to the Parent that a resolution to the impasse at JCML was urgently required to access the funds available through CDB. Teleconference meetings were held between principals of the Parent and Goldbrook commencing January 6, 2012 concerning the price for an offer for Goldbrook common shares and other material terms. A consensus was reached on January 11, 2012 with respect to the valuation framework contemplated under the Offer.

During January 11 to January 19, 2012, further negotiations were held concerning the transaction including the material terms of the Offer, the litigation standstill, and regarding the interim arrangements and funding of JCML and CRI, including access to the CDB Loan. Additional information with respect to the Nunavik Nickel Project was provided to Goldbrook, the Special Committee and its financial and legal advisors.

#### ***Goldbrook Board Approval***

On January 19, 2012, Raymond James Ltd. delivered a verbal opinion to the Special Committee that the consideration to be received by Goldbrook shareholders under the Offer is fair, from a financial point of view, to Goldbrook's shareholders (other than Parent and its affiliates). After considering the Offer with its financial and legal advisors, including the verbal opinion of Raymond James Ltd., the Special Committee determined that the Offer is in the best interests of Goldbrook and its Shareholders and Warranholders and recommended that the Goldbrook Board approve the Support Agreement and related agreements. The Goldbrook Board considered the recommendation of the Special Committee, among other things, and unanimously determined that the Offer was in the best interest of Goldbrook, Shareholders (other than the Parent and its affiliates) and Warranholders and unanimously resolved to recommend that Shareholders and Warranholders accept the Offer and tender their Shares and Warrants to the Offer.

#### ***Execution of Agreements and Public Announcement***

On January 19, 2012, the Parent and Goldbrook executed the Support Agreement, the Interim Arrangements Agreement, the Litigation Standstill Agreement and the Escrow Agreement and the directors and officers of Goldbrook entered into the Lock-Up Agreements with the Parent. Concurrently with the entering into of these agreements, the Goldbrook nominees on the board of directors of each of JCML and CRI, Mr. David Baker and Mr. Brian Grant, resigned from such boards effective as of January 19, 2012. See Section 6 of the Circular, "Support Agreement", Section 7 of the Circular, "Lock-Up Agreements" and Section 13 of the Circular, "Arrangements, Agreements or Understandings".

Prior to the markets opening on January 20, 2012, Goldbrook announced the entering into of the Support Agreement and the related transactions contemplated therein.

#### ***CRI Funding***

Approximately US\$100 million has been advanced to CRI by CDB pursuant to the CDB Loan subsequent to the execution of the Interim Arrangements Agreement and other transaction documents.

## **6. Support Agreement**

On January 19, 2012, the Parent and Goldbrook entered into the Support Agreement, which sets out, among other things, the terms and conditions upon which Goldbrook agrees to recommend to Shareholders and Warrantheolders the acceptance of the Offer. On January 30, 2012, the Support Agreement was amended to extend until February 3, 2012 the time for the mailing of the Offer and the Circular to Securityholders by the Offeror. The following is a summary of certain provisions of the Support Agreement. It does not purport to be complete and is subject to, and is qualified in its entirety by reference to, all of the provisions of the Support Agreement. The Support Agreement has been filed by Goldbrook with the Canadian securities regulatory authorities and is available at [www.sedar.com](http://www.sedar.com).

### ***Support of the Offer***

Goldbrook has announced that the Goldbrook Board, after consultation with its legal advisors and on receipt of a recommendation from its Special Committee, has unanimously determined that the Offer is in the best interests of Goldbrook, the Shareholders (other than the Parent and its affiliates) and the Warrantheolders. Accordingly, the Goldbrook Board has unanimously approved the making of a recommendation that Shareholders (other than the Parent and its affiliates) and Warrantheolders accept the Offer. Each member of the Goldbrook Board intends to support the Offer and, subject to the provisions of the Support Agreement, Goldbrook has agreed to co-operate in good faith and use all reasonable efforts to support the Offer and ensure that the Offer will be successful.

### ***The Offer***

The Parent has agreed to cause the Offeror to make the Offer and the Offeror will make the Offer on the terms and conditions set forth in the Support Agreement and, provided all of the conditions of the Offer set forth in Section 4 of the Offer, “Conditions of the Offer”, shall have been satisfied or waived at or prior to the Expiry Time, the Parent has agreed to procure the prompt take up and payment for all Shares and Warrants validly tendered and not withdrawn under the Offer by the Offeror within three business days following the time at which the Offeror is entitled to take up Shares and Warrants under the Offer. See Section 6 of the Offer, “Take-Up and Payment for Deposited Securities”.

The Offeror is permitted, in its sole discretion, to modify or waive any term or condition of the Offer; provided that the Parent shall ensure that the Offeror does not, without the prior written consent of Goldbrook, amend or modify the Minimum Tender Condition to less than 50% plus one (1) Share of the issued and outstanding Shares (on a fully-diluted basis) (inclusive of Shares beneficially owned or over which control or direction is exercised by the Parent, any subsidiary of the Parent or any of their affiliates), waive the Minimum Tender Condition, as amended or modified, unless the Offeror can and, after such waiver, does take up and pay for a number of Shares equal to not less than 50% of the Shares (on a fully-diluted basis) plus one (1) Share, increase the Minimum Tender Condition, impose additional conditions to the Offer, decrease the cash consideration per Share or Warrant, decrease the number of Shares or Warrants in respect of which the Offer is made, change the form of consideration payable (other than to add additional consideration or consideration alternatives), vary the Offer or any terms or conditions thereof (which, for greater certainty, does not include a waiver of a condition) in a manner which is adverse to the Shareholders, or extend the Expiry Date beyond a date that is 60 days after the commencement of the Offer. If the Offeror amends, modifies or waives the Minimum Tender Condition as permitted under the Support Agreement, and takes up and pays for any Shares or Warrants pursuant to the Offer, the Parent shall procure the extension of the Offer by the Offeror to the extent required to ensure that the Expiry Date shall be not less than 10 days from the date of such amendment, modification or waiver.

On January 19, 2012, Goldbrook, the Parent and McCarthy Tétrault LLP entered into the Escrow Agreement pursuant to which, among other things, the Parent deposited \$6,895,635 with McCarthy Tétrault LLP on January 27, 2012 to be disbursed pursuant to the Escrow Agreement in respect of the payments identified therein. See Section 13 of the Circular, “Arrangements, Agreements or Understandings”.

The Parent advanced \$2,000,000 to Goldbrook on January 27, 2012 under the terms of the Support Agreement, which loan has been reflected by the issuance of the Promissory Note by Goldbrook to the Parent. The purpose of this interim funding arrangement is to enable Goldbrook to fund expenses it incurs in the ordinary course of business. See Section 13 of the Circular, “Arrangements, Agreements or Understandings”.

### ***Shareholders Agreement***

Goldbrook consented, pursuant to Section 15.4 of the Shareholders Agreement, to the announcement of the Parent's intention to make the Offer, the making of the Offer and the consummation of the Contemplated Transactions.

### ***Shareholder Rights Plan***

Goldbrook and the Goldbrook Board have agreed to take all action necessary (a) in order to ensure that the Separation Time does not occur in connection with the Support Agreement or any of the Contemplated Transactions, (b) to give effect to the waiver, if required, of the application of the Shareholder Rights Plan to the Contemplated Transactions and to ensure that the Shareholder Rights Plan does not interfere with or impede the success of any of the Contemplated Transactions, and (c) if requested by the Parent, in order to ensure that upon the take-up of Shares pursuant to the Offer, all SRP Rights cease to be exercisable and are immediately redeemed at the Redemption Price (as defined in the Shareholder Rights Plan) as provided under the Shareholder Rights Plan without further formality and to ensure that upon such redemption all SRP Rights become null and void. Goldbrook has also covenanted that it will not waive the application of the Shareholder Rights Plan to any Acquisition Proposal unless it is a Superior Proposal (as defined below and in the Support Agreement) and the five business day right to match period provided to the Offeror in respect of any Superior Proposal in the Support Agreement has expired (or such waiver is deemed to occur as a result of the waiver of the Shareholder Rights Plan to the Offer), and it will not amend the Shareholder Rights Plan or authorize, approve or adopt any other shareholder rights plan or enter into any agreement providing therefor. Notwithstanding the foregoing, Goldbrook shall be entitled to defer the Separation Time in connection with an Acquisition Proposal.

### ***Goldbrook Board Representation***

Goldbrook has acknowledged that provided that at least a majority of the then outstanding Shares on a fully diluted basis are taken up for purchase by the Offeror (inclusive of Shares beneficially owned or over which control or direction is exercised by the Parent, any subsidiary of the Parent or any of their affiliates), the Offeror will be entitled to designate such number of members of the Goldbrook Board, and any committees thereof, as determined by the Offeror, in its sole discretion, and Goldbrook will not frustrate the Offeror's attempt to do so and Goldbrook has covenanted to co-operate with the Offeror, subject to all applicable Laws and the provision of releases and confirmation of insurance coverage, to enable the Offeror's designees to be elected or appointed to the Goldbrook Board, and any committees thereof on a basis that would not require the holding of a shareholders meeting. Goldbrook has also covenanted, at the request of the Offeror, to secure the resignations of such directors as the Offeror may request.

### ***No Solicitation***

Goldbrook has agreed that, except as provided in the Support Agreement, it will not, directly or indirectly, through any of its Representatives: (a) make, solicit, assist, initiate, knowingly encourage or otherwise facilitate (including by way of furnishing non-public information, permitting any visit to any facilities or properties of Goldbrook or material joint venture of Goldbrook, or entering into any form of written or oral agreement, arrangement or understanding) any inquiries, proposals or offers regarding any Acquisition Proposal (as defined below and in the Support Agreement); (b) engage in any discussions or negotiations regarding, or provide any information with respect to, or otherwise co-operate in any way with, or assist or participate in, knowingly encourage or otherwise facilitate, any effort or attempt by any other person to make or complete any Acquisition Proposal, provided that, for greater certainty, Goldbrook may advise any person making an unsolicited Acquisition Proposal that such Acquisition Proposal does not constitute a Superior Proposal when the Goldbrook Board has so determined; (c) withdraw, modify or qualify, or propose publicly to withdraw, modify or qualify, in any manner adverse to the Parent or the Offeror, the approval or recommendation of the Goldbrook Board or any committee thereof of the Support Agreement or the Offer; (d) approve, recommend or remain neutral with respect to, or propose publicly to approve, recommend or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal until seven (7) days following the public announcement of such Acquisition Proposal shall not be considered a violation of this obligation); (e) release any person from or waive, or otherwise forbear the enforcement of, any confidentiality agreement with such person that would facilitate the making or implementation of any Acquisition Proposal (provided that, for the avoidance of doubt, any automatic release from the standstill provisions of any such agreement in accordance with its terms shall not constitute a breach of this obligation); or (f) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal.

The Support Agreement defines an "**Acquisition Proposal**" as the following, in each case whether in a single transaction or a series of related transactions: (i) any take-over bid, tender offer or exchange offer that, if consummated, would result in a person or group of persons beneficially owning 20% or more of any class of voting or equity securities of Goldbrook; (ii) any amalgamation, plan of arrangement, share exchange, business combination, merger, consolidation, recapitalization,



reorganization, or other similar transaction involving Goldbrook which represents, individually or in the aggregate, 20% or more of the assets, revenues or earnings of Goldbrook, or any liquidation, dissolution or winding-up of Goldbrook which represents, individually or in the aggregate, 20% or more of the assets, revenues or earnings of Goldbrook; (iii) any direct or indirect sale of assets (or any lease, long term supply arrangement, licence or other arrangement having the same economic effect as a sale) of Goldbrook which represents, individually or in the aggregate, 20% or more of the assets, revenues or earnings of Goldbrook; (iv) any direct or indirect sale, issuance or acquisition of Shares or any other voting or equity interests (or securities representing, convertible into or exercisable for, such Shares or interests) in Goldbrook representing 20% or more of the issued and outstanding equity or voting interests (or rights or interests therein or thereto) of Goldbrook; and (v) any proposal or offer to do, or public announcement of an intention to do, any of the foregoing from any person other than the Parent or a subsidiary of the Parent, excluding the Offer and the other transactions contemplated by the Support Agreement.

Goldbrook has agreed to immediately cease any existing solicitation, discussion or negotiation with any person (other than the Parent or a subsidiary of the Parent), by or on behalf of Goldbrook with respect to or which could reasonably be expected to lead to an Acquisition Proposal, whether or not initiated by Goldbrook or any of its Representatives and, in connection therewith, to discontinue access to any data rooms.

Goldbrook has agreed to request the return or destruction of all information provided to any third parties who have entered into a confidentiality agreement with Goldbrook relating to any potential Acquisition Proposal and to use commercially reasonable efforts to ensure that such requests are honoured in accordance with the terms of such confidentiality agreements. Goldbrook has agreed to immediately advise the Parent of any response or action (actual, anticipated, contemplated or threatened) by any such third party which could reasonably be expected to hinder, prevent or delay or otherwise adversely affect the completion of the Offer.

Goldbrook has agreed to promptly (and in any event within 24 hours) notify the Parent and the Offeror of any proposal, inquiry, offer or request (or any amendment thereto) relating to or constituting an Acquisition Proposal, any request for discussions or negotiations relating to, or which could reasonably be expected to lead to, an Acquisition Proposal, and/or any request for non-public information relating to Goldbrook including, in respect of certain of its properties or mineral rights, or for access to properties or books and records or a list of Shareholders of which Goldbrook's directors, officers, employees, Representatives or agents are or become aware.

Goldbrook has agreed to ensure that its Representatives are aware of the non-solicitation provisions of the Support Agreement and Goldbrook shall be responsible for any breach by such persons.

#### ***Superior Proposals, Right to Match, etc.***

Following the receipt by Goldbrook of a written Acquisition Proposal made after the date of the Support Agreement that was not solicited in contravention of the Support Agreement including, for greater certainty, an amendment, change or modification to an Acquisition Proposal made prior to the date of the Support Agreement, Goldbrook and its Representatives may: (a) contact the person making such Acquisition Proposal and its Representatives for the purposes of clarifying the terms and conditions of such Acquisition Proposal and the likelihood of its consummation so as to determine whether such Acquisition Proposal is, or could reasonably be expected to lead to, a Superior Proposal; and (b) if the Goldbrook Board determines, after consultation with its outside legal and financial advisors, that such Acquisition Proposal is, or could reasonably be expected to lead to, a Superior Proposal and that the failure to take the relevant action would be inconsistent with its fiduciary duties: (i) furnish information with respect to Goldbrook to the person making such Acquisition Proposal and its Representatives provided that Goldbrook and such person entered into a confidentiality and standstill agreement (provided that no such confidentiality and standstill agreement shall prevent that Goldbrook and such person from making, pursuing or completing an Acquisition Proposal in accordance with the Support Agreement and provided further that Goldbrook sends a copy of such agreement to the Parent promptly following its execution and the Parent is promptly provided with a list of, and access to, the information provided to such person); and (ii) engage in discussions and negotiations with respect to the Acquisition Proposal with the person making such Acquisition Proposal and its Representatives.

The Support Agreement defines a “**Superior Proposal**” as a bona fide Acquisition Proposal: (a) to purchase or otherwise acquire, directly or indirectly, by means of a merger, take-over bid, amalgamation, plan of arrangement, business combination or similar transaction, (i) all of the Shares (not beneficially owned by the party making such Acquisition Proposal) and pursuant to which all Shareholders are offered the same consideration in form and amount per Share to be purchased or otherwise acquired, or (ii) all or substantially all of the assets of Goldbrook; (b) that did not result from a breach of the non-solicitation covenants of the Support Agreement; (c) that is made in writing after the date of the Support Agreement, including an amendment, change or modification to any Acquisition Proposal made prior to the date of the Support Agreement; (d) that complies with all applicable securities Laws in all material respects; (e) in respect of which any required financing to complete such Acquisition Proposal has been demonstrated to the satisfaction of the Goldbrook Board, acting in good faith (after consultation with its financial advisors and outside legal counsel), will be obtained; (f) that is not subject to any due diligence

and/or access condition which would allow access to the books, records, personnel or properties of Goldbrook beyond noon (Vancouver time) on the fifth (5<sup>th</sup>) day after which access is first given to the person making such Acquisition Proposal; and (g) that the Goldbrook Board has determined in good faith (after consultation with its financial advisors and outside legal counsel): (i) is reasonably capable of completion without undue delay taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the person making such Acquisition Proposal; and (ii) would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable from a financial point of view to the Shareholders than the Offer (taking into consideration any adjustment to the terms and conditions of the Offer proposed by the Parent pursuant to the terms of the Support Agreement).

Goldbrook may enter into an agreement (in addition to any confidentiality agreement contemplated above) with respect to an Acquisition Proposal including, for greater certainty, an amendment, change or modification to an Acquisition Proposal made prior to the date of the Support Agreement, provided that: (a) Goldbrook has complied with certain of its obligations under the Support Agreement; (b) the Goldbrook Board has determined, after consultation with its outside legal and financial advisors, that such Acquisition Proposal is a Superior Proposal and that the failure to take the relevant action would be inconsistent with its fiduciary duties; (c) Goldbrook has delivered written notice to the Parent and the Offeror of the determination of the Goldbrook Board that the Acquisition Proposal is a Superior Proposal and of the intention of the Goldbrook Board to approve or recommend such Superior Proposal and/or of Goldbrook to enter into an agreement with respect to such Superior Proposal, together with a copy of such agreement; (d) at least five business days have elapsed since the date the Superior Proposal notice was received by the Parent and the Offeror which five (5) business day period is referred to as the “**Right to Match Period**”; (e) if the Parent and the Offeror have offered to amend the terms of the Offer during the Right to Match Period, the Goldbrook Board has determined, after consultation with its outside legal and financial advisors, that such Acquisition Proposal continues to be a Superior Proposal compared to the amendment of the terms of the Offer and the Support Agreement offered by the Parent at or prior to the termination of the Right to Match Period; and (f) Goldbrook terminates the Support Agreement and pays the Termination Payment (as defined in the Support Agreement). In addition, the Goldbrook Board may, subject to the Parent’s right to terminate the Support Agreement, withdraw, modify or qualify its approval or recommendation of the Offer and recommend or approve an Acquisition Proposal, including an amendment, change or modification to an Acquisition Proposal made prior to the date of the Support Agreement, provided that the requirements set out in (a) though (e) above are satisfied.

During the Right to Match Period, the Parent and the Offeror will have the opportunity, but not the obligation, to offer to amend the terms of the Offer and the Support Agreement. The Goldbrook Board will review any such offer by the Parent and the Offeror to amend the terms of the Offer and the Support Agreement in order to determine, in good faith in the exercise of its fiduciary duties, whether the Parent and the Offeror’s offer to amend the Offer and the Support Agreement, upon its acceptance, would result in the Acquisition Proposal ceasing to be a Superior Proposal compared to the amendment to the terms of the Offer and the Support Agreement offered by the Parent and the Offeror. If the Goldbrook Board determines that the Acquisition Proposal would cease to be a Superior Proposal, the Parent shall procure the amendment by the Offeror of the terms of the Offer and Goldbrook and the Parent will enter into and the Parent will procure the entering into by the Offeror of an amendment to the Support Agreement reflecting the offer by the Parent and the Offeror to amend the terms of the Offer and the Support Agreement.

The Goldbrook Board will promptly reaffirm its recommendation of the Offer by press release after: (a) any Acquisition Proposal is publicly announced or made and the Goldbrook Board determines it is not a Superior Proposal; or (b) the Goldbrook Board determines that a proposed amendment to the terms of the Offer would result in the Acquisition Proposal not being a Superior Proposal, and the Parent has so amended the terms of the Offer.

Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration to be received by the Shareholders will constitute a new Acquisition Proposal.

Nothing in the Support Agreement shall prevent the Goldbrook Board from responding through a directors’ circular or otherwise as required by applicable Laws to an Acquisition Proposal that it determines is not a Superior Proposal. Further, nothing in the Support Agreement shall prevent the Goldbrook Board from making any disclosure to the securityholders of Goldbrook if the Goldbrook Board, acting in good faith and upon the advice of its legal advisors, shall have first determined that the failure to make such disclosure would be inconsistent with the fiduciary duties of the Goldbrook Board or such disclosure is otherwise required under applicable Laws; provided, however, that, notwithstanding that the Goldbrook Board is permitted to make such disclosure, the Goldbrook Board is not permitted to make a Change in Recommendation (as defined in the Support Agreement), other than as permitted by the Support Agreement.

### ***Subsequent Acquisition Transaction***

The Support Agreement provides that if, within 120 days after the date of the Offer (or such longer time as a court may permit), the Offer has been accepted by Shareholders holding not less than 90% of the issued and outstanding Shares as at the Expiry Time, excluding Shares held by or on behalf of the Offeror or an associate (as such term is defined in the BCBCA) or an affiliate of the Offeror, the Offeror shall, to the extent possible, acquire the remainder of the Shares from those Shareholders who

have not accepted the Offer pursuant to a Compulsory Acquisition under Section 300 of the BCBCA. If that statutory right of acquisition is not available to the Offeror because the Offer has been accepted by holders of less than 90% of the outstanding Shares at the Expiry Time, excluding Shares held by or on behalf of the Offeror or an affiliate or an associate of the Offeror, the Offeror may use its commercially reasonable efforts to pursue other means of acquiring the remaining Shares not tendered to the Offer, provided that the consideration per Share offered shall be at least equivalent in value to the consideration per Share paid under the Offer. At the Offeror's request, Goldbrook will assist the Offeror in order for the Offeror to acquire sufficient Shares, to successfully complete a Subsequent Acquisition Transaction involving Goldbrook and the Parent or a subsidiary of the Parent, provided that the consideration per Share offered in connection with the Subsequent Acquisition Transaction shall not be less than the price per share paid under the Offer and in no event will the Offeror be required to offer consideration per Share greater than the price per share paid under the Offer.

### ***Termination of the Support Agreement***

The Support Agreement may be terminated at any time prior to the time that designees of the Offeror represent a majority of the Goldbrook Board in the following circumstances: (a) by mutual written consent of the Parent and Goldbrook; (b) by Goldbrook, if the Offeror does not commence the Offer by 11:59 p.m. (Vancouver time) on February 3, 2012 (the "**Latest Mailing Time**") (other than as a result of Goldbrook's default or breach of a material covenant or obligation hereunder) or the Offer (or any amendment thereto other than as permitted under the Support Agreement or has been mutually agreed by the Parent and Goldbrook) does not conform in all material respects with the Support Agreement and such non-conformity is not cured within five (5) business days from the date of written notice thereof; (c) by the Parent, prior to the mailing of the Circular, if any condition to making the Offer for the Parent's and the Offeror's benefit is not satisfied or waived by the Latest Mailing Time (other than as a result of a default by the Parent under the Support Agreement); (d) by the Parent, if (i) the Minimum Tender Condition should not be satisfied at the Expiry Time and the Offeror shall not have elected, with the prior consent of Goldbrook, to waive such condition, or (ii) any condition of the Offer, other than the Minimum Tender Condition, shall not be satisfied at the Expiry Time and the Offeror shall not have elected to waive such condition; (e) by either Goldbrook or the Parent, if the Offeror does not take up and pay for the Shares deposited under the Offer by a date that is 120 days following the date of the commencement of the Offer (other than as a result of the material breach of any covenant or obligation under the Support Agreement by the party seeking to terminate the Support Agreement in certain circumstances or as a result of any representation or warranty made by such party being untrue or incorrect (without giving effect to, applying or taking into consideration any materiality or Material Adverse Effect qualification already contained within such representation or warranty) where such inaccuracies in the representations and warranties, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect in respect of such party), provided further, however, that if the Offeror's take up and payment for Shares deposited under the Offer is delayed by (i) an injunction or order made by a Governmental Entity of competent jurisdiction, or (ii) the Offeror not having obtained any governmental or regulatory approval, including any Required Regulatory Approval, then, provided that such injunction or order is being contested or appealed or such governmental or regulatory approval is being actively sought, as applicable, the Support Agreement shall not be terminated until the earlier of (A) the fifth business day following the date on which such injunction or order ceases to be in effect or such governmental or regulatory approval is obtained, and (B) 180 days after the Offer is commenced; (f) by the Parent, if (i) Goldbrook is in material default of any covenant or obligation in the Support Agreement relating to the non-solicitation of Acquisition Proposals or the Parent's right to match any Superior Proposal, (ii) Goldbrook is in material default of any other covenant or obligation in the Support Agreement, or (iii) any representation or warranty made by Goldbrook in the Support Agreement was, at the date of the Support Agreement, or shall have become untrue or incorrect at any time prior to the Expiry Time (without giving effect to, applying or taking into consideration any materiality or Material Adverse Effect qualification already contained within such representation or warranty) where such inaccuracies in the representations and warranties, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect in respect of Goldbrook; and, in the case of any of (f)(ii) or (f)(iii), such default or inaccuracy is not curable or, if curable, is not cured by the earlier of the date which is five (5) days from the date of written notice of such breach and the business day prior to the Expiry Date; (g) by Goldbrook, if (i) the Parent is in material default of any covenant or obligation in the Support Agreement (without giving effect to, applying or taking into consideration any materiality qualification already contained in such covenant or obligation), or (ii) any representation or warranty of the Parent under the Support Agreement is untrue or incorrect in any material respect at any time prior to the Expiry Time and such inaccuracy is reasonably likely to prevent, restrict or materially delay consummation of the Offer, and, in the case of (g)(i) or (g)(ii), such default or inaccuracy is not curable or, if curable, is not cured by the earlier of the date which is five (5) days from the date of written notice of such breach and the business day prior to the Expiry Date; (h) the Parent or Goldbrook, if any court of competent jurisdiction or other Governmental Entity in Canada or the PRC shall have issued an order, decree or ruling permanently enjoining or otherwise prohibiting any of the Offer, the take-up of the Shares by the Offeror pursuant to the Offer, any Compulsory Acquisition, any Subsequent Acquisition Transaction, any subsequent amalgamation, merger or other business combination of the Parent (or any of its affiliates) and Goldbrook any form of transaction whereby the Parent or any subsidiary of the Parent would effectively acquire all of the Shares and Warrants within approximately the same time periods and on economic terms and other terms and conditions (including, without limitation, tax treatment and form and amount of consideration per Share and Warrant) and having consequences to Goldbrook and its Shareholders and Warrant holders that are equivalent to or better than those contemplated by the Support Agreement and any other actions with respect to any other transactions contemplated by the Support Agreement (collectively, the "**Contemplated Transactions**") (unless such order, decree or ruling has been withdrawn,

reversed or otherwise made inapplicable), which order, decree or ruling is final and non-appealable; (i) by the Parent, if (i) the Goldbrook Board fails to publicly recommend the Offer or reaffirm its approval of the Offer within seven (7) days of any written request by the Parent (or, in the event that the Offer shall be scheduled to expire within such seven (7) day period, prior to the scheduled expiry of the Offer), (ii) the Goldbrook Board or any committee thereof withdraws, modifies, changes or qualifies its approval or recommendation of the Offer in any manner adverse to the Parent, or (iii) the Goldbrook Board or any committee thereof recommends or approves, or publicly proposes to recommend or approve, an Acquisition Proposal; or (j) by either the Parent or Goldbrook, if the Offer terminates, expires or is withdrawn at the Expiry Time without the Offeror as a result of the failure of any condition to the Offer to be satisfied or waived, unless the failure of such condition shall be due to the failure of the party seeking to terminate the Support Agreement to perform the covenants or obligations required to be performed by it under the Support Agreement; or (k) by Goldbrook, if Goldbrook proposes to enter into a definitive agreement with respect to a Superior Proposal in compliance with the provisions of the Support Agreement, provided that prior to or concurrently with the entering into of that definitive agreement, Goldbrook shall have paid to the Parent or an assignee of the Parent the applicable Termination Payment.

#### ***Termination Payment and Expense Reimbursement***

Goldbrook is obligated to pay the Parent a termination payment in the amount of \$3 million (the “**Termination Payment**”) upon the occurrence of any of the following: (a) the Support Agreement is terminated by the Parent in the circumstances described in (f)(i) above or (i) above (except in a circumstance in which the Support Agreement is terminated pursuant to (i)(ii) above in circumstances where Goldbrook is entitled to terminate the Support Agreement pursuant to (g) above and, as a consequence, the Goldbrook Board withdraws, modifies, changes or qualifies its approval or recommendation of the Offer, in which event no Termination Payment will be payable); (b) the Support Agreement is terminated by Goldbrook in the circumstances described in (k) above; or (c) the Support Agreement is terminated by the Parent pursuant to (d)(i) above if, following the date of the Support Agreement and prior to the date on which the Support Agreement is terminated: (A) an Acquisition Proposal is publicly announced or made, or any person has publicly announced an intention to make an Acquisition Proposal; and (B) either (I) an Acquisition Proposal is completed within 12 months following the date of the Support Agreement, or (II) an agreement in respect of an Acquisition Proposal (other than a confidentiality agreement in certain circumstances) is entered into with Goldbrook within 12 months following the date of the Support Agreement and such Acquisition Proposal is subsequently completed.

Goldbrook shall be entitled to an expense reimbursement payment of \$2 million if the Support Agreement is terminated pursuant to (g) above.

#### ***Representations and Warranties***

The Support Agreement contains a number of customary representations and warranties of the Parent and Goldbrook relating to, among other things: corporate status, and the corporate authorization and enforceability of, and board approval of, the Support Agreement and the Offer. The representations and warranties of Goldbrook also address various matters relating to the business, operations and properties of Goldbrook including, among other things: capitalization; public filings; accuracy of financial statements; liabilities and indebtedness; books and records; absence of certain changes or events; litigation; compliance with Laws; employment matters; tax matters; material contracts; related party transactions; mineral reserves and resources; properties and mineral rights; disclosure controls and procedures; internal controls over financial reporting; reporting issuer status and anti-corruption laws. In addition, the Parent has represented that they have made adequate arrangements to ensure that the required funds are available to effect payment in full of the consideration for all of the Shares acquired pursuant to the Offer.

#### ***Conduct of Business***

Goldbrook has covenanted and agreed that, prior to the earlier of the time that designees of the Offeror represent a majority of the Goldbrook Board and the termination of the Support Agreement, unless the Parent shall otherwise agree in writing or as otherwise expressly contemplated or permitted by the Support Agreement, Goldbrook will, among other things, conduct its businesses in the ordinary course consistent with past practice in all material respects and use commercially reasonable efforts to preserve intact its present business organization and goodwill, to preserve intact its real property interests, mining leases, mining concessions, mining claims, exploration permits or prospecting permits or other property, mineral or proprietary interests or rights or contractual or other legal rights and claims in good standing, to keep available the services of its officers and employees as a group and to maintain satisfactory relationships with suppliers, distributors, employees and others having business relationships with it. Goldbrook has also agreed that it will not take certain actions specified in the Support Agreement. Goldbrook will not, among other things: (a) acquire or commit to acquire any assets or group of related capital assets (through one or more related or unrelated acquisitions) having a value in excess of \$100,000 in the aggregate, except for investments in short-term government grade instruments or in the ordinary course of business; (b) subject to certain exceptions, incur, or commit to, capital expenditures in excess of \$100,000 in the aggregate; or (c) subject to certain exceptions, sell, lease, option, encumber or otherwise dispose of, or commit to sell, lease, option, encumber or otherwise dispose of, any assets or group

of related assets (through one or more related or unrelated transactions) having a value in excess of \$100,000 in the aggregate.

Goldbrook has also agreed to notify the Parent of: (a) any material change (within the meaning of the Securities Act) in relation to Goldbrook and of any material governmental or third party complaints, investigations or hearings (or communications indicating that the same may be contemplated); and (b) the occurrence, or failure to occur, of any event which occurrence or failure would, or would be reasonably likely to, (i) cause any of the representations or warranties of Goldbrook contained in the Support Agreement to be untrue or inaccurate (without giving effect to, applying or taking into consideration any materiality or Material Adverse Effect qualification already contained within such representation or warranty) in any material respect, or (ii) result in the failure of Goldbrook to comply with or satisfy any covenant, condition or agreement under the Support Agreement. The Parent and the Offeror acknowledged that any inadvertent failure to notify the other of a matter that is not material shall not in and of itself entitle a party to terminate the Support Agreement.

#### ***Other Covenants***

Each of Goldbrook and the Parent has agreed to a number of mutual covenants, including to co-operate in good faith and use commercially reasonable efforts to take all actions and do all things necessary, proper or advisable to consummate and make effective as promptly as is practicable the transactions contemplated by the Offer and the Support Agreement, and for the discharge by the Parent and Goldbrook of its respective obligations under the Support Agreement and the Offer (including its obligations under applicable securities Laws) including to use commercially reasonable efforts to: (a) obtain all necessary waivers, consents and approvals from other parties to material agreements, leases and other contracts or agreements (including the agreement of any persons as may be required pursuant to any agreement, arrangement or understanding relating to Goldbrook's operations); (b) obtain all necessary waivers, consents and approvals and to effect all necessary registrations and filings, including filings under applicable Laws and submissions of information requested by Governmental Entities, in connection with the Contemplated Transactions, including in each case the execution and delivery of such documents as the other party may reasonably require; (c) defend all lawsuits or other legal proceedings challenging the Support Agreement or the consummation of the transactions contemplated in the Support Agreement; (d) cause to be lifted or rescinded any injunction or restraining order or other adverse order (including any cease trade order, objection, injunction or other prohibition) which may be issued in connection with the transactions contemplated in the Support Agreement against any of the parties; and (e) fulfil all conditions and satisfy all provisions of the Support Agreement and the Offer.

#### ***Directors' and Officers' Insurance and Indemnification***

From and after the time that designees of the Offeror represent a majority of the Goldbrook Board and for a period of six years thereafter, the Parent shall cause Goldbrook (or its successor) to maintain its current directors' and officers' liability insurance policy or a reasonably equivalent policy subject in either case to terms and conditions no less advantageous to the directors and officers of Goldbrook than those contained in the policy in effect on the date of the Support Agreement, for all present and former directors and officers of Goldbrook. Alternatively, it has been agreed that either Goldbrook or the Offeror may purchase as an extension to Goldbrook's current insurance policies, run-off insurance providing such coverage for such persons on terms comparable to those contained in Goldbrook's current insurance policies.

#### ***Outstanding Goldbrook Options***

Under the Support Agreement, the Parent and Goldbrook agreed that, between the date of the Support Agreement and the Expiry Time, subject to the terms of the Stock Option Plan and the receipt of any necessary approvals and to applicable Laws, Goldbrook may take such actions as may be necessary or desirable, including amending the terms of any Options and the Stock Option Plan to provide that all Options vest no later than immediately prior to the Expiry Time and that each holder of Options shall be entitled to, at his or her option: (i) exercise such Options, in accordance with their terms, and thereby acquire Shares; (ii) in lieu of exercising Options, surrender or cancel such Options to Goldbrook, in exchange for a payment by Goldbrook in the form of Shares having a fair market value equal to the Cash-Out Amount, in each case, for the purposes of tendering to the Offer all Shares issued in connection with such exercise, surrender or cancellation, where "**Cash-Out Amount**" means an amount equal to the amount by which the Cdn.\$0.39 price per Share offered under the Offer, which could be acquired pursuant to the exercise of the Option, exceeds the aggregate exercise price under such Option.

The Parent and Goldbrook also agreed that all Options tendered to Goldbrook for exercise, surrender or cancellation conditional upon the Offeror taking up the Shares under the Offer (a "**Conditional Option Exercise**"), shall be deemed to have been exercised or surrendered immediately prior to the take up of the Shares by the Offeror. The Offeror shall accept as validly tendered under the Offer all of the Shares to be issued pursuant to the Conditional Option Exercise, provided that the holders of such Options indicate that such Shares are tendered pursuant to the Offer and provided that such holders agree to surrender any of their remaining Options to Goldbrook for cancellation effective at the Expiry Time.

Upon a Conditional Option Exercise, provided that the Shares acquired thereunder are tendered to the Offer, the holder shall direct the Offeror in writing (in a form acceptable to Parent and the Offeror, acting reasonably) to pay to Goldbrook from the proceeds of sale of such Shares otherwise payable to the Option holder for remittance to the relevant tax authority an amount (the “**Withholding Amount**”) sufficient to satisfy all applicable income tax and other source deductions arising on the exercise of the Options.

#### ***The Parent Guarantee***

The Parent has unconditionally and irrevocably guaranteed under the Support Agreement, and agreed to be jointly and severally liable with the Offeror, as principal obligor, for the due and punctual performance of the obligations of the Offeror under or relating to the Offer and the other transactions contemplated by the Support Agreement.

#### **7. Lock-Up Agreements**

The Parent entered into a Lock-Up Agreement with each Locked-Up Securityholder on January 19, 2012. The aggregate number of Shares and Warrants subject to the Lock-Up Agreements represents approximately 6% of the issued and outstanding Shares and Warrants on a fully diluted basis. The following is a summary of certain provisions of the Lock-Up Agreements. This summary does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the provisions of the Lock-Up Agreements. The Lock-Up Agreements have been filed under Goldbrook’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

#### ***Agreement to Make the Offer***

The Parent has agreed to procure the Offeror to make the Offer and the Offeror will make the Offer within the time period and upon and subject to the terms and conditions set out in the Support Agreement.

#### ***Agreement to Tender***

The Locked-Up Securityholders have agreed, subject to certain terms and conditions described below, to irrevocably deposit or cause to be deposited under the Offer all Locked-Up Securities held by such Locked-Up Securityholders prior to the Expiry Date.

The Locked-Up Securityholders may withdraw the Locked-Up Securities in order to support or vote in favour or, or tender to, an Acquisition Proposal if, and only if, such Acquisition Proposal is a Superior Proposal and Goldbrook has complied with its obligations under the Support Agreement. The Locked-Up Securityholders may also withdraw any Warrants tendered under the Offer that have a Time of Expiry (as defined in such Warrants) prior to the Expiry Date in order for the Locked-Up Securityholder to exercise such Warrants prior to such Time of Expiry.

#### ***Covenants of the Locked-Up Securityholders***

Each Locked-Up Securityholder has agreed, among other things, that it will: (a) not, directly or indirectly through any of its Representatives, (i) make, solicit, assist, initiate, knowingly encourage or otherwise facilitate (including by way of furnishing non-public information, permitting any visit to any facilities or properties of Goldbrook or material joint venture of Goldbrook, or entering into any form of written or oral agreement, arrangement or understanding) any inquiries, proposals or offers regarding any Acquisition Proposal, (ii) engage in any discussions or negotiations regarding, or provide any information with respect to, or otherwise co-operate in any with, or assist or participate in, knowingly encourage or otherwise facilitate, any effect or attempt by any other person to make or complete any Acquisition Proposal, (iii) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, arrangement or undertaking related to any Acquisition Proposal, (iv) provide any information relating to Goldbrook to any person or group in connection with any Acquisition Proposal, or (v) otherwise co-operate in any way with any effort or attempt by any other person or group to do or seek to do any of the foregoing; (b) not acquire direct or indirect beneficial ownership of or control or direction over any additional Shares or Warrants with the exception of any Shares acquired pursuant to the exercise by the Locked-Up Securityholder of any Option, Warrant or other convertible security of Goldbrook; (c) immediately cease and cause to be terminated all existing solicitation, discussion, negotiation, encouragement or activity, if any, with any person or group or any agent or representative of any person or group conducted before the date of the Lock-Up Agreements with respect to or which could reasonably be expected to lead to an Acquisition Proposal; (d) not option, sell, transfer, pledge, encumber, grant a security interest in, hypothecate or otherwise convey or enter into any forward sale, repurchase agreement or other monetization transaction with respect to any of the Locked-Up Securities, or any right or interest therein (legal or equitable), to any person or group or agree to do any of the foregoing; (e) not grant or agree to grant any proxy, power of attorney or other right to vote the Locked-Up Securities, or enter into any voting agreement, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of securityholders or give consents or approval of any kind with respect to any of the Locked-Up Securities; (f) not take any other action of any kind, directly or indirectly, which might reasonably be regarded as likely to reduce

the success of, or delay or interfere with the completion of, the Offer and the other transactions contemplated by the Support Agreement and the Lock-Up Agreements; (g) not requisition or join in any requisition of any meeting of securityholders of Goldbrook without the prior written consent of the Parent, or vote or cause to be voted any of the Locked-Up Securities in respect of any proposed action by Goldbrook or its securityholders or affiliates or any other person or group in a manner which might reasonably be regarded as likely to prevent or delay the successful completion of the Offer or the other transactions contemplated by the Support Agreement and the Lock-Up Agreements; (h) not take any other action of any kind, directly or indirectly, which might reasonably be regarded as likely to reduce the success of, or delay or interfere with the completion of, the Offer and the other transactions contemplated by the Support Agreement and the Lock-Up Agreements; and (i) exercise, conditionally exercise (as contemplated in the Support Agreement) and/or surrender any Options or Warrants held by the Locked-Up Securityholder prior to or as of the Expiry Time so that the Locked-Up Securityholder will hold no Options or Warrants immediately prior to the Expiry Time.

In addition to the foregoing covenants, except to the extent Goldbrook provides notice in accordance with the Support Agreement, each Locked-Up Securityholder has agreed that it will immediately notify the Parent of any proposal, inquiry, offer or request relating to an Acquisition Proposal, or any request for discussions or negotiations related to, or which could reasonably be expected to, lead to, an Acquisition Proposal of which the Locked-Up Securityholder becomes, directly or indirectly, aware. Such notification shall be made first orally and then in writing and shall include a description of the material terms and conditions together with a copy of all documentation relating to any such Acquisition Proposal or inquiry in respect of an Acquisition Proposal within the Locked-Up Securityholder's possession.

However, nothing contained in any Lock-Up Agreement shall prevent a Locked-Up Securityholder who is a member of the Goldbrook Board or is an officer of Goldbrook from engaging, in such Locked-Up Securityholder's capacity as a director or officer of Goldbrook, in discussions or negotiations with or furnishing information to any person in response to an unsolicited *bona fide* Acquisition Proposal made in writing to the Goldbrook Board (which Acquisition Proposal does not result from a breach of the Lock-Up Agreements and the Support Agreement) in circumstances where Goldbrook is permitted by Section 6.1 of the Support Agreement to engage in such discussions or negotiations.

#### ***Representations and Warranties of the Locked-Up Securityholders***

The Lock-Up Agreements contain customary representations and warranties of the Locked-Up Securityholders including, among other things, representations and warranties as to: (a) each Locked-Up Securityholder's sole legal and beneficial ownership of the Shares, with good and marketable title thereto, free and clear of any restrictions or encumbrances, at the time at which the Offeror takes up and pays for such Shares, (b) each Locked-Up Securityholder's sole right to sell and vote the Shares; (c) each Locked-Up Securityholder's ability to validly execute and deliver the relevant Lock-Up Agreement; and (d) the absence of legal proceedings against each Locked-Up Securityholder.

#### ***Representations and Warranties of the Parent***

The Lock-Up Agreements also contain customary representations and warranties of the Parent including, among other things, representations and warranties as to: (a) due incorporation and existence of the Parent; and (b) due execution and delivery of the Lock-Up Agreements.

#### ***Termination of the Lock-Up Agreements***

The Lock-Up Agreements may be terminated at any time by written agreement of the Parent and the relevant Locked-Up Securityholder. Each Lock-Up Agreement may also be terminated by the Parent, subject to certain conditions, upon notice if: (a) any Locked-Up Securityholder has not complied in all material respects with its covenants to the Parent contained in its Lock-Up Agreement; (b) any representation or warranty of any Locked-Up Securityholder in the relevant Lock-Up Agreement is or becomes at any time prior to the Expiry Time untrue or incorrect in any material respect; (c) the Support Agreement has been terminated in accordance with its terms; or (d) any of the conditions to the Offer is not satisfied or waived by the Offeror at or prior to the Expiry Time.

The Lock-Up Agreements may be terminated by a Locked-Up Securityholder, subject to certain conditions, upon notice if: (a) Parent has not procured that the Offeror make the Offer and the Offeror has not made the Offer within the time periods specified in the Support Agreement; (b) the Offer has expired or has been withdrawn in accordance with its terms without the Offeror having purchased any Shares pursuant to the Offer; (c) the Parent is in material breach of any representation, warranty or covenant of the Parent in the relevant Lock-Up Agreement or in the Support Agreement; (d) the Locked-Up Securityholder is permitted to support or vote in favour of, or tender or deposit any of the Locked-Up Securityholder's Shares or Warrants to, an Acquisition Proposal pursuant to the relevant Lock-Up Agreement; (e) the Locked-Up Securities have not been taken up and paid for by the Offeror by the Outside Date (as such term is used in the relevant Lock-Up Agreement); or (f) the Support Agreement has been terminated in accordance with its terms.

## **8. Purpose of the Offer and Plans for Goldbrook**

The purpose of the Offer is to enable the Offeror to acquire (and the Parent to acquire indirectly through the Offeror) voting control of Goldbrook. The effect of the Offer is to give all Shareholders the opportunity to receive Cdn.\$0.39 in cash per Share, each holder of \$0.25 Warrants the opportunity to receive Cdn.\$0.14 in cash per \$0.25 Warrant, and each holder of \$0.35 Warrants the opportunity to receive Cdn.\$0.04 in cash per \$0.35 Warrant. The Offer represents a premium of 59% to Goldbrook's closing Share price of Cdn.\$0.245 on the TSXV on January 19, 2012 (the last trading day prior to the announcement of the Offer) and a premium of 69% to Goldbrook's volume weighted average Share price of Cdn.\$0.222 on the TSXV for the 20 trading days prior to the announcement of the Offer. The Offer also represents a premium of 160% to Goldbrook's closing Share price of Cdn.\$0.15 on the TSXV on November 29, 2011 (the last trading day prior to the issuance by Goldbrook of the Goldbrook Press Release) and a premium of 141% to Goldbrook's volume weighted average Share price of Cdn.\$0.1619 on the TSXV for the 20 trading days prior to the issuance by Goldbrook of the Goldbrook Press Release.

If, within 120 days after the date of the Offer (or such later time as a court may permit), the Offer is accepted by Shareholders holding not less than 90% of the issued and outstanding Shares as at the Expiry Time, excluding any Shares held at the date of the Offer by or on behalf of the Offeror or an affiliate or an associate of the Offeror, and the Offeror acquires such Shares, then the Offeror shall, to the extent possible, acquire the remainder of the Shares from those Shareholders who have not accepted the Offer on the same terms as the Shares acquired under the Offer pursuant to a Compulsory Acquisition under Section 300 of the BCBCA. If a Compulsory Acquisition is not available or the Offeror because the Offer has been accepted by holders of less than 90% of the outstanding Shares as at the Expiry Time, excluding Shares held by or on behalf of the Offeror or an affiliate or an "associate" (as such term is defined in the BCBCA) of the Offeror, the Offeror may use its commercially reasonable efforts to pursue other means of acquiring the remaining Shares not tendered under the Offer, provided that the consideration per Share offered in connection with the Subsequent Acquisition Transaction is at least equivalent in value to the consideration per Share paid under the Offer. At the Offeror's request, Goldbrook will assist the Offeror in order for the Offeror to acquire a sufficient number of Shares to successfully complete a Subsequent Acquisition Transaction, involving Goldbrook and the Parent or a subsidiary of the Parent. See Section 15 of the Circular, "Acquisition of Shares Not Deposited Under the Offer".

The Parent has covenanted in the Support Agreement that if the Minimum Tender Condition is satisfied at the Expiry Time, the Parent shall make a public announcement of this fact and shall procure the extension of the Offer by the Offeror for one additional ten (10) day period.

If permitted by applicable Laws, the Parent may cause Goldbrook to apply to delist the Shares from the TSXV and the FSE as soon as practicable after completion of the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction. In addition, if permitted by applicable Laws, subsequent to the completion of the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, the Parent may cause Goldbrook to cease to be a reporting issuer under the securities laws of each of provinces of British Columbia, Alberta and Ontario. See Section 9 of the Circular, "Effect of the Offer on the Market for and Listing of Shares and Status as a Reporting Issuer".

Upon completion of the Offer, the Offeror intends to conduct a detailed review of Goldbrook, including an evaluation of its business plans, assets, operations and organizational and capital structure to determine what changes would be desirable in light of such review and the circumstances that then exist. Without limiting the foregoing, it is the Offeror's present intention to exercise its influence to cause Goldbrook to support the expeditious development and commercial production of the Nunavik Nickel Project for the benefit of all stakeholders. Such development will require substantial additional funds and it is the Offeror's present intention to exercise its influence to cause JCML and/or CRI to pursue one or more financing alternatives to fund such development. Such alternatives could include, among other things, issuing additional equity or incurring material debt and/or entering into arrangements with strategic partners. Further, it is the Offeror's intention to dismiss the outstanding litigation between Goldbrook and JJNICKL and other parties pursuant to the terms of the Litigation Standstill Agreement.

Under the Support Agreement, Goldbrook acknowledges that, promptly following the time at which the Offeror takes up for purchase such number of Shares as represents at least a majority of the outstanding Shares on a fully diluted basis, and from time to time thereafter, the Offeror will be entitled to designate such number of members of the Goldbrook Board, and any committees thereof, as determined by the Offeror, in its sole discretion, subject to applicable Law and other matters contemplated in the Support Agreement. In such circumstances, Goldbrook covenants to, among other things, not frustrate the Offeror's attempts to do so.

If the Offeror does not complete a Compulsory Acquisition or a Subsequent Acquisition Transaction, it is the Offeror's current intention to cause the Goldbrook Board to comply with applicable Laws relating to board composition, including requirements for independent directors.

## **9. Effect of the Offer on the Market for and Listing of Shares and Status as a Reporting Issuer**



The purchase of Shares by the Offeror under the Offer will reduce the number of Shares that might otherwise trade publicly and will reduce the number of Shareholders and, depending on the number of Shares acquired by the Offeror, could materially adversely affect the liquidity and market value of any remaining Shares held by the public.

The rules and regulations of the TSXV and the FSE establish certain criteria which, if not met, could, upon successful completion of the Offer, lead to the delisting of the Shares from the TSXV and the FSE. Depending on the number of Shares purchased by the Offeror under the Offer or otherwise, it is possible that the Shares would fail to meet the requirements for continued listing on the TSXV and the FSE. If this were to happen, the Shares could be delisted and, in the case of the Shares, this could, in turn, adversely affect the market or result in a lack of an established market for those Shares. If permitted by applicable Laws, the Offeror may cause Goldbrook to apply to delist the Shares from the TSXV and the FSE as soon as practicable after completion of the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction. If the Shares are delisted from the TSXV and the FSE, the extent of the public market for the Shares and the availability of price or other quotations would depend upon the number of Shareholders, the number of Shares publicly held and the aggregate market value of the Shares publicly held at such time, the interest in maintaining a market in Shares on the part of securities firms, whether Goldbrook remains subject to public reporting requirements in Canada and other factors.

After the purchase of the Shares under the Offer and any Compulsory Acquisition or Subsequent Acquisition Transaction, Goldbrook may cease to be subject to the public reporting and proxy solicitation requirements of the BCBCA and applicable provincial securities Laws. Furthermore, it may be possible for Goldbrook to request the elimination of the public reporting requirements of any jurisdiction where a small number of Shareholders may reside. Subsequent to the completion of the Offer, if the Offeror proceeds with a Compulsory Acquisition or a Subsequent Acquisition Transaction, and if permitted by applicable Laws, the Offeror may cause Goldbrook to cease to be a reporting issuer under the securities Laws of each province of Canada where it is a reporting issuer.

The Shares are not currently registered under the U.S. Exchange Act or listed or quoted on a stock exchange in the United States. Accordingly, Goldbrook does not file periodic reports under the U.S. Exchange Act with the SEC.

## **10. Shareholder Rights Plan**

Goldbrook and Computershare Investor Services Inc., as rights agent, entered into the Shareholder Rights Plan. The full text of the Shareholder Rights Plan has been filed by Goldbrook on SEDAR at [www.sedar.com](http://www.sedar.com).

Pursuant to the Shareholder Rights Plan, Goldbrook issued one SRP Right in respect of each outstanding Share and authorized the issue of one SRP Right for each Share issued thereafter. The SRP Rights are attached to the Shares and are not exercisable until after the "Separation Time", being the close of business on the tenth Business Day (as such term is defined in the Shareholder Rights Plan) after the earlier of: (a) the "Stock Acquisition Date" (as defined in the Shareholder Rights Plan), which is generally the first date of public announcement or disclosure of facts indicating that a person has become a beneficial owner of 20% or more of the outstanding Shares, subject to certain exceptions set out in the Shareholder Rights Plan; (b) the date of the commencement of, or first public announcement of, the intent of any person (other than Goldbrook or a subsidiary of Goldbrook), to commence a takeover bid other than a "Permitted Bid" (or a "Competing Permitted Bid") (each, as defined in the Shareholder Rights Plan); and (c) the date on which a Permitted Bid or Competing Permitted Bid ceases to qualify as such. In each case, the Separation Time can be such later date as may be determined by the Goldbrook Board. If any take-over bid expires, is cancelled, is terminated or is otherwise withdrawn prior to the Separation Time, then such take-over bid will be deemed never to have been made.

The Goldbrook Board has agreed to take all further action necessary (a) in order to ensure that the Separation Time does not occur in connection with the Support Agreement or any of the Contemplated Transactions, (b) to give effect to the waiver, if required, of the application of the Shareholder Rights Plan to the Contemplated Transactions and to ensure that the Shareholder Rights Plan does not interfere with or impede the success of any of the Contemplated Transactions, and (c) if requested by the Parent, in order to ensure that upon the take-up of Shares pursuant to the Offer, all SRP Rights cease to be exercisable and are immediately redeemed at the Redemption Price (as defined in the Shareholder Rights Plan) as provided under the Shareholder Rights Plan without further formality and to ensure that upon such redemption all SRP Rights become null and void. Goldbrook has also covenanted that it will not waive the application of the Shareholder Rights Plan to any Acquisition Proposal unless it is a Superior Proposal and the five business day Right To Match Period provided to the Offeror in respect of any Superior Proposal in the Support Agreement has expired (or such waiver is deemed to occur as a result of the waiver of the Shareholder Rights Plan to the Offer), and it will not amend the Shareholder Rights Plan or authorize, approve or adopt any other shareholder rights plan providing therefor. Notwithstanding the foregoing, Goldbrook shall be entitled to defer the Separation Time in connection with an Acquisition Proposal.

It is a condition of the Offer that the Parent shall have determined in the Parent's reasonable discretion that, on terms satisfactory to the Parent: (a) the Goldbrook Board shall have waived the application of the Shareholder Rights Plan to the

purchase of Shares by the Offeror under the Offer, any Compulsory Acquisition and any Subsequent Acquisition Transaction; (b) a cease trade order or an injunction shall have been issued that has the effect of prohibiting or preventing the exercise of SRP Rights or the issue of Shares upon the exercise of the SRP Rights in relation to the purchase of Shares by the Offeror under the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction; (c) a court of competent jurisdiction shall have ordered that the SRP Rights are illegal or of no force or effect or may not be exercised in relation to the Offer, any Compulsory Acquisition or any Subsequent Acquisition Transaction; or (d) the SRP Rights and the Shareholder Rights Plan shall otherwise have become or been held unexercisable or unenforceable in relation to the Shares with respect to the Offer, any Compulsory Acquisition and any Subsequent Acquisition Transaction and any acquisition of Shares pursuant thereto. See Section 4 of the Offer, "Conditions of the Offer".

## **11. Source of Funds**

**The Offeror's obligation to purchase Shares and Warrants deposited to the Offer is not subject to any financing obligation.**

The Offeror estimates that if it acquires all of the Shares and Warrants pursuant to the Offer (including the Shares issuable on the exercise or surrender of the outstanding Options and Warrants), the total amount of cash required under the Offer to purchase all such Shares and Warrants, including the amounts deposited under the Escrow Agreement and advanced under the Promissory Note, is estimated to be approximately \$100 million. The Offeror will satisfy or arrange for satisfaction of such funding requirements, as well as fees and expenses of the Offeror and the Parent for their legal counsel, accountants, the Depositary and Information Agent, printing, mailing and miscellaneous costs, through the Parent and/or its affiliates, which have existing cash reserves or existing committed credit facilities which will fully satisfy this commitment.

The Offer is not conditional on any financing arrangements or financing contingencies. The Offeror believes that the financial condition of the Offeror and the Parent and their affiliates is not material to a decision by Shareholders whether to tender their Shares in the Offer because: (i) cash is the only consideration that will be paid to the Shareholders in connection with the Offer; (ii) the Offeror is offering to purchase all of the outstanding Shares in the Offer; (iii) the Offer is not subject to any financing arrangements or financing contingencies; and (iv) the Offeror, the Parent and/or their affiliates have sufficient cash on hand and existing credit facilities to provide the Offeror with the amount of cash consideration payable to holders of the Shares in the Offer.

## **12. Ownership of and Trading in Securities of Goldbrook**

The Parent, together with its affiliates, currently indirectly owns 10,000,000 Shares, representing approximately 3.5% of the issued and outstanding Shares on a fully diluted basis. No Shares or other securities of Goldbrook are beneficially owned, directly or indirectly, nor is control or direction exercised over any of such securities, by the Offeror or the Parent or their respective directors or officers, other than 10,000,000 Shares held by JIIL, a wholly-owned subsidiary of the Parent. JIIL acquired these Shares in June 2008. To the knowledge of the Offeror, after reasonable enquiry, no Shares or other securities of Goldbrook are beneficially owned, directly or indirectly, nor is control or direction exercised over any of such securities, by any associate or affiliate of an insider of the Offeror or the Parent, any insider of the Offeror or the Parent (other than directors or officers of the Offeror or the Parent), or any person acting jointly or in concert with the Offeror and the Parent.

To the knowledge of the Offeror, after reasonable enquiry, none of the Offeror or the Parent or their respective directors or officers or any associate or affiliate of an insider of the Offeror or the Parent, any insider of the Offeror or the Parent or any person acting jointly or in concert with the Offeror and the Parent, purchased or sold any securities of Goldbrook during the six-month period preceding the date of the Offer.

## **13. Arrangements, Agreements or Understandings**

Other than the Lock-Up Agreements, and except as provided below, there are no agreements, commitments or understandings made or proposed to be made between the Offeror or the Parent and any of the directors or officers or other securityholders of Goldbrook and no payments or other benefits are proposed to be made or given by the Offeror or the Parent by way of compensation for loss of office or, as to such directors or officers remaining in or retiring from office following the completion of the Offer.

Other than the Support Agreement, the Lock-Up Agreements, the Shareholders Agreement, the Litigation Standstill Agreement, the Interim Arrangements Agreement and the Escrow Agreement, and except as provided below, there are no agreements, commitments or understandings formal or informal made or proposed to be made between the Offeror or the Parent and Goldbrook relating to the Offer and any other agreement, commitment or understanding of which the Offeror or the Parent is aware that could affect control of Goldbrook, including an agreement with change of control provisions, a securityholder agreement or a voting trust agreement that the Offeror or the Parent has access to and that can reasonably be regarded as material

to a securityholder in deciding whether to deposit securities under the Offer. See Section 5 of the Circular, "Background to the Offer", Section 6 of the Circular, "Settlement Agreement" and Section 7 of the Circular, "Lock-Up Agreements".

Section 15.4 of the Shareholders Agreement imposes a restriction on the Parent or any of its affiliates from making, among other things, an offer to purchase the securities of Goldbrook without the consent of Goldbrook. Goldbrook provided its consent, pursuant to Section 15.4 of the Shareholders Agreement, in the Support Agreement to the making of the Offer by the Parent and the consummation of the Contemplated Transactions.

The Parent advanced \$2,000,000 to Goldbrook on January 27, 2012 under the terms of the Support Agreement, which loan has been reflected by the issuance of an unsecured, non-interest bearing promissory note by Goldbrook to the Parent with a maturity date of December 31, 2012 (the "**Promissory Note**"). The purpose of this interim funding arrangement is to enable Goldbrook to fund expenses it incurs in the ordinary course of business throughout the duration of the Offer.

As there were a number of disputes between Goldbrook and JJNCL under both the Shareholders Agreement and the JV Agreement, on January 19, 2012, the Parent, JIIL, JCML, CRI, Goldbrook, Mr. David Baker, Mr. Brian Grant and Gowling Lafleur Henderson LLP entered into the Litigation Standstill Agreement. The Litigation Standstill Agreement provides that during the currency of the agreement, the parties shall suspend and shall not take, or require any other party to take, any steps in the arbitral and court proceedings referred to therein, and shall consent to adjourn any pending hearing or attendance. In the event that any of the arbitral or court proceedings referred to therein requires steps or actions to be taken during the currency of the Litigation Standstill Agreement, the parties shall consent to extend the time to take or complete such steps for the currency of the Litigation Standstill Agreement. In extending the time so required, the parties agreed that the applicable procedural time limits shall be suspended, and shall recommence on termination of the Litigation Standstill Agreement.

The parties also agreed that during the currency of the Litigation Standstill Agreement, they shall not commence any arbitration or court proceeding as against any of the other parties, their officers, directors, partners, subsidiaries or affiliates, and the Litigation Standstill Agreement may be raised as an estoppel to any such arbitration or court proceeding. Notwithstanding the foregoing, the parties shall be entitled to bring proceedings with respect to the interpretation, operation or any breach of the Interim Arrangements Agreement, the Support Agreement, the Lock-Up Agreements or the Litigation Standstill Agreement.

Upon the take up and payment of the Shares and Warrants contemplated by the Support Agreement, the parties shall consent to a dismissal without costs of those aspects of the arbitral proceedings between them which remain outstanding, and the outstanding court proceedings, and shall execute full and final releases in forms satisfactory to all parties. The parties agreed that no party will take any further steps to enforce any existing awards, decisions or orders or to seek any further awards, decisions or orders respecting costs or otherwise.

If the take up and payment of the Shares contemplated by the Support Agreement does not occur, or in the event of the termination of the Support Agreement, the Litigation Standstill Agreement shall expire and shall become null and void.

The general effect of the Litigation Standstill Agreement is that the status quo is essentially preserved during the currency of the Offer, so that if the Offer is not concluded, the parties may continue pursuing the litigation, if they so choose, however, if the Offer succeeds, the litigation will be settled, with Goldbrook maintaining a 25% equity interest in JCML and the oppression and other proceedings being discontinued.

On January 19, 2012, the Parent, JIIL, JCML and Goldbrook entered into the Interim Arrangements Agreement. Pursuant to the Interim Arrangements Agreement, during the period from the date of the agreement until the Expiry Time (the "**Interim Period**"), certain measures were agreed to resolve the impasse at the board of directors of JCML in order for JCML to continue to operate (the "**Interim Operations**") and obtain funding (the "**Interim Funding**").

During the Interim Period, the board of directors of JCML shall be comprised of only the JJ Directors, however, in addition to any other approval required by applicable law or by the Shareholders Agreement, JCML may not make a decision about, take action on, or implement any of the items requiring unanimous approval specified in the agreement, without the approval in writing of both the Parent and Goldbrook. The Interim Arrangements Agreement also establishes a provisional 2012 Program and Budget for JCML in order to facilitate Interim Operations and the Interim Funding of JCML and CRI. After the expiry of the Interim Period, a meeting of the board of directors of JCML shall be called to consider the approval of a final 2012 Program and Budget and the terms for funding the remainder of the capital requirements beyond the Interim Funding amount.

Notwithstanding the provisions of the Shareholders Agreement, JJ shall have no obligation to contribute or arrange funding to any program and budget approved by the board of directors of JCML in respect of 2012 until there has been a final approval, except for the Interim Funding. The Interim Funding shall be made by the Parent or JIIL either pursuant to demand promissory notes issued by CRI or JCML to JIIL or the Parent, or pursuant advances made by CDB under the CDB Loan, which

funding was approved by the shareholders of JCML.

On January 19, 2012, Goldbrook, the Parent and McCarthy Tétrault LLP entered into the Escrow Agreement pursuant to which, among other things, the Parent covenanted to deposit \$6,895,635 with McCarthy Tétrault LLP on or before January 31, 2012 to be disbursed pursuant to the Escrow Agreement in respect of the payments identified therein, some of which are discussed below.

To the knowledge of the Offeror and the Parent, other than as described in this Section 13, there are no direct or indirect benefits of accepting or rejecting the Offer that will accrue to any insider of the Offeror or the Parent or, to the knowledge of the Offeror and the Parent, after reasonable enquiry, any director or officer of Goldbrook, any associate or affiliate of an insider of Goldbrook, any associate or affiliate of Goldbrook or any person or company acting jointly or in concert with Goldbrook, other than those benefits that will accrue to Securityholders generally.

Goldbrook has advised the Offeror and the Parent that (a) Edward T. Gardner, Chief Executive Officer of Goldbrook, is party to an employment agreement dated May 31, 2010 with Goldbrook, pursuant to which he is entitled to receive US\$720,000 on termination following a change of control of Goldbrook; (b) Alan Gorman, Executive Vice-President of Operations of Goldbrook, is party to an employment agreement dated March 22, 2011 with Goldbrook, pursuant to which he is entitled to receive \$175,000 on termination following a change of control of Goldbrook; (c) D. Baker Capital Inc. (of which David Baker, Chairman of the Goldbrook Board, is chief executive officer and president), is party to a services agreement dated May 2, 2011 with Goldbrook, pursuant to which D. Baker Capital Inc. is entitled to receive \$600,000 on termination following a change of control of Goldbrook; and (d) TJB Management Inc. (of which Tim Baker, Manager of Goldbrook, is president), is party to a consulting services agreement dated May 2, 2011 with Goldbrook, pursuant to which TJB Management Inc. is entitled to receive \$480,000 on termination following a change of control of Goldbrook. In each of the agreements referred to in this paragraph, the applicable definition of “change of control” would include the take-up of more than 50% of the Shares under the Offer. See Section 15 of the Circular, “Acquisition of Shares Not Deposited Under the Offer – Subsequent Acquisition Transaction”.

Goldbrook has informed the Offeror and the Parent that (a) Mr. Martin Auyeung holds 561,000 Options, (b) Mr. David Baker holds 3,230,000 Options, (c) Mr. Edward T. Gardner holds 2,000,000 Options, (d) Mr. Brian Grant holds 2,250,000 Options, (e) Mr. William R. LeClair holds 1,500,000 Options, (f) Mr. J. Earl Terris holds 280,000 Options, (g) Mr. Alan Gorman holds 1,500,000 Options, and (h) Ms. Vivian Gu holds 756,000 Options. All of the foregoing directors and officers of Goldbrook have agreed to tender their Shares underlying their Options to the Offer pursuant to the terms of the Lock-Up Agreements.

#### **14. Other Material Facts**

The Offeror has no knowledge of any material fact concerning the securities of Goldbrook that has not been generally disclosed by Goldbrook or any other matter that has not previously been generally disclosed which would reasonably be expected to affect the decision of Securityholders to accept or reject the Offer.

#### **15. Acquisition of Shares Not Deposited Under the Offer**

It is the Offeror’s intention that, if it takes up and pays for Shares deposited under the Offer, it will, under certain circumstances, enter into one or more transactions to enable the Offeror or an affiliate of the Offeror to acquire all Shares not acquired by it pursuant to the Offer. There is no assurance that any such transaction will be completed.

#### ***Compulsory Acquisition***

If, within 120 days after the date of the Offer (or such later time as a court may permit), the Offer has been accepted by Shareholders holding not less than 90% of the issued and outstanding Shares as at the Expiry Time, excluding Shares held at the date of the Offer by or on behalf of the Offeror or an affiliate or an associate (as defined in the BCBCA) of the Offeror, the Offeror shall, to the extent possible, acquire the remainder of the Shares from those Shareholders who have not accepted the Offer on the same terms as the Shares acquired under the Offer pursuant to the provisions of Section 300 of the BCBCA (a “**Compulsory Acquisition**”).

To exercise its statutory right of Compulsory Acquisition, the Offeror must give notice (the “**Offeror’s Notice**”) to each Shareholder who did not accept the Offer (and each person who subsequently acquires any such Shares) (in each case, a “**Dissenting Offeree**”) within five months after the date of the Offer of such proposed acquisition. If the Offeror’s Notice is sent to a Dissenting Offeree under Subsection 300(3) of the BCBCA, the Offeror is entitled and bound to acquire all of the Shares of that Dissenting Offeree for the same price and on the same terms contained in the Offer, unless the Supreme Court of British Columbia (the “**Court**”) orders otherwise on an application made by that Dissenting Offeree within two months after the date of the Offeror’s Notice. Pursuant to any such application, the Court may fix the price and terms of payment for the Shares held by a

Dissenting Offeree and make any such consequential orders and give such directions as the Court considers appropriate. Unless the Court orders otherwise (or, if an application to the Court has been made pursuant to the provisions described in the immediately preceding sentence, at any time after that application has been disposed of) the Offeror must, not earlier than two months after the date of the Offeror's Notice, send a copy of the Offeror's Notice to Goldbrook and must pay or transfer to Goldbrook the consideration representing the price payable by the Offeror for the Shares that are referred to in the Offeror's Notice. On receiving a copy of the Offeror's Notice and the consideration representing the price payable for the Shares referred to in the Offeror's Notice, Goldbrook will be required to register the Offeror as a Shareholder with respect to those Shares. Any such amount received by Goldbrook must be paid into a separate account at a savings institution and, together with any other consideration so received, must be held by Goldbrook or by a trustee approved by the Court, in trust for the Dissenting Offerees.

**The foregoing is only a summary of the statutory right of Compulsory Acquisition that may become available to the Offeror. The summary is not intended to be complete nor is it a substitute for the more detailed information contained in the provisions of Section 300 of the BCBCA. Shareholders should refer to Section 300 of the BCBCA for the full text of the relevant statutory provisions, and those who wish to be better informed about these provisions should consult their legal advisors. The provisions of Section 300 of the BCBCA are complex and require strict adherence to notice and timing provisions, failing which such rights may be lost or altered.**

#### *Compelled Acquisition*

Section 300 of the BCBCA provides that if the Offeror has not sent the Offeror's Notice to a Dissenting Offeree within one month after becoming entitled to do so, the Offeror must send a written notice to each Dissenting Offeree stating that such Dissenting Offeree, within three months after receiving such notice, may require the Offeror to acquire the Shares held by such Dissenting Offeree. If a Dissenting Offeree requires the Offeror to acquire its Shares in accordance with these provisions, the Offeror must acquire those Shares for the same price and on the same terms contained in the Offer (a "Compelled Acquisition").

**The foregoing is only a summary of the statutory right of Compelled Acquisition that may become available to a Shareholder. The summary is not intended to be complete nor is it a substitute for the more detailed information contained in the provisions of Section 300 of the BCBCA. Shareholders should refer to Section 300 of the BCBCA for the full text of the relevant statutory provisions, and those who wish to be better informed about these provisions should consult their legal advisors. The provisions of Section 300 of the BCBCA are complex and require strict adherence to notice and timing provisions, failing which such rights may be lost or altered.**

#### *Subsequent Acquisition Transaction*

If the Offeror acquires Shares validly deposited under the Offer but the statutory right of Compulsory Acquisition described above is not available because the Offer has been accepted by holders of less than 90% of the outstanding Shares as at the Expiry Time, excluding Shares held by or on behalf of the Offeror, or an affiliate or an "associate" (as defined in the BCBCA) of the Offeror, the Offeror may use its commercially reasonable efforts to take such action as is necessary, including causing a special meeting of Shareholders to be called to consider an amalgamation, statutory arrangement, amendment to articles, consolidation, capital reorganization or other transaction involving Goldbrook and the Offeror, or an affiliate of the Offeror, for the purpose of enabling the Offeror or one of its affiliates to acquire all Shares not acquired by it pursuant to the Offer (a "Subsequent Acquisition Transaction"). The timing and details of any such transaction will depend on a number of factors, including the number of Shares acquired pursuant to the Offer.

The Offeror has covenanted in the Support Agreement that if a Compulsory Acquisition is not available, the Offeror may use its commercially reasonable efforts to pursue other means of acquiring the remaining Shares not tendered to the Offer, provided that the consideration per Share offered in connection with the Subsequent Acquisition Transaction is at least equivalent in value to the consideration per Share paid under the Offer. At the Offeror's request, Goldbrook will assist the Offeror in order for the Offeror to acquire sufficient number of Shares to successfully complete a Subsequent Acquisition Transaction involving Goldbrook and the Parent or a subsidiary of the Parent.

Any Subsequent Acquisition Transaction may result in Shareholders having the right to dissent and demand payment of the fair value of their Shares. If the applicable statutory procedures are complied with, this right could lead to a judicial determination of the fair value required to be paid to such dissenting Shareholders for their Shares. The fair value of Shares so determined could be more or less than the amount paid per Share pursuant to the Subsequent Acquisition Transaction or the Offer.

Each type of Subsequent Acquisition Transaction described above would be a "business combination" under MI 61-101. In certain circumstances, the provisions of MI 61-101 may also deem certain types of Subsequent Acquisition Transactions to be "related party transactions". However, if the Subsequent Acquisition Transaction is a business combination carried out in accordance with MI 61-101, the "related party transaction" provisions of MI 61-101 do not apply to such transaction. The Offeror

intends to carry out any such Subsequent Acquisition Transaction in accordance with MI 61-101, or any successor provisions, or exemptions therefrom, such that the “related party transaction” provisions of MI 61-101 will not apply to the business combination.

MI 61-101 provides that, unless exempted, a corporation proposing to carry out a business combination is required to prepare a valuation of the affected securities (in this case, the Shares), and subject to certain exceptions, any non-cash consideration being offered therefor, and provide to the holders of the affected securities a summary of such valuation or the entire valuation. In connection therewith, the Offeror intends to rely on an available exemption (or, if such exemptions are not available, to seek waivers pursuant to MI 61-101 exempting Goldbrook or the Offeror or their affiliates, as appropriate) from the requirement to prepare a valuation in connection with any Subsequent Acquisition Transaction. An exemption is available under MI 61-101 for certain business combinations completed within 120 days after the expiry of a formal take-over bid where the consideration per security under such transaction is at least equal in value to and is in the same form as the consideration that tendering securityholders were entitled to receive in the take-over bid, provided that certain disclosure is given in the take-over bid disclosure documents. The Offeror has provided such disclosure and currently expects that these exemptions will be available.

Depending on the nature of the Subsequent Acquisition Transaction, the Offeror expects that the provisions of the BCBCA and Goldbrook’s constating documents will require the approval of at least 66 ⅔% of the votes cast by holders of the outstanding Shares at a meeting duly called and held for the purpose of approving a Subsequent Acquisition Transaction. MI 61-101 would also require that, in addition to any other required securityholder approval, in order to complete a business combination, the approval of a majority of the votes cast by “minority” holders of the affected securities must be obtained unless an exemption is available or discretionary relief is granted by applicable securities regulatory authorities. In relation to any Subsequent Acquisition Transaction, the “minority” holders will be, subject to any available exemption or discretionary relief granted by the applicable securities regulatory authorities as required, all Shareholders other than the Offeror (other than in respect of Shares acquired pursuant to the Offer as described below), any “interested party” (within the meaning of MI 61-101), certain “related parties” of the Offeror or any other “interested party” (in each case within the meaning of MI 61-101), including any director or senior officer of the Offeror, affiliate or insider of the Offeror or any of their directors or senior officers and any “joint actor” (within the meaning of MI 61-101) with any of the foregoing persons.

MI 61-101 provides that the Offeror may treat Shares acquired pursuant to the Offer (including those deposited under the terms of the Lock-Up Agreements) as “minority” shares and vote them in favour of a Subsequent Acquisition Transaction that is a business combination provided that, among other things: (a) the business combination is completed not later than 120 days after the Expiry Date; (b) the consideration for each Share in the Subsequent Acquisition Transaction is at least equal in value to and in the same form as the consideration paid pursuant to the Offer; and (c) the Shareholder who tendered such Shares to the Offer was not a “joint actor” (within the meaning of MI 61-101) with the Offeror in respect of the Offer, a direct or indirect party to any “connected transaction” to the Offer (for the purpose of MI 61-101) or entitled to receive, directly or indirectly, in connection with the Offer, a “collateral” benefit” (for purposes of MI 61-101) or consideration per Share that is not identical in amount and form to the entitlement of the general body of Shareholders in Canada of Shares. The Offeror intends that the consideration offered under any Subsequent Acquisition Transaction proposed by it would be equal in value to and in the same form as the consideration paid to Shareholders under the Offer and that such Subsequent Acquisition Transaction would be completed no later than 120 days after the Expiry Date, and accordingly the Offeror intends to cause Shares acquired pursuant to the Offer to be voted in favour of such transaction and to be counted as part of any minority approval required in connection with any such transaction.

MI 61-101 excludes from the meaning of “collateral benefit” certain benefits to a related party received solely in connection with the related party’s services as an employee or a director of an issuer where, among other things, (a) the benefit is not conferred for the purposes of increasing the value of the consideration paid to the related party for securities relinquished under the transaction or bid; (b) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction or bid in any manner; (c) full particulars of the benefit are disclosed in the disclosure document for the transaction or bid; and (d) the related party and his associated entities beneficially own, or exercise control or director over, less than 1% of the outstanding securities of each class of equity securities of the issuer (the “**De Minimis Exemption**”). The De Minimis Exemption is not applicable in respect of Mr. David Baker as he holds more than 1% of the outstanding Shares on a fully diluted basis.

To the knowledge of the Offeror, therefore, after reasonable inquiry, only the votes attached to 10,000,000 Shares held by an affiliate of the Parent and the votes attached to the 1,300,000 Shares held by Mr. David Baker and up to 3,230,000 Shares held by Mr. David Baker upon the exercise of Options would be required to be excluded in determining whether minority approval for a Subsequent Acquisition Transaction has been obtained for the purposes of MI 61-101.

In addition, under MI 61-101, if, following the Offer, the Offeror and its affiliates are the registered holders of 90% or more of the Shares at the time the Subsequent Acquisition Transaction is initiated, the requirement for minority approval would not apply to the transaction if a statutory appraisal right or a substantially equivalent enforceable right is made available to the

minority shareholders.

The tax consequences to a Shareholder of a Subsequent Acquisition Transaction may differ significantly from the tax consequences to such Shareholder of accepting the Offer. See Section 17 of the Circular, “Certain Canadian Federal Income Tax Considerations”, for a general discussion of the Canadian income tax considerations relevant to a Shareholder in the event of a Subsequent Acquisition Transaction. Shareholders should consult their tax advisors for advice with respect to the tax consequences of a Subsequent Acquisition Transaction having regard to their own particular circumstances. Further, Shareholders should consult their legal advisors for a determination of their legal rights with respect to a Subsequent Acquisition Transaction if and when proposed.

The timing and details of any Compulsory Acquisition or Subsequent Acquisition Transaction involving Goldbrook will necessarily depend on a variety of factors, including the number of Shares acquired pursuant to the Offer. Although, if available, the Offeror has agreed to proceed by way of a Compulsory Acquisition, if available, or may otherwise complete a Subsequent Acquisition Transaction on the same terms as the Offer, it is possible that such transaction will not be consummated or may be delayed.

#### ***Other Transactions***

If the Offeror does not acquire a sufficient number of Shares to effect a Compulsory Acquisition or it determines not to propose a Subsequent Acquisition Transaction, or it proposes a Subsequent Acquisition Transaction but does not obtain the required approvals, the Offeror will evaluate its alternatives. Such alternatives could include, to the extent permitted by applicable Laws, purchasing additional Shares in the open market, in privately negotiated transactions or pursuant to another take-over bid or other transaction, and thereafter proposing an amalgamation, arrangement or other transaction which would result in its ownership of 100% of the Shares. Under such circumstances, an amalgamation, arrangement or other transaction would require the approval of two-thirds of the votes cast by the holders of Shares, and may require approval of a majority of the votes cast by holders of Shares other than the Offeror and its affiliates. There is no certainty that under such circumstances any such transaction would be proposed or completed by the Offeror. Any additional purchases of Shares could be at a price per Share greater than, equal to or less than the consideration to be paid for Shares under the Offer and could be for cash and/or securities or other consideration. Such transactions may be effected on terms and at prices then determined by the Offeror, which may vary from the price paid for the Shares under the Offer. Alternatively, the Offeror may take no action to acquire additional Shares, and, subject to applicable Laws, Goldbrook would continue to be a reporting issuer with public shareholders, or the Offeror may either sell or otherwise dispose of any and all Shares acquired under the Offer, on terms and prices then determined by the Offeror, which may vary for the price paid for the Shares under the Offer.

#### ***Judicial Developments***

Certain judicial decisions may be considered relevant to any Subsequent Acquisition Transaction which may be proposed or effected subsequent to the expiration of the Offer. Prior to the adoption of MI 61-101, Canadian courts had, in a few instances, granted preliminary injunctions to prohibit transactions involving certain business combinations. The trend in both legislation (including the BCBCA) and in Canadian jurisprudence has been toward permitting business combinations to proceed, subject to compliance with procedures designed to ensure substantive fairness to minority shareholders.

Shareholders should consult their legal advisors for a determination of their legal rights with respect to any transaction that may constitute a business combination.

### **16. Regulatory Matters**

The acquisition of the Shares and Warrants by the Offeror pursuant to the Offer or the acquisition of Shares pursuant to a transaction described in Section 15 of the Circular, “Acquisition of Shares Not Deposited Under the Offer”, as applicable, is subject to, among other things, applicable Laws. Other than as described below, based upon an examination of the information available to the Offeror, the Offeror is not aware of any licenses or regulatory permits that appear to be material to the business of Goldbrook which might be adversely affected by the Offeror’s acquisition of the Shares and Warrants pursuant to the Offer or of any approval or other action by any federal, provincial, state or foreign government or administrative agency that would be required prior to the acquisition of Shares and Warrants pursuant to the Offer.

#### ***Competition Act***

Under the Competition Act, a transaction that exceeds certain financial thresholds requires prior notification (a “**Notifiable Transaction**”) to the Commissioner unless the Commissioner issues an advance ruling certificate (“**ARC**”) or waives the filing obligation in respect of the transaction. If a transaction is a Notifiable Transaction, it may not be completed until the applicable statutory waiting period has expired or been terminated, or the Commissioner has either issued an ARC or

otherwise waived the filing obligation. The applicable statutory waiting period expires 30 days following the day of the filing of a pre-merger notification under the Competition Act or, if during that 30-day period the Commissioner issues a request for additional information (“**Supplementary Information Request**”), 30 days following the day on which the information requested under a Supplementary Information Request has been received by the Commissioner.

The Commissioner may apply to the Competition Tribunal in respect of a “merger” (as defined under the Competition Act), and if the Competition Tribunal finds that the merger is likely to prevent or lessen competition substantially, the Competition Tribunal may issue an order to, among other things, prohibit the merger in whole or in part.

Alternatively, where the Commissioner is satisfied that she would not have sufficient grounds to apply to the Competition Tribunal under the merger provisions of the Competition Act, the Commissioner may issue an ARC in respect of that transaction. Where an ARC is issued, the parties to the transaction are not required to file a premerger notification. In addition, if the transaction to which the ARC relates is substantially completed within one year after the ARC is issued, the Commissioner cannot seek an order of the Competition Tribunal under the merger provisions of the Competition Act in respect of the transaction solely on the basis of information that is the same or substantially the same as the information on the basis of which the ARC was issued. The Commissioner may, in lieu of issuing an ARC, issue a “no action” letter, wherein she indicates that she does not intend, at that time, to bring an application to the Competition Tribunal under the merger provisions of the Competition Act but reserves the right to do so within one year of closing as permitted under the Competition Act.

The transactions contemplated by the Offer do not exceed the applicable financial thresholds to require notification and therefore do not constitute a Notifiable Transaction. Accordingly, statutory waiting period referred to above does not apply, and the Offeror does not intend to submit a request for an ARC or file a premerger notification with respect to the Offer.

#### ***Investment Canada Act***

Under the Investment Canada Act certain investments involving the acquisition of control of a Canadian business by a non-Canadian are subject to review and approval based on asset size, business type and may not be implemented unless the Minister responsible for the Investment Canada Act (the “**Minister**”) is satisfied that the transaction is likely to be of net benefit to Canada.

The Investment Canada further provides that investments by non-Canadians to establish a new Canadian business, acquire control of a Canadian business, or acquire, in whole or in part, or establish an entity carrying on all or any part of its operations in Canada, whether or not the investment is subject to review, may be made subject to review and approval on grounds that the investment could be injurious to national security. No such investment may be implemented if the Minister gives notice that an order for the review of the investment may be made, or if the Governor in Council makes an order for such review, until the purchaser receives notice that there will no order for national security review, notice that no further action will be taken, or the Governor in Council authorizes the investment to be implemented with or without conditions. Transactions may be subject to a notification requirement under the Investment Canada Act and, where required, such notice must be filed within 30 days after the implementation of the transaction.

Based on an examination of Goldbrook’s audited financial statements for the last completed fiscal year, the Offer is not subject to review based on asset size or business type, and therefore, no application for review will be made.

#### ***PRC Regulatory Approvals***

The Offeror’s obligation to take up and pay for Shares and Warrants under the Offers are conditional, among other things, upon obtaining the PRC Approvals.

The principal PRC Approval is that of National Development and Reform Commission. The PRC Approvals are those required from the National Development and Reform Commission, the Administration of Foreign Exchange and the Ministry of Commerce of the PRC. JJNICL has agreed under the Support Agreement to use commercially reasonable efforts to obtain the PRC Approvals as promptly as possible.

### **17. Certain Canadian Federal Income Tax Considerations**

In the opinion of Gowling Lafleur Henderson LLP, Canadian counsel to the Offeror, the following summary describes the principal Canadian federal income tax considerations under the Tax Act generally applicable to a Securityholder who sells Shares or Warrants pursuant to the Offer or otherwise disposes of Shares pursuant to certain transactions described under Section 15 of the Circular, “Acquisition of Shares Not Deposited Under the Offer”.

This summary is based on the current provisions of the *Income Tax Act* (Canada) (“**Tax Act**”) and the regulations thereunder in force as of the date hereof, and counsel’s understanding of the current published administrative practices and



assessing policies of the Canada Revenue Agency (the “**CRA**”). This summary also takes into account all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Tax Proposals**”), and assumes that all Tax Proposals will be enacted in the form proposed. However, there can be no assurance that the Tax Proposals will be enacted in their current form, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Tax Proposals, does not take into account or anticipate any changes in Law or administrative practice, whether by judicial, governmental or legislative decision or action, or changes in administrative practices or assessing policies of the CRA, nor does it take into account or consider other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations described herein.

This summary is not applicable to a Securityholder (i) that is a “financial institution” as defined in the Tax Act for the purposes of the “mark-to-market” rules, (ii) that is a “specified financial institution” as defined in the Tax Act, (iii) an interest in which or for whom a Share or Warrant would be, a “tax shelter investment” as defined in the Tax Act, (iv) that has elected to report its Canadian tax results in a currency other than the Canadian currency, or (v) who has acquired Shares on the exercise of Options. Such Securityholders should consult their own tax advisors. This summary does not describe the Canadian tax consequences applicable to holders of Options who exercise, convert or exchange Options. Such holders should consult their own tax advisors.

This summary assumes that no payment will be made for any SRP Rights and that no part of the Offer price will be allocated to the SRP Rights.

For purposes of the Tax Act, amounts denominated in a foreign currency must be converted to an amount expressed in Canadian dollars using the rate of exchange quoted by the Bank of Canada at noon on the day on which the amount first arose or such other rate of exchange as is acceptable to the CRA. Where a Securityholder elects to receive payment in U.S. dollars as described in Section 3 of the Offer, “Manner of Acceptance” and in Section 6 of the Offer, “Take-Up and Payment for Deposited Securities”, such Securityholder may realize a foreign exchange gain or loss for Canadian tax purposes. Securityholders who elect to receive payment in U.S. dollars should consult their own tax advisors.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Securityholder. This summary is not exhaustive of all federal income tax considerations. Consequently, Securityholders are urged to consult their own tax advisors for advice regarding the income tax consequences to them of disposing of their Shares or Warrants having regard to their own particular circumstances, including the application and effect of the income and other tax Laws of any national, provincial, state or local tax authority.

### **Holders Resident in Canada**

The following portion of the summary is generally applicable to a Securityholder who, at all relevant times, for purposes of the Tax Act is, or is deemed to be, resident in Canada, deals at arm’s length with and is not affiliated with the Offeror or Goldbrook and holds Shares and Warrants as capital property (a “**Resident Holder**”). Shares and Warrants generally will be considered to be capital property to a Resident Holder unless the Resident Holder holds such Shares and Warrants in the course of carrying on a business or acquired them in a transaction or transactions considered to be an adventure or concern in the nature of trade. In certain circumstances, a Resident Holder whose Shares might not otherwise be considered to be capital property may make an irrevocable election under subsection 39(4) of the Tax Act to have the Shares and every other “Canadian security” (as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made and in all subsequent taxation years deemed to be capital property. Resident Holders who may not hold their Shares or Warrants as capital property should consult their own tax advisors regarding their particular circumstances.

### ***Sale Pursuant to the Offer***

A Resident Holder who disposes of Shares or Warrants to the Offeror pursuant to the Offer will realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition (generally the cash received), net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base (as determined under the Tax Act) of the Shares or Warrants, as the case may be, to the Resident Holder immediately before the disposition.

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized in such taxation year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized by the Resident Holder in the year. Allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Share may be reduced by the amount of dividends previously received or deemed to have been received by the corporation on such Share, subject to and in accordance with the provisions of the Tax Act. Similar rules may apply where Shares are held by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders to whom these rules may be applicable should consult their own tax advisors regarding these rules.

Capital gains realized by individuals and certain trusts may give rise to a liability for alternative minimum tax under the Tax Act. Resident Holders should consult their own tax advisors with respect to the potential application of alternative minimum tax.

A Resident Holder that is throughout the year a “Canadian-controlled private corporation” as defined in the Tax Act may be liable to pay an additional refundable tax of 6½% on certain investment income, including amounts in respect of taxable capital gains.

### ***Compulsory Acquisition***

As described under Section 15 of the Circular, “Acquisition of Shares Not Deposited Under the Offer - Compulsory Acquisition”, the Offeror may, in certain circumstances, acquire Shares pursuant to Section 300 of the BCBCA. A Resident Holder disposing of Shares pursuant to a Compulsory Acquisition will realize a capital gain (or capital loss) generally calculated in the same manner and with the tax consequences as described above under “Sale Pursuant to the Offer”.

A Resident Holder who dissents in a Compulsory Acquisition and is entitled to receive the fair value of its Shares will be considered to have disposed of the Shares for proceeds of disposition equal to the amount fixed as such by the court (not including the amount of any interest awarded by the court). As a result, such dissenting Resident Holder will realize a capital gain (or a capital loss) generally calculated in the same manner and with the tax consequences as described above under “Sale Pursuant to the Offer”. Any interest awarded to a dissenting Resident Holder by the court is required to be included in computing such Resident Holder’s income for the purposes of the Tax Act.

A Resident Holder that is throughout the year a “Canadian-controlled private corporation” as defined in the Tax Act may be liable to pay an additional refundable tax of 6½% on certain investment income, including amounts in respect of interest and taxable capital gains.

### ***Subsequent Acquisition Transaction***

As described under Section 15 of the Circular, “Acquisition of Shares Not Deposited Under the Offer - Subsequent Acquisition Transaction”, if the Offeror does not acquire all of the Shares pursuant to the Offer or a Compulsory Acquisition, the Offeror may propose other means of acquiring the remaining outstanding Shares. A Subsequent Acquisition Transaction may be effected by an amalgamation, statutory plan of arrangement, reorganization, consolidation, recapitalization or other transaction. The tax treatment of a Subsequent Acquisition Transaction to a Resident Holder will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out. Resident Holders should consult their own tax advisors for advice with respect to the income tax consequences to them of having their Shares acquired pursuant to a Subsequent Acquisition Transaction.

A Subsequent Acquisition Transaction could be implemented by means of an amalgamation of Goldbrook with the Offeror or one or more affiliates of the Offeror pursuant to which Resident Holders who had not tendered their Shares under the Offer would have their Shares exchanged on the amalgamation solely for redeemable preference shares of the amalgamated corporation (“**Redeemable Shares**”), which would immediately thereafter be redeemed for cash. Generally, in those circumstances, a Resident Holder would not realize a capital gain or capital loss as a result of such exchange of Shares for Redeemable Shares, and the cost of the Redeemable Shares received would be the aggregate adjusted cost base (as determined under the Tax Act) of the Shares to the Resident Holder immediately before the amalgamation.

Upon redemption of its Redeemable Shares, the Resident Holder would be deemed to have received a dividend (subject to the potential application of subsection 55(2) of the Tax Act to Resident Holders that are corporations, as discussed below) equal to the amount by which the redemption price of its Redeemable Shares exceeds their paid-up capital for purposes of the Tax Act. The difference between the redemption price and the amount of the deemed dividend would be treated as proceeds of disposition of such shares for purposes of computing any capital gain or capital loss arising on the redemption of such shares. The tax consequences to the Resident Holder in respect of such capital gain or capital loss would be as described under the heading “Sale Pursuant to the Offer”.

Subsection 55(2) of the Tax Act provides in part that, where a Resident Holder that is a corporation is deemed to receive a dividend in certain circumstances, all or part of the deemed dividend may be treated instead as proceeds of disposition

of the Redeemable Shares for the purpose of computing the Resident Holder's capital gain on the redemption of such shares. Subject to the potential application of this provision, dividends deemed to be received by a Resident Holder that is a corporation as a result of the redemption of its Redeemable Shares will be included in computing the Resident Holder's income, but generally will also be deductible in computing taxable income. Accordingly, Resident Holders that are corporations should consult their own tax advisors for specific advice with respect to the potential application of this provision.

A Resident Holder that is a "private corporation" or a "subject corporation" (as such terms are defined in the Tax Act) may be liable to pay a 33 $\frac{1}{3}$ % refundable tax under Part IV of the Tax Act on dividends deemed to be received on the redemption of its Redeemable Shares to the extent that such dividends are deductible in computing the Resident Holder's taxable income.

In the case of a Resident Holder who is an individual, dividends deemed to be received as a result of the redemption of its Redeemable Shares will be included in computing the Resident Holder's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends paid by a taxable Canadian corporation, including the enhanced gross-up and dividend tax credit for "eligible dividends" (as defined in the Tax Act). There can be no assurance that any deemed dividend will be designated as an eligible dividend.

Pursuant to the current administrative practice of the CRA, a Resident Holder who exercises his or her statutory right of dissent in respect of an amalgamation would be considered to have disposed of his or her Shares for proceeds of disposition equal to the amount paid by the amalgamated corporation to the dissenting Resident Holder (other than interest awarded by the court). In this case, the tax consequences of the Resident Holder in respect of such capital gain or capital loss would be as described under the heading "Sale Pursuant to the Offer". However, as the legislative basis of this treatment may be uncertain, there is a risk that all or part of such amounts paid to a dissenting Resident Holder could be treated as a deemed dividend. Dissenting Resident Holders should consult with their own tax advisors in this regard.

Any interest awarded to a dissenting Resident Holder by a court must be included in computing the Resident Holder's income for purposes of the Tax Act.

As an alternative to the amalgamation discussed herein, the Offeror may propose a Subsequent Acquisition Transaction to be effected by a capital reorganization, share consolidation, statutory arrangement or other transaction, the tax consequences of which may differ from those arising on the sale of Shares under the Offer or an amalgamation involving Goldbrook, and will depend on the particular form and circumstances of such alternative transaction. No view is expressed herein as to the tax consequences of any such transaction to a Resident Holder.

### ***Qualified Investment – Potential Delisting***

As described under Section 9 of the Circular, "Effect of the Offer on the Market for and Listing of Shares and Status as a Reporting Issuer", the Shares may cease to be listed on the TSXV following the completion of the Offer. Resident Holders are cautioned that if the Shares are not listed on a designated stock exchange (which presently includes the TSXV) and Goldbrook ceases to be a public corporation for purposes of the Tax Act, the Shares may not be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, registered disability savings plan, deferred profit sharing plans and tax-free savings accounts at the time of the disposition pursuant to a Compulsory Acquisition or Subsequent Acquisition Transaction.

### **Holders Not Resident in Canada**

The following portion of the summary is generally applicable to a Securityholder who, at all relevant times, for purposes of the Tax Act, is neither resident nor deemed to be resident in Canada, deals at arm's length with and is not affiliated with the Offeror or Goldbrook, holds the Shares or Warrants as capital property and does not use or hold, and is not deemed to use or hold, Shares or Warrants in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). Shares and Warrants generally will be considered to be capital property to a Securityholder unless the Securityholder holds such Shares or Warrants in the course of carrying on a business or acquired them in a transaction or transactions considered to be an adventure or concern in the nature of trade. Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere or an "authorized foreign bank" as defined in the Tax Act. Such Securityholders should consult their own tax advisors.

### ***Disposition of Shares Pursuant to the Offer or a Compulsory Acquisition***

A Non-Resident Holder who disposes of Shares or Warrants pursuant to the Offer, a Compulsory Acquisition or as a result of exercising its right to dissent under a Compulsory Acquisition will realize a capital gain or a capital loss computed in the manner described above under "Holders Resident in Canada - Sale Pursuant to the Offer". A Non-Resident Holder will not be

subject to tax under the Tax Act on any capital gain realized on the disposition of Shares or Warrants pursuant to the Offer, a Compulsory Acquisition or the exercise of dissent rights under a Compulsory Acquisition unless the Shares or Warrants, as applicable, constitute “taxable Canadian property” to such Non-Resident Holder and such gain is not exempt from taxation under the Tax Act pursuant to the provisions of an applicable income tax convention between Canada and the country in which the Non-Resident Holder is resident.

Generally, a Share or Warrant will not constitute “taxable Canadian property” to a Non-Resident Holder at the time it is disposed of, provided that such Share or Warrant is then listed on a “designated stock exchange” as defined in the Tax Act (which includes the TSXV) unless at any time during the 60-month period that ends at the disposition (i) the Non-Resident Holder, persons with whom the Non-Resident Holder did not deal at arm’s length, or the Non-Resident Holder together with all such persons, owned 25% or more of the issued shares of any class or series of shares of the capital stock of Goldbrook, and (ii) more than 50% of the fair market value of the Share or Warrant was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Tax Act), timber resource properties (as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, any such properties (whether or not such property exists). Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, Shares and Warrants could be deemed to be taxable Canadian property to the Non-Resident Holder.

See “Delisting of Shares following Completion of the Offer” below, in the case where Shares are delisted prior to a Compulsory Acquisition. The Warrants are not listed on the TSXV or on any other designated stock exchange.

Even if the Shares and Warrants are taxable Canadian property to a Non-Resident Holder, a taxable capital gain resulting from the disposition of the Shares and Warrants may be exempt from tax under the Tax Act under the terms of an income tax convention between Canada and the country in which the Non-Resident Holder resides.

Non-Resident Holders whose Shares and Warrants may constitute taxable Canadian property should consult their tax advisors regarding the availability of any relief under an applicable income tax convention.

In the event that Shares and Warrants constitute taxable Canadian property to the Non-Resident Holder and the capital gain realized on a disposition of the Shares and Warrants is not exempt from tax under the Tax Act pursuant to the provisions of an applicable income tax convention, the tax consequences as described above under “Holders Resident in Canada - Sale Pursuant to the Offer” will generally apply. A Non-Resident Holder who disposes of taxable Canadian property should consult its own tax advisors regarding any resulting Canadian reporting requirements.

Any interest awarded by a court and paid or credited to a Non-Resident Holder that exercises its right to dissent under a Compulsory Acquisition will generally not be subject to Canadian withholding tax.

### ***Subsequent Acquisition Transaction***

As described under Section 15 of the Circular, “Acquisition of Shares Not Deposited Under the Offer - Subsequent Acquisition Transaction”, the Offeror reserves the right to use all reasonable efforts to acquire the balance of Shares not acquired pursuant to the Offer or by Compulsory Acquisition. A Subsequent Acquisition Transaction may be effected by an amalgamation, statutory plan of arrangement, reorganization, consolidation, recapitalization, or other transaction. The Canadian federal income tax consequences under the Tax Act of a Subsequent Acquisition Transaction to a Non-Resident Holder will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out and may be substantially the same as, or materially different from, those described above. See “Delisting of Shares following Completion of the Offer” below, in the case where Shares are delisted prior to a Subsequent Acquisition Transaction.

A Non-Resident Holder may realize a capital gain or a capital loss and/or be deemed to receive a dividend pursuant to a Subsequent Acquisition Transaction, as discussed above under “Holders Resident in Canada - Subsequent Acquisition Transaction”. Capital gains and capital losses realized by a Non-Resident Holder in connection with a Subsequent Acquisition Transaction will be subject to taxation as described under “Holders Not Resident in Canada – Disposition of Shares Pursuant to the Offer or a Compulsory Acquisition”.

Dividends paid or deemed to be paid to a Non-Resident Holder will be subject to Canadian withholding tax at a rate of 25%, subject to any reduction in the rate of withholding under the provisions of an applicable income tax convention. Non-Resident Holders should consult their own tax advisors for advice with respect to the potential income tax consequences to them of having their Shares acquired pursuant to a Subsequent Acquisition Transaction.

Any interest paid or credited to a Non-Resident Holder exercising its right to dissent in respect of a Subsequent Acquisition Transaction will generally not be subject to Canadian withholding tax.

### ***Delisting of Shares following Completion of the Offer***

As described under Section 9 of the Circular, “Effect of the Offer on the Market for and Listing of Shares and Status as a Reporting Issuer”, the Shares may cease to be listed on the TSXV following the completion of the Offer and may not be listed on any such exchange at the time of their disposition pursuant to a Compulsory Acquisition or Subsequent Acquisition Transaction, as applicable. Non-Resident Holders are cautioned that if the Shares are not listed on a designated stock exchange (which currently includes TSXV) at the time they are disposed of and at any time during the 60-month period that ends at that time, more than 50% of the fair market value of the Share was derived, directly or indirectly, from one or any combination of real or immovable property situated in Canada, Canadian resource properties (as defined in the Tax Act), timber resource properties (as defined in the Tax Act), and options in respect of, or interests in, or for civil law rights in, such properties (whether or not such property exists):

- (a) the Shares and Warrants will generally be taxable Canadian property for Non-Resident Holders;
- (b) Non-Resident Holders may be subject to income tax under the Tax Act in respect of any capital gain realized on such disposition (unless such gain is exempt from tax under the Tax Act pursuant to the provisions of an applicable income tax convention, as described above);
- (c) Non-Resident Holders may be required to file a Canadian income tax return for the year in which the disposition (or any deemed disposition) occurs regardless of whether the Non-Resident Holder is liable to Canadian tax on any gain realized as a result thereof; and
- (d) the notification and withholding provisions of section 116 of the Tax Act may apply to Non-Resident Holders, in which case the Offeror may be required to deduct or withhold an amount from any payment made to a Non-Resident Holder in respect of the acquisition of Shares.

Non-Resident Holders should consult their own tax advisors with respect to the consequences of the delisting of the Shares.

### **18. Legal Matters**

Certain Canadian legal matters on behalf of the Offeror and the Parent will be passed upon by, and the opinion contained under “Certain Canadian Federal Income Tax Considerations“ have been provided by, Gowling Lafleur Henderson LLP, Canadian counsel to the Offeror and the Parent.

### **19. Acceptance of the Offer**

Except for the Locked-Up Securityholders, the Offeror has no knowledge regarding whether any Securityholder will accept the Offer.

### **20. Depositary and Information Agent**

The Parent and the Offeror have engaged Kingsdale Shareholder Services Inc. as the Depositary and Information Agent to receive deposits of certificates representing Shares and Warrants and accompanying Letters of Transmittal deposited under the Offer at its office in Toronto, Ontario, Canada specified in the Letter of Transmittal. In addition, the Depositary and Information Agent will receive deposits of Notices of Guaranteed Delivery at its office in Toronto, Ontario, Canada specified in the Notice of Guaranteed Delivery. The Depositary and Information Agent will also be responsible for giving certain notices, if required, and for making payment for all Shares and Warrants purchased by the Offeror under the Offer. The Depositary and Information Agent will also facilitate book-entry transfers of Shares. The Depositary and Information Agent will receive reasonable and customary compensation from the Offeror for its services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under securities Laws and expenses in connection therewith.

Securityholders should contact the Depositary and Information Agent or a broker or dealer for assistance in accepting the Offer and in depositing Shares and Warrants with the Depositary and Information Agent. Kingsdale Shareholder Services can be contact within North America at 1-877-659-1822 and outside North America at 1-416-867-2272 (collect calls accepted) or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

## **21. Soliciting Dealer Group**

The Offeror reserves the right to form a soliciting dealer group (the “Soliciting Dealer Group”) comprised of members of the Investment Industry Regulatory Organization of Canada and members of Canadian stock exchanges (each a “**Soliciting Dealer**”) to solicit acceptances of the Offer from persons who are resident in Canada. If the Offeror decides to make use of the services of a Soliciting Dealer, the Offeror may pay such Soliciting Dealer a fee customary for such transaction and each Share and Warrant deposited and taken up by the Offeror under the Offer (other than Shares and Warrants held by a member of a Soliciting Dealer Group for its own account). The Offeror may require the Soliciting Dealers to furnish evidence of beneficial ownership satisfactory to the Offeror at the time of deposit.

**Securityholders will not be required to pay any fee or commission if they accept the Offer by depositing their Shares and Warrants directly with the Depositary and Information Agent. However, a broker or other nominee through whom a Securityholder owns Shares or Warrants may charge a fee to tender any such securities on behalf of the Securityholder. Securityholders should consult their investment advisors, stock brokers or other nominees to determine whether any charges will apply.**

Except as set out herein, the Parent and the Offeror have not agreed to pay any fees or commissions to any investment advisor, stockbroker, dealer or other person for soliciting deposits of Shares and Warrants under the Offer; provided that the Parent or the Offeror may make other arrangements with additional soliciting dealers, dealer managers or information agents, either within or outside Canada, for customary compensation during the Offer period if it considers it appropriate to do so.

## **22. Statutory Rights**

Securities legislation in the provinces and territories of Canada provides Securityholders with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages if there is a misrepresentation in a circular or a notice that is required to be delivered to those Securityholders. However, such rights must be exercised within prescribed time limits. Securityholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

## **23. Directors' Approval**

The contents of the Offer and Circular have been approved, and the sending of the Offer and Circular to the Securityholders has been authorized, by the boards of directors of the Offeror and the Parent.

**CONSENT OF GOWLING LAFLEUR HENDERSON LLP**

To: The Directors of 0931017 B.C. Ltd. and Jilin Jien Nickel Industry Co., Ltd.

We hereby consent to the references to our name and opinion contained under “Certain Canadian Federal Income Tax Considerations” in the Circular accompanying the Offer dated January 30, 2012 made by 0931017 B.C. Ltd. to the holders of common shares of Goldbrook Ventures Inc.

Toronto, Ontario, Canada

January 30, 2012

*(signed)* Gowling Lafleur Henderson LLP

**CERTIFICATE OF THE OFFEROR**

Dated: January 30, 2012

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it is made.

*(signed)* WU SHU  
President

*(signed)* XU GUANG PING  
Treasurer

**On behalf of the Board of Directors**

*(signed)* WANG XING RUI  
Director

*(signed)* QI XIAOMAN  
Director



**CERTIFICATE OF THE PARENT**

Dated: January 30, 2012

The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it is made.

*(signed)* YU RANBO  
General Manager

*(signed)* WANG RUOBING  
Chief Financial Officer

**On behalf of the Board of Directors**

*(signed)* WU SHU  
Director

*(signed)* XU GUANG PING  
Director





*The Depositary and Information Agent for the Offer is:*

**Kingsdale Shareholder Services Inc.**



**KINGSDALE**  
Shareholder Services Inc.

**By Mail**

The Exchange Tower  
130 King Street West, Suite 2950  
P.O. Box 361  
Toronto, Ontario, Canada  
M5X 1E2

**By Registered Mail, by Hand or by Courier**

The Exchange Tower  
130 King Street West, Suite 2950  
Toronto, Ontario, Canada  
M5X 1E2

**North American Toll Free Phone:**

**1-877-659-1822**

E-mail: [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com)

Facsimile: 416-867-2271

Toll Free Facsimile: 1-866-545-5580

Outside North America, Banks and Brokers Call Collect: 1-416-867-2272

*Questions and requests for assistance may be directed to the Depositary and Information Agent at the telephone numbers and location set out above.*