

Court File No. CV-08-35806100CP

**ONTARIO
SUPERIOR COURT OF JUSTICE**

BETWEEN:

JOE MARCANTONIO

Plaintiff

- and -

**TVI PACIFIC INC., CLIFFORD M. JAMES, ROBERT C. ARMSTRONG,
C. BRIAN CRAMM, JAN R. HOREJSI, PETER C. G. RICHARDS,
and JOHN W. ADKINS**

Defendants

Proceeding under the *Class Proceedings Act, 1992*

**PROVINCE DE QUÉBEC
DISTRICT DE QUÉBEC**

**(Class Action)
COUR SUPÉRIEURE**

NO: 200-06-000106-081

**FLORENT AUDETTE
Petitioner;**

c.

**TVI PACIFIC INC., CLIFFORD M. JAMES, C.
BRIAN CRAMM, PETER C. G. RICHARDS,
ROBERT C. ARMSTRONG, JAN R. HOREJSI,
and JOHN W. ADKINS
Respondents**

**SETTLEMENT AGREEMENT
(April 22, 2009)**

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RECITALS

- I. The Parties intend to and hereby do finally resolve the Actions, and the claims that are or could have been asserted in them, subject to the approval of the Courts, without prejudice or admission of liability.
- II. For the purposes of settlement only and contingent on approval by the Courts, as provided for in this Settlement Agreement, the Defendants consent to the certification and/or authorization of the Actions as class proceedings.
- III. The Plaintiffs assert that they are suitable representatives for the Class and will seek to be appointed as the representative plaintiffs.

FOR VALUE RECEIVED, the Parties agree as follows:

SECTION 1 - DEFINITIONS

1.1 Defined Terms

(A) In this Settlement Agreement, including the Recitals and Schedules hereto:

- (1) **Actions** means the Ontario Action and the Québec Petition.
- (2) **Administration Expense** and **Administration Expenses** means, individually or collectively, all fees, disbursements, expenses, costs, taxes and any other amounts incurred or payable relating to approval, implementation and administration of the Settlement Agreement including the costs of locating and identifying Class Members, publishing and delivering the Pre-Approval Notice and Approval Notices, including the expenses reasonably and actually incurred by Broadridge in connection with the distribution of the Long-Form Approval Notice, the fees, disbursements and taxes paid to the Administrator, and any other expenses ordered by the Courts which shall all be paid from the Settlement Amount.
- (3) **Administrator** means the third-party firm selected at arm's length by Class Counsel and appointed by the Courts to administer the Settlement Amount, and any employees of such firm.
- (4) **Approval Motion** and **Approval Motions** means, individually or collectively, as the case may be, a motion brought by the Plaintiffs before each of the Courts for orders:
 - (i) certifying the Ontario Action and granting authorization of the Québec Action, as the case may be, as class proceedings as contemplated by Section 5.4;
 - (ii) approving the Settlement Agreement, the Opt-Out Deadline and the Claims Deadline; and
 - (iii) appointing the Administrator.

which shall generally be in accordance with the Approval Orders set out in Schedules “E” and “F”.

- (5) **Approval Notices** means the Publication Notice and the Long-Form Notice, attached hereto as Schedules “G” and “H”, respectively, as may be amended and approved by the Courts.
- (6) **Approval Order** and **Approval Orders** means, individually or collectively, as the case may be, the order(s) sought to be issued by the Ontario Court and/or the Québec Court as a result of the Approval Motions, substantially in the forms attached hereto as Schedules “E” and “F”, respectively.
- (7) **Authorized Claimant** means any Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator on or before the Claims Deadline, and who the Administrator has determined is eligible to receive compensation from the Net Settlement Amount.
- (8) **Broadridge** means Broadridge Financial Solutions Inc., a technology-based outsourcing provider to the global financial industry, retained by Class Counsel to liaise with brokerage firms and identify their Class Member clients and facilitate distribution of the Long-Form Approval Notice to the Class Members who are identified.
- (9) **Claim Form** means the form approved by the Courts and, which, when completed and submitted in a timely manner to the Administrator, enables a Class Member to apply for compensation pursuant to the Settlement Agreement.
- (10) **Claims Deadline** means the last date by which a Class Member may mail or submit a Claim Form and all required supporting documentation to the Administrator in order to be eligible for compensation from the Net Settlement Amount, which shall be the date falling ninety (90) days after the date on which the Publication Notice is first published.
- (11) **Class** and **Class Member(s)** means all persons and entities, other than Excluded Persons, who acquired securities of TVI during the Class Period, and who held some or all of those securities on August 9, 2007.
- (12) **Class Counsel** means Siskinds ^{LLP} and Siskinds Desmeules s.e.n.c.r.l.
- (13) **Class Counsel Fees** means the fees, disbursements, GST, QST and other applicable taxes or charges of Class Counsel, as approved by the Courts and paid from the Settlement Amount.
- (14) **Class Period** means the period from and including March 30, 2006 to and including August 9, 2007;
- (15) **Courts** means the Ontario Court and the Québec Court.

- (16) ***Defendants*** means the defendants in the Ontario Action and the respondents to the Québec Petition.
- (17) ***Distribution Protocol*** means the plan for distribution of the Net Settlement Amount to Authorized Claimants, generally in accordance with the plan set out in Schedule “B”, or such other plan of distribution as may be approved by the Courts.
- (18) ***Effective Date*** means the date upon which the Approval Orders become Final.
- (19) ***Eligible Shares*** means securities of TVI purchased or acquired during the Class Period.
- (20) ***Escrow Account*** means a liquid money market account or equivalent security with a rating equivalent to, or better than that of an interest bearing trust account with one of the Canadian Schedule 1 banks in Ontario.
- (21) ***Excluded Person*** and ***Excluded Persons*** means TVI’s past or present subsidiaries, officers, directors, affiliates, legal representatives, heirs, successors and assigns, and all members of the individual Defendants’ families, and any entity in which any of the individual Defendants has or had a controlling interest.
- (22) ***Exempt Québec Members*** means Class Members resident in the Province of Quebec who are precluded from being a member of a group in a class action under Article 999 of the *Code de Procédure Civile du Québec*, L.R.Q., c. C-25, as amended.
- (23) ***Final*** when used in relation to:
- (i) the Settlement Agreement, means that the Effective Date has passed and that any right of termination has either become inoperative and of no force and effect or been waived; or
 - (ii) a court order or judgment, means that all rights of appeal from such order or judgment, if any right of appeal lies therein, have expired, or have been exhausted and the ultimate court of appeal to which an appeal (if any) was taken has upheld such order or judgment,
- (24) ***Long-Form Notice*** means the form of notice attached as Schedule “H” hereto, or such other form of notice as may be approved by the Courts for the purpose of providing Class Members with detailed information regarding: (i) the certification of the Ontario Action and the granting of authorization of the Québec Action, in each case for settlement purposes only; (ii) the Courts’ approval of the settlement provided for in this Settlement Agreement; (iii) the manner in which Class Members may submit a claim or opt out; and (iv) the Courts’ approval of the Class Counsel Fees.

- (25) ***Net Settlement Amount*** means the Settlement Amount plus any interest accruing thereon and less: (i) any Administrative Expenses actually expended; and (ii) Class Counsel Fees.
- (26) ***Newspapers*** means the Globe and Mail (National Edition), La Presse and Le Soleil.
- (27) ***Ontario Action*** means the action titled *Marcantonio v. TVI Pacific Inc., et al.* commenced in the Ontario Court under Court File No. 57762 CP.
- (28) ***Ontario Class and Ontario Class Members*** means all Class Members, other than Québec Class Members, but specifically including the Exempt Québec Members.
- (29) ***Ontario Court*** means the Ontario Superior Court of Justice.
- (30) ***Opt-Out Deadline*** means the last date by which Class Members may mail or submit an Opt-Out Form and all required supporting documentation to the Administrator in order to exclude themselves from the Class, which shall be the date falling sixty (60) days after the date on which the Publication Notice is first published.
- (31) ***Opt-Out Form*** means the form to be approved by the Courts which, when completed and submitted in a timely manner to the Administrator, and where applicable to the clerk of the Québec Superior Court, excludes a Class Member from the Class.
- (32) ***Opt-Out Threshold*** means the requisite number of Eligible Shares held by Class Members who opt out, as stipulated in the Opt-Out Threshold Agreement, which, if exceeded, gives rise to TVI's option to terminate the Settlement Agreement pursuant to Section 8.1(A), herein, as particularized in the Opt-Out Threshold Agreement.
- (33) ***Opt-Out Threshold Agreement*** means the agreement which sets the Opt-Out Threshold which shall be kept confidential by the Parties and their counsel and shall be shown to the Courts, but shall not otherwise be disclosed, unless disclosure is ordered by one of the Courts.
- (34) ***Party*** and ***Parties*** means, individually or collectively, the Plaintiffs and the Defendants.
- (35) ***Plaintiffs*** means the plaintiff in the Ontario Action, Joe Marcantonio, and the petitioner in the Québec Petition, Florent Audette.
- (36) ***Plan of Notice*** means the plan for dissemination of the Pre-Approval Notice and Approval Notices, generally in accordance with the plan set out in Schedule "C", or such other plan of dissemination as approved by the Courts.

- (37) ***Pre-Approval Motion*** and ***Pre-Approval Motions*** means, individually or collectively, as the case may be, a motion brought by the Plaintiffs before each of the Courts for orders:
- (i) setting dates for the hearing of the Approval Motions; and
 - (ii) authorizing the publication of the Pre-Approval Notice.
- (38) ***Pre-Approval Notice*** means the notice to the Class of the Approval Motions substantially in the form set out in Schedule “D”, as may be amended and approved by the Courts.
- (39) ***Pre-Approval Order*** and ***Pre-Approval Orders*** means, individually or collectively, as the case may be, the order(s) sought to be issued by the Ontario Court and/or the Québec Court at the Pre-Approval Motions.
- (40) ***Publication Notice*** means the form of notice attached as Schedule “G” hereto, or such other form of notice as may be approved by the Courts for the purpose of providing Class Members with summary information regarding: (i) the certification of the Ontario Action and the granting of authorization of the Québec Action, in each case for settlement purposes only; (ii) the Courts’ approval of the settlement provided for in this Settlement Agreement; (iii) the manner in which Class Members may submit a claim or opt out; and (iv) the Courts’ approval of Class Counsel Fees.
- (41) ***Québec Class and Québec Class Members*** means all Class Members who reside in the Province of Québec, other than Exempt Québec Members.
- (42) ***Québec Court*** means the Québec Superior Court.
- (43) ***Québec Petition*** means the action titled *Audette v. TVI Pacific Inc., et al.* commenced in the Québec Court under Court File No. 200-06-000106-081.
- (44) ***Released Claim*** and ***Released Claims*** means any and all manner of claims, demands, rights, liabilities, actions and causes of action, damages, losses, obligations, and issues of every nature and description that have been asserted in the Actions including without limitation, all claims which have, or could have, arisen as a result of, or which relate directly or indirectly to, the issuance on December 18, 2007 of a restatement of TVI’s audited consolidated financial statements for the years ended December 31, 2005 and 2006 and its interim unaudited consolidated financial statements for the quarter ended March 31, 2007 and/or which relate, in any way whatsoever to alleged impacts on TVI’s share price before or after the issuance of the restatement of its financial statements and/or to TVI’s stock option practices during or prior to the Class Period.
- (45) ***Settlement Agreement*** means this agreement, including the Recitals and Schedules hereto.
- (46) ***Settlement Amount*** means \$2.1 million.

- (47) **TVI** means TVI Pacific Inc., a body corporate incorporated under the laws of the Province of Alberta and having an office in the City of Calgary, Alberta.

SECTION 2 - SETTLEMENT CONSIDERATION

2.1 Payment of the Settlement Amount

- (A) TVI shall pay the Settlement Amount to Siskinds^{LLP} for deposit into an Escrow Account on or before March 31, 2009.
- (B) TVI shall pay the Settlement Amount in full and final settlement of the Released Claims.

2.2 TVI's Efforts in Relation to Re-Pricing of Stock Options

- (A) TVI has requested that each holder of any outstanding stock options referred to in the following table acknowledge and agree that the exercise price set out in the applicable option agreement between TVI and such holder is incorrect and has requested that each such holder acknowledge and agree in writing that the exercise price of the affected options is as set forth below in the following table under the heading "Correct Exercise Price. TVI will use all reasonable efforts to obtain the written acknowledgment and agreement of each of the other affected option holders confirming that the exercise price associated with the affected options is the price set out in the following table under the heading "Correct Exercise Price".

Grant Date	Incorrect Exercise Price Set out in Applicable Option Agreement	No. of Options Issued and Currently Outstanding	Correct Exercise Price
April 12, 2006	\$0.175/option	3,470,840	\$0.180/option
May 18, 2007	\$0.165/option	2,328,335	\$0.170/option

2.3 Corporate Governance Measures

- (A) TVI shall adopt the corporate governance measures set forth in Schedule "A" to the Settlement Agreement.

- (B) These measures either have been adopted or will be adopted at or prior to the first annual meeting of TVI's security holders occurring after the date this Settlement Agreement becomes Final.

SECTION 3 - RELEASES AND DISMISSALS

3.1 Release of Defendants

- (A) Upon the date the Settlement Agreement becomes Final, the Plaintiffs and those Class Members who do not exclude themselves from the Class, fully, finally and forever release the Defendants from the Released Claims.

3.2 No Further Claims

- (A) Upon the date the Settlement Agreement becomes Final, the Plaintiffs and those Class Members who do not opt out from the Class shall not now or hereafter institute, continue, maintain or assert, either directly or indirectly, whether in Canada, or elsewhere, on their own behalf or on behalf of any class or any other person, any action, suit, cause of action, claim or demand against any Defendant or any other person who may claim contribution or indemnity from any Defendant in respect of any Released Claim or any matter related thereto.

3.3 Dismissal of the Actions

- (A) Except as otherwise provided in this Settlement Agreement, the Ontario Action shall be dismissed without costs and with prejudice upon the date the Settlement Agreement becomes Final, and in Québec this event shall have the effect of a transaction in accordance with Article 2631 of the *Civil Code of Québec*, S.Q. 1991, c.64, as amended.

SECTION 4 - MANAGEMENT OF THE SETTLEMENT AMOUNT

4.1 Interim Investment of the Settlement Amount

- (A) Siskinds ^{LLP} shall hold the Settlement Amount in an Escrow Account and shall not pay out any amount from the Escrow Account without an order from the Ontario Court and/or

the Québec Court, as the case may be, made by motion on notice to the Parties, except in accordance with the terms of the Settlement Agreement.

- (B) Siskinds^{LLP} shall hold the Settlement Amount in the Escrow Account until:
- (i) the Effective Date, and within ten (10) business days of the Effective Date, Siskinds^{LLP} shall pay any portion of the Settlement Amount, including any interest accrued thereon, that remains after payment of any Administrative Expenses incurred to date, to the Administrator for deposit into an Escrow Account; or
 - (ii) such time as the Court(s) order(s) dismissing the Approval Motion(s), as a result of the Settlement Agreement not being approved, become(s) Final, and within seven (7) days of such date, the Settlement Amount, including any interest accrued thereon, that remains after payment of any Administrative Expenses incurred to date, shall be returned to TVI by Siskinds^{LLP}.

4.2 Taxes on Interest

- (A) Except as provided in Section 4.2(B), below, all taxes payable on any interest which accrues in relation to the Settlement Amount, shall be the Class' responsibility and shall be paid by Siskinds^{LLP} or the Administrator, as appropriate, from the Settlement Amount, or by the Class Members as the Administrator considers appropriate.
- (B) If Siskinds^{LLP}, or the Administrator, as the case may be, returns any portion of the Settlement Amount plus accrued interest to TVI, pursuant to the terms of this Settlement Agreement, the taxes payable on the interest portion of the returned amount shall be the responsibility of TVI.

SECTION 5 - COURT APPROVALS

5.1 Best Efforts

- (A) The Parties shall use their best efforts to implement the terms of the Settlement Agreement and to secure the Courts' prompt, complete and final dismissal with prejudice of the Ontario Action.
- (B) The Parties agree to hold in abeyance all proceedings in the Actions, other than the motions provided for in the Settlement Agreement, until the date the Settlement

Agreement becomes Final, or the termination of the Settlement Agreement, whichever occurs first.

5.2 Pre-Approval Motions

- (A) Promptly following the execution of the Settlement Agreement, Class Counsel shall file the Pre-Approval Motions with the Courts, and shall seek to obtain the Pre-Approval Orders.

5.3 Dissemination of Pre-Approval Notice

- (A) Following the hearing and determination of the last Pre-Approval Motions, Class Counsel shall cause the Pre-Approval Notice to be published in the Newspapers in accordance with the Plan of Notice, subject to any amendment or additional direction of the Courts.

5.4 Approval Motions

- (A) Subject to the Courts' approval, and subject to the content of the Approval Orders being satisfactory to the Defendants, and for the purpose of this Settlement Agreement only, the Defendants will consent to the Approval Orders.
- (B) In the event the Settlement Agreement is terminated in accordance with Section 8, the Parties agree that the certification and/or authorization of the Actions as class proceedings shall be without prejudice to any position that any of the Parties may later take on any issue in the Actions.

5.5 Approval Notices

- (A) The Plaintiffs shall request approval from the Courts of the form and content of the Approval Notices concurrently with the motion for certification and settlement approval.
- (B) Class Counsel shall cause the Approval Notices to be published and distributed to Class Members in accordance with the Plan of Notice, subject to any amendment or additional direction of the Courts.

5.6 Information and Assistance from the Defendants

- (A) Within ten (10) days of the issuance of the last Approval Order, TVI shall:
- (i) authorize in writing, and direct Computershare Limited to deliver a computerized list of the names and addresses of registered holders of TVI securities in its possession to Class Counsel and the Administrator, provided that any expenses incurred or charges levied by Computershare Limited in connection with its performance of this function shall constitute an Administration Expense and shall therefore be payable out of the Settlement Amount; and
 - (ii) provide any assistance reasonably required by Class Counsel in contacting Broadridge regarding the obtaining of information about Class Members who hold or held beneficial interests in Eligible Shares.
- (B) TVI agrees to make reasonable efforts to answer any reasonable inquiry from Class Counsel and/or the Administrator required for the administration and implementation of the Settlement Agreement and the Distribution Protocol, and will designate a person to whom Class Counsel, or the Administrator, may address such inquiries.
- (C) Class Counsel and/or the Administrator may use the information obtained in accordance with Subsections 5.6(A) and (B), above, for the purpose of delivering the Approval Notices, or otherwise for the purpose of administering and implementing the Settlement Agreement and the Distribution Protocol, but for no other purpose whatsoever.

5.7 Notice of Termination

- (A) If the Settlement Agreement is terminated, as provided in Section 8.1(A), or is not approved by the Courts, a notice of the termination of the Settlement Agreement shall be published and distributed to the Class Members if the Courts so direct. Any such notice shall be published and distributed to the Class Members in a form and manner approved by the Courts and the cost of so doing shall be paid as directed by the Courts.

SECTION 6 - ADMINISTRATION AND IMPLEMENTATION

6.1 Appointment of the Administrator

- (A) The Administrator shall administer and distribute the Settlement Amount in accordance with powers, rights, duties and responsibilities set out in the Settlement Agreement and in

the Distribution Protocol and, with respect to the Québec Class members, in accordance with the regulation respecting the percentage withheld for the *Fonds d'Aide aux Recours Collectifs*.

6.2 Investment of the Settlement Amount

- (A) The Administrator shall hold the Settlement Amount in an Escrow Account.
- (B) The Escrow Account shall be established and maintained in a manner that minimizes transactional costs and risks and maximizes the amount available for distribution.

6.3 Payments from the Settlement Amount

- (A) The Administrator shall not pay out any amount from the Escrow Account without an order from the Ontario Court and/or the Québec Court, as the case may be, made by motion on notice to the Parties, except in accordance with the terms of the Settlement Agreement.
- (B) The Administrator shall hold the Settlement Amount in the Escrow Account until:
 - (i) the Settlement Agreement becomes Final, after which time the Administrator shall distribute the Net Settlement Amount, *pro rata*, to each Authorized Claimant in proportion to his/her/its claim as recognized in accordance with the Distribution Protocol; or
 - (ii) such time as TVI elects to terminate the Settlement Agreement in accordance with s. 8.1(A) herein, in which case the Settlement Amount, including any interest thereon, that remains after the payment of any Administrative Expenses incurred to date, and inclusive of Class Counsel Fees repaid by Class Counsel pursuant to the provisions of s. 9.2(A) herein, shall be returned to TVI by the Administrator within seven (7) days of such election.
- (C) Only upon the Settlement Agreement becoming Final, shall the Administrator distribute the Net Settlement Amount, *pro rata*, to each Authorized Claimant in proportion to his/her/its claim as recognized in accordance with the Distribution Protocol.

6.4 Claims Submission Process

- (A) In order to seek payment from the Settlement Amount, a Class Member must submit a completed Claim Form to the Administrator, in accordance with the provisions of the

Distribution Protocol, on or before the Claims Deadline, and any Class Member who fails to do so shall not share in any distribution made in accordance with the Distribution Protocol unless the Court orders otherwise.

- (B) In order to remedy any deficiency in the completion of a Claim Form, the Administrator may require that additional information be submitted by a Class Member who submits a Claim Form. Such Class Members shall have until the later of thirty (30) days from the date of the communication or the Claims Deadline to rectify the deficiency. Any person who does not respond to such a request for information within the timeframe noted above shall be forever barred from receiving any payments pursuant to the Settlement Agreement, subject to any order of the Courts to the contrary, but will in all other respects be subject to, and bound by, the provisions of the Settlement Agreement and the releases contained herein.

6.5 Conclusion of Administration

- (A) Following the Claims Deadline, and in accordance with the terms of the Settlement Agreement, the Distribution Protocol, and such further approval(s) or order(s) of the Courts as may be necessary, or as circumstances may require, the Administrator shall distribute the Net Settlement Amount to Authorized Claimants.
- (B) If the Escrow Account maintained by the Administrator retains a positive balance after one hundred eighty (180) days from the date of distribution of the Net Settlement Amount (whether by reason of tax refunds, un-cashed cheques or otherwise), the Administrator shall, if feasible, reallocate such balance among Authorized Claimants in an equitable and economic fashion. Any balance below CAN\$40,000.00 which still remains thereafter shall be donated as follows: 90% to the Small Investor Protection Association and 10% to the *Fonds d'Aide aux Recours Collectifs*.
- (C) Upon the conclusion of the administration, or at such other time as the Ontario Court directs, the Administrator shall report to the Ontario Court on the administration and shall account for all monies it has received, administered and disbursed and may obtain an order from the Ontario Court discharging it as Administrator.

6.6 Disputes Concerning the Decisions of the Administrator

- (A) In the event that a Class Member disputes the Administrator's decision, whether in whole or in part, the Class Member may appeal the decision, in writing in accordance with the Distribution Protocol, to either:
- (i) the Ontario Court, if they are an Ontario Class Member; or
 - (ii) the Québec Court if they are a Québec Class Member.

A decision of either court shall be binding and no further appeal shall lie therefrom.

- (B) No action shall lie against Class Counsel, the Administrator or the Defendants for any decision made in the administration of the Settlement Agreement and Distribution Protocol or with any other order(s) or judgments(s) of the Courts, without an order from the Courts authorizing such an action.

SECTION 7 - OPTING OUT

7.1 Opt Out Procedure

- (A) The Plaintiffs undertake and agree that, despite anything contained in this section, they will not opt out, and the Parties agree that Class Counsel will not solicit, entice or encourage any member of the Class for the purpose of causing that person to opt out.
- (B) Each Class Member who wishes to opt out must submit a properly completed Opt-Out Form along with all required supporting documents:
- (i) in the case of persons resident outside of Québec and the Exempt Québec Members, to the Administrator on or before the Opt-Out Deadline; and
 - (ii) in the case of persons resident in Québec, other than the Exempt Québec Members, to the Clerk of the Québec Court by registered or certified mail, and to the Administrator, in both cases, on or before the Opt-Out Deadline.
- (C) In order to remedy any deficiency in the completion of the Opt-Out Form, the Administrator may require that additional information be submitted by a Class Member who submits an Opt-Out Form. Class Members shall have until the Opt-Out Deadline to remedy the deficiency.

- (D) If a Class Member fails to submit a properly completed Opt-Out Form and/or all required supporting documents to the Administrator or fails to remedy any deficiency by the Opt-Out Deadline, the Class Member shall not have opted out of the Actions, subject to any order of the Courts to the contrary, but will in all other respects be subject to, and bound by, the provisions of the Settlement Agreement and the releases contained herein.
- (E) Class Members who opt out shall be excluded from any and all rights and obligations arising from this Settlement Agreement.
- (F) Except as provided in section 7.1(F) below, Class Members who do not opt out in the manner and time provided above shall be deemed to have elected to participate in this Settlement Agreement regardless of whether such Class Members timely submit a Claim Form.
- (G) Québec Class Members who have commenced proceedings against any Defendant regarding the Released Claims and who fail to discontinue such proceedings by the Opt-Out Deadline shall be deemed to have opted out.

7.2 Notification of the Number of Opt Outs

- (A) Within five (5) business days following the Opt-Out Deadline, the Administrator shall report to the Parties:
 - (i) the names of those Class Members, if any, who have opted out of the Class;
 - (ii) the number of Eligible Shares held by each Class Member who opted out; and
 - (iii) a summary of the information delivered by each Class Member who opted out.

Information reported pursuant to this subsection shall be kept confidential and only disclosed upon further order of the Courts.

SECTION 8 - TERMINATION OR FAILURE TO OBTAIN APPROVALS

8.1 TVI's Right to Terminate

- (A) Notwithstanding any other provision in the Settlement Agreement, TVI, in its sole discretion, may elect to terminate the Settlement Agreement if the Opt-Out Threshold is

exceeded, provided its election is made within ten (10) days of the Administrator notifying it of the number of Class Members who have opted out pursuant to section 7.1(A) after which date the right to terminate the Settlement Agreement will have expired.

- (B) If the Opt-Out Threshold is not exceeded, the right to terminate the Settlement Agreement is inoperative and of no force and effect.
- (C) The Opt-Out Threshold shall be stated in the Opt-Out Threshold Agreement signed prior to, or contemporaneously with, the execution of the Settlement Agreement.

8.2 Effect of Termination Generally

- (A) If the Settlement Agreement is not approved and is therefore terminated, or if it is terminated as contemplated by section 8.1(A), the Settlement Agreement shall have no further force and effect, shall not be binding on the Parties and shall not be used as evidence or otherwise in any litigation, provided however that sections 1, 4.1(B)(ii), 4.2(B), 5.1(B), 5.7, 6.3(A), 8.2-8.4, 9.2, 10, 11.1-11.5, 11.7, and 11.9-11.12 shall survive and shall continue in full force and effect.
- (B) The Parties agree to cooperate in bringing a consent motion before the Courts, as soon as possible following termination of the Settlement Agreement, to obtain orders:
 - (i) vacating the Approval Orders;
 - (ii) declaring this Settlement Agreement null and void and of no force or effect except for the provisions of those sections listed in section 8.2(A); and
 - (iii) determining whether a notice of termination shall be sent out to the Class Members and, if so, the form and method of disseminating such a notice.

8.3 Disputes Relating to Termination

- (A) If there is any dispute about the termination of this Settlement Agreement, the Ontario Court shall determine any dispute by motion on notice to the Parties and the Administrator.

8.4 Report on Accounts Following Termination

- (A) If the Settlement Agreement is not approved and is therefore terminated, or if it is terminated pursuant to section 8.1(A), Siskinds ^{LLP} and/or the Administrator, as the case may be, shall account to the Courts and the Parties for the amounts maintained in the Escrow Account. This accounting shall be delivered no later than ten (10) days after such termination.
- (B) Any dispute concerning Administrative Expenses shall be dealt with by a motion to the Ontario Court on notice to the Parties.

SECTION 9 - CLASS COUNSEL FEES

9.1 Motion for Approval of Class Counsel Fees

- (A) Class Counsel will submit fee applications for consideration by the Courts. Class Counsel's motions for approval of Class Counsel Fees shall be returnable together with the Approval Motions, or promptly following the hearing of such motions. Determination as to the amount of Class Counsel Fees awarded will be made by the Courts.
- (B) Class Counsel are not precluded from making additional applications for expenses incurred in accordance with further implementing the terms of this Settlement Agreement, provided that payment of such expenses is sought from the Settlement Amount and not from the Defendants.

9.2 Payment of Class Counsel Fees

- (A) The Administrator shall pay Class Counsel Fees, in the amount(s) stipulated by the pertinent court orders, , within seven (7) days of the Effective Date. In the event that the settlement is terminated pursuant to Section 8.1(A), Class Counsel shall repay to the Administrator all Class Counsel Fees within five (5) days of TVI's election under that section.

SECTION 10 - NO ADMISSION OF WRONGDOING

10.1 No Admission of Liability

- (A) Neither the Settlement Agreement nor anything contained herein, shall be interpreted as a concession or admission of wrongdoing or liability by the Defendants, or as a concession or admission by the Defendants of the truthfulness of any claim or allegation asserted in the Actions. Neither the Settlement Agreement nor anything contained herein shall be used or construed as an admission by the Defendants of any fault, omission, liability or wrongdoing in any statement, release, written document or financial report.

10.2 Agreement Not Evidence

- (A) Neither the Settlement Agreement, nor anything contained herein, nor any of the negotiations or proceedings connected with it, nor any related document, nor any other action taken to carry out the Settlement Agreement shall be referred to, offered as evidence or received in evidence in any pending or future civil, criminal or administrative action or proceeding, except in a proceeding to enforce the Settlement Agreement, or to defend against the assertion of Released Claims, or as otherwise required by law.

SECTION 11 - MISCELLANEOUS

11.1 Entire Agreement

- (A) The Settlement Agreement, together with the Opt-Out Threshold Agreement, constitutes the entire agreement among the Parties and supersedes all prior and contemporaneous understandings, undertakings, negotiations, representations, promises, agreements, agreements in principle and memoranda of understanding in connection herewith. None of the Parties will be bound by any prior obligations, conditions or representations with respect to the subject matter of the Settlement Agreement, unless expressly incorporated herein. The Settlement Agreement may not be modified or amended except in writing and on consent of all Parties and any such modification or amendment must be approved by the Courts.
- (B) The Recitals and Schedules to this Settlement Agreement are material and integral parts hereof and are fully incorporated into, and form part of, this Settlement Agreement.

11.2 Translations of Settlement Documents

- (A) To the extent required by law, this Settlement Agreement, the Distribution Protocol, the Plan of Notice, the Pre-Approval Notice and the Approval Notices shall be translated into the French language for submission to the Québec Court and for the issuance of orders from the Québec Court. Such translations shall be performed by Class Counsel, and the cost of obtaining such translations shall constitute an Administration Expense that is payable out of the Settlement Amount.
- (B) In all events, the executed English version of the Settlement Agreement shall control and its terms shall supersede those of any translation.

11.3 Ongoing Jurisdiction

- (A) The Settlement Agreement shall be governed by, construed and interpreted in accordance with the laws of the Province of Ontario.
- (B) The Ontario Court shall retain jurisdiction with respect to implementation and enforcement of the terms of this Settlement Agreement, and the Parties submit to the jurisdiction of the Courts for purposes of implementing and enforcing the settlement provided herein.

11.4 Motions for Directions

- (A) Any one or more of the Parties or the Administrator may apply to the Ontario Court for directions in respect of any matter in relation to the Settlement Agreement and Distribution Protocol.
- (B) All motions contemplated by the Settlement Agreement shall be on notice to the Parties, provided however that, once the Settlement Agreement becomes Final, the Defendants shall have no standing relating to any issue.

11.5 Interpretation, etc.

(A) In the Settlement Agreement:

- (i) the division of the Settlement Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of the Settlement Agreement;
- (ii) the terms “the Settlement Agreement”, “herein”, “hereto” and similar expressions refer to the Settlement Agreement as a whole and not to any particular section or other portion of the Settlement Agreement; and
- (iii) all amounts referred to are in Canadian Currency.

(B) In the computation of time in this Settlement Agreement, except where a contrary intention appears,

- (i) where there is a reference to a number of days between two events, they shall be counted by excluding the day on which the first event happens and including the day on which the second event happens, including all calendar days; and
- (ii) only in the case where the time for doing an act expires on a holiday, the act may be done on the next day that is not a holiday.

11.6 Binding Effect

- (A) If approved by the Courts and if the Settlement Agreement becomes Final, the Settlement Agreement shall be binding upon, and enure to the benefit of, the Plaintiffs, the Class Members, the Defendants and all of their respective heirs, executors, successors and assigns. Without limiting the generality of the foregoing, each and every covenant and agreement made herein by the Plaintiffs shall be binding upon all Class Members who do not opt out from the Class and each and every covenant and agreement made herein by the Defendants shall be binding upon all of their respective heirs, executors, successors and assigns.

11.7 Survival

- (A) The representations and warranties contained in the Settlement Agreement shall survive its execution and implementation.

11.8 Negotiated Agreement

- (A) The Settlement Agreement has been the subject of negotiations and many discussions among the undersigned, each of which has been represented and advised by competent counsel, so that any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafters of the Settlement Agreement shall have no force and effect. The Parties further agree that the language contained in or not contained in previous drafts of the Settlement Agreement, or any agreement in principle, shall have no bearing upon the proper interpretation of the Settlement Agreement.

11.9 Notice

- (A) Where the Settlement Agreement requires a notice or any other communication or document to be given to the Parties, such notice, communication or document shall be provided by email, facsimile or letter by overnight delivery to the representative of the person to whom notice is being provided, as identified below:

For Joe Marcantonio, Florent Audette and Class Counsel:

A. Dimitri Lascaris
Siskinds ^{LLP}
Barristers & Solicitors
680 Waterloo Street
London, ON N6A 3V8

Telephone: 519.660.7844
Facsimile: 519.672.7845
Email: dimitri.lascaris@siskinds.com

Simon Hebert
Siskinds Desmeules s.e.n.c.r.l.
Les Promenades du Vieux-Québec
43 Rue Buade, Bur 320
Québec City, QC G1R 4A2

Telephone: 418.694.2009
Facsimile: 418.694.0281
Email: simon.hebert@siskindsdesmeules.com

For the Defendants and for Counsel for the Defendants:

Robert W. Staley/Eric R. Hoaken
Bennett Jones ^{LLP}
Suite 3400, One First Canadian Place
P.O. Box 130
Toronto, ON M5X 1A4

Telephone: 416.777.4857/5780
Facsimile: 416.863.1716
Email: staleyr@bennettjones.com/hoakene@bennettjones.com

11.10 Authorized Signatures

- (A) Each of the undersigned represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, this Settlement Agreement on behalf of the Party for whom he or she is signing.

11.11 Acknowledgements

- (A) Each of the Parties hereby affirms and acknowledges that:
- (i) he, she or its representative with the authority to bind the Parties with respect to the matters set forth herein has read and understood the Settlement Agreement;
 - (ii) the terms of the Settlement Agreement and the effects thereof have been fully explained to him, her or its representative by his, her or its counsel;
 - (iii) he, she or its representative fully understands each term of the Settlement Agreement and its effect.

11.12 Counterparts

- (A) The Settlement Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a facsimile signature shall be deemed an original signature for purposes of executing the Settlement Agreement.

The Parties have executed this Settlement Agreement as of the date on the cover page.

JOE MARCANTONIO

By his counsel,
Siskinds^{LLP}

By: _____

A. Dimitri Lascaris

TVI PACIFIC INC., CLIFFORD M. JAMES, ROBERT C. ARMSTRONG, C. BRIAN CRAMM, JAN R. HOREJSI, PETER C.G. RICHARDS, AND JOHN W. ADKINS

By their counsel,
Bennett Jones^{LLP}

By: _____

Robert W. Staley/Eric R. Hoaken

FLORENT AUDETTE

By her counsel,
Siskinds Desmeules s.e.n.c.r.l.

By: _____

Simon Hebert

BY DIMITRI LASCARIS

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 - (ii) the terms of the Settlement Agreement and the effects thereof have been fully explained to him, her or its representative by his, her or its counsel;
 - (iii) he, she or its representative fully understands each term of the Settlement Agreement and its effect.

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- (A) The Settlement Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a facsimile signature shall be deemed an original signature for purposes of executing the Settlement Agreement.

The Parties have executed this Settlement Agreement as of the date on the cover page.

JOE MARCANTONIO
By his counsel,
Siskinds ^{LLP}

FLORENT AUDETTE
By her counsel,
Siskinds Desmeules s.e.n.c.r.l.

By: _____

A. Dimitri Lascaris

**TVI PACIFIC INC., CLIFFORD M. JAMES, ROBERT
C. ARMSTRONG, C. BRIAN CRAMM, JAN R.
HOREJSI, PETER C.G. RICHARDS, AND JOHN W.
ADKINS**

By their counsel,
Bennett Jones ^{LLP}

By: _____

Robert W. Staley/Eric R. Hoaken

By: _____

Simon Hebert

SCHEDULE “A” – CORPORATE GOVERNANCE MEASURES

1. TVI's PROCESS FOR STOCK OPTION GRANTING

Process Description

When a new employee is going to be hired, Management informs the Compensation Committee Chairman and discusses the employee's proposed employment contract and compensation package before the offer is made to the employee. The employment contract will specifically note the number of options the employee is to receive, as well as the timing of the option grant (for example, grant upon commencement of employment, or three months after commencement of employment). The contract will also specifically state that the option grant is subject to the final approval of the Board of Directors.

Regular stock options are generally granted once a year and the CFO monitors the blackout periods for the company. The Chairman of the Compensation Committee requests that Senior Management prepare a recommendation of stock options to grant to employees.

The CFO compiles a listing of employees for the TVI Pacific office in Calgary, the TVIRD office in Manila, and the EDCO office in Cebu. The listing includes information on stock options granted to each employee in the prior year and the employee's title or rank in the company. The CFO will recommend stock option grants to the Calgary employees based upon the prior year grant, performance during the year, and whether any promotions occurred during the year. The CFO sends the listing of employees located in Manila and Cebu to the Human Resources department in Manila. The Human Resources department in Manila will recommend stock option grants to employees of TVIRD and EDCO based upon the prior year grant, performance during the year, and whether any promotions occurred during the year.

The CFO compiles the information and compares the total proposed options to be granted to the total available options to be granted, as per review of the Stock Option Plan. The CFO also compares the total options outstanding to Insiders of the company to the limitations as per review of the Stock Option Plan (**control 1**).

The CFO forwards the final listing to the CEO for review. The CEO reviews the limitations as per the Stock Option Plan and the proposed stock options to be granted (**control 1**).

The CFO then forwards the listing to the Compensation Committee for review. The Compensation Committee meets to discuss the number of stock options to be granted. The Compensation Committee passes a resolution to forward the listing to the Board of Directors for approval. This resolution is documented in the meeting minutes of the Compensation Committee (**control 2**).

The Board of Directors will either meet to formally approve the listing, or request that Management prepare and circulate a Resolution to the Board members. If the Board meets, the meeting minutes will reflect the number of options to be granted to each optionee, the grant date, and the option exercise price. If a Resolution is prepared, the Office Manager prepares the Resolution and ensures the number of options to be granted to each optionee, the grant date, and the option exercise price, are listed in the Resolution. Before circulation to the Directors, the

CFO reviews the Resolution for accuracy with the Compensation Committee minutes or, if minutes of the applicable meeting are not then available, such other Compensation Committee materials or communications as the CFO may consider appropriate (**control 3**). Whether noted in the Resolution, or recorded in the Board minutes, the CFO reviews the following items in detail (**control 4**):

- Grant date – the grant date should be the date of the Board meeting, or the date of the Resolution. For better clarity, the date will be established with reference to Mountain Time.
- Exercise price – as mandated in the Stock Option Plan, the exercise price should be the closing price of the day before the grant date. The price should be quoted from the TSX.com website only and no other sources of trading data will be used.
- Number of options granted – the number of options granted should agree to the listing as recommended by the Compensation Committee.

If applicable, management will then ensure all Directors' signatures are collected on the resolution before Stock Option Agreements are prepared for each optionee (**control 5**).

The Office Manager prepares the Stock Option Agreements for each optionee. The CFO reviews the Stock Option Agreements in conjunction with the approved Board Resolution or Board meeting minutes and documents the review by signing the Stock Option Agreement (**control 5**). The CEO performs a second review and double signs all Stock Option Agreements (**control 5**). The CEO and CFO cannot sign their own Stock Option Agreements on behalf of the Company – an independent Director will sign those agreements on behalf of the Company

The Stock Option Agreements are distributed to all optionees. The optionees are required to sign the Agreements and have a witness signed in conjunction. The Agreements are then sent back to the Office Manager for filing.

The Office Manager reports the stock option grants on Form 1 during the month-end reporting process. The CFO reviews the Form 1 and initials the document (**control 6**).

For all Insiders, the Office Manager files a report on SEDI for new options granted to Insiders. The report is printed and put into the personal file of each Insider. The CFO reviews the report and initials her review (**control 7**). The Office Manager will confirm the filing of each insider report to the applicable insider as soon as reasonably practicable following the completion of the filing, by way of e-mail or, if e-mail communication is not practicable in the circumstances, by way of telephone or facsimile.

The CFO and Office Manager prepare a summary of controls and compliance followed for each option grant and sends to the Compensation Committee chairman (**control 8**).

Summary of Controls:

	Control Description	Status	Control Owner
1	The CFO and CEO review the proposed stock option grants with the limitations set out in the Stock Option Plan.	Currently being done; however, documentation and evidence of the control will be strengthened.	CFO
2	The Compensation Committee meeting minutes document the number of options granted to each optionee and the proposed grant date.	Currently being done; however, documentation and evidence of the control will be strengthened.	Appointed Secretary
3	The CFO reviews the Resolution to ensure accurate with the Compensation Committee recommendation.	Currently being done; however, documentation and evidence of the control will be strengthened.	CFO
4	The CFO ensures the grant date, exercise price, and number of options granted are accurate.	Not being done – TVI will implement this control immediately.	CFO
5	Management ensures Board Resolution is approved before Stock Option Agreements are finalized. CFO reviews and compares Stock Option Agreements with the approved Board Resolution for accuracy. CEO performs second level of review.	Currently being done	Office Manager CFO CEO
6	CFO reviews Form 1, which reports the option grant to the TSX.	Currently being done	CFO
7	CFO reviews SEDI reports for each Insider.	Not being done – TVI will implement this control immediately.	CFO
8	The Office Manager and CFO prepare a summary of controls compliance for the Compensation Committee Chairman.	Not being done – TVI will implement this control immediately.	Office Manager CFO

2. COMPOSITION OF BOARD COMMITTEES

At all times while TVI is a reporting issuer under the securities laws in force in one or more jurisdictions in Canada, the Audit Committee of the Board of Directors of TVI shall be comprised entirely of independent directors and the Audit Committee shall report directly to the Board and not to the executive officers of TVI. At all times while TVI is a reporting issuer under the securities laws in force in one or more jurisdictions in Canada, the Corporate Governance and Nominating Committee and the Compensation Committee of the Board shall be comprised of at least a majority of independent directors, and shall report directly to the Board and not to the executive officers of TVI. For purposes of this paragraph, independence shall be determined with reference to Section 1.4 of National Instrument 52-110 -- *Audit Committees*, as in effect from time to time.

3. RETENTION OF OPTION-RELATED DOCUMENTATION

TVI shall preserve and retain all records identified in 1, above, for at least seven years after the date of grant of the applicable stock options.

4. DETERMINATION OF GRANT DATES

For so long as TVI is a reporting issuer under the securities laws in force in one or more jurisdictions in Canada, the final determination of the date of grant of any TVI stock options shall be made by the Board of Directors of TVI (subject to delegation of authority in that regard to the Compensation Committee or other committee of the Board of Directors in accordance with the stock option plan of TVI then in effect) and not the executive officers of TVI, provided that nothing in this paragraph shall restrict the executive officers of TVI from: (i) making recommendations with respect to the granting of stock options (including the effective date of grant); (ii) assisting the Board of Directors or any committee thereof in scheduling meetings of the Board of Directors or any committee thereof; (iii) assisting the Board of Directors or any committee thereof in preparing and arranging for the signing and dating of written consent resolutions of the Board of Directors or any committee thereof; (iv) establishing or rescinding trading blackouts established under the Disclosure Policy of TVI; or (v) establishing the date of the commencement of employment of any new employee proposed to be engaged by TVI or any of its affiliates (including where such date of commencement may also be the date of grant of options to the new employee).

5. INTERNAL CONTROLS

Internal controls over the issuance of TVI stock options shall be designed and maintained to provide reasonable assurance that:

- (i) the data of the recordkeeping system is secure and accurate;
- (ii) transactions are properly captured and reconciled;
- (iii) grants and awards have been appropriately and timely approved;
- (iv) grants and awards comply with TVI's option plans and guidelines;
- (v) the grant and exercise of insider stock options are timely reported; and
- (vi) TVI's option plans and the administration thereof comply with applicable laws and regulations.

Court File No. CV-08-35806100CP

ONTARIO
SUPERIOR COURT OF JUSTICE

BETWEEN:

JOE MARCANTONIO

Plaintiff

- and -

**TVI PACIFIC INC., CLIFFORD M. JAMES, ROBERT C. ARMSTRONG,
C. BRIAN CRAMM, JAN R. HOREJSI, PETER C. G. RICHARDS,
and JOHN W. ADKINS**

Defendants

Proceeding under the Class Proceedings Act, 1992

**PROVINCE DE QUÉBEC
DISTRICT DE QUÉBEC**

NO: 200-06-000106-081

**(Class Action)
COUR SUPÉRIEURE**

**FLORENT AUDETTE
Petitioner;**

c.

**TVI PACIFIC INC., CLIFFORD M. JAMES, C.
BRIAN CRAMM, PETER C. G. RICHARDS,
ROBERT C. ARMSTRONG, JAN R. HOREJSI,
and JOHN W. ADKINS
Respondents**

AMENDMENT OF SCHEDULE "B"
TO THE SETTLEMENT AGREEMENT DATED APRIL 22, 2009

WHEREAS the Parties desire to amend the Distribution Protocol, which is Schedule "B" to the Settlement Agreement, dated April 22, 2009, to address two typographical errors;

IT IS HEREBY AGREED, by and among the Parties, by and through their respective counsel of record, that the amended Distribution Protocol annexed hereto as Schedule "A" shall replace in its entirety the document originally attached as Schedule "B" to the Settlement Agreement.

Each of the undersigned represents that he or she is fully authorized to enter into the terms and conditions of, and to execute, the agreement set out herein (the "Amendment Agreement") on behalf of the Party for whom he or she is signing.

Each of the Parties hereby affirms and acknowledges that:

- (a) he, she or its representative with the authority to bind the Parties with respect to the matters set forth herein has read and understood the amendment to the Distribution Protocol;
- (b) the terms of this Amendment Agreement and the effects thereof have been fully explained to him, her or its representative by his, her or its counsel;
- (c) he, she or its representative fully understands each term of this Amendment Agreement and its effect.

This Amendment Agreement may be executed in counterparts, all of which taken together will be deemed to constitute one and the same agreement, and a facsimile signature shall be deemed an original signature for purposes of executing this Amendment Agreement.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment Agreement to be executed by their duly authorized counsel, dated as of June 3, 2009.

JOE MARCANTONIO

By his counsel,
Siskinds ^{LLP}

By: _____

A. Dimitri Vascaris

TVI PACIFIC INC., CLIFFORD M. JAMES, ROBERT C. ARMSTRONG, C. BRIAN CRAMM, JAN R. HOREJSI, PETER C.G. RICHARDS, AND JOHN W. ADKINS

By their counsel,
Bennett Jones ^{LLP}

By: _____

Robert W. Staley/Eric R. Hoaken

FLORENT AUDETTE

By her counsel,
Siskinds Desmeules s.e.n.c.r.l.

By: _____

Simon Hebert

By Dimitri VASCARIS

SCHEDULE “A”

SCHEDULE “B” – DISTRIBUTION PROTOCOL

DEFINED TERMS

1. For the purposes of this Distribution Protocol, the definitions set out in the Settlement Agreement, except as modified herein, apply to and are incorporated into this Distribution Protocol and, in addition, the following definitions apply:
 - (a) “**Acquisition Expense**” means the total monies paid by the Claimant (including brokerage commissions) to acquire Eligible Shares;
 - (b) “**Authorized Claimant**” means a Claimant who suffered a Net Loss and as such is eligible to receive compensation from the Net Settlement Amount;
 - (c) “**Claimant**” means a Class Member who submits a properly completed Claim Form and all required supporting documentation to the Administrator, on or before the Claims Deadline;
 - (d) “**Disposition Proceeds**” means the total proceeds paid to the Claimant (without deducting any commissions paid in respect of the dispositions) in consideration of the sale of all of his/her/its Eligible Shares; provided however that, with respect to any Eligible Shares that the Claimant continues to hold, they shall be deemed to have been disposed of for an amount equal to the number of Eligible Shares still held, multiplied by the difference between the average price per security paid for those Eligible Shares (including any commissions paid in respect thereof determined on a per security basis) and \$0.10;
 - (e) “**FIFO**” means the principle of first-in first-out, wherein securities are deemed to be sold in the same order that they were purchased (i.e. the first securities purchased are deemed to be the first sold); and which requires, in the case of a Claimant who held securities of TVI at the commencement of the Class Period, that those securities be deemed to have been sold completely before Eligible Shares are sold;
 - (f) “**Net Loss**” means that the Claimant’s Disposition Proceeds are less than the Claimant’s Acquisition Expense; and
 - (g) “**Nominal Entitlement**” means an Authorized Claimant’s nominal damages as calculated pursuant to the formula set forth herein, and which forms the basis upon which each Authorized Claimant’s *pro rata* share of the Net Settlement Amount is calculated.

CALCULATION OF NET LOSS

2. A Claimant must have sustained a Net Loss in order to be eligible to receive compensation, in the form of a payment, from the Net Settlement Amount.

3. The Administrator shall first determine whether a Claimant sustained a Net Loss. If the Claimant has sustained a Net Loss they become an Authorized Claimant, and the Administrator will go on to calculate his/her/its Nominal Entitlement.

CALCULATION OF COMPENSATION

4. The Administrator will apply FIFO to distinguish the sale of TVI securities held at the beginning of the Class Period from the sale of Eligible Shares, and will continue to apply FIFO to determine the purchase transactions which correspond to the sale of Eligible Shares. The Administrator will use this data in the calculation of an Authorized Claimant's Nominal Entitlement according to the formulas listed below.
5. An Authorized Claimant's Nominal Entitlement will be calculated as follows:
 - I. **For Eligible Shares disposed of on or between August 9 and August 22, 2007, the Nominal Entitlement shall be an amount equal to:**
 - A. the difference between the average price paid for the Eligible Shares thus disposed of (including any commissions paid in respect thereof) and the price received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition).
 - II. **For Eligible Shares disposed of on or between August 23, 2007 and January 10, 2008, the Nominal Entitlement shall be the lesser of:**
 - A. an amount equal to the difference between the average price paid for the Eligible Shares thus disposed of (including any commissions paid in respect thereof) and the price received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition); and
 - B. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the average price per security paid for those Eligible Shares (including any commissions paid in respect thereof determined on a per security basis) and \$0.11 [being the 10 trading day

volume weighted average price of securities from August 9 to August 22, 2007].

III. For Eligible Shares disposed of on or between January 11, 2008 and January 24, 2008, the Nominal Entitlement shall be an amount equal to:

- A. the difference between the average price paid for the Eligible Shares thus disposed of (including any commissions paid in respect thereof) and the price received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition).

IV. For Eligible Shares disposed of after the close of trading on January 24, 2008, the Nominal Entitlement shall be the lesser of:

- A. an amount equal to the difference between the average price paid for the Eligible Shares thus disposed of (including any commissions paid in respect thereof) and the price received upon the disposition of those Eligible Shares (without deducting any commissions paid in respect of the disposition); and
- B. an amount equal to the number of Eligible Shares thus disposed of, multiplied by the difference between the average price per security paid for those Eligible Shares (including any commissions paid in respect thereof determined on a per security basis) and \$0.10 [being the 10 trading day volume weighted average price of securities from January 11 to January 24, 2008].

V. For any Eligible Shares which have not been disposed of the Nominal Entitlement shall be:

- A. an amount equal to the number of Eligible Shares still held, multiplied by the difference between the average price per security paid for those Eligible Shares (including any commissions paid in respect thereof determined on a per security basis) and \$0.10 [being the 10 trading day volume weighted average price of securities from January 11 to January 24, 2008].

VI. No Nominal Entitlement shall be available for any Eligible Shares disposed of prior to August 9, 2007.

FINAL DISTRIBUTION

6. Each Authorized Claimant's actual compensation will be a portion of the Net Settlement Amount calculated as the ratio of his/her/its Nominal Entitlement to the total Nominal Entitlements of all Authorized Claimants multiplied by the Net Settlement Amount.
7. The Administrator will make payments of the actual compensation to Authorized Claimants. In so doing the Administrator will deduct from any payments otherwise due to Québec Class Members any amounts owing to the *Fonds d'Aide aux Recours Collectifs* as follows:
 - (a) 2% from any liquidated claim less than \$2,000;
 - (b) 5% from any liquidated claim exceeding \$2,000 but less than \$5,000; and
 - (c) 10% from any liquidated claim exceeding \$5,000.

The total of such deductions shall be provided to Class Counsel in trust for payment to the *Fonds d'Aide aux Recours Collectifs*.

SCHEDULE “C” – PLAN OF NOTICE

Capitalised terms used in this Plan of Notice have the meanings ascribed to them in the Settlement Agreement.

PART 1 – NOTICE OF CERTIFICATION & SETTLEMENT APPROVAL MOTIONS

The Pre-Approval Notice will be disseminated as follows:

Internet Publication

The Pre-Approval Notice will be posted, in both the English and French languages, on (i) www.classaction.ca; and (ii) www.tvipacific.com.

National Notice

Publication of the Pre-Approval Notice, which notice will be at least a 1/8 page in size, will occur at least thirty (30) days prior to the first of the Approval Motions. Such publication will be made in the English language in the business/legal section of the national edition of the *Globe & Mail* and in the French language in the business sections of *La Presse* and *Journal de Québec*.

The English and French language versions of the Publication Notice will also be issued across *Marketwire*, a major business newswire in Canada.

Individual Notice

Class Counsel shall make a toll free number and email address available to the public that will enable Class Members to contact Class Counsel and obtain more information about the proposed settlement, and/or to request that a copy of the Settlement Agreement be sent to them directly. Additionally, the public may view or obtain copies of the Settlement Agreement from Class Counsel’s website: www.classaction.ca.

PART 2 – NOTICE OF CERTIFICATION AND APPROVAL OF SETTLEMENT

The Publication Notice will be disseminated as follows:

National Notice

Publication of the Publication Notice, which notice will be at least a 1/16 page in size, will occur as soon as possible following the Effective Date, and, in any event, no later than fourteen (14) days following such date. Such publication will be made in the English language in the business/legal section of the national edition of the *Globe & Mail* and in the French language in the business sections of *La Presse* and *Journal de Québec*.

The English and French language versions of the Publication Notice will also be issued across *Marketwire*, a major business newswire in Canada.

The Long-Form Notice will be disseminated as follows:

Internet Publication

The Long-Form Notice will be posted, in both the English and French languages, on (i) www.classaction.ca; (ii) www.tvipacific.com; and (iii) the website of the Administrator.

Individual Notice

Within ten (10) days of the issuance of the last Approval Order, Class Counsel, with the assistance of TVI, shall: (i) direct Computershare Limited to deliver a computerised list of the names and addresses of the registered holders of TVI securities in its possession to Class Counsel and the Administrator who will mail the Long-Form Notice to all persons so identified; and (ii) direct Broadridge to send the Long-Form Notice to all brokerage firms in Canada requesting that the brokerage firms send to Broadridge the names and addresses of all persons identified by the brokerage firms as having a beneficial interest in the Eligible Shares, and to mail the Long-Form Notice to all persons so identified.

Class Counsel shall mail or email the Long-Form Notice to those persons who have contacted Class Counsel regarding this litigation and have provided Class Counsel with their contact information.

Class Counsel shall make a toll free number and email address available to the public that will enable Class Members to obtain more information about the settlement, the claims process, and to request that a copy of the Long-Form Notice be sent to them directly. Class Counsel or the Administrator, as appropriate, will directly mail the Long-Form Notice, Claim Form or Opt-Out Form to any Class Member who contacts Class Counsel or the Administrator's offices and requests same. Additionally, the public may view, or obtain copies of, the Settlement Agreement, Long-Form Notice, Claim Form and Opt-Out Form on Class Counsel's website: www.classaction.ca.

SCHEDULE “D” – PRE-APPROVAL NOTICE

TVI PACIFIC INC. SECURITIES LITIGATION NOTICE OF CLASS ACTIONS AND PROPOSED SETTLEMENT

This notice is to all persons, and entities (other than Excluded Persons, as defined below), who acquired securities of TVI Pacific (“TVI”) during the period from and including March 30, 2006, to and including August 9, 2007 (“Class Period”), and held some or all of those securities on August 9, 2007 (“Class Members”).

READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.

CLASS ACTIONS COMMENCED IN ONTARIO AND QUÉBEC HAVE BEEN SETTLED

In 2008, class actions were commenced in Ontario and Québec against TVI and certain of its current and former officers and directors (the “Defendants”). The Plaintiffs in the actions allege that the Defendants conspired and breached their duty of care to TVI’s shareholders by issuing materially false and/or inaccurate audited consolidated financial statements for the years ended December 31, 2005 and 2006, and interim unaudited consolidated financial statements for the quarter ended March 31, 2007. The Plaintiffs also allege that TVI’s Stock Option Plan (the “Plan”) allowed for the granting of in-the-money options in contravention of the Plan’s stated purpose, the TSX Company Manual prohibition and Ontario and Québec securities legislation.

The parties in the class actions have reached a proposed settlement subject to obtaining the approval of the courts in Ontario and Québec. The Settlement Agreement provides that the Defendants will pay \$2.1 million (the “Settlement Amount”) in full and final settlement of all claims, including class counsel fees, disbursements, taxes and administration expenses in return for releases and a dismissal of the class actions. Additionally, TVI has agreed to make efforts to re-price certain outstanding stock options and to adopt corporate governance measures targeted at eliminating the potential for future stock option manipulation.

The settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of any of the Defendants, all of whom have denied, and continue to deny, the allegations against them.

SETTLEMENT APPROVAL MOTIONS WILL BE HELD IN ONTARIO AND QUÉBEC

The Settlement Agreement must be approved by the courts in Ontario and Québec before it can be implemented. Class Members may, but are not required to, attend at the settlement approval motions which will be held:

1. **In Ontario:** on June 17, 2009 at _____ a.m./p.m., at the Courthouse, 361 University Ave., Toronto, Ontario; and
2. **In Québec:** on June ____, 2009 at _____ a.m. at the Québec City Court House, 300 boul. Jean-Lesage, Québec City, Québec.

If the Settlement Agreement is approved, another notice to Class Members will be published which will provide instructions on how to make a claim to receive compensation from the settlement amount and how to opt out of the class if the Class Member does not wish to share in, or be bound by, the settlement.

Class Members who do not oppose the proposed settlement do not need to appear at any of the hearings or take any other action at this time to indicate their desire to participate in the proposed settlement.

CLASS COUNSEL FEES AND ADMINISTRATIVE EXPENSES

In addition to seeking the courts' approval of the Settlement Agreement, Class Counsel (as identified below) will seek the courts' approval of their legal fees not to exceed 25% of the Settlement Amount, plus disbursements and applicable taxes ("Class Counsel Fees"). Class Counsel will also seek appointment of an Administrator for the Settlement Agreement whose fees, together with any other amounts incurred or payable relating to approval, notification, implementation and administration of the Settlement ("Administration Expenses"), will also be paid from the Settlement Amount. Class Counsel Fees and Administration Expenses will be deducted from the Settlement Amount before it is distributed to Class Members.

TERMS OF THE SETTLEMENT AGREEMENT

The remainder of the Settlement Amount, after deduction of Class Counsel Fees and Administration Expenses (the "Net Settlement Amount") will be distributed to Class Members in accordance with the Distribution Protocol attached as Schedule "B" to the Settlement Agreement, which, in general terms, provides that:

- (a) in order to be eligible to receive compensation pursuant to the settlement, a Class Member must submit a Claim Form, including trading information that demonstrates that the Class Member sustained a loss on their Class Period transactions, to the Administrator by the deadline for submission of claims (an "Authorized Claimant");
- (b) each Authorized Claimant's *nominal* entitlement to compensation will be determined by application of the formulae outlined in the Distribution Protocol which take into account: (i) the number and the price of TVI securities purchased by the Authorized Claimant during the Class Period ("Eligible Shares"); (ii) when the Authorized Claimant sold the Eligible Shares and the price at which such shares were sold; and (iii) whether the Authorized Claimant continues to hold some or all of their Eligible Shares.
- (c) each Authorized Claimant's *actual* compensation from the Net Settlement Amount will be his/her/its *pro rata* share of the Net Settlement Amount calculated as a ratio of his/her/its nominal entitlement to the total nominal entitlements of all Authorized Claimants multiplied by the Net Settlement Amount.

TVI's past or present subsidiaries, officers, directors, affiliates, legal representatives, heirs, successors and assigns, and all members of the individual Defendants' families, and any entity in which any of the individual Defendants has or had a controlling interest are Excluded Persons and as such are precluded from receiving compensation pursuant to the Settlement Agreement.

A copy of the Settlement Agreement including the Distribution Protocol, may be found at www.classaction.ca.

EFFECT OF SETTLEMENT APPROVAL ON OTHER ACTIONS COMMENCED BY CLASS MEMBERS

If the courts approve the proposed settlement, all Class Members will be bound by the terms of the Settlement Agreement, unless they “opt out”. This means that they will not be able to bring or maintain any other claim or legal proceeding against the Defendants or any other person released by the Settlement Agreement in relation to the matters alleged in the class actions.

If a Class Member opts out, they will not be bound by the terms of the Settlement Agreement, BUT they will be barred from making a claim and receiving compensation from the Settlement Amount.

OBJECTIONS TO THE PROPOSED SETTLEMENT

If you wish to comment on, or make objection to, the Settlement Agreement, you must do so in writing. All objections must be submitted to Class Counsel (at the addresses listed below) no later than June 8, 2009. Class Counsel will forward all such submissions to the courts.

A written objection should include the following information:

- (a) the objector’s name, address, telephone number, fax number (where applicable) and email address;
- (b) a brief statement outlining the nature of, and reason for, the objection;
- (c) documents establishing that the objector purchased securities of TVI during the Class Period; and
- (d) a statement as to whether the objector intends to appear at the Approval Motion in person or by legal counsel, and, if by legal counsel, the name, address, telephone number, fax number and email address of such legal counsel.

INTERPRETATION

If there is a conflict between the provisions of this notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

QUESTIONS ABOUT THE PROPOSED SETTLEMENT SHOULD BE DIRECTED TO CLASS COUNSEL

Monique Radlein Siskinds LLP Barristers and Solicitors 680 Waterloo Street London, ON N6A 3V8 Tel: 519.660.7868 Fax: 519.660.7869 Email: monique.radlein@siskinds.com	Simon Hebert Siskinds Desmeules s.e.n.c.r.l. Les Promenades du Vieux-Québec 43 Rue Buade, Bur 320 Québec City, QC G1R 4A2 Tel: 418.694.2009 Fax: 418.694.0281 Email: simon.hebert@siskindsdesmeules.com
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PUBLICATION OF THIS NOTICE HAS BEEN AUTHORIZED
BY THE ONTARIO SUPERIOR COURT OF JUSTICE AND THE QUÉBEC SUPERIOR COURT

SCHEDULE “E” – ONTARIO APPROVAL ORDER

Court File No. CV-08-35806100CP

ONTARIO SUPERIOR COURT OF JUSTICE

THE HONOURABLE)	_____ , THE ____ DAY
)	
JUSTICE JOAN L. LAX)	OF JUNE, 2009

B E T W E E N :

JOE MARCANTONIO

Plaintiff

- and -

TVI PACIFIC INC., CLIFFORD M. JAMES, ROBERT C. ARMSTRONG,
C. BRIAN CRAMM, JAN R. HOREJSI, PETER C. G. RICHARDS,
and JOHN W. ADKINS

Defendants

Proceeding under the *Class Proceedings Act, 1992*

ORDER

THIS MOTION, made by the proposed Representative Plaintiff for an Order that the within proceeding be certified as a class proceeding for settlement purposes only, that the Settlement Agreement be approved, and that [Administrator] be appointed as Administrator for the Settlement Agreement, was heard on June __, 2009, in Toronto, Ontario, Canada.

ON READING the materials filed, including the Settlement Agreement reached between the parties on April __, 2009, attached hereto as Schedule “A” (the “Settlement Agreement”) and on hearing submissions of counsel for the Plaintiff and counsel for the Defendants;

AND on there being no objectors:

1. **THIS COURT DECLARES** that (i) the Settlement Agreement, in its entirety (including the Recitals, the definitions set out in section 1.1 and its Schedules) forms part of this Order and is binding upon the Representative Plaintiff, upon all Ontario Class Members who do not opt out of the Ontario Class in accordance with the Notice, and upon the Defendants;

2. **THIS COURT ORDERS** that, for the purposes of this Order, except as otherwise stated, the definitions set out in the Settlement Agreement apply and are incorporated into this Order;
3. **THIS COURT ORDERS** that the within proceeding be certified as a class proceeding, for purposes of settlement only, pursuant to the *Class Proceedings Act, 1992*, S.O. 1992, c.6, ss.2 and 5 (“CPA”);
4. **THIS COURT ORDERS** that the Ontario Class be defined as:

All persons and entities who acquired securities of TVI during the period from and including March 30, 2006 to and including August 9, 2007, and who held some or all of those securities on August 9, 2007, excluding persons and entities residing in the Province of Québec, but specifically including residents in the Province of Quebec who are precluded from being a member of a group in a class action under Article 999 of the *Code de Procédure Civile du Québec*, L.R.Q., c. C-25, as amended, namely, legal persons established for a private interest, partnership or association who employed more than 50 persons at any time during the period from July 24, 2007 to July 24, 2008, and who otherwise fit the above description.

Excluded from the Class are TVI’s past or present subsidiaries, officers, directors, affiliates, legal representatives, heirs, successors and assigns, and all members of the individual Defendants’ families, and any entity in which any of the individual Defendants has or had a controlling interest.
5. **THIS COURT ORDERS** that Joe Marcantonio be appointed as Representative Plaintiff for the Ontario Class;
6. **THIS COURT ORDERS** that the causes of action asserted on behalf of the Ontario Class are breach of s. 138.8(1) of the *Securities Act*, R.S.O. 1990, c. S.5, as amended, negligence, negligent and fraudulent misrepresentation and conspiracy;
7. **THIS COURT ORDERS** that the within proceeding be certified on the basis of the following common issue:

Did the Defendants, or any of them, breach duties of care owed to the Ontario Class, by reason of the alleged acts, omissions, disclosures or non-disclosures relating to the issuance and/or restatement of TVI’s audited consolidated financial statements for the years ended December 31, 2005 and 2006, and its interim unaudited consolidated financial statements for the quarter ended March 31, 2007, and/or to TVI’s stock option practices during or prior to the Class Period.

8. **THIS COURT DECLARES** that the Settlement Agreement is fair, reasonable and in the best interest of the Ontario Class;
9. **THIS COURT ORDERS** that the Settlement Agreement is approved pursuant to s.29 of the *CPA*;
10. **THIS COURT ORDERS** that [Administrator] be appointed Administrator for the Settlement Agreement;
11. **THIS COURT ORDERS** that upon the date the Settlement Agreement becomes Final the Representative Plaintiff and those Ontario Class Members who do not exclude themselves from the Class, fully, finally and forever release the Defendants from the Released Claims.
12. **THIS COURT ORDERS** that the within proceeding be dismissed against the Defendants without costs and with prejudice.

THE HONOURABLE
JUSTICE JOAN L. LAX

SCHEDULE “F” – QUÉBEC APPROVAL ORDER
COUR SUPÉRIEURE

C A N A D A
PROVINCE DE QUÉBEC
DISTRICT DE QUÉBEC

NO : 200-06-000106-081

DATE : QUÉBEC, LE • JUIN 2009

EN PRÉSENCE DE : L'HONORABLE •, J.C.S.

FLORENT AUDETTE
Requérant ;

c.

TVI PACIFIC INC.. & AL

Intimés;

JUGEMENT

- [1] **ATTENDU** que les parties sont impliquées dans un litige de la nature d'un recours collectif ;
- [2] **VU** la requête sous étude ;
- [3] **VU** que les intimés consentent à la requête ;
- [4] **VU** les pièces versées au dossier;
- [5] **VU** les déclarations des procureurs des parties et les représentations faites de part et d'autres;
- JD-• [6] **VU** les articles 1025, 1045 et 1046 du *Code de procédure civile*;
- [7] **APRÈS EXAMEN**, il y a lieu de faire droit à la requête;

PAR CES MOTIFS, LE TRIBUNAL :

- [8] **ACCUEILLE** cette requête;
- [9] **DÉCLARE** que les définitions contenues dans l'Entente de règlement sont utilisées pour ce jugement et par conséquent sont considérées comme étant partie intégrante du jugement;
- [10] **AUTORISE** l'exercice d'un recours collectif contre les intimés pour fins de règlement seulement;

- [11] **ACCORDE** au Requérant le statut de représentant des personnes faisant partie du groupe ci-après décrit (ci-après désignées « les Membres du groupe ») :
-
- [12] **IDENTIFIE** ce qui suit comme la principale question qui sera traitée collectivement :
- Est-ce que les Intimés ou l'un d'entre eux ont faussement représenté les résultats •
- [13] **DÉCLARE** que l'Entente de Règlement avec ses annexes, jointe au jugement comme Annexe « A », est valable, équitable, raisonnable, dans le meilleur intérêt des Membres du Groupe et constitue une transaction au sens de l'article 2631 du *Code civil du Québec* mettant fin définitivement à cette affaire, liant toutes les parties et tous les membres qui y sont décrits à l'exception de ceux qui s'excluront;
- [14] **DÉCLARE** que la version anglaise de l'Entente de Règlement constitue l'entente entre les parties sur laquelle ces dernières se sont entendues, et que la version française n'est qu'une traduction, de sorte qu'en cas de divergence entre la version anglaise et la version française, la première devra primer;
- [15] **APPROUVE** l'Entente de règlement;
- [16] **DÉCLARE** que l'Entente de règlement dans son intégralité (y compris son préambule, ses définitions et ses annexes) fait partie intégrante du présent jugement;
- [17] **PREND ACTE** du paiement de la somme prévue au Règlement (•\$) en conformité avec l'Entente de Règlement;
- [18] **ORDONNE** aux Parties et aux Membres du Groupe, à l'exception de ceux qui s'en seront exclus conformément aux termes et conditions du jugement, de se conformer à l'Entente de Règlement;
- [19] **APPROUVE** le Second Avis et, en langue anglaise et française, conforme au modèle joint au jugement comme Annexe « B » et **ORDONNE** qu'il soit publié selon le mode de diffusion prévu à l'Annexe « C » du jugement;
- [20] **APPROUVE** le Formulaire d'exclusion dont un exemplaire est joint comme Annexe «D» au jugement;
- [21] **ORDONNE** que chaque Membre du Groupe qui désire s'en exclure et ainsi ne pas être lié par l'Entente de Règlement le fasse conformément à la procédure décrite dans l'Entente de Règlement;
- [22] **DÉCLARE** que pour être admissibles, les demandes d'exclusion devront être faites par écrit et transmises par courrier enregistré ou recommandé à l'adresse qui suit :

Greffier Cour Supérieure de Québec
Grefte civil
300, boulevard Jean-Lesage, salle 1.24
Québec, Québec, G1K 8K6
Dossier 200-06-000106-081

Ainsi qu'à l'Administrateur des réclamations à l'adresse qui suit :

•
ou par télécopieur au: •
ou par courriel à : •

Avec les informations requises dans le Formulaire d'Exclusion (ainsi que toutes les pièces justificatives requises) dont un exemplaire est joint comme Annexe « D » au jugement, et ce au plus tard le •, heure de l'Est;

- [23] **ORDONNE** que toute personne qui se sera exclue du Groupe en produisant le Formulaire d'exclusion dans le délai requis ne sera pas liée par l'Entente de Règlement et ne pourra bénéficier de ce qui est prévu dans cette Entente de Règlement;
- [24] **DÉCLARE** que ce jugement lie tous les Membres du Groupe qui ne se seront pas exclus selon la procédure prescrite, que cette personne soumette ou non un Formulaire de Réclamation, que cette personne soit déclarée ou non éligible pour l'obtention d'une indemnisation et que la réclamation de cette personne soit acceptée en entier ou en partie par l'Administrateur;
- [25] **DÉSIGNE** la firme • pour agir à titre d'administrateur des réclamations avec les pouvoirs, obligations et devoirs énumérés dans l'Entente de Règlement et dans le Protocole et notamment l'obligation de détenir, de distribuer l'argent en fidéicommis en conformité avec l'Entente de Règlement, le Protocole et le Règlement sur le pourcentage prélevé par le Fonds d'aide aux recours collectifs (*R.R.Q. c. R-2.1, r.3.1.*);
- [26] **ORDONNE** qu'au plus tard le •, l'Administrateur fasse rapport au Tribunal, aux Intimées et aux Procureurs du Groupe de l'identité des Membres du Groupe, s'il en est, qui se sont exclus des Recours, de la quantité de Titres éligibles détenus par chaque membre s'étant exclus et d'un résumé de l'information transmise par chaque Membre du Groupe s'étant exclus;
- [27] **APPROUVE** le seuil d'exclusion apparaissant à l'Entente Collatérale présentée sous scellé au Tribunal et détenue par les procureurs du requérant;
- [28] **ORDONNE** que, si le seuil d'exclusion est dépassé, l'un ou l'autre des Intimés pourra choisir de résilier l'Entente de Règlement et le Protocole et se désister de ce jugement;
- [29] **DÉCLARE** que chaque Personne donnant Quittance qui est un Membre du Groupe du Québec a quittancé et est réputé avoir donné une quittance pour toujours et de manière absolue, à chacune des Personnes bénéficiant de la Quittance à l'égard de toute demande de contribution ou d'indemnisation en rapport avec les Réclamations Quittancées;
- [30] **ORDONNE** qu'aucune Personne donnant Quittance, qui est un Membre du Groupe du Québec, ne pourra, directement ou indirectement, présentement ou dans l'avenir, au Canada ou ailleurs, pour son propre compte ou pour le compte de tout groupe ou de toute autre personne, intenter, continuer, maintenir ou faire valoir, toute poursuite, action, cause d'action, réclamation ou demande contre toute Personne bénéficiant de la Quittance ou contre toute autre personne qui pourrait réclamer une contribution ou un dédommagement de l'une ou l'autre des Personnes bénéficiant de la Quittance en rapport avec toute Réclamation Quittancée ou toute autre affaire y étant reliée;
- [31] **DÉCLARE** que le Formulaire de réclamation joint au jugement comme Annexe E est approuvé et **ORDONNE** que les Membres du Groupe désirant formuler une réclamation le fassent en utilisant ce formulaire étant entendu, cependant, que l'Administrateur aura la possibilité de mettre en œuvre une procédure permettant aux courtiers de formuler une réclamation pour leurs clients s'ils reçoivent l'autorisation d'agir ainsi;

- [32] **ORDONNE** que toute personne qui désire obtenir une indemnité en vertu de l'Entente de Règlement ne devienne éligible à toute distribution que si elle soumet un Formulaire de Réclamation avec toutes les pièces justificatives appropriées, auprès de l'Administrateur, le ou avant le •, heure de l'Est, à moins que ce Tribunal n'en décide autrement, ou à moins que ce Tribunal ne proroge la Date Limite pour formuler une réclamation;
- [33] **DÉCLARE** que le Protocole de Distribution joint au jugement comme Annexe F est approuvé et **ORDONNE** qu'il soit appliqué conformément à ses dispositions;
- [34] **APPROUVE** le paiement aux procureurs du Requérent d'honoraires totalisant •\$ plus taxes et de débours totalisant •\$ plus taxes, le tout totalisant la somme de •\$ et **PERMET** tel paiement à même la Somme prévue au Règlement;
- [35] **LE TOUT** sans frais, sauf en ce qui a trait à ce que prévu à l'Entente de Règlement.

•, J.C.S.

Me Simon Hébert – casier 15
SISKINDS, DESMEULES, AVOCATS
43, rue de Buade, bureau 320
Québec (Québec) G1R 4A2
Procureurs du requérant

Me Jean St-Onge
LAVERY DE BILLY
1, Place Ville Marie, bureau 4000
Montréal (Québec) H3B 4M4
Procureurs des intimés

SCHEDULE “G” – PUBLICATION NOTICE

TVI PACIFIC INC. SECURITIES LITIGATION NOTICE OF CERTIFICATION AND SETTLEMENT APPROVAL

This notice is to all persons, and entities (other than Excluded Persons, as defined below), who acquired securities of TVI Pacific (“TVI”) during the period from and including March 30, 2006, to and including August 9, 2007 (“Class Period”), and held some or all of those securities on August 9, 2007 (“Class Members”).

READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.

Please note: This is a short form notice, produced for publication purposes, announcing court approval of the settlement reached in this litigation. A Long-Form Notice, with full details of the settlement is available on Class Counsel’s website: www.classaction.ca, or the Administrator’s website: www.XXX.com.

COURT APPROVAL OF THE SETTLEMENT OF CLASS ACTIONS

In 2008, class actions were commenced in Ontario and Québec against TVI and certain of its current and former officers and directors (the “Defendants”). By Orders issued by the Ontario Superior Court of Justice and the Québec Superior Court (the “Courts”) dated June __, 2009 and June __, 2009, respectively, the Courts certified and approved of the Settlement Agreement reached between the parties to the class actions. The settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of any of the Defendants, all of whom have denied, and continue to deny, the allegations against them.

The Settlement Agreement provides for the settlement of the claims of all Class Members for the sum of \$2.1 million (the “Settlement Amount”). The amount of each Class Member’s compensation will be calculated by application of the formulae outlined in the Distribution Protocol. TVI’s past or present subsidiaries, officers, directors, affiliates, legal representatives, heirs, successors and assigns, and all members of the individual Defendants’ families, and any entity in which any of the individual Defendants has or had a controlling interest are Excluded Persons and as such are precluded from receiving compensation pursuant to the Settlement Agreement.

ADMINISTRATION OF THE SETTLEMENT AGREEMENT

The Courts have appointed [Name of Administrator] as the Administrator of this Settlement Agreement. [Name of Administrator] will oversee the claims and opt-out processes (described below) and will distribute the Settlement Amount.

Those Class Members who wish to receive compensation from the Settlement Amount must mail or otherwise submit a completed Claim Form, and any supporting documentation to the Administrator, no later than **[date falling 90 days after the publication of the Publication Notice]**, at the following address: [Administrator’s Address]

All Class Members will be bound by the terms of the Settlement Agreement unless they “opt out”. This means that Class Members will not be able to bring or maintain any other claim or legal proceeding against the Defendants, or any other person released by the Settlement

Agreement, in relation to the matters alleged in the class actions unless they opt out. If you do not want to be bound by the Settlement Agreement you must opt out. Please note however, that by opting out you will also be barred from making a claim and receiving compensation from the Settlement Amount.

If you wish to opt out you must submit a completed Opt-Out Form, and any supporting documentation, to the Administrator, no later than **[date falling 60 days after the publication of the Publication Notice]** (the “Opt-Out Deadline”).

If you are a resident of Québec and wish to opt out, in addition to submitting your Opt-Out Form to the Administrator, you must also send a complete copy of your completed Opt-Out Form to the Clerk of the Québec Court, at the following address: The Québec Superior Court, Québec City Court House, 300, boul. Jean-Lesage, Québec City, Québec, G1K 8K6 (Court File No. 200-06-000106-081) by the Opt-Out Deadline.

For further information regarding the terms of the Settlement Agreement, the Distribution Protocol, filing a claim and/or opting out, or to obtain a Claim or Opt-Out Form visit the Administrator’s website: [www.XXX.com] or contact the Administrator by calling [toll free number].

[Date of Publication]

PUBLICATION OF THIS NOTICE HAS BEEN AUTHORIZED
BY THE ONTARIO SUPERIOR COURT OF JUSTICE AND THE QUÉBEC SUPERIOR COURT

SCHEDULE “H” – LONG-FORM NOTICE

TVI PACIFIC INC. SECURITIES LITIGATION NOTICE OF CERTIFICATION AND SETTLEMENT APPROVAL

This notice is to all persons, and entities (other than Excluded Persons, as defined below), who acquired securities of TVI Pacific (“TVI”) during the period from and including March 30, 2006, to and including August 9, 2007 (“Class Period”), and held some or all of those securities on August 9, 2007 (“Class Members”).

READ THIS NOTICE CAREFULLY AS IT MAY AFFECT YOUR LEGAL RIGHTS.

COURT APPROVAL OF THE SETTLEMENT OF CLASS ACTIONS

In 2008, class actions were commenced in Ontario and Québec against TVI and certain of its current and former officers and directors (the “Defendants”). The Plaintiffs in the actions alleged that the Defendants conspired and breached their duty of care to TVI’s shareholders by issuing materially false and/or inaccurate audited consolidated financial statements for the years ended December 31, 2005 and 2006, and interim unaudited consolidated financial statements for the quarter ended March 31, 2007. The Plaintiffs also alleged that the Defendants granted in-the-money options in contravention of the stated purpose of TVI’s Stock Option Plan, the TSX Company Manual prohibition and Ontario and Québec securities legislation.

On April __, 2009 the parties to the class actions executed a Settlement Agreement which provides that the Defendants will pay \$2.1 million (the “Settlement Amount”) in full and final settlement of all claims, including class counsel fees, disbursements, taxes and administration expenses in return for releases and a dismissal of the class actions. Additionally, TVI agreed to make efforts to re-price certain outstanding stock options and to adopt measures targeted at eliminating the potential for future stock option manipulation. The settlement is a compromise of disputed claims and is not an admission of liability, wrongdoing or fault on the part of any of the Defendants, all of whom have denied, and continue to deny, the allegations against them.

By Orders issued by the Ontario Superior Court of Justice and the Québec Superior Court (the “Courts”) dated June __, 2009 and June __, 2009, respectively, the Courts certified and approved the Settlement Agreement. The Courts also awarded Class Counsel legal fees, expenses and applicable taxes in the amount of \$● and approved . Class Counsel were retained on a contingent basis such that they were only to be paid if they were successful in the litigation. Class Counsel Fees will be deducted from the Settlement Amount before it is distributed to Class Members. Expenses incurred or payable relating to approval, notification, implementation and administration of the Settlement Agreement including the fees of the Administrator (“Administration Expenses”) will also be paid from the Settlement Amount.

ADMINISTRATOR

The Courts have appointed [Name of Administrator] as the Administrator of this Settlement Agreement. The Administrator will, among other things: (i) receive and process the Claim and Opt-Out Forms; (ii) make determinations of Class Members’ eligibility for compensation pursuant to the Distribution Protocol; (iii) communicate with Class Members regarding their eligibility for compensation; and (iv) manage and distribute the Settlement Amount.

The Administrator can be contacted at:

Telephone: [Toll Free Number]

Mailing Address:

E-mail Address:

Website: [www.XXX.com]

A complete copy of the Settlement Agreement is available on the website of Class Counsel: www.classaction.ca.

CLASS MEMBERS' ENTITLEMENT TO COMPENSATION

Class Members will be eligible for compensation pursuant to the Settlement Agreement if they sustained a net loss on their Class Period transactions and if they timely submit a complete Claim Form, including any supporting documentation with the Administrator. Class Members will have until **[date falling 90 days after the publication of the Publication Notice]** (the "Claims Deadline") to submit a Claim Form.

TVI's past or present subsidiaries, officers, directors, affiliates, legal representatives, heirs, successors and assigns, and all members of the individual Defendants' families, and any entity in which any of the individual Defendants has or had a controlling interest are Excluded Persons and as such are precluded from receiving compensation pursuant to the Settlement Agreement.

The remainder of the Settlement Amount, after deduction of Class Counsel Fees and Administration Expenses (the "Net Settlement Amount") will be distributed to Class Members in accordance with the Distribution Protocol attached as Schedule "B" to the Settlement Agreement, which, in general terms, provides that:

- (a) in order to be eligible to receive compensation pursuant to the settlement, a Class Member must submit a Claim Form, including trading information that demonstrates that the Class Member sustained a loss on their Class Period transactions, to the Administrator by the deadline for submission of claims (an "Authorized Claimant");
- (b) Each Authorized Claimant's *nominal* entitlement to compensation will be determined by application of the formulae outlined in the Distribution Protocol which take into account: (i) the number and the price of TVI securities purchased by the Authorized Claimant during the Class Period ("Eligible Shares"); (ii) when the Authorized Claimant sold the Eligible Shares and the price at which such shares were sold; and (iii) whether the Authorized Claimant continues to hold some or all of their Eligible Shares.
- (c) Each Authorized Claimant's *actual* compensation from the Net Settlement Amount will be his/her/its *pro rata* share of the Net Settlement Amount calculated as a ratio of his/her/its nominal entitlement to the total nominal entitlements of all Authorized Claimants multiplied by the Net Settlement Amount.
- (d) Were applicable, the Administrator will hold back from compensation to residents of Québec, amounts payable to the *Fonds d'Aide aux Recours Collectifs*.

Any disputes arising from decisions of the Administrator may be appealed to the Ontario Superior Court of Justice.

REQUESTING EXCLUSION FROM THE CLASS

All persons and entities who come within the definition of the Class will automatically be considered Class Members unless and until they exclude themselves from the Class (“opt out”). This means that Class Members will not be able to bring or maintain any other claim or legal proceeding against the Defendants, or any other person released by the Settlement Agreement, in relation to the matters alleged in the class actions.

If you do not want to be bound by the Settlement Agreement you must opt out. Please note however, that by opting out you will also be barred from making a claim and receiving compensation from the Settlement Amount.

If you wish to opt out you must submit a completed Opt-Out Form, and any supporting documentation, to the Administrator, at the above noted address, no later than **[date falling 60 days after the publication of the Publication Notice]** (the “Opt-Out Deadline”).

If you are a resident of Québec and wish to opt out, in addition to submitting your Opt-Out Form to the Administrator, you must also send a complete copy of your completed Opt-Out Form to the Clerk of the Québec Court, at the following address: The Québec Superior Court, Québec City Court House, 300, boul. Jean-Lesage, Québec City, Québec, G1K 8K6 (Court File No. 200-06-000106-081) by the Opt-Out Deadline.

IMPORTANT DEADLINES

Opt-Out Deadline: **[date falling 60 days after the publication of the Publication Notice]**

Claim Deadline: **[date falling 90 days after the publication of the Publication Notice]**

Opt-Out Forms and/or Claim Forms will not be accepted after their respective deadlines. As a result, it is necessary that you act without delay.

CLASS COUNSEL

The law firm of *Siskinds* ^{LLP} are counsel to the plaintiff in the Ontario class proceeding, and can be reached by telephone, toll free, at **1-800-461-6166 ext. 2380**.

The law firm of *Siskinds, Desmeules* ^{s.e.n.c.r.l.} is counsel to the Plaintiff in the Québec class proceeding, and can be reached by telephone at **(418)694-2009**.

INTERPRETATION

If there is a conflict between the provisions of this notice and the Settlement Agreement, the terms of the Settlement Agreement will prevail.

DISTRIBUTION OF THIS NOTICE HAS BEEN AUTHORIZED
BY THE ONTARIO SUPERIOR COURT OF JUSTICE AND THE QUÉBEC SUPERIOR COURT