

**SYD SILVER FORMALS LIMITED  
CONFIDENTIAL INFORMATION MEMORANDUM**

**TERMS AND CONDITIONS OF SALE**

1. BDO Dunwoody Limited, in its capacity as advisor and consultant to Syd Silver Formals Limited (hereinafter referred to as either the "BDO" or the "Advisor"), offers for sale inventory, office furniture, office equipment, capital equipment, accounts receivable and intangible assets including customer lists, patents, and goodwill, collectively the ("Assets") of Syd Silver Limited, hereinafter collectively referred to as ("Syd Silver"), either en bloc or on a piecemeal/by parcel basis. This sale process should NOT be construed as a "Sale by Tender". A description of the Assets and corresponding parcels is included in the Confidential Information Memorandum as Exhibits "C" through "G".
2. Any information prepared or made available by BDO in connection with the invitation for offers to purchase the Assets does not form part of these Terms and Condition of Sale and has been prepared and provided solely for the convenience of the prospective purchasers (the "Bidders"). BDO makes no representations or warranties that such information is complete or accurate and any and all representations and warranties, express or implied, are hereby disclaimed.
3. All Offers to Purchase ("Offer") shall be addressed to "BDO Dunwoody Limited, Advisor of Syd Silver., 123 Front Street West, Suite 1200, Toronto, Ontario, M5J 2M2, Attention: "Mark Samoszewski", and delivered or mailed by prepaid post so as to be received by the Advisor no later than 5:00 p.m. Eastern Daylight Savings Time on 13 November 2009 (the "Deadline"). All offers will be considered on an individual basis, as and when received. Accordingly, the Advisor may in its sole discretion choose to acceptan offer either prior to or after the Deadline.
4. Every Offer submitted shall be in the prescribed form, a copy of such form being attached hereto as Exhibit "C", and these Terms and Conditions of Sale shall be deemed to form part of any Offer submitted. BDO may, in its discretion, elect not to consider any Offer that is not in the prescribed form. An Offer may be submitted for any or all parcels.

5. Each Offer must be accompanied by a certified cheque or bank draft in Canadian funds drawn on a chartered bank of Canada or a trust company incorporated under the laws of Canada or one of the provinces thereof, payable to "BDO Dunwoody Limited, in Trust", in an amount equal to ten percent (10%) of the total purchase price, said amount to be held as a deposit by BDO in accordance with the terms hereof. Unsuccessful Bidders will have their deposits returned forthwith, without interest.

If an Offer is accepted by the Advisor, the certified cheque or bank draft accompanying such Offer shall be deposited into an interest bearing account, and, subject to the terms hereof, no interest shall accrue to the credit of the successful purchaser. The certified cheque or bank draft shall be deemed to be a cash deposit (the "Deposit") to be applied against the purchase price payable to BDO on the closing of the transaction of purchase and sale. The acceptance of an Offer shall constitute a binding agreement of purchase and sale between the Advisor and the successful purchaser, such agreement to be composed of the terms of the Offer, the acceptance, and these Terms and Conditions of Sale. In case of ambiguity, the provisions of these Terms and Conditions of Sale shall govern.

6. Closing shall take place within 5 business days from date of acceptance of the Offer, ("the Closing Date"), at the offices of BDO. The balance of the purchase price for the Assets shall be paid (after crediting the Deposit) by certified cheque or bank draft on the Closing Date.
7. The highest or any Offer will not necessarily be accepted and the Advisor reserves the right to reject any or all Offers without explanation. Upon delivering its Offer to the Advisor, no Bidder shall be allowed to retract, withdraw, vary or countermand its Offer. If any Bidder attempts to retract, withdraw, vary or countermand its offer prior to the acceptance by BDO of any Offer, BDO shall be entitled to immediately cash the certified cheque or bank draft which accompanied such an Offer and the proceeds of such certified cheque or bank draft shall be forfeited as liquidated damages by the Bidder to the Advisor.
8. If any Offer is accepted by the Advisor, then such acceptance shall be communicated to the purchaser by notice in writing, delivered by prepaid mail, courier or facsimile, by the Advisor to the purchaser at the address or facsimile number set forth in its Offer to Purchase.
9. Bidders may view the Assets by appointment with BDO.

10. Offers shall be made and accepted on the basis that the Bidder has inspected the Assets described therein and has relied entirely upon its own inspection and investigation of the Assets and title to same and has agreed to purchase the Assets and take possession thereof on an “**as is, where is**” basis without any representation, warranty or condition, whether statutory, express, implied, oral, written, legal, equitable, conventional, collateral or otherwise, all of which are expressly excluded, except as expressly contained in these Terms and Conditions of Sale. The Assets are being purchased as they exist on the Closing Date at Syd Silver’s premises and no adjustments will be allowed for any change in condition, value, or quality of the Assets. The accounts receivable will be adjusted as at the Closing Date to reflect the values that exist on such date. Accordingly, Offers should be expressed as a dollar value based on the amount of the accounts receivable described in Exhibit “G” AND as a percentage of the book value of the accounts receivable respectively. The Confidential Information Memorandum is prepared solely for the convenience of the Bidders to assist them in the inspection of the Assets, and is not warranted to be complete or accurate as to description, quantity, or otherwise; and is not part of these Terms and Condition of Sale.
11. The purchase price set out in any Offer shall be exclusive of all applicable taxes, charges, liens, duties and other levies imposed by any authority in connection with the sale or use thereof. All such taxes, charges, liens, duties and other levies shall be paid or otherwise satisfied by the purchaser on or before closing.
12. The Advisor represents and warrants to the Bidder that it is now and will be at the time of closing, a resident of Canada within the meaning of the *Income Tax Act*, and that this representation and warranty shall survive the closing of this transaction.
13. BDO shall not be required to produce any abstract of title, title deeds or copies thereof, or any evidence of title to the Assets, other than those that may be reasonably required and in BDO’s possession. On closing, the purchaser shall be entitled to all title deeds, bills of sale and assignments in form and substance satisfactory to counsel to BDO and the purchaser, acting reasonably, as may be necessary to transfer Syd Silver right, title and interest, if any, in and to the Assets to the purchaser. Such title documents shall contain only a release of Syd Silver’s interest in the Assets and shall not contain any covenant other than the following:
  - i) BDO has done no act to encumber the Assets; and
  - ii) BDO has the right to convey all of its right, title, and interest, if any, in and to the Assets to the purchaser.
14. The purchaser shall not be entitled to possession of the Assets until the purchase price, applicable taxes and all other payments to be made by the purchaser have been paid in full.

15. BDO shall not be required to pay any commission, finders fee or the like, with respect to a sale made pursuant to these Terms and Conditions of Sale.
16. If the purchaser fails to comply with the conditions contained herein or any of them, the Deposit and all other payments, if any, made by the purchaser, shall be forfeited to BDO on account of liquidated damages, and the Assets may be resold by BDO and the deficiency, if any, of such resale, together with all charges attending the same or occasioned by the defaulting purchaser shall be paid to BDO by the defaulting purchaser.
17. The validity and interpretation of these Terms and Conditions of Sale and of each provision and part thereof, shall be governed by the laws of Ontario and the laws of Canada applicable therein, and shall enure to the benefit of and be binding upon the parties thereto and their respective heirs, executors, administrators, successors and assigns.
18. All stipulations as to time are strictly of the essence.
19. BDO may, at its sole discretion, waive or alter any or all of the conditions in these Terms and Conditions of Sale, any such waiver to be in writing. All conditions contained herein are for the exclusive benefit of BDO.
20. It is understood and agreed that in inviting Offers for the Assets, BDO is acting solely in its capacity as Advisor of Syd Silver, and neither the Advisor, nor its agents, officers, or employees, shall have any personal liability under or as a result of the sale herein, or under these Terms and Conditions of Sale. The Bidder further acknowledges that if the agreement of purchase and sale is rescinded, terminated, delayed or enjoined for any reason whatsoever, BDO shall not be liable for any losses, expenses or damages suffered by the Bidder.
21. These Terms and Conditions of Sale and the schedules thereto constitute the entire agreement between the Advisor and the Bidder and there are no representations, warranties or collateral agreements except as expressed herein.
22. The Advisor's obligation to complete the transaction of purchase and sale contemplated herein shall be relieved if, on or before the closing date, the Assets or any part thereof have been redeemed or removed from the Advisor's control by any means or process, or if this transaction is restrained by an injunction or other order issued by a court of competent jurisdiction, whereupon the only obligation of the Advisor shall be the return of the Deposit, without interest, set-off or abatement and the Bidder shall, and does hereby release the Advisor from any further obligation or liability in connection with the transaction of purchase and sale.
23. The Advisor, at its sole discretion, may elect to:
  - i) extend the Closing Date to such date and on such terms as are acceptable to the purchaser, acting reasonably;

- ii) close the transaction of purchase and sale in escrow, subject to any conditions that may have to be negotiated; or
- iii) cancel the transaction of purchase and sale contemplated herein.

If the transaction of purchase and sale is terminated by the Advisor, the only obligation of the Advisor shall be the return of the Deposit, without interest, set-off or abatement and the purchaser shall, and does hereby release the Advisor from any further obligation or liability in connection with the transaction of purchase and sale.

24. Bidders will be required to arrange any necessary financing. BDO will not accept any Offer that includes Vendor Take Back Financing.

DATED at Toronto, Ontario, on 1 November 2009.