

December 13, 2012

PRIVATE & CONFIDENTIAL

Dumas Holdings Inc.
Royal Bank Plaza, South Tower
Suite 2301, 200 Bay Street
Toronto, Ontario
M5J 2J1

Attention: Chief Executive Officer

Dear Sirs:

January 2013 Forbearance Agreement

We refer to the credit agreement dated February 28, 2012 between Dumas Holdings Inc., as borrower (the "**Borrower**"), Dumas Contracting Ltd., Tercon Investments Ltd. ("**TIL**"), Tercon Equipment Ltd., Tercon Equipment Alaska Partnership, Tercon Construction Ltd., Tercon A.C. Ltd. and Tercon Alaska Ltd., as guarantors (collectively, the "**Guarantors**"), HSBC Bank Canada, The Bank of Nova Scotia, National Bank of Canada and Canadian Western Bank, as lenders (collectively, the "**Lenders**"), and HSBC Bank Canada, as administrative agent (the "**Agent**"), for and on behalf of the Lenders, as amended by an amendment agreement dated May 22, 2012 (as so amended, the "**Credit Agreement**"). All initially capitalized terms not otherwise defined herein have the meanings ascribed thereto in the Credit Agreement.

The Borrower has advised the Agent and the Lenders (i) that the Borrower has breached the financial covenants set out in Sections 8.3(a) and (b) of the Credit Agreement effective as of September 30, 2012; and (ii) that the representations and warranties of the Obligors contained in Section 6.19 (Solvency) and Section 6.21 (No Default) of the Credit Agreement as they relate to TIL and its subsidiaries are not true and correct as at September 30, 2012 or thereafter, each of which defaults constitute Events of Default under the Credit Agreement (collectively, the "**Existing Defaults**").

The Borrower has also advised the Agent and the Lenders that (i) it intends to terminate as soon as possible the business and operations of Tercon Investments Ltd. ("**TIL**") and its subsidiaries, and liquidate all assets of such entities in order to generate proceeds to pay down the Loans (the "**Tercon Restructuring**"); and (ii) Dumas Contracting Ltd. may wish to sell, transfer or dispose of, in one or more sales transactions, the tangible personal property listed on Schedule "A" hereto, which property is, in the reasonable business judgment of the Borrower and Dumas Contracting Ltd., either obsolete or worn out or not required for its operations, in order to generate further proceeds to also pay down the Loans (collectively, the "**Dumas Dispositions**").

Section 8.2(d)(vi) of the Credit Agreement provides that if a Default or Event of Default exists that has not been waived in writing by the Agent, neither the Borrower nor any other Obligor may, without the prior written consent of the Agent, sell, transfer or dispose of any tangible personal property that, in the reasonable business judgment of the Borrower or such other

Obligor, has become obsolete or worn out, and Section 8.2(d) of the Credit Agreement provides that neither the Borrower nor any other Obligor may dispose of any other property without the prior written consent of the Agent, and accordingly, the Borrower and Dumas Contracting Ltd. have requested the prior written consent of the Agent to the proposed Dumas Dispositions.

Request for Forbearance

You have requested that the Agent agree to forbear from enforcing its rights pursuant to the Credit Agreement and the security held by the Agent for the indebtedness of the Borrower pursuant to the Credit Agreement in order to permit the following to occur:

- (a) the Tercon Restructuring, which will be effected by (i) the acceleration of certain secured intercompany indebtedness owing by TIL or one or more of TIL's subsidiaries (collectively, the "**Debtors**") to the Borrower pursuant to one or more demand letters issued by the Borrower to the Debtors and one or more notices under Section 244 of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"); (ii) the delivery by the Debtors of one or more consents to early enforcement of such indebtedness; (iii) the appointment of a receiver over the assets, properties and undertakings of the Debtors (the "**Receiver**") by a court of competent jurisdiction (the "**Canadian Court**") pursuant to Section 243 of the BIA (the "**Receivership Proceedings**") and/or by a court of competent jurisdiction in respect of any other applicable legislation; (iv) one or more sales by the Receiver of all or part of the Debtors' assets, properties and undertakings pursuant to one or more orders issued by the Canadian Court and, if necessary, any other court of competent jurisdiction; (v) the cessation of business by the Debtors; and (vi) such other steps as the Receiver and the Borrower deem necessary in order to wind down the operations of the Debtors in an orderly fashion, (collectively, the "**Restructuring Steps**"); and
- (b) the Dumas Dispositions.

Forbearance Agreement

Subject to receipt by the Agent and the Lenders of a copy of this letter agreement executed by the Borrower and each of the Guarantors containing each of the following:

- (a) the liquidation plan regarding the accounts receivable of TIL and its subsidiaries including, without limitation, an estimate of all disbursements required to be incurred by the Borrower, TIL or any of its subsidiaries in connection with the collection of such accounts receivables (the "**TIL Liquidation Plan**"), a copy of which is attached hereto as Schedule "B";
- (b) an opening balance sheet for the Borrower and its subsidiaries effective as at October 31, 2012, which takes into account the Tercon Restructuring and which provides for a reduced revolving credit facility required to fund the operations of Dumas Contracting Ltd., a copy of which is attached hereto as Schedule "C"; and

- (c) the thirteen week non-consolidated cash flow projections for the Borrower and Dumas Contracting Ltd. (the "**Dumas Cash Flow Projections**"), a copy of which is attached hereto as Schedule "D",

each of the Agent and the Lenders consents to the completion of the Restructuring Steps and the Dumas Dispositions, and is prepared to forbear from enforcing its rights pursuant to the Credit Agreement and the security held by the Agent for the indebtedness of the Borrower pursuant to the Credit Agreement or otherwise until 5:00 pm (Toronto time) on January 25, 2013 subject to the satisfaction of each of the following conditions:

1. the Borrower shall have obtained an order from the Canadian Court, in form and content satisfactory to the Agent and the Lenders on or before December 18, 2012 or such other date as the Agent and the Lenders may agree to in writing, to implement the Tercon Restructuring, including, without limitation, the appointment of a receiver over the Debtors' assets, properties and undertaking, and the Agent and the Lenders acknowledge that an initial order substantially in the form attached hereto as Schedule "E", is satisfactory to each of them and if obtained, will satisfy this condition;
2. the Borrower shall have provided to the Agent and the Lenders on or before December 24, 2012 net minimum guarantees and/or purchase agreements executed by the relevant third parties in form and content satisfactory to the Agent and the Lenders with regard to all equipment of TIL confirming a gross purchase price of \$:
3. the demobilization costs related to the subject equipment referred to in paragraph 2 above shall not exceed \$, resulting in a net purchase price of not less than \$, for the Lenders' secured equipment;
4. the Acquisition Credit is hereby terminated effective as of September 15, 2012, section 2.4 of the Credit Agreement is hereby deleted, and the Acquisition Credit standby fee is due and payable by the Borrower to the Agent in accordance with section 3.1(b) of the Credit Agreement as at the date of such termination (the "**Acquisition Credit Standby Fee**");
5. all Outstanding Advances under the Term Credit shall be payable on demand as of the date of this agreement, provided that the Lenders will not issue a demand for payment during the forbearance period as long as all conditions described in this forbearance agreement are satisfied as and when required to be satisfied (except to the extent waived in writing by the Agent or the Lenders), and all payments of principal and interest under the Term Credit will continue to be made as required under the Credit Agreement, subject to the terms of this forbearance agreement;
6. interest is payable at the Default Rate effective September 30, 2012 in accordance with Section 2.12 of the Credit Agreement;
7. all cash in any bank accounts maintained by the Borrower, Dumas Contracting Ltd. and all subsidiaries of Dumas Contracting Ltd. with the Agent shall be applied in partial reduction of the Outstanding Advances under the Revolving Credit on a daily basis, and such accounts shall hereafter be swept and so applied on a daily basis, provided however that the foregoing entities shall be permitted to maintain up to \$200,000 in the aggregate in any such bank accounts;

8. during the forbearance period, the Borrower shall:
- (a) remain in material compliance with the Dumas Cash Flow Projections and shall update the Dumas Cash Flow Projections (together with providing actual and variance from projection details) on a weekly basis on the second Business Day of each week current as at the close of business the previous Friday, which will then be reported on by Ernst & Young Inc., in its capacity as financial advisor to the Agent and the Lenders (in such capacity "E&Y") to the Agent and the Lenders until such time as the Lenders are satisfied with the performance of the Borrower under the Dumas Continuing Operations Plan (as hereinafter defined). For purposes of this subparagraph, "material compliance" shall mean no greater adverse variance in respect of:
 - (i) cumulative receipts, than a maximum permitted variance of \$1,000,000, provided that, for a variance in excess of \$1,000,000 but less than \$2,000,000 (a "Permitted Excess Variance"), the Borrower shall have one week from the end of the week in which the Permitted Excess Variance arose to reduce the Permitted Excess Variance at the end of such second week to a maximum of \$1,000,000. For greater certainty, at the end of the week following the week in which a Permitted Excess Variance arose, the cumulative receipts shall be no more than \$1,000,000 lower than that forecasted in the Dumas Cash Flow Projections;
 - (ii) cumulative disbursements, than a maximum permitted variance of \$1,000,000; and
 - (iii) ending cash balance, than a maximum permitted variance of \$1,000,000;
 - (b) provide to the Agent a weekly borrowing base certificate in the form attached hereto as Schedule "G" (the "**Forbearance Period Borrowing Base Certificate**") by 5:00 pm (Toronto time) on the second Business Day of each week current as at the close of business the previous Friday;
 - (c) provide to the Agent a weekly detailed listing of all bank accounts maintained by the Borrower, Dumas Contracting Ltd. and all subsidiaries of Dumas Contracting Ltd. with any affiliate of the Agent or with any other financial institution, together with the balances maintained therein, on the second Business Day of each week current as at the close of business the previous Friday; and
 - (d) provide any reports that it receives from the Receiver to the Agent to the extent that the Agent has not otherwise received them;
9. as of the date hereof, the Revolving Credit Maximum Amount available to the Borrower for the business and operations of Dumas Contracting Ltd. shall be \$8,050,000 (calculated as the aggregate Outstanding Advances under the Revolving Credit as of the date hereof of \$19,250,000, less the intercompany transfers in the aggregate amount of U.S. \$2,500,000 to be made as soon as practicable following the execution of this agreement as a permanent reduction of the Revolving Credit, and less the further

amount of \$8,700,000 allocated to the business and operations of Tercon Investments Ltd.), and the definition of "Revolving Credit Limit" as set out in section 2.2(f) of the Credit Agreement is hereby amended in accordance with the calculation set out in the Forbearance Period Borrowing Base Certificate, which, as of the date of this forbearance agreement also replaces the form of borrowing base certificate set forth in Exhibit "H" to the Credit Agreement. For greater certainty, all Outstanding Advances under the revolving Credit continue to bear interest as set forth in the Credit Agreement, subject to paragraph 4 above, notwithstanding any notional allocation of Outstanding Advances under the Revolving Credit as between the Tercon and Dumas Contracting Ltd. divisions of the Borrower's business;

10. the Borrower shall deliver to the Agent and the Lenders the Borrower's continuing business plan for fiscal 2013 (the "**Dumas Continuing Operations Plan**"), which shall be reviewed by E&Y, and shall be in form and content satisfactory to the Agent and the Lenders, in their sole and unfettered discretion, by no later than January 15, 2013, which satisfaction shall be evidenced by written confirmation to such effect provided by the Agent to the Borrower on or before such date;
11. a distribution order will be sought concurrently with the order approving the asset purchase agreements, which distribution order shall provide a distribution to the Agent of liquidation proceeds of sale and shall be satisfactory to the Borrower, the Agent and the Receiver each acting reasonably and such liquidation proceeds shall be applied in permanent repayment and reduction of Outstanding Advances under the Credit Agreement;
12. the Borrower shall pay or cause to be paid to the Agent and the Lenders, on the date of the execution of this forbearance agreement, the sale proceeds of \$_____ resulting from the sale of obsolete equipment effective September 30, 2012, referred to as the "Minto and Walden Equipment" on page 8 of the strategic update discussion document dated October 18, 2012 delivered by the Borrower to the Agent and the Lenders, as well as all other proceeds from the Dumas Dispositions as soon as they are received, all to be applied by the Agent and the Lenders in permanent repayment and reduction of Outstanding Advances under the Credit Agreement;
13. from and after the date of this forbearance agreement, the Borrower shall not borrow by way of any new Bankers' Acceptance, BA Equivalent Loan or LIBOR Loan, nor shall the Borrower request that the L/C Issuer issue any further Letter of Credit;
14. neither the Borrower, Dumas Contracting Ltd., TIL nor any subsidiary of TIL has from and after December 11, 2012 made, nor will any of them make any payments to any unsecured creditors of TIL or any subsidiary of TIL, or to any other creditor of TIL or any subsidiary of TIL that would be subordinate to the Agent and the Lenders in a bankruptcy, other than the payment of \$250,000 in respect of payroll, insurance extensions and operating disbursements, provided that any payment made by the Receiver following the commencement of the Receivership Proceedings shall not constitute a failure to satisfy the foregoing condition;
15. within one business day of the execution of this agreement, the Borrower and Dumas Contracting Ltd. shall (a) deposit \$300,000 with The Bank of Nova Scotia (in account number 476961007319) to be applied by The Bank of Nova Scotia in permanent payment of all amounts owing under the Visa credit card facility established by The Bank

of Nova Scotia for Dumas Contracting Ltd. and The Bank of Nova Scotia will cancel the said Visa credit card facility (with any surplus to be returned by The Bank of Nova Scotia to Dumas Contracting Ltd.); and (b) provide cash collateral security in favour of HSBC Bank USA, National Association in the amount of \$100,000, in respect of the Mastercard credit card facility established by HSBC Bank USA, National Association in favour of Dumas Contracting Ltd. The current authorized limit of such Mastercard facility will be reduced from \$500,000 to \$100,000;

16. the Borrower shall immediately commence to cause each of ISMS Guatemala, S.A. and Grupo Minero Dumas Mexico, S.A. de C.V. to execute and deliver to the Agent and the Lenders an unlimited guarantee of the indebtedness, liabilities and obligations of the Borrower to the Agent and the Lenders pursuant to the Credit Agreement, together with security over all of their property and assets, officer's certificates and legal opinions from local counsel, as required by the Agent;
17. all security currently held by the Agent will continue to secure all obligations and indebtedness of the Borrower and each of the Guarantors to the Agent and the Lenders pursuant to the Credit Agreement;
18. the Borrower will continue to comply with all reporting requirements contained in section 8.4 of the Credit Agreement, provided however that Section 8.4(a) of the Credit Agreement is hereby amended to replace the reference to "45 days" in the first line thereof to "30 days", and provided further, without limiting paragraph 6(c) above, that no reporting will be required with respect to TIL or any of the TIL subsidiaries following the commencement of the Receivership;
19. all representations and warranties set out in the Credit Agreement as they relate to the Borrower, Dumas Contracting Ltd. and any other subsidiaries of Dumas Contracting Ltd. (except those contained in Sections 6.19 and 6.21 of the Credit Agreement and except those which were expressly given as of a specified date, in which case such representations shall be true and correct as of such date) shall be deemed to have been repeated on the date of this forbearance agreement and shall continue in effect for so long as the Borrower is indebted to the Agent and the Lenders pursuant to the Credit Agreement;
20. the Borrower and Dumas Contracting Ltd. shall take all reasonable steps to ensure that the position of their respective other creditors is not materially altered so long as the Borrower is indebted to the Agent and the Lenders pursuant to the Credit Agreement, provided that this covenant shall not prevent ordinary course dealings with creditors of the Borrower or Dumas Contracting Ltd.;
21. no further Defaults or Events of Default, other than the Existing Defaults, shall occur pursuant to the Credit Agreement or any security previously granted to the Agent or the Lenders thereunder, other than any Default or Event of Default that will occur as a direct result of the Receivership Proceedings, the Restructuring Steps or the Dumas Dispositions; and
22. the Borrower shall pay a forbearance fee to the Agent in the amount of \$100,000 (for the rateable benefit of each of the Lenders) (the "**Forbearance Fee**") on the date of execution of this forbearance agreement.

In the event that any of the foregoing conditions is not satisfied (which shall constitute a default hereunder), then the agreement of the Agent and the Lenders to forbear from enforcing any of their rights shall immediately be terminated.

Please evidence the acknowledgement and agreement by the Borrower and each of the Guarantors of and to the terms and conditions set out above, by executing the acknowledgement and acceptance below on or before 5:00 p.m. on December 14, 2012, failing which this agreement shall be deemed to be withdrawn. The acknowledgement and acceptance, once executed by the Borrower and each of the Guarantors, shall, together with this letter, constitute one and the same binding agreement.

This forbearance agreement shall be governed by the laws of the Province of Ontario, and the federal laws of Canada applicable therein.

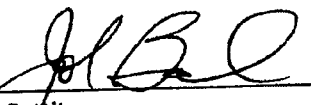
All dollar amounts referred to in this forbearance agreement are references to Canadian currency.

This forbearance agreement and the acknowledgement and agreement attached hereto may be executed in counterparts, each of which shall constitute an original, but all of which when taken together shall constitute a single contract.

Yours truly,
HSBC Bank Canada, as Administrative Agent

Per: 

Steve Wayland
Assistant Vice President, North American Risk

Per: 

Brian Pettit
Assistant Vice President, North American Risk

BORROWER AND GUARANTOR ACKNOWLEDGEMENT AND ACCEPTANCE

For good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged by each of the undersigned, the Borrower and each of the undersigned Guarantors hereby acknowledges, confirms and agrees to the terms and conditions set out in the foregoing forbearance letter agreement. The foregoing forbearance letter agreement, together with this acknowledgement and acceptance, shall constitute a Loan Document, as defined in the Credit Agreement.

The Borrower and each of the Guarantors hereby jointly and severally represents and warrants to the Agent and to each of the Lenders, specifically acknowledging that the Agent and each of the Lenders is relying upon all of such representations and warranties in entering into this forbearance agreement, as follows:

- (a) each of the statements contained in the foregoing letter agreement are true and accurate in all respects and fully and completely disclose all material information with respect to their subject matter;

(b) the Debtors have disclosed to the Agent and each of the Lenders all information concerning the Borrower and the Guarantors and their respective business, assets and financial condition to the date hereof that may be relevant or material to the Agent and the Lenders and all of the books and records of the Borrower and the Guarantors provided as of the date hereof to the Agent and the Lenders are true, accurate and complete in all respects;

(c) neither the Borrower nor any of the Guarantors is aware of any fact, event, circumstance or condition relating to any of them that may cause the Agent or any of the Lenders, as reasonable and prudent lenders, not to enter into or accept any of the covenants, agreements, undertakings or conditions provided for in this forbearance agreement;

(d) all corporate action necessary for the authorization, execution, delivery and performance of this forbearance agreement by the Borrower and each of the Guarantors has been duly authorized and taken; and

(e) this forbearance agreement, when duly executed and delivered by the Borrower and each of the Guarantors will constitute a legal, valid and binding obligation, enforceable against the Borrower and each of the Guarantors, respectively, in accordance with its terms.

The Borrower and each of the Guarantors hereby covenants to only use the funds in the bank accounts referred to in paragraph 8(c) of the foregoing forbearance letter agreement for working capital purposes or intercompany transfers which are necessary for working capital purposes, unless otherwise approved in writing by the Agent.

The Borrower further agrees to pay all reasonable and documented costs and expenses (whether incurred before or after the date hereof) of the Agent and the Lenders, including, without limitation, all reasonable and documented fees and disbursements incurred by the Agent and the Lenders in connection with their ongoing review of the financial affairs of, and proposed restructuring and asset disposition plans of, the Borrower and the Guarantors, and all reasonable and documented legal fees and disbursements incurred in connection with the preparation, negotiation and enforcement of this agreement. The Agent is hereby expressly authorized to debit any of the Borrower's deposit or loan accounts maintained with the Agent for payment of all of the aforementioned costs and expenses, including, without limitation, the Acquisition Credit Standby Fee and the Forbearance Fee, and is further authorized to reserve from amounts made available to the Borrower under the Credit Agreement such amounts as the Agent shall deem necessary in respect thereof.

The Borrower further acknowledges and agrees that the actual forbearance by the Agent and each of the Lenders shall be good and sufficient consideration for the contents hereof. Each of the undersigned Guarantors has joined in this request for forbearance and acknowledges and agrees that the actual forbearance by the Agent and each of the Lenders will not in any way affect the Guarantors' obligations to the Agent or the Lenders.

The Borrower and each of the Guarantors hereby acknowledges and agrees that it has had an opportunity to review this agreement with legal counsel and, further, that they have been advised of and understand the terms and the consequences of signing same.

The Borrower and each of the Guarantors further acknowledges and agrees that neither the covenants and agreements of the Agent or the Lenders in this agreement, nor the performance thereof at any time, shall constitute or be deemed or implied to be a waiver by the Agent or the Lenders of any default under the Credit Agreement, the security held by the Agent or the

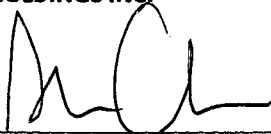
Lenders pursuant to the Credit Agreement, or otherwise, that has occurred to the date hereof or any other subsequent or similar default. The Agent and each of the Lenders reserves all rights and remedies under the Credit Agreement and the security held by the Agent and the Lenders pursuant thereto.


The Borrower and each of the Guarantors hereby jointly and severally releases and discharges the Agent, each of the Lenders and their respective directors, officers, employees and agents, from and against all claims and demands that they may have against the Agent or any Lender arising to the date hereof out of any action or omission of the Agent or any Lender or for any other reason whatsoever.

Dated this 13th day of December, 2012.

THE BORROWER

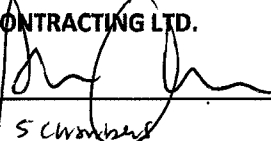
DUMAS HOLDINGS INC.

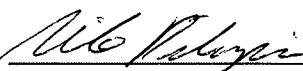
By: 
Name: S Chambers
Title: CFO

By: 
Name: MICHAEL PSILOGI
Title: SECRETARY

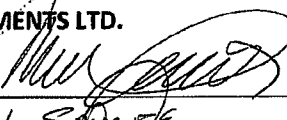
THE GUARANTORS

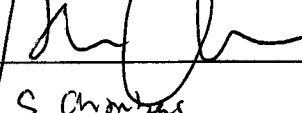
DUMAS CONTRACTING LTD.

By: 
Name: S Chambers
Title: CFO


By: 
Name: MICHAEL PSILOGI
Title: SECRETARY

TERCON INVESTMENTS LTD.

By: 
Name: MILANN SOUCIE
Title: DIRECTOR

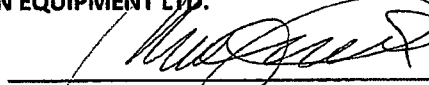
By: 
Name: S Chambers
Title: CFO

TERCON EQUIPMENT LTD.

By: 
Name: MILAN SOUCEK
Title: DIRECTOR

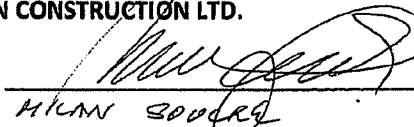
By: _____
Name: _____
Title: _____

**TERCON EQUIPMENT ALASKA PARTNERSHIP, a
general partnership, acting by its managing partner
TERCON EQUIPMENT LTD.**

By: 
Name: MILAN SOUCEK
Title: DIRECTOR

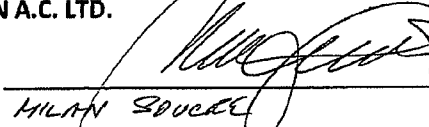
By: _____
Name: _____
Title: _____

TERCON CONSTRUCTION LTD.

By: 
Name: MILAN SOUCEK
Title: DIRECTOR

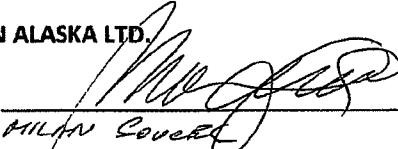
By: _____
Name: _____
Title: _____

TERCON A.C. LTD.

By: 
Name: MILAN SOUCEK
Title: DIRECTOR

By: _____
Name: _____
Title: _____

TERCON ALASKA LTD.

By: 
Name: MILAN SOUCEK
Title: DIRECTOR

By: _____
Name: _____
Title: _____