NATIONAL INSTRUMENT 62-103
EARLY WARNING REPORT

1. **Name and address of offeror:**

   MB Holding Company LLC
   P.O. Box 695
   Muttrah, PC 114
   Sultanate of Oman

2. **The designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the report, and whether it was ownership or control that was acquired in those circumstances.**

   On March 28, 2013, Mawarid Offshore Mining Ltd. ("**Mawarid**"), a wholly-owned subsidiary of MB Holding Company LLC (the "**offeror**"), entered into a binding standby purchase agreement with Nautilus ("**Standby Purchase Agreement**") under which Mawarid has agreed to provide a standby commitment (the "**Standby Commitment**") for a $40 million rights offering (the "**Rights Offering**") by Nautilus announced on March 28, 2013.

   See also paragraph 3 below.

3. **The designation and number or principal amount of securities and the offeror's securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to obligation to file the report.**

   The total number of Nautilus common shares ("**Nautilus Shares**") beneficially owned or controlled by the offeror and its affiliates as of the date hereof is 39,636,897, which number represents approximately 16.7% of the outstanding Nautilus Shares (based on 236,872,865 outstanding Nautilus Shares as at the date hereof, as advised by Nautilus). Mawarid has a participation right that permits it to acquire additional securities of Nautilus so as to maintain a 16.9% equity interest in Nautilus subject to certain conditions.

   Assuming the offeror and the other holders of rights under the Rights Offering exercise their rights in full and the standby commitment is not utilized, the offeror and its affiliates will beneficially own the same percentage of outstanding Nautilus Shares following closing of the Rights Offering that they currently beneficially own.

   Assuming none of the shareholders of Nautilus exercise their rights under the Rights Offering nor their participation rights and the Standby Commitment is fully utilized, the offeror and its affiliates will beneficially own 239,636,897 Nautilus Shares representing 54.85% of the outstanding Nautilus Shares (based on 436,872,865 outstanding Nautilus Shares as at the date of the closing of the Rights Offering, as advised by Nautilus).

4. **The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to in**

paragraph 3 over which:

(a) **the offeror, either alone or together with any joint actors, has ownership and control;**

See paragraph 3 above.

(b) **the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor, and**

None.

(c) **the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

None.

5. **The name of the market in which the transaction or occurrence that gave rise to the news release took place.**

The issuance of the rights and the standby shares pursuant to the Rights Offering is being qualified by prospectus.

6. **The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a report.**

For each right granted pursuant to the Rights Offering, the holder thereof is entitled to purchase 0.844335 Nautilus Shares at a price of $0.20 per Nautilus Share or, if the TSX requires a lower price, such lower price as is the maximum price permitted by the TSX.

7. **The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the report, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer.**

The Nautilus Shares acquired pursuant to the Rights Offering and the Standby Commitment are being acquired for investment purposes only. Depending upon the market and other conditions, the offeror and its affiliates may acquire additional securities of Nautilus.

8. **The general nature and the material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the report, including agreements with respect to the acquisition, holding, disposition or voting of any of the securities.**

Under the terms of the Standby Purchase Agreement, among other things, Mawarid has agreed to:

- take up its full basic subscription privilege under the Rights Offering with respect to its 16.7 % shareholding in Nautilus, subject to certain conditions; and
- provide the Standby Commitment to acquire any Nautilus Shares not taken up under the Rights Offering or by shareholders of Nautilus pursuant to existing participation rights for the full amount of the $40 million Rights Offering, subject to certain conditions.

9. **The names of any joint actors in connection with the disclosure required by Appendix E of National Instrument 62-103.**

Mawarid, a wholly-owned subsidiary of th e offeror, is the standby purchaser under the Standby Purchase Agreement.

10. **In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value of the consideration paid by the offeror.**

Not applicable.

11. **If applicable, a description of any change in any material fact set out in a previous report by the entity under the early warning requirements or Part 4 of National Instrument 62-103 in respect of the reporting issuer's securities.**

Not applicable.

12. **If applicable, a description of the exemption from securities legislation being relied upon by the offeror and the facts supporting that reliance.**

Not applicable.

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Dated as of the 28th day of March, 2013.

MB HOLDING COMPANY LLC

Per: *"Mohamed Al Barwani"*

Name: Dr. Mohamed Al Barwani

Title: Chairm an