

ARRANGEMENT AGREEMENT

FIRST MINING FINANCE CORP.

- and -

GOLD CANYON RESOURCES INC.

- and -

1047431 B.C. LTD.

August 31, 2015

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ARRANGEMENT AGREEMENT

MEMORANDUM OF AGREEMENT made as of the 31st day of August, 2015.

AMONG:

FIRST MINING FINANCE CORP., a company existing under the laws of the Province of British Columbia

(hereinafter referred to as “**First Mining**”)

AND:

GOLD CANYON RESOURCES INC., a company existing under the laws of the Province of British Columbia

(hereinafter referred to as “**Gold Canyon**”)

AND:

1047431 B.C. Ltd., a company existing under the laws of the Province of British Columbia

(hereinafter referred to as “**SpinCo**”)

WITNESSES THAT:

WHEREAS First Mining and Gold Canyon entered into a letter of intent dated August 10, 2015, agreeing to a period of exclusivity during which time discussions in connection with a potential acquisition transaction ensued (the “**Exclusivity Agreement**”);

AND WHEREAS First Mining, Gold Canyon and Spinco propose to effect a business combination by way of a plan of arrangement under the provisions of the *Business Corporations Act* (British Columbia);

AND WHEREAS the Parties intend that the issuance of the First Mining Shares (as defined herein) and certain other securities will be exempt from the registration requirements of the 1933 Act (as defined herein) pursuant to Section 3(a)(10) thereof and applicable U.S. state securities laws in reliance upon similar exemptions therefrom;

NOW THEREFORE in consideration of the respective covenants and agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each Party), the Parties hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 **Definitions.** In this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the following meanings respectively:

“Aboriginal Claims” means any and all claims (whether or not proven) by any person to or in respect of:

- (a) rights, title or interests of any Aboriginal Group by virtue of its status as an Aboriginal Group;
- (b) treaty rights;
- (c) Métis rights, title or interests; or
- (d) specific or comprehensive claims being considered by the Government of Canada;

and includes any alleged or proven failure of the Crown to satisfy any of its duties to any claimant of any of the foregoing, whether such failure is in respect of matters before, on or after the Effective Time;

“Aboriginal Group” includes any Indian band, first nation, Métis community or aboriginal group, tribal council, band council or other aboriginal organization, indigenous person or people, or any person or group asserting or otherwise claiming an aboriginal right (including aboriginal title) or any other aboriginal interest, and any Person or group representing, or purporting to represent, any of the foregoing;

“Acceptable Confidentiality Agreement” means any confidentiality agreement between the Recipient and a third party that: (a) is entered into in accordance with Section 4.4 or 4.6; (b) contains confidentiality restrictions that are no less favourable to the Recipient than those set out in the Confidentiality Agreement; (c) does not permit the third party to acquire any shares or other securities of the Recipient; (d) contains a standstill provision that is no less restrictive than that in the Confidentiality Agreement and which (i) only permits the third party, either alone or jointly with others, to make an Acquisition Proposal to the board of directors of the Recipient that is not publicly announced and (ii) prohibits the third party from publicly proposing or announcing an Acquisition Proposal or its intention to make an Acquisition Proposal; and (e) does not limit or prohibit the Recipient from providing the other Party and its affiliates and Representatives with any information required to be given to them by the Recipient under Section 4.4 or 4.6;

“Acquisition Proposal” means, with respect to First Mining or Gold Canyon (such applicable Party, the **“Recipient”**) any proposal or offer made by any Person, whether written or oral, other than the other Party or any affiliate of the other Party or any Person acting in concert with any affiliate of the other Party with respect to:

- (a) the acquisition or purchase by any Person or group of Persons acting jointly or in concert of any capital stock or other voting securities, or securities convertible into or exercisable or exchangeable for any capital stock or other voting securities of the Recipient or any of its affiliates representing 20% or more of the outstanding voting securities of the Recipient or such affiliate, on a fully diluted basis;
- (b) the acquisition or purchase by any Person or group of Persons acting jointly or in concert of any assets of the Recipient and/or one or more of its affiliates (including equity interests in any of the Recipient's subsidiaries) which assets individually or in the aggregate contribute 20% or more of the consolidated revenue or represent 20% or more of the total asset value of the Recipient and its affiliates taken as a whole (in each case based on the most recent consolidated financial statements of the Recipient) (or any lease, licence, royalty, long-term supply agreement or other arrangement having a similar economic effect);
- (c) a merger, recapitalization, restructuring, reorganization, amalgamation, arrangement, joint venture or other business combination involving the Recipient or any of its affiliates;
- (d) any other extraordinary business transaction involving or otherwise relating to the Recipient or any of its affiliates; or
- (e) any public announcement of an intention to do any of the foregoing;

but does not include, in the case of Gold Canyon, the Spin-Out Transaction; or, with respect to First Mining, the PC Gold Acquisition;

“affiliate” has the meaning set out in the Business Corporations Act;

“Annual Financial Statements” means, as the case may be, the audited consolidated financial statements of Gold Canyon as at, and for the years ended November 30, 2014 and November 30, 2013 including the notes thereto or the audited consolidated financial statements of First Mining as at, and for the years ended December 31, 2014 and December 31, 2013 including the notes thereto;

“Anti-Corruption Laws” has the meaning set out in Section 3.1.36;

“Arrangement” means an arrangement under the provisions of Division 5 of Part 9 of the Business Corporations Act, on the terms set forth in the Plan of Arrangement, subject to any amendment or supplement thereto in accordance with this Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order;

“Arrangement Resolution” means the special resolution approving the Arrangement, to be substantially in the form and content of Exhibit B, to be considered, and if deemed advisable, passed with or without variation, by the Gold Canyon Shareholders and the Gold Canyon Warrantholders voting together as a single class at the Gold Canyon Meeting;

“Business” means, in the case of Gold Canyon, the business of Gold Canyon and the Gold Canyon Subsidiaries as it is currently conducted, including the exploration for and exploitation of minerals in Canada and, in the case of First Mining, means the business of First Mining and the First Mining Subsidiaries as it is currently conducted, including the exploration for and exploitation of minerals in the jurisdictions in which the First Mining Mineral Rights are located;

“Business Corporations Act” means the *Business Corporations Act* (British Columbia);

“Business Day” means any day other than a Saturday, a Sunday or a day observed as a holiday in Vancouver, British Columbia under the laws of the Province of British Columbia or the federal laws of Canada;

“Change of Control Payments” means the payments described in Schedule 3.1.3 of the Gold Canyon Disclosure Letter;

“Change of Recommendation” means:

- (a) the Gold Canyon Board fails to publicly recommend or has withdrawn, qualified or modified or Gold Canyon or the Gold Canyon Board, or any committee thereof, shall have changed in a manner adverse to First Mining its recommendation to approve the Arrangement (it being understood that failing to affirm the recommendation of the Gold Canyon Board to approve the Arrangement within three Business Days after an Acquisition Proposal has been publicly announced and, in circumstances where no Acquisition Proposal has been made, within three Business Days of being requested to do so by First Mining, shall be considered a Change in Recommendation); or
- (b) the Gold Canyon Board makes any public announcement or takes any other action inconsistent with, or that could reasonably be likely to be regarded as detracting from, the recommendation of the Gold Canyon Board to approve the Arrangement and the transactions contemplated herein;

“Circular” means the notice of the Gold Canyon Meeting, and accompanying information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such information circular, to be sent to the Gold Canyon Shareholders and the Gold Canyon Warrantholders in connection with the Gold Canyon Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement;

“Coastal” means Coastal Gold Corp., a wholly-owned subsidiary of First Mining;

“Confidentiality Agreement” means the confidentiality agreement entered into between First Mining and Gold Canyon dated April 9, 2015;

“Consideration” means the consideration to be received pursuant to the Plan of Arrangement in respect of each Gold Canyon Common Share that is issued and outstanding immediately prior to the Effective Time, consisting of one First Mining Share;

“Consideration Shares” means the First Mining Shares to be issued in exchange for Gold Canyon Common Shares pursuant to the Arrangement;

“Court” means the British Columbia Supreme Court;

“Debt Instrument” means any bond, debenture, mortgage, promissory note or other instrument evidencing indebtedness for borrowed money;

“Depositary” has the meaning set out in the Plan of Arrangement;

“Dissent Rights” means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement;

“Effective Date” means the date the Arrangement completes, as determined in accordance with Section 2.9;

“Effective Time” means the time when the transactions contemplated herein will be deemed to have been completed, which shall be 12:01 a.m. on the Effective Date or such other time as the Parties agree to in writing before the Effective Date;

“Employee Benefits” means:

- (a) salaries, wages, bonuses, vacation entitlements, commissions, fees, stock option plans, stock purchase plans, incentive plans, deferred compensation plans, profit-sharing plans and other similar benefits, plans or arrangements;
- (b) insurance, health, welfare, drug, disability, pension, retirement, travel, hospitalization, medical, dental, legal counseling, eye care and other similar benefits, plans or arrangements; and
- (c) agreements or arrangements with any labour union or employee association, written or oral employment agreements or arrangements and agreements or arrangements for the retention of the services of independent contractors, consultants or advisors;

“Encumbrance” means any mortgage, charge, easement, encroachment, lien, burden, assignment by way of security, security interest, servitude, pledge, hypothecation, conditional sale agreement, security agreement, title retention agreement, financing statement, option, right of pre-emption, right of first refusal or right of first offer, privilege, obligation to assign, license, sublicense trust, royalty, carried, working, participation or net profits interest or other third party interest or other encumbrance or any agreement, option, right or privilege capable of becoming any of the foregoing;

“Environmental Laws” means all applicable Laws relating to pollution or the protection and preservation of the environment, occupational health and safety, product safety, product liability or Hazardous Substances, including Laws relating to Releases or threatened Releases of Hazardous Substances into the indoor or outdoor environment (including ambient air, surface water, groundwater, land, surface and subsurface strata) or otherwise relating to the manufacture,

processing, distribution, use, treatment, storage, Release, transport or handling of Hazardous Substances and all laws and regulations with regard to recordkeeping, notification, disclosure and reporting requirements respecting Hazardous Substances, and all laws relating to endangered or threatened species of fish, wildlife and plants and the management or use of natural resources;

“Environmental Permits” includes all permits, licenses, authorizations or program participation requirements with or from any Governmental Entity under any Environmental Laws;

“Final Order” means the final order of the Court approving the Arrangement as such order may be amended at any time prior to the Effective Date or, if appealed, then, unless such appeal is abandoned or denied, as affirmed;

“Financial Statements” means the Annual Financial Statements and the Interim Financial Statements;

“First Mining Diligence Documents” means the documents provided to Gold Canyon in connection with its due diligence review of First Mining, by First Mining prior to 11:59 p.m. on August 30, 2015, an index of which is contained in the First Mining Disclosure Letter;

“First Mining Disclosure Letter” means the disclosure letter executed by First Mining and delivered to, and acknowledged and accepted by, Gold Canyon prior to the execution of this Agreement;

“First Mining Information Record” means any annual information form, press release, material change report, information circular, financial statement, management's discussion and analysis or other document of First Mining which has been publicly filed by it on SEDAR since December 31, 2014;

“First Mining Licenses” has the meaning set out in Section 3.2.21;

“First Mining Material Properties” means the Mineral Rights to the Miranda and Hope Brook properties, as more particularly set out in Exhibit D;

“First Mining Material Subsidiaries” means KCP Minerals Inc., Minera Terra Plata, S.A. de C.V., Impulsora de Proyectos Mineros, S.A. de C.V., Minera Teocuitla S.A. de C.V. and Coastal;

“First Mining Options” means options to purchase First Mining Shares as described in the First Mining Disclosure Letter;

“First Mining Option Plan” means First Mining’s stock option plan approved by the First Mining Shareholders on April 19, 2012;

“First Mining Shareholder” means a holder of one or more First Mining Shares;

“First Mining Shares” means the common shares in the authorized share structure of First Mining;

“First Mining Subsidiaries” means has the meaning set out in Section 3.2.5;

“First Mining Technical Report” has the meaning set out in Section 3.2.13;

“First Mining Termination Fee Event” means has the meaning set out in Section 6.3(d);

“First Mining Warrants” means warrants to purchase First Mining Shares as described in the First Mining Disclosure Letter;

“Gold Canyon Board” means the board of directors of Gold Canyon;

“Gold Canyon Common Shares” means the common shares in the authorized share structure of Gold Canyon;

“Gold Canyon Datasite Information” means the documents made available to First Mining in the electronic data site established by Gold Canyon as in effect prior to 11:59 p.m. on August 30, 2015, an index of which is contained in the Gold Canyon Disclosure Letter;

“Gold Canyon Disclosure Letter” means the disclosure letter executed by Gold Canyon and delivered to, and acknowledged and accepted by, First Mining prior to the execution of this Agreement;

“Gold Canyon Fairness Opinion” means the opinion of Maxit Capital LP to the effect that, as of the date of such opinion and based upon and subject to the assumptions, limitations and qualifications set forth therein, the Consideration is fair, from a financial point of view, to the Gold Canyon Shareholders;

“Gold Canyon Information Record” means any annual information form, press release, material change report, information circular, financial statement, management's discussion and analysis or other document of Gold Canyon which has been publicly filed by Gold Canyon on SEDAR since May 31, 2013;

“Gold Canyon Licenses” has the meaning set out in Section 3.1.29(h);

“Gold Canyon Material Properties” means the Mineral Rights to the Springpole property, as more particularly set out in Exhibit C;

“Gold Canyon Meeting” means the special meeting of Gold Canyon Shareholders and Gold Canyon Warrantholders including any adjournment or adjournments thereof, to be called and held in accordance with the Interim Order for the purpose of considering and, if thought fit, approving the Arrangement Resolution;

“Gold Canyon Options” means the options to purchase Gold Canyon Common Shares issued pursuant to the Gold Canyon Option Plan or any predecessor option plan and described in the Gold Canyon Disclosure Letter;

“Gold Canyon Option Plan” means the stock option plan of Gold Canyon as approved by the Gold Canyon Shareholders on April 15, 2014;

“Gold Canyon Optionholder” means a holder of one or more Gold Canyon Options;

“Gold Canyon Retained Subsidiaries” means Gold Canyon Resources USA Inc. and Springpole Mining USA Inc.;

“Gold Canyon Rights Plan” means the shareholder rights plan agreement dated as of March 15, 2006 between Gold Canyon and Computershare Investor Services Inc., as rights agent;

“Gold Canyon Securities” means, together, the Gold Canyon Common Shares, the Gold Canyon Warrants and the Gold Canyon Options;

“Gold Canyon Securityholder Approval” has the meaning set out in Section 2.2(a);

“Gold Canyon Share Reorganization” means the reorganization of the share capital of Gold Canyon within the meaning of Section 86 of the ITA as set out in the Plan of Arrangement;

“Gold Canyon Shareholder” means a holder of one or more Gold Canyon Common Shares;

“Gold Canyon Spin-out Subsidiaries” means Spring Stone Mining Corporation, Gold Canyon Kratz Spring, LLC, SpinCo, Spring Stone Exploration Inc., Spring Take Limited, River Stone Limited and Spring Stone Limited;

“Gold Canyon Subsidiaries” means, collectively, Gold Canyon Retained Subsidiaries and Gold Canyon Spin-out Subsidiaries;

“Gold Canyon Technical Report” has the meaning set out in Section 3.1.17;

“Gold Canyon Termination Fee Event” has the meaning set out in Section 6.3(c);

“Gold Canyon Warrants” means warrants and broker warrants to purchase Gold Canyon Common Shares as described in the Gold Canyon Disclosure Letter;

“Gold Canyon Warrantholder” means a holder of one or more Gold Canyon Warrants;

“Governmental Entity” means any:

- (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank or Tribunal;
- (b) subdivision, agent, commission, board, or authority of any of the foregoing; or
- (c) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

“Guarantee” means any agreement, contract or commitment providing for the guarantee, indemnification, assumption or endorsement or any like commitment with respect to the obligations, liabilities (contingent or otherwise) or indebtedness of any Person;

“Hazardous Substance” means, collectively, any contaminant, toxic substance, dangerous goods, or pollutant or any other substance the Release of which to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health, including (a) any petroleum substances, radioactive materials, asbestos in any form that is or could become friable, urea formaldehyde foam insulation, transformers or other equipment that contains dielectric fluid containing polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined under Environmental Laws as or included in the definition of “hazardous substances”, “hazardous wastes”, “hazardous materials”, “restricted hazardous materials”, “extremely hazardous substances”, “toxic substances”, “contaminants” or “pollutants” or words of similar meaning and regulatory effect; or (c) any other chemical, material or substance, exposure to which is prohibited, limited, or regulated by any Environmental Law;

“IFRS” means International Financial Reporting Standards as incorporated in the Handbook of the Canadian Institute of Chartered Accountants and as issued by the International Accounting Standards Board, at the relevant time applied on a consistent basis;

“Indemnified Claim” has the meaning set out in in Section 7.3;

“Indemnified Party” has the meaning set out in in Section 7.2;

“Indemnity Notice” has the meaning set out in in Section 7.3;

“Interested Person” means any officer, director, shareholder, employee, consultant or advisor (excluding legal counsel, accountants, financial and other third party professional advisors of Gold Canyon or any Gold Canyon Subsidiary in connection with this Agreement and the transactions contemplated herein) of or to Gold Canyon, any Gold Canyon Subsidiary or any Person with which Gold Canyon, any Gold Canyon Subsidiary or any of the foregoing does not deal at arm’s length within the meaning of the ITA (including a spouse, parent, child or sibling of any such Person);

“Interim Financial Statements” means, as the case may be, the unaudited consolidated financial statements of Gold Canyon as at, and for the six months ended May 31, 2015 and May 31, 2014 including the notes thereto or the unaudited consolidated financial statements of First Mining as at and for the six months ended June 30, 2015, including the notes thereto;

“Interim Order” means the interim order of the Court made in connection with the process for obtaining securityholder approval of the Arrangement and related matters, as such order may be amended, supplemented or varied by the Court;

“ITA” means the *Income Tax Act* (Canada);

“Laws” means any and all laws (statutory, common or otherwise), statutes, regulations, statutory rules, regulatory instruments, orders, injunctions, judgments, published policies and guidelines (to the extent that they have the force of law), and terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, statutory body or self-regulatory authority, and the term “applicable” with respect to such Laws and in the context that refers to one or more Persons means that such Laws apply to such Person or Persons or its or their

business, undertaking, property or securities and emanate from a Person having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

“Leased Property” means all the right, title and interest of Gold Canyon in and to the subject matter (whether realty or personally) of the Leases;

“Leases” means the real or personal property leases or subleases, or other rights of occupancy relating to real property, which Gold Canyon is a party to or bound by or subject to, including those set forth and described in Schedule 3.1.21 of the Gold Canyon Disclosure Letter;

“Lock-up Agreements” means the lock-up agreements between First Mining and each of the directors and certain officers of Gold Canyon entered into on or before the date hereof in connection with the Arrangement;

“Mailing Deadline” means, subject to Section 2.4(b), October 10, 2015 unless otherwise agreed by the Parties;

“Match Period” has the meaning set out in in Section 4.5(a)(v);

“Material Adverse Change”, when used in connection with First Mining or Gold Canyon, means:

- (a) any change, effect, development, event or occurrence that, individually or in the aggregate, prevents, or would reasonably be expected to prevent such Party from performing its material obligations under this Agreement in any material respect prior to the Outside Date; or
- (b) any change, effect, development, event or occurrence that, individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the business, properties, assets, operations, condition, affairs, liabilities (contingent or otherwise), obligations (whether absolute, conditional or otherwise) or prospects of such Party and its subsidiaries taken as a whole, other than any change, effect, development, event or occurrence:
 - (i) relating to the announcement of the execution of this Agreement or relating to the Arrangement or other transactions contemplated by this Agreement;
 - (ii) relating to a decrease in the market price of such Party’s common shares on any stock exchange (it being understood that, if the cause or causes of any decrease, in and of itself or themselves, is otherwise a Material Adverse Change, then such decrease may be taken into consideration when determining whether a Material Adverse Change has occurred);
 - (iii) relating to the Canadian or international economy or securities markets in general;

- (iv) affecting the worldwide gold mining industry in general, including any changes in the market price of gold;
- (v) relating to any effect resulting from an act of terrorism or any outbreak of hostilities or war (or any escalation or worsening thereof);
- (vi) relating to any natural disaster;
- (vii) relating to any generally applicable change in applicable Laws (other than orders, judgments or decrees against a Party or a subsidiary of a Party) or in IFRS, in each case, to the extent necessary; or
- (viii) relating to any action taken by First Mining or Gold Canyon at the request of the other or that is required or contemplated by this Agreement;

provided, however, that the effect referred to in clauses (iii) through (vii) above does not primarily relate to (or have the effect of primarily relating to) the Party and the Party's subsidiaries, taken as a whole, or disproportionately adversely affect the Party and the Party's subsidiaries, taken as a whole, compared with other companies of a similar size operating in the industry and jurisdiction in which that Party and that Party's subsidiaries operate and provided that, notwithstanding the foregoing, the failure of First Mining to complete the PC Gold Acquisition shall not constitute a Material Adverse Change with respect to First Mining for purposes of this Agreement;

“Material Adverse Effect”, when used in connection with First Mining or Gold Canyon, means any change, effect, development, event or occurrence that has an effect that is, or would reasonably be expected to cause, a Material Adverse Change with respect to such party and its subsidiaries taken as a whole;

“Material Agreements” means, in the case of Gold Canyon, the Leases and the agreements, indentures, contracts, leases, licenses, options, instruments and other commitments set forth in Schedule 3.1.23 of the Gold Canyon Disclosure Letter, and in the case of First Mining, the agreements, indentures, contracts, leases, licenses, options, instruments and other commitments to which it is a party, set forth in Schedule 3.2.16 of the First Mining Disclosure Letter;

“material fact” and **“material change”** have the meanings set out in the Securities Act;

“Meeting Deadline” means, subject to terms of this Agreement, with respect to the Gold Canyon Meeting, November 15, 2015, unless otherwise agreed by the Parties;

“Mineral Rights” means all rights, whether contractual or otherwise, for the exploration for or exploitation or extraction of mineral resources and reserves together with surface rights, water rights, royalty interests, fee interests, net profit interests, joint venture interests, carried interests and other leases, rights of way and enurements related to any such rights;

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

“misrepresentation” has the meaning set out in the Securities Act;

“NI 43-101” means National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*;

“Outside Date” means the latest date by which the transactions contemplated by this Agreement are to be completed, which date, subject to the terms of this Agreement, shall be December 15, 2015 or such later date as may be agreed upon by the Parties;

“Parties” means First Mining, Gold Canyon and SpinCo and **“Party”** means any one of them;

“PC Gold” means PC Gold Inc.;

“PC Gold Acquisition” means the acquisition by First Mining of all of the issued and outstanding shares of PC Gold pursuant to the arrangement agreement dated as of the date hereof between First Mining and PC Gold;

“PC Gold Circular” has the meaning set out in Section 2.4(g);

“Person” includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, company, unincorporated association or organization, Governmental Entity, syndicate or other entity, whether or not having legal status;

“Plan of Arrangement” means the plan of arrangement substantially in the form and content of Exhibit A hereto and any amendments or variations thereto made in accordance with this Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order and acceptable to each of the Parties hereto, acting reasonably;

“Pre-Effective Date Period” means the period from and including the date hereof to and including the earlier of the Effective Time and the date of termination of this Agreement pursuant to Article 6;

“Recipient” has the meaning set out in the definition of “Acquisition Proposal”;

“Regulatory Approvals” means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the waiver or lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of a notice without an objection being made) of Governmental Entities required in connection with the consummation of the Arrangement or any of the transactions contemplated hereby;

“Release” means any release, spill, emission, discharge, leaking, pumping, dumping, escape, injection, deposit, disposal, discharge, dispersal, leaching or migration of Hazardous Substances into the indoor or outdoor environment (including, ambient air, surface water, ground water, and surface or subsurface strata) or into or out of any property, including the movement of Hazardous Substances through or in the air, soil, surface water, ground water or property;

“Replacement Option” has the meaning set out in the Plan of Arrangement;

“Replacement Warrant” has the meaning set out in the Plan of Arrangement;

“Representatives” means, collectively, with respect to a Party, the officers, directors, employees, consultants, advisors, agents or other representatives (including lawyers, accountants, investment bankers and financial advisors) of that Party and its affiliates;

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

“Section 3(a)(10) Exemption” has the meaning set out in Section 2.8;

“Securities Act” means the *Securities Act* (British Columbia);

“Securities Authority” means the British Columbia Securities Commission and any other applicable securities commission or securities regulatory authority of a province or territory of Canada;

“Securities Laws” means the securities Laws of each of the provinces and territories of Canada, the policies and regulations of any Canadian or U.S. stock exchange on which the applicable Party’s securities are listed and posted for trading, the U.S. Securities Act and the U.S. Exchange Act and all other applicable state, federal and provincial securities Laws, rules, regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time;

“SEDAR” means the System for Electronic Disclosure Analysis and Retrieval;

“SpinCo Shares” means the common shares in the authorized share structure of SpinCo;

“SpinCo Warrants” means warrants to purchase SpinCo Shares;

“Spin-Out Assets” means:

- (a) all direct and indirect right, title and interest of Gold Canyon in and to all of the issued and outstanding shares of Spring Stone Mining Corporation and all of the membership interests in Gold Canyon Kratz Spring, LLC;
- (b) all direct and indirect right, title and interest of Gold Canyon in, to and under and the full benefit and advantage of all Japan Oil, Gas And Metals National Corporation (“**JOGMEC**”) project venture, operation and participation agreements including agreements with respect to Tanzania Projects, Mangochi/Thyolo RE Project and Mulanje RE Project and all business, corporate, legal and accounting books, records and documents used in the conduct of the JOGMEC project venture, operation and participation agreements and related undertakings;
- (c) all direct and indirect right, title and interest of Gold Canyon in, to and under and the full benefit and advantage of the office lease with respect to Suite 810 - 609 Granville Street, Vancouver, British Columbia, Canada (the “**Office Space**”) and

any sublease, sharing, maintenance agreements, registrations, documentation or correspondence related thereto;

- (d) all equipment, hardware, software, office supplies, fixtures, furniture, furnishings and other tangible property located in the Office Space owned, leased or held by or on behalf of Gold Canyon; and
- (e) cash in the amount of \$500,000 less all cash held as of the Effective Time by Spring Stone Mining Corporation, its subsidiaries and Gold Canyon Kratz Spring, LLC;

“Spin-Out Liabilities” means:

- (a) all liabilities or obligations (contingent or otherwise) (other than any liability or obligation for Taxes) in respect (but only in respect) of the Spin-Out Assets (including the operations or activities in connection therewith);
- (b) all liabilities or obligations for Taxes payable to any Governmental Entity arising from, or in connection with the Spin-Out Transaction;
- (c) all liabilities or obligations for Taxes payable but not yet paid or reflected in the contingencies or commitments in the Annual Financial Statements of Gold Canyon, to any Governmental Entity and imposed on, or is in respect of, the Spin-Out Assets and/or any liabilities or obligations referred to in this definition net of all applicable credits, deductions, and other amounts available (including any loss carryforwards) with respect to the Spin-Out Assets; and
- (d) all fees and expenses related to the listing of the SpinCo Shares on any stock exchange or market;

“Spin-Out Transaction” means the transfer of the Spin-Out Assets and the assignment of the Spin-Out Liabilities to SpinCo and the distribution of SpinCo Shares to the Gold Canyon Shareholders pursuant to the Plan of Arrangement;

“subsidiary” has the meaning set out in the Business Corporations Act and includes, for greater certainty, an indirect subsidiary;

“Superior Proposal” means an unsolicited *bona fide* written Acquisition Proposal (provided, however, that for the purposes of this definition, all references to “20%” shall be changed to “100%”) made by a third party or parties acting jointly (other than the other Party and its affiliates) that did not result from a breach of Section 4.4 or 4.6, as applicable, and which:

- (a) is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been obtained or demonstrated to the satisfaction of the board of directors of the Recipient acting in good faith (after receipt of advice from its financial advisors and outside legal counsel) to be reasonably likely to be obtained without undue delay;

- (b) is not subject to a due diligence condition and/or access condition;
- (c) in the case of an Acquisition Proposal involving the shares of the Recipient is made available to all holders of such shares on the same terms and conditions; and
- (d) in the good faith determination of the board of directors of the Recipient, after consultation with its financial advisors and outside legal counsel:
 - (i) is reasonably capable of being completed in accordance with its terms and without undue delay, taking into account, all legal, financial, regulatory and other aspects of such proposal and the Person making such proposal; and
 - (ii) would, if consummated and taking into account all of the terms and conditions of such Acquisition Proposal (but not assuming away the risk of non-completion), result in a transaction more favourable to the shareholders of the Recipient from a financial point of view than the Arrangement (including, in the case of Gold Canyon, any adjustment to the terms and conditions of the Arrangement proposed by First Mining pursuant to Section 4.5);

“Tax Returns” means all returns, declarations, reports, information returns and statements required to be filed with any taxing authority relating to Taxes;

“Taxes” means, with respect to any entity, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, *ad valorem* taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, Canada Pension Plan premiums, excise, severance, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, production taxes, severance taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties, mining duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;

“Termination Payment” means an amount of \$3,935,435 to be payable by Gold Canyon or First Mining to the other in certain circumstances in accordance with Section 6.3;

“Tribunal” means:

- (a) any court (including a court of equity);
- (b) any federal, provincial, state, county, municipal or other government or governmental department, ministry, commission, board, bureau, agency or instrumentality;

- (c) any securities commission, Canadian or U.S. stock exchange or other regulatory or self-regulatory body; and
- (d) any arbitrator or arbitration tribunal;

“TSX-V” means the TSX Venture Exchange;

“United States” means the United States of America, its territories and possessions;

“U.S. Exchange Act” means the United States *Securities Exchange Act of 1934*, as amended, and the rules and regulations promulgated thereunder;

“U.S. Securities Act” means the United States *Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder; and

“U.S. Investment Company Act” means the United States Investment Company Act of 1940, as amended, and the rules and regulations promulgated from time to time thereunder.

1.2 **Interpretation Not Affected by Headings, etc.** The division of this Agreement into sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references in this Agreement to a “Section” followed by a number and/or a letter refer to the specified section of this Agreement, and all references in this Agreement to an Exhibit followed by a letter refer to the specified Exhibit to this Agreement. Unless otherwise indicated, the terms “this Agreement”, “hereof”, “herein”, “hereunder” and “hereby” and similar expressions refer to this Agreement (including the Exhibits hereto), as amended or supplemented from time to time pursuant to the applicable provisions hereof, and not to any particular section or other portion hereof.

1.3 **Currency.** All sums of money referred to in this Agreement are expressed in lawful money of Canada unless otherwise stated.

1.4 **Number, etc.** Unless the context otherwise requires, words importing the singular shall include the plural and vice versa and words importing any gender shall include all genders.

1.5 **Date For Any Action.** In the event that any date on which any action is required to be taken hereunder by any of the Parties hereto is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

1.6 **Entire Agreement.** This Agreement constitutes, together with the Confidentiality Agreement, the entire agreement among the Parties with respect to the Arrangement and other transactions contemplated hereby and supersedes all other prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect thereto, other than the Confidentiality Agreement. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties with respect thereto except as expressly set forth in this Agreement and the Confidentiality Agreement.

1.7 **Accounting Matters.** Unless otherwise indicated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made shall be made in a manner consistent with IFRS and past practice.

1.8 **Construction.** In this Agreement, unless otherwise indicated:

- (a) the words “include”, “including” or “in particular”, when following any general term or statement, shall not be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as permitting the general term or statement to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (b) a reference to a statute means that statute, as amended and in effect as of the date of this Agreement, and includes each and every regulation and rule made thereunder and in effect as of the date hereof; and
- (c) where a word, term or phrase is defined, its derivatives or other grammatical forms have a corresponding meaning.

1.9 **Knowledge.** In this Agreement, the phrase “to the knowledge of” any Person, “to the best knowledge of” any Person, “known to” any Person, “of which it is aware” or any similar phrase means, unless otherwise indicated, (a) with respect to any Person who is an individual, the actual knowledge of such Person, and (b) with respect to any Person who is not an individual, the actual knowledge of the senior officers and directors of such Person and its affiliates after reasonable enquiry, and to the extent that such reasonable enquiry was not conducted, includes the knowledge that a reasonable Person would have had if such reasonable enquiry had been conducted.

1.10 **Ordinary Course of Business.** In this Agreement the phrase “in the ordinary course of business” or “ordinary course” and similar expressions shall, as applicable, mean and refer to (i) those activities that are normally conducted by Persons engaged in the exploration for silver deposits and in the development and production of such deposits and/or (ii) the ordinary course of business conduct of a Party (or its subsidiaries) in a commercially reasonable and business-like manner consistent with the past practices of the Party.

1.11 **Exhibits.** The following Exhibits are annexed to this Agreement and are hereby incorporated by reference into this Agreement and form an integral part hereof:

- Exhibit A - Plan of Arrangement
- Exhibit B - Arrangement Resolution
- Exhibit C - Gold Canyon Material Properties
- Exhibit D - First Mining Material Properties

ARTICLE 2 THE ARRANGEMENT

2.1 **Arrangement.** The Parties agree that, at the Effective Time, the Arrangement will be implemented under the Business Corporations Act in accordance with and subject to the satisfaction of the terms and conditions contained in this Agreement, the Interim Order and the Final Order and the Plan of Arrangement.

2.2 **Interim Order.** As soon as reasonably practicable following the execution of this Agreement, and in any event in sufficient time to hold the Gold Canyon Meeting in accordance with Section 2.3, Gold Canyon shall apply to the Court in a manner acceptable to First Mining, acting reasonably, pursuant to the Business Corporations Act and prepare, file and diligently pursue an application for the Interim Order, which shall provide, among other things:

- (a) for the class of Persons to whom notice is to be provided in respect of the Arrangement and the Gold Canyon Meeting and for the manner in which such notice is to be provided;
- (b) that the requisite approval for the Arrangement Resolution shall be two-thirds of the votes cast on the Arrangement Resolution by the Gold Canyon Shareholders and the Gold Canyon Warrantholders present in person or represented by proxy at the Gold Canyon Meeting and voting together as a single class such that each Gold Canyon Shareholder is entitled to one vote for each Gold Canyon Common Share held and each Gold Canyon Warrantholder is entitled to one vote for each Gold Canyon Common Share issuable upon exercise of such Gold Canyon Warrants, together with, if required by MI 61-101, minority approval in accordance with MI 61-101 (the “**Gold Canyon Securityholder Approval**”);
- (c) that, in all other respects, the terms, restrictions and conditions of the articles of Gold Canyon, including quorum requirements and all other matters, shall apply in respect of the Gold Canyon Meeting;
- (d) for the grant of the Dissent Rights to the registered holders of Gold Canyon Common Shares;
- (e) for notice requirements with respect to the presentation of the application to the Court for the Final Order;
- (f) that the Gold Canyon Meeting may be adjourned or postponed from time to time by the Gold Canyon Board, subject to the terms of this Agreement, without the need for additional approval of the Court; and
- (g) for such other matters as First Mining may reasonably require, subject to obtaining the prior consent of Gold Canyon, such consent not to be unreasonably withheld or delayed.

2.3 **Gold Canyon Meeting.** Subject to receipt of the Interim Order and the terms of this Agreement:

- (a) Gold Canyon agrees to convene and conduct the Gold Canyon Meeting in accordance with the Interim Order, Gold Canyon's articles and applicable Law as soon as reasonably practicable, and in any event on or before the Meeting Deadline;
- (b) Gold Canyon shall not, except as required for quorum purposes, as required by Law, or otherwise as permitted under this Agreement, adjourn, postpone or cancel (or propose or permit the adjournment, postponement or cancellation of) the Gold Canyon Meeting without First Mining's prior written consent;
- (c) Gold Canyon shall advise First Mining as First Mining may reasonably request, and at least on a daily basis on each of the last ten Business Days prior to the date of the Gold Canyon Meeting, as to the aggregate tally of the proxies received by Gold Canyon in respect of the Arrangement Resolution;
- (d) Gold Canyon shall promptly advise First Mining of any written notice of dissent or purported exercise by any Gold Canyon Shareholder of Dissent Rights received by Gold Canyon in relation to the Arrangement and any withdrawal of Dissent Rights received by Gold Canyon and any written communications sent by or on behalf of Gold Canyon to any Gold Canyon Shareholder exercising or purporting to exercise Dissent Rights in relation to the Arrangement;
- (e) Gold Canyon shall not make any payment or settlement offer, or agree to any payment or settlement prior to the Effective Time with respect to Dissent Rights without the prior written consent of First Mining, acting reasonably; and
- (f) Gold Canyon shall provide notice to First Mining of the Gold Canyon Meeting and shall allow representatives of First Mining and its counsel to attend the Gold Canyon Meeting.

2.4 **Information Circular.**

- (a) As promptly as reasonably practicable following execution of this Agreement, Gold Canyon and First Mining shall cooperate in preparing a mutually acceptable Circular together with any other documents required by applicable Laws in connection with the Gold Canyon Meeting.
- (b) As promptly as reasonably practicable following issuance of the Interim Order, and in any event prior to the close of business on the Mailing Deadline, Gold Canyon shall cause the Circular to be sent to the Gold Canyon Shareholders and the Gold Canyon Warrantholders and filed as required by the Interim Order and applicable Laws.
- (c) If Gold Canyon provides notice to First Mining regarding an Acquisition Proposal pursuant to this Agreement prior to the mailing of the Circular, then unless the Parties agree otherwise, the Mailing Deadline will be extended by a period of time equal to the number of days from the date on which Gold Canyon first provides notice of such Acquisition Proposal to First Mining until the earlier of:

- (i) written notification from Gold Canyon to First Mining that the Gold Canyon Board has determined that the Acquisition Proposal is not a Superior Proposal; or
- (ii) the date on which Gold Canyon and First Mining enter into an amended agreement pursuant to Section 4.5 which results in the Acquisition Proposal in question not being a Superior Proposal.

If the Mailing Deadline is so extended, the Meeting Deadline and the Outside Date shall be extended by the same number of days as the Mailing Deadline has been extended.

- (d) Each of Gold Canyon and First Mining shall ensure that the Circular is complete and accurate in all material respects, complies in all material respects with all applicable Laws and shall contain sufficient detail to permit the Gold Canyon Shareholders and the Gold Canyon Warrantholders to form a reasoned judgment concerning the matters to be placed before them at the Gold Canyon Meeting. Without limiting the generality of the foregoing, each of Gold Canyon and First Mining shall ensure that the Circular does not contain any misrepresentation (other than in each case with respect to any information relating to and provided by the other Party or its respective subsidiaries or provided by PC Gold). Each of Gold Canyon and First Mining acknowledges that the other Party shall not be responsible for ensuring the completeness, accuracy or sufficiency of any information relating to it or its respective subsidiaries or PC Gold.
- (e) Without limiting the generality of the foregoing, Gold Canyon shall disclose in the Circular:
 - (i) that the Gold Canyon Board has received the Gold Canyon Fairness Opinion and that, subject to the scope of review, assumptions and limitations set out in such opinion, the Consideration is fair from a financial point of view to the Gold Canyon Shareholders (other than First Mining and its affiliates);
 - (ii) the complete text of the Gold Canyon Fairness Opinion; and
 - (iii) that the Gold Canyon Board has determined, after receiving financial and legal advice, that the Arrangement is fair to the Gold Canyon Shareholders and the Gold Canyon Warrantholders (other than First Mining and its affiliates) and in the best interests of Gold Canyon.
- (f) Subject to the terms of this Agreement:
 - (i) Gold Canyon shall take all lawful action to solicit proxies in favour of the Arrangement Resolution and against any resolution submitted by a Gold Canyon Shareholder, including, if so requested by First Mining, using the services of dealers and proxy solicitation services selected by First Mining and permitting First Mining to otherwise assist Gold Canyon in such

solicitation, and take all other lawful actions that are reasonably necessary or desirable to seek the approval of the Arrangement Resolution by the Gold Canyon Shareholders and the Gold Canyon Warrantholders; and

- (ii) the Gold Canyon Board shall recommend to the Gold Canyon Shareholders and the Gold Canyon Warrantholders that they vote in favour of the Arrangement Resolution and shall include in the Circular a statement to such effect.
- (g) Each of Gold Canyon and First Mining shall provide to the other Party all information regarding such Party and its affiliates as may be required by Law to be included in the Circular. Gold Canyon shall provide, at the request of First Mining, all information regarding Gold Canyon and its affiliates as may be required by Law to be included in any information circular to be sent to the shareholders of PC Gold in connection with the PC Gold Acquisition (the “**PC Gold Circular**”). First Mining shall use commercially reasonable efforts to cause PC Gold to provide to Gold Canyon all information regarding PC Gold and its affiliates as may be required by Law to be included in the Circular. Each of Gold Canyon and First Mining shall also use commercially reasonable efforts to obtain any necessary consents from any of their respective auditors and any other advisors to the use of any financial, technical or other expert information required to be included in the Circular and to the identification in the Circular of each such advisor and Gold Canyon shall use commercially reasonable efforts to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial, technical or other expert information required to be included with respect to Gold Canyon in the PC Gold Circular and to the identification in the PC Gold Circular of such advisor. First Mining shall use commercially reasonable efforts to cause PC Gold to obtain any necessary consents from any of its auditors and any other advisors to the use of any financial, technical or other expert information required to be included in the Circular and to the identification in the Circular of each such advisor. Each of Gold Canyon and First Mining shall ensure that information provided in accordance with this Section 2.4(g) with respect to that Party is complete and accurate in all material respects, complies in all material respects with applicable Laws and, without limiting the generality of the foregoing, does not include any misrepresentation and Gold Canyon shall ensure that information provided in accordance with this Section 2.4(g) for inclusion in the PC Gold Circular with respect to Gold Canyon is complete and accurate in all material respects, complies in all material respects with applicable Laws and, without limiting the generality of the foregoing, does not include any misrepresentation. First Mining shall use commercially reasonable efforts to cause PC Gold to ensure that information provided in accordance with this Section 2.4(g) with respect to PC Gold and its affiliates is complete and accurate in all material respects, complies in all material respects with applicable Laws and, without limiting the generality of the foregoing, does not include any misrepresentation. Each of Gold Canyon and First Mining shall indemnify and save harmless the other Party and its Representatives from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which such

other Party or any of its Representatives may be subject or may suffer as a result of, or arising from, any misrepresentation or alleged misrepresentation contained in any information included in the Circular that was provided by such Party (other than, in the case of First Mining, information with respect to PC Gold) pursuant to this Section 2.4, including as a result of any order made, or any inquiry, investigation or proceeding instituted by any Securities Authority or other Governmental Entity based on such a misrepresentation or alleged misrepresentation.

- (h) First Mining and its legal counsel shall be given a reasonable opportunity to review and comment on the Circular prior to the Circular being printed or filed with any Governmental Entity, and reasonable consideration shall be given to any comments made by First Mining and its legal counsel; provided, however, that:
 - (i) all information relating solely to First Mining, its affiliates and the First Mining Shares included in the Circular shall be in form and content satisfactory to First Mining, acting reasonably; and
 - (ii) all information relating solely to Gold Canyon, its affiliates and the Gold Canyon Common Shares included in the Circular shall be in form and content satisfactory to Gold Canyon, acting reasonably.
- (i) Gold Canyon and First Mining shall each promptly notify the other if, at any time before the Effective Date, either becomes aware that the Circular contains a misrepresentation, or that an amendment or supplement to the Circular is otherwise required and Gold Canyon and First Mining shall co-operate in the preparation of any amendment or supplement to the Circular as required or appropriate, and Gold Canyon shall promptly mail or otherwise publicly disseminate any amendment or supplement to the Circular to the Gold Canyon Shareholders and the Gold Canyon Warrantholders and, if required by the Court or applicable Laws, file the same with the Securities Authorities and any other Governmental Entity as required and, in such circumstances, the date of the Gold Canyon Meeting shall be postponed if and to the extent required by applicable Law (and the Meeting Deadline shall, if necessary, be postponed to such date).

2.5 Final Order. If the Interim Order is obtained and the Arrangement Resolution is passed at the Gold Canyon Meeting as provided for in the Interim Order and as required by applicable Law then, subject to the terms of this Agreement, Gold Canyon shall diligently pursue and take all steps necessary or desirable to have the hearing before the Court of the application for the Final Order pursuant to the Business Corporations Act held as soon as reasonably practicable and, in any event, within three Business Days following the approval of the Arrangement Resolution.

2.6 Court Proceedings. Gold Canyon will provide legal counsel to First Mining with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, and will give reasonable consideration to all such comments. Subject to applicable Law, Gold Canyon will not file any material with the Court in

connection with the Arrangement or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated by this Section 2.6 or with First Mining's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided, however, that nothing herein shall require First Mining to agree or consent to any increase in consideration or other modification or amendment to such filed or served materials that expands or increases First Mining's obligations set forth in any such filed or served materials or under this Agreement or the Arrangement. Gold Canyon shall also provide to First Mining's legal counsel on a timely basis copies of any notice of appearance or other Court documents served on Gold Canyon in respect of the application for the Interim Order or the Final Order or any appeal therefrom and of any notice, whether written or oral, received by Gold Canyon indicating any intention to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order. Gold Canyon will ensure that all materials filed with the Court in connection with the Arrangement are consistent in all material respects with the terms of this Agreement and the Plan of Arrangement. In addition, Gold Canyon will not object to legal counsel to First Mining making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such counsel considers appropriate; provided, however, that Gold Canyon is advised of the nature of any submissions prior to the hearing and such submissions are consistent with this Agreement and the Plan of Arrangement. Gold Canyon will also oppose any proposal from any party that the Final Order contain any provision inconsistent with this Agreement, and, if at any time after the issuance of the Final Order and prior to the Effective Date, Gold Canyon is required by the terms of the Final Order or by Law to return to Court with respect to the Final Order, it shall do so after notice to, and in consultation and cooperation with, First Mining.

2.7 Public Announcements. First Mining and Gold Canyon shall make a joint public announcement of the transactions contemplated hereby promptly following the execution of this Agreement, the text and timing of such announcement to be approved by both Parties in advance, acting reasonably. No Party shall issue any press release or otherwise make public announcements with respect to this Agreement, the Arrangement or any Acquisition Proposal without the consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed) provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any disclosure required under applicable Laws, and the Party making such disclosure shall use all commercially reasonable efforts to give prior notice to the other Party and reasonable opportunity to review or comment on the disclosure, and if prior notice is not possible, to give such notice immediately following the making of such disclosure.

2.8 United States Securities Law Matters. The Parties agree that the Arrangement will be carried out with the intention that all Consideration Shares, SpinCo Shares, SpinCo Warrants, Replacement Warrants and Replacement Options issued under the Arrangement to the United States holders of Gold Canyon Common Shares, Gold Canyon Warrants and Gold Canyon Options, as the case may be, will be issued by SpinCo and First Mining, as the case may be, in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act (the "**Section 3(a)(10) Exemption**"). In order to ensure the availability of the Section 3(a)(10) Exemption, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) the Arrangement will be subject to the approval of the Court;

- (b) the Court will be advised as to the intention of the Parties to rely on the Section 3(a)(10) Exemption prior to the hearing required to approve the Arrangement;
- (c) the Court will be required to satisfy itself as to the fairness of the Arrangement to the Gold Canyon Shareholders, the Gold Canyon Warrantholders and the Gold Canyon Optionholders subject to the Arrangement;
- (d) the Court will have determined, prior to approving the Arrangement, that the terms and conditions of the exchanges of securities under the Arrangement are fair to the Gold Canyon Shareholders, the Gold Canyon Warrantholders and the Gold Canyon Optionholders pursuant to the Arrangement;
- (e) the order approving the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as being fair to the Gold Canyon Shareholders, the Gold Canyon Warrantholders and Gold Canyon Optionholders pursuant to the Arrangement;
- (f) Gold Canyon will ensure that each Person entitled to Consideration Shares, SpinCo Shares, SpinCo Warrants, Replacement Warrants and Replacement Options pursuant to the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with the sufficient information necessary for them to exercise that right; and
- (g) the Interim Order will specify that each Person entitled to Consideration Shares, SpinCo Shares, SpinCo Warrants, Replacement Warrants and Replacement Options pursuant to the Arrangement will have the right to appear before the Court so long as they enter an appearance within a reasonable time.

2.9 **Effective Date Matters.** The Effective Date shall be the date the Final Order is deposited at the registered office of Gold Canyon, which shall be (a) the date that is the earlier of: (i) the date that is three Business Days after the satisfaction or waiver (subject to applicable Laws) of the conditions set forth in Article 5 (other than the delivery of items to be delivered on the Effective Date and the satisfaction of those conditions that, by their terms, cannot be satisfied until immediately prior to the Effective Date); and (ii) the date that is the day prior to the Outside Date; provided that the conditions set forth in Article 5 have been satisfied or waived as of such date; or (b) such date as mutually agreed in writing by the Parties. Subject to the satisfaction or waiver (subject to applicable Laws) of the conditions (excluding conditions that, by their terms, cannot be satisfied until the Effective Time, but subject to the satisfaction or, where permitted, waiver of those conditions as of the Effective Time) set forth in Article 5, the Arrangement will, from and after the Effective Time, have all of the effects provided under applicable Laws.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 **Representations and Warranties of Gold Canyon.** Except as disclosed in the Gold Canyon Disclosure Letter (which, except as expressly stated therein, shall make reference to the applicable section below in respect of which such qualification is being made), Gold

Canyon hereby represents and warrants to and in favour of First Mining as follows and acknowledges that First Mining is relying on such representations and warranties in connection with the transactions herein contemplated:

3.1.1 Incorporation and Organization.

- (a) Gold Canyon is a corporation duly incorporated under the laws of its respective jurisdiction of incorporation, is validly subsisting, has full corporate and legal power and authority to own, lease and operate the properties currently owned, leased and operated by it and to conduct its business as currently conducted and is in good standing with respect to the filing of annual returns or the equivalent.
- (b) Gold Canyon is duly qualified or licensed to do business and is in good standing as a foreign corporation or organization authorized to do business in all jurisdictions in which the character of the properties owned, leased or operated or the nature of the business conducted by it would make such qualification or licensing necessary except as would not, individually or in the aggregate, be reasonably expected to result in a Material Adverse Effect with respect to Gold Canyon.
- (c) True and complete copies of the constating documents of Gold Canyon have been provided to First Mining and no amendments to such constating documents have been authorized which have not been provided to First Mining.

3.1.2 Capitalization.

- (a) The authorized capital of Gold Canyon consists of an unlimited number of Gold Canyon Common Shares. As of the close of business on August 31, 2015, the number of issued and outstanding Gold Canyon Common Shares; Gold Canyon Common Shares which are or will become issuable upon exercise of outstanding Gold Canyon Options as at the Effective Date; and Gold Canyon Common Shares which are or will become issuable upon exercise of outstanding Gold Canyon Warrants are set forth in Schedule 3.1.2 of the Gold Canyon Disclosure Letter. No Gold Canyon Common Shares are held in treasury or authorized or reserved for issuance, other than upon the exercise of the Gold Canyon Options and the Gold Canyon Warrants.
- (b) All outstanding Gold Canyon Common Shares have been duly authorized and are validly issued, are fully paid and non-assessable and were issued in compliance with the articles of Gold Canyon and all applicable Laws. There are, and have been, no preemptive rights relating to the allotment or issuance of any of the issued and outstanding Gold Canyon Common Shares.
- (c) As of the date hereof, all outstanding Gold Canyon Warrants, Gold Canyon Options and contingent commitments to issue Gold Canyon Common Shares are set forth in Schedule 3.1.2 of the Gold Canyon Disclosure Letter. Each Gold Canyon Option (i) has an exercise price at least equal to the fair market value of the Gold Canyon Common Shares at the date of the corporate action authorizing

the grant, (ii) has not had its exercise date or grant date delayed or “back-dated,” and (iii) has been issued in compliance with all applicable Laws and properly accounted for in all material respects in accordance with IFRS.

- (d) Except pursuant to this Agreement and the transactions contemplated hereby, and other than the Gold Canyon Options and Gold Canyon Warrants, no Person has any other agreement, option, commitment, arrangement, or any other right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment (including any such right or privilege under convertible securities, warrants or convertible obligations of any nature) for the purchase, subscription, allotment or issuance of, or conversion into, any of the unissued shares or any other securities of Gold Canyon.
- (e) There are no outstanding bonds, debentures or other evidences of indebtedness of Gold Canyon having the right to vote (or that are convertible for or exercisable into securities having the right to vote) with the holders of the Gold Canyon Common Shares on any matter.
- (f) Gold Canyon has not, since the date of its incorporation, declared or paid any dividends or made any other distributions (in either case, in stock or property) on any of its shares.

3.1.3 **Authority and No Violation.**

- (a) Gold Canyon has all requisite corporate power and authority to enter into this Agreement and the documents required to be executed by it in connection with the transactions contemplated herein, to perform its obligations hereunder and, subject to obtaining the Gold Canyon Securityholder Approval, the Interim Order and the Final Order as contemplated by Article 2, to consummate the Arrangement and the other transactions contemplated by this Agreement. The execution and delivery of this Agreement and such other documents by Gold Canyon and the consummation by Gold Canyon of the transactions contemplated by this Agreement (including the Arrangement) and such other documents have been duly authorized by the Gold Canyon Board and the board of directors of SpinCo and, subject to obtaining the Gold Canyon Securityholder Approval, the Interim Order and the Final Order in the manner contemplated in this Agreement, and providing to the Registrar of Companies under the Business Corporations Act any records, information or other documents required by him in connection with the Arrangement, no other corporate proceedings on the part of Gold Canyon or any Gold Canyon Subsidiary are necessary to authorize this Agreement or to complete the transactions contemplated hereby other than in connection with the approval by the Gold Canyon Board of the Gold Canyon Circular.
- (b) This Agreement has been duly executed and delivered by Gold Canyon and constitutes a legal, valid and binding obligation, enforceable against Gold Canyon in accordance with its terms, subject to bankruptcy, insolvency and other similar Laws affecting creditors’ rights generally, and to general principles of equity. The

execution and delivery by Gold Canyon of this Agreement and the performance by each of Gold Canyon of its obligations hereunder and the completion of the transactions contemplated hereby, do not and will not:

- (i) conflict with, result in a violation or breach of, constitute a default or require any consent (other than such as has already been obtained), to be obtained under, or give rise to any termination rights or payment obligation under, any provision of:
 - (A) the notice of articles or articles of Gold Canyon, subject to obtaining Gold Canyon Securityholder Approval to the Arrangement contemplated herein;
 - (B) any applicable Laws, subject to obtaining any required approval of the TSX-V to the transactions contemplated herein;
 - (C) subject to obtaining any consent, approval, permit or acknowledgement which may be required thereunder, details of which are set forth in Schedule 3.1.3 of the Gold Canyon Disclosure Letter, any license or registration or any agreement, contract or commitment, written or oral, which Gold Canyon or any Gold Canyon Subsidiary is a party to or bound by or subject to;
 - (ii) give rise to any right of termination or acceleration of indebtedness of Gold Canyon or any Gold Canyon Subsidiary, or cause any third party indebtedness of Gold Canyon or any Gold Canyon Subsidiary to come due before its stated maturity;
 - (iii) result in the imposition of any Encumbrance upon any of the assets of Gold Canyon, or restrict, hinder, impair or limit its ability to carry on its business as and where it is now being carried on or as and where it may be carried on in the future; or
 - (iv) result in any payment (including severance, unemployment compensation, golden parachute, bonus or otherwise) becoming due to any Person, or any increase in any Employee Benefits otherwise payable, or the acceleration of the time of payment, vesting or exercise of any Employee Benefits except as set out in Schedule 3.1.3 of the Gold Canyon Disclosure Letter.
- (c) No consent, approval, order, registration, notice, declaration or filing with, any Governmental Entity or other Person is required to be obtained by Gold Canyon or any Gold Canyon Subsidiary in connection with the execution and delivery of this Agreement or any of the other documents contemplated hereby, or the consummation by Gold Canyon of the transactions contemplated hereby or thereby, other than:
- (i) as required by the Interim Order;

- (ii) the Final Order;
- (iii) the Gold Canyon Securityholder Approval;
- (iv) filings required under the Business Corporations Act and filings with and approvals required by Securities Authorities and the TSX-V;
- (v) any other consents, waivers, permits, orders or approvals listed in Schedule 3.1.3 of the Gold Canyon Disclosure Letter; and
- (vi) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gold Canyon.

3.1.4 **No Defaults.** Neither Gold Canyon nor any Gold Canyon Retained Subsidiary is in default under, and, there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by Gold Canyon under any contract, agreement or licence that is material to the conduct of the business of Gold Canyon to which any of them is a party or by which any of them is bound that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gold Canyon.

3.1.5 **Gold Canyon Subsidiaries.** The Gold Canyon Subsidiaries are all of the direct or indirect subsidiaries of Gold Canyon. Gold Canyon is the sole beneficial and registered owner of all of the issued and outstanding shares in the capital of SpinCo and each of the Gold Canyon Retained Subsidiaries with, except pursuant to restrictions on transfer contained in the articles, charters, by-laws or constating documents (or their equivalent) of SpinCo and each of the Gold Canyon Retained Subsidiaries, good and marketable title thereto, free and clear of all Encumbrances. Except pursuant to this Agreement and the transactions contemplated hereby, no Person has any other agreement, option, commitment, arrangement, or any other right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment (including any such right or privilege under convertible securities, warrants or convertible obligations of any nature) for the purchase, subscription, allotment or issuance of, or conversion into, any of the issued or unissued shares or any other securities of SpinCo or any Gold Canyon Retained Subsidiary.

3.1.6 **No Other Shares.** Other than the shares which Gold Canyon owns in the Gold Canyon Retained Subsidiaries and SpinCo or which the Gold Canyon Subsidiaries own in each other and as disclosed in the Financial Statements, neither Gold Canyon nor any of the Gold Canyon Retained Subsidiaries owns, beneficially, any shares in the capital of any corporation, and neither Gold Canyon nor any of the Gold Canyon Retained Subsidiaries holds any securities or obligations of any kind convertible into or exchangeable for shares in the capital of any corporation.

Neither Gold Canyon nor any of the Gold Canyon Retained Subsidiaries is a party to any agreement to acquire any shares in the capital of any corporation.

3.1.7 Reporting Issuer; Public Documents.

- (a) Gold Canyon is a reporting issuer in all of the provinces of Canada other than Quebec, and is not on the list of reporting issuers in default under applicable Securities Laws.
- (b) As of the date of this Agreement, the Gold Canyon Common Shares are not registered under Section 12 of the U.S. Exchange Act and Gold Canyon is a foreign private issuer as defined under the U.S. Exchange Act, and is not subject to the reporting requirements of Sections 13(a) or 15(d) of the U.S. Exchange Act.
- (c) The Gold Canyon Common Shares are listed and posted for trading on the TSX-V (TSX VENTURE: GCU). The Gold Canyon Common Shares are not listed or quoted on any other market. Gold Canyon is in compliance in all material respects with the rules and policies of the TSX-V.
- (d) Gold Canyon is not subject to any cease trade or other order of any Governmental Entity, and, to the knowledge of Gold Canyon, no inquiry, review or investigation (formal or informal) or other proceedings involving Gold Canyon that may operate to prevent or restrict trading of any securities of Gold Canyon are currently in progress or pending before any Governmental Entity.
- (e) Gold Canyon has filed all documents required to be filed by it in accordance with applicable Securities Laws and the rules and policies of the TSX-V. The Gold Canyon Information Record includes a true and complete copy of all forms, reports, statements, certifications, and other documents required to be filed by Gold Canyon. Such forms, reports, statements, certifications, and other documents, at the time filed or, if amended, as of the date of such amendment: (i) did not contain any misrepresentation; and (ii) complied in all material respects with the requirements of applicable Securities Laws except where such non-compliance has not had or would not reasonably be expected to have a Material Adverse Effect on Gold Canyon. Gold Canyon has not filed any confidential material change or other report or other document with any Securities Authorities, the TSX-V or other self-regulatory authority which at the date hereof remains confidential. None of the Gold Canyon Subsidiaries are required to file any reports or other documents with any of the Securities Authorities or the TSX-V.

3.1.8 Financial Matters.

- (a) The Financial Statements of Gold Canyon have been, and all financial statements of Gold Canyon which are publicly disseminated by Gold Canyon in respect of any subsequent periods prior to the Effective Date will be, prepared in accordance with IFRS, applied on a basis consistent with prior periods and all applicable Laws and present fairly or will present fairly, in all material respects:

- (i) all the assets, liabilities (whether accrued, absolute, contingent or otherwise) and the financial condition of Gold Canyon and the Gold Canyon Subsidiaries, on a consolidated basis as at the respective dates thereof; and
 - (ii) the revenues, earnings, results of operations and cash flows of Gold Canyon and the Gold Canyon Subsidiaries, on a consolidated basis for the respective periods covered thereby.
- (b) Gold Canyon has no knowledge of any material adjustments, potential liabilities or obligations, which individually or in the aggregate have not been reflected in its Annual Financial Statements, other than liabilities, indebtedness and obligations incurred by Gold Canyon and/or the Gold Canyon Subsidiaries in the ordinary course of business, or as contemplated in this Agreement.

3.1.9 **Business Carried on in Ordinary Course.** The Business has been carried on in the ordinary course since November 30, 2014 and since such date:

- (a) there has not been any event, occurrence, development or state of circumstances or facts which has had or is reasonably likely to give rise to a Material Adverse Effect with respect to Gold Canyon;
- (b) there has not been any material write-down by Gold Canyon of any assets of Gold Canyon;
- (c) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise and whether matured or unmatured) which has had or is reasonably likely to have a Material Adverse Effect with respect to Gold Canyon has been incurred;
- (d) there has been no increase in the Employee Benefits payable or to become payable by Gold Canyon to any of its officers, directors, employees or advisors, other than in the ordinary course of business, and there has been no declaration, payment or commitment or obligation of any kind for the payment or granting by Gold Canyon of a bonus, stock option or other additional salary or compensation to any such Person, or any grant to any such Person of any increase in severance or termination pay, nor has Gold Canyon agreed to do any of the foregoing;
- (e) neither Gold Canyon nor any Gold Canyon Subsidiary has acquired or sold, pledged, leased, encumbered or otherwise disposed of any material property or assets or incurred or committed to incur capital expenditures in excess of \$25,000 in the aggregate, as of the date hereof, nor has Gold Canyon or any Gold Canyon Subsidiary agreed to do any of the foregoing;
- (f) there has not been any acquisition or sale, lease, license, expiry or other disposition by Gold Canyon or any of the Gold Canyon Subsidiaries of any interest in any Mineral Rights;

- (g) neither Gold Canyon nor any Gold Canyon Subsidiary has entered into any Material Agreement or amended, modified, relinquished, terminated or failed to renew any Material Agreement;
- (h) there has not been any satisfaction or settlement of any material claim, liability or obligation of Gold Canyon;
- (i) neither Gold Canyon nor any Gold Canyon Subsidiary has made any change in accounting policies, principles, methods, practices or procedures (including for bad debts, contingent liabilities or otherwise);
- (j) there has been no waiver by Gold Canyon or any Gold Canyon Subsidiary or agreement to waive, any right of substantial value and neither Gold Canyon nor any Gold Canyon Subsidiary has entered into any commitment or transaction not in the ordinary course of business where such right, commitment or transaction is or would be material in relation to Gold Canyon or the Business; and
- (k) neither Gold Canyon nor any Gold Canyon Subsidiary has agreed, announced, resolved or committed to do any of the foregoing.

3.1.10 **Partnerships or Joint Ventures.** Except as set out in Schedule 3.1.10 of the Gold Canyon Disclosure Letter, neither Gold Canyon nor any Gold Canyon Retained Subsidiary is a partner or participant in any partnership, joint venture, profit-sharing arrangement or other business combination of any kind and is not party to any agreement under which it agrees to carry on any part of its Business or any other activity in such manner or by which it agrees to share any revenue or profit with any other Person.

3.1.11 **Minute Books and Corporate Records.** The minute and record books of Gold Canyon and each of the Gold Canyon Retained Subsidiaries have been maintained in accordance with all applicable Laws and are complete and accurate in all material respects, except where such incompleteness or inaccuracy would not have a Material Adverse Effect on Gold Canyon. The minute and record books for Gold Canyon and SpinCo contain minutes of substantially all meetings and copies of all resolutions passed by, or consented to in writing by, their respective boards of directors and committees of such boards of directors, other than those portions of minutes of meetings reflecting discussions of the Arrangement or transactions similar to the Arrangement, and the Gold Canyon Shareholders held according to applicable Laws and are complete and accurate in all material respects. Other than the Gold Canyon Rights Plan, Gold Canyon is not a party to or bound by or subject to any shareholder agreement or unanimous shareholder agreement governing its affairs or the relationships, rights and duties of shareholders and is not subject to a shareholder rights plan or “poison pill” or similar plan.

3.1.12 **Accuracy of Books and Records.** The financial books and records of Gold Canyon accurately and fairly set out and disclose in all material respects, in

accordance with IFRS, its financial position as at the date hereof and all material financial transactions have been accurately recorded in such books and records on a consistent basis and in conformity with IFRS. All records, systems, controls, data or information (including any digital, electronic, mechanical, photographic or other technological process or device whether computerized or not) required to operate the Business are in the full possession and control of and are owned exclusively by Gold Canyon.

3.1.13 **Guarantees.** Neither Gold Canyon nor any Gold Canyon Retained Subsidiary is a party to or bound by or subject to any Guarantee of the indebtedness of any other Person.

3.1.14 **Interested Persons.**

- (a) No payment has been made or authorized by Gold Canyon or any Gold Canyon Retained Subsidiary to or for the benefit of any Person who was at the applicable time an Interested Person, except Employee Benefits, management or other fees payable in the ordinary course of business and at the regular rates or as reimbursement of expenses incurred on behalf of Gold Canyon or any Gold Canyon Retained Subsidiary.
- (b) Neither Gold Canyon nor any Gold Canyon Retained Subsidiary is a party to or bound by or subject to any agreement, contract or commitment with any Interested Person, except for contracts of employment or contracts of service with independent contractors.
- (c) Neither Gold Canyon nor any Gold Canyon Retained Subsidiary has any loan or indebtedness outstanding (except for obligations incurred in the ordinary course of business with respect to Employee Benefits, management or other fees and the reimbursement of expenses incurred on behalf of Gold Canyon or such Gold Canyon Retained Subsidiary) to any Interested Person.
- (d) No Interested Person owns, directly or indirectly, in whole or in part, any property used in the operation of the Business as heretofore carried on.
- (e) No Interested Person has any cause of action or other claim whatsoever against, or owes any amount to, Gold Canyon or any Gold Canyon Retained Subsidiary, except for any claims in the ordinary course of business such as claims for accrued vacation pay and accrued benefits under the Employee Benefits.

3.1.15 **Real Property.** Except as set out in Schedule 3.1.15 of the Gold Canyon Disclosure Letter, neither Gold Canyon nor any Gold Canyon Retained Subsidiary owns, has any interest in, or is a party to or bound by or subject to any agreement, contract or commitment, or any option to purchase, any real or immovable property.

3.1.16 **Mineral Rights.**

- (a) The Gold Canyon Material Properties are accurately described in Exhibit C, which contains a complete description of the claims, licenses, permits, agreements and other rights comprising Gold Canyon's interest in the Gold Canyon Material Properties. Gold Canyon has sole title, free and clear of any title defect or Encumbrance, to the Gold Canyon Material Properties except as described in Section 3.1.16 of the Gold Canyon Disclosure Letter. Other than the Gold Canyon Material Properties, none of Gold Canyon or the Gold Canyon Retained Subsidiaries owns or has any material interest in any Mineral Rights.
- (b) The Gold Canyon Material Properties have been properly located and recorded in compliance with applicable Law and are valid and subsisting.
- (c) The Gold Canyon Material Properties are in good standing under applicable Law and, to the knowledge of Gold Canyon, all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, royalties, rentals, fees, expenditures and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made.
- (d) Gold Canyon has not elected or refused to participate in any exploration, development or other operations with respect to the Gold Canyon Material Properties which has or may give rise to any penalties, forfeitures or reduction of its interest by virtue of any conversion or other alteration occurring under the title and operating documents which govern the Gold Canyon Material Properties.
- (e) To Gold Canyon's knowledge, there is no material adverse claim against or challenge to the title of or ownership of the Gold Canyon Material Properties. Gold Canyon is not aware of any defects, failures or impairments in the title of Gold Canyon to any of the Gold Canyon Material Properties, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could have a Material Adverse Effect in respect of Gold Canyon.
- (f) Except as set out in Schedule 3.1.16 of the Gold Canyon Disclosure Letter, there are no back-in rights, earn-in rights, farm-in rights, streaming arrangements, purchase options, rights of first refusal or similar provisions or rights or any agency marketing fees, volume or production based payments or any other arrangements or payments (actual or contingent) which would affect or entitle any Person to receive any payment in connection with Gold Canyon's interest in the Gold Canyon Material Properties or the production or sale of minerals therefrom.
- (g) There are no restrictions on the ability of Gold Canyon to use, transfer or exploit any of the Gold Canyon Material Properties, except pursuant to the applicable Laws and each lease, contract or other agreement pertaining to the Gold Canyon Material Properties (as described in Schedule 3.1.16 of the Gold Canyon Disclosure Letter), which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gold Canyon.

- (h) Gold Canyon has duly and timely satisfied all of the obligations required to be satisfied, performed and observed by it under, and there exists no default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default by Gold Canyon under any agreement pertaining to the Gold Canyon Material Properties or to their other respective material assets or properties and each such lease, contract or other agreement is enforceable and in full force and effect.
- (i) Subject to the rights, covenants, conditions and stipulations in the title documents and any agreement pertaining to the Gold Canyon Material Properties and on the lessee's or holder's part thereunder to be paid or performed and observed, Gold Canyon may enter into and upon, hold and enjoy the Gold Canyon Material Properties for the remainder of their respective terms and all renewals or extensions thereof for its own use and benefit without any lawful interruption of or by any other Person.
- (j) Gold Canyon has those surface rights, including leases, easements, rights of way and permits or licences from landowners or Governmental Entities permitting the use of land by Gold Canyon, and other interests that are required to explore and develop the Gold Canyon Material Properties based on current operations and no third party or group holds any such rights that would be required by Gold Canyon to develop the Gold Canyon Material Properties.
- (k) Gold Canyon has not received any notice, whether written or oral, from any Governmental Entity of any revocation or intention to revoke any interest of Gold Canyon in any of the Gold Canyon Material Properties.
- (l) Gold Canyon has provided First Mining with access to full and complete copies of all material exploration information and data within its possession or control including, without limitation, all geological, geophysical and geochemical information and data (including all drill, sample and assay results and all maps) and all technical reports, feasibility studies and other similar reports and studies concerning the Gold Canyon Material Properties, and Gold Canyon has the sole right, title and ownership of all such information, data, reports and studies.

3.1.17 **Technical Reports; Mineral Reserves and Resources.** The technical report prepared for Gold Canyon entitled "Mineral Reserve Update for the Springpole Gold Project, NW Ontario, Canada" dated November 30, 2012 (the "**Gold Canyon Technical Report**") has been prepared and disclosed in all material respects in accordance with accepted mining, engineering, geoscience and other approved industry practices and all applicable Laws, including the requirements of NI 43-101. The information provided by Gold Canyon to the Qualified Persons (as defined in NI 43-101) in connection with the preparation of such estimates was complete and accurate at the time such information was furnished. There has been no material reduction in the aggregate amount of estimated mineral resources of Gold Canyon from the amounts disclosed in the Gold Canyon

Information Record. All material information regarding the Gold Canyon Material Properties, including drill results, technical reports and studies, that are required to be disclosed by Laws, have been disclosed in the Gold Canyon Information Record except where an omission of such disclosure may not reasonably, individually or in the aggregate, be reasonably expected to result in a Material Adverse Effect with respect to Gold Canyon.

3.1.18 **Operational Matters.** Except as would not, individually or in the aggregate, be reasonably expected to result in a Material Adverse Effect with respect to Gold Canyon:

- (a) all rentals, royalties, overriding royalty interests, production payments, net profit interests, burdens, payments and obligations due and payable, or to be performed, as the case may be, on or prior to the date hereof under, with respect to, or on account of, the Gold Canyon Material Properties have been duly paid, duly performed, or otherwise provided for prior to the date hereof;
- (b) all costs, expenses, and liabilities payable on or prior to the date hereof under the terms of any contracts and agreements relating to the Gold Canyon Material Properties to which Gold Canyon is directly or indirectly bound have been properly and timely paid, except for such expenses that are being currently paid prior to delinquency in the ordinary course of business;
- (c) to the knowledge of Gold Canyon, as of the date of this Agreement there are no operational, geotechnical, geochemical or structural issues, social conflicts or limitations to surface rights, relating to the exploration and development of the Gold Canyon Material Properties; and
- (d) any and all operations of Gold Canyon and, to the knowledge of Gold Canyon, any and all operations by third parties, on or in respect of the Gold Canyon Material Properties, have been conducted in accordance with reasonable and prudent international mining industry practices and in compliance with applicable Laws.

3.1.19 **Employment and Employee Benefit Matters.**

- (a) As at the date hereof, Gold Canyon had an aggregate of seven full time and part time employees, and an aggregate of ten independent contractors or other non-employees who supply their services under personal services contracts (whether written or oral) and none of the Gold Canyon Retained Subsidiaries had any employees, contractors or other such non-employees.
- (b) Except as set out in Schedule 3.1.19 of the Gold Canyon Disclosure Letter, neither Gold Canyon nor any Gold Canyon Retained Subsidiary is a party to or bound by or subject to any agreement or arrangement with respect to Employee Benefits in excess of \$50,000 and no such agreement or arrangement contains any specific provision as to notice of termination of employment or severance pay in lieu thereof.

- (c) Except as set out in Schedule 3.1.19 of the Gold Canyon Disclosure Letter, Gold Canyon does not have any obligations to amend any Employee Benefit and no amendments will be made or promised prior to the Effective Date, except with the prior written consent of First Mining.
- (d) All obligations of Gold Canyon as of November 30, 2014 with respect to Employee Benefits are reflected in and have been fully accrued in the Annual Financial Statements of Gold Canyon.
- (e) Neither Gold Canyon nor any Gold Canyon Retained Subsidiary is a party to or bound by or subject to any collective bargaining agreement or other similar arrangement with any labour union or employee association nor has it made any commitment to or conducted any negotiation or discussion with any labour union or employee association with respect to any future agreement or arrangement and, to the knowledge of Gold Canyon, there is no current application for certification or other attempt to organize or establish any labour union or employee association with respect to employees of Gold Canyon or any Gold Canyon Retained Subsidiary.
- (f) Except as set out in Schedule 3.1.19 of the Gold Canyon Disclosure Letter, no Person will, as a result of the transactions contemplated hereby, become entitled to (i) any retirement, severance, bonus or other such payment, (ii) the acceleration of the vesting or time to exercise of any outstanding stock options or other Employee Benefits (including the Gold Canyon Options), (iii) the forgiveness or postponement of payment of any indebtedness owing to Gold Canyon or any Gold Canyon Retained Subsidiary, or (iv) receive any additional payments or compensation under or in respect of any Employee Benefits.
- (g) All accruals for unpaid vacation pay, premiums for employment insurance, health premiums, Canada Pension Plan, accrued wages, salaries and commissions and other Employee Benefits have been reflected in the books and records of Gold Canyon and the Gold Canyon Retained Subsidiaries.

3.1.20 **Debt Instruments.** Neither Gold Canyon nor any Gold Canyon Retained Subsidiary is bound by or subject to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument.

3.1.21 **Leases and Leased Property.**

- (a) Except as set out in Schedule 3.1.21 of the Gold Canyon Disclosure Letter, neither Gold Canyon nor any Gold Canyon Retained Subsidiary is a party to or bound by or subject to nor has Gold Canyon or any Gold Canyon Retained Subsidiary agreed or become bound to enter into, any real or personal property lease or sublease or other right of occupancy relating to real property, whether as lessor or lessee. Gold Canyon occupies and has the exclusive right to occupy and use all immovable Leased Property and has the exclusive right to use all movable Leased Property.
- (b) Each of the Leases is valid and subsisting and in good standing, all rental and other payments required to be paid by Gold Canyon or any Gold Canyon Retained Subsidiary as lessee or sublessee and due and payable pursuant to the Leases have been duly paid to date and neither Gold Canyon nor any Gold Canyon Retained Subsidiary is otherwise in default in meeting its obligations under any of the Leases and is entitled to all rights and benefits thereunder. No event exists which, but for the passing of time or the giving of notice, or both, would constitute a default by Gold Canyon or any Gold Canyon Retained Subsidiary or, to the knowledge of Gold Canyon, any other party to any Lease and no party to any Lease is claiming any such default or taking any action purportedly based upon any such default.

3.1.22 **Insurance.** Gold Canyon does not maintain any insurance coverage except as disclosed in Schedule 3.1.22 of the Gold Canyon Disclosure Letter. The policies and the coverage disclosed in Schedule 3.1.22 of the Gold Canyon Disclosure Letter are in full force and effect and Gold Canyon is in good standing under each policy and there is no claim outstanding under any such policy.

3.1.23 **Material Agreements.** Except for the Material Agreements listed and described in Schedule 3.1.23 of the Gold Canyon Disclosure Letter, as of the date of this Agreement neither Gold Canyon nor any Gold Canyon Retained Subsidiary is a party to or bound by or subject to any of the following:

- (a) any continuing contract for the purchase of materials, supplies, equipment or services involving, in the case of any such contract, an aggregate of more than \$25,000 over the life of the contract;
- (b) any contract that expires, or may be renewed at the option of any Person other than Gold Canyon or any Gold Canyon Retained Subsidiary so as to expire, more than one year after the date of this Agreement;
- (c) any Debt Instrument;
- (d) any contract limiting the right of Gold Canyon or any Gold Canyon Retained Subsidiary to engage in any line of business or to compete with any other Person;

- (e) any confidentiality, secrecy or non-disclosure contract other than confidentiality agreements substantially in the form provided to First Mining's counsel on or before the date hereof, and Gold Canyon further represents that it has not received any confidential information under any such agreement;
- (f) any agreement or contract by virtue of which any of the Gold Canyon Material Properties were acquired or are held by Gold Canyon or to which the Gold Canyon Material Properties are subject or which grant rights which are or may be used in connection therewith;
- (g) any contract pursuant to which Gold Canyon or any Gold Canyon Retained Subsidiary leases any real property;
- (h) any contract pursuant to which Gold Canyon or any Gold Canyon Retained Subsidiary leases any personal property involving payments by Gold Canyon or any Gold Canyon Retained Subsidiary in excess of an aggregate of \$25,000 annually or involving rights or obligations which cannot be terminated without penalty on less than three months' notice;
- (i) any agreement with an Aboriginal Group;
- (j) any Guarantee;
- (k) any employment contracts with employees and service contracts with independent contractors providing for annual compensation over \$50,000 or any agreements with any executive officer;
- (l) any agreement to indemnify, hold harmless or defend any other Person with respect to any assertion of personal injury, damage to property, misappropriation or violation or warranting the lack thereof; or
- (m) any other agreement, indenture, contract, lease, deed of trust, license, option, instrument or other commitment which is or would reasonably be expected to be material to the Business, properties, assets, operations, condition (financial or otherwise) or prospects of Gold Canyon or any of the Gold Canyon Retained Subsidiaries.

3.1.24 **No Breach of Material Agreements.** Gold Canyon and each of the Gold Canyon Retained Subsidiaries has performed all of the material obligations required to be performed by it, and is entitled to all benefits under, and is not in default in respect of, any Material Agreement to which it is a party. Each of the Material Agreements is: (a) enforceable by Gold Canyon or a Gold Canyon Retained Subsidiary, as applicable, in accordance with its terms (subject to any limitation under bankruptcy, insolvency or other Laws affecting creditors' rights generally and to general principals of equity); (b) in full force and effect, unamended, and there exists no breach thereof or default or event of default or event, occurrence, condition or act with respect to Gold Canyon or any Gold Canyon Retained Subsidiary or, to Gold Canyon's knowledge, with respect to the other contracting

party or otherwise that, with or without the giving of notice, the lapse of time or the happening of any other event or conditions and but for any waiver or extension granted by the other contracting party, would (i) become a default or event of default under any Material Agreement, or (ii) result in the loss or expiration of any right or option by Gold Canyon or any Gold Canyon Retained Subsidiary (or the gain thereof by any third party) under any Material Agreement. Gold Canyon has delivered a true, correct and complete copy of each of the Material Agreements to First Mining.

- 3.1.25 **Legal Proceedings.** There are no claims, actions, suits, complaints, investigations or proceedings (whether private, governmental or otherwise, and whether or not purportedly on behalf of Gold Canyon or any Gold Canyon Subsidiary) in progress, pending, or to the knowledge of Gold Canyon, threatened, against or affecting Gold Canyon or any Gold Canyon Subsidiary (including actions, suits, investigations or proceedings against any directors, officers or employees of Gold Canyon or any Gold Canyon Subsidiary which relate to the Business, affairs, assets or operations of Gold Canyon), at law or in equity, or before or by any Governmental Entity which, individually or in the aggregate, may reasonably be expected to have a Material Adverse Effect. There is no judgment, decree, injunction, ruling, order or award of any Tribunal outstanding against or affecting Gold Canyon or any Gold Canyon Subsidiary. Gold Canyon is not aware of any grounds on which any such action, suit, investigation or proceeding might be commenced with any reasonable likelihood of success, and does not have any present plans or intentions to initiate any litigation, arbitration or other proceedings against any third party.
- 3.1.26 **Compliance with Applicable Laws.** Gold Canyon and each of the Gold Canyon Retained Subsidiaries has conducted and is conducting its Business in compliance in all material respects with all applicable Laws, is not in material breach of any of such Laws which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gold Canyon, and is duly licensed or registered in each jurisdiction in which it owns or leases its property and assets or carries on its Business, so as to enable its Business to be carried on as now conducted and its property and assets to be so owned or leased. Neither Gold Canyon nor any Gold Canyon Retained Subsidiary has received notice of any violation of applicable Laws in any jurisdiction.
- 3.1.27 **Banking Information.** Schedule 3.1.27 of the Gold Canyon Disclosure Letter sets forth and describes:
- (a) the name and location (including municipal address) of each bank, trust company or other institution in which Gold Canyon or any Gold Canyon Retained Subsidiary has an account, money on deposit or a safety deposit box and the name of each Person authorized to draw thereon or to have access thereto; and

- (b) the name of each Person holding a general or special power of attorney from Gold Canyon or the applicable Gold Canyon Retained Subsidiary and a summary of the terms thereof.

3.1.28 **Insolvency.** No act or proceeding has been taken by or against Gold Canyon in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of Gold Canyon or for the appointment of a trustee, receiver, manager or other administrator of Gold Canyon or any of its properties or assets nor, to the knowledge of Gold Canyon, is any such act or proceeding threatened. Gold Canyon has not sought protection under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation. Neither Gold Canyon nor any of its properties or assets is subject to any outstanding judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict, the right or ability of Gold Canyon to conduct its Business in all material respects as it has been carried on prior to the date hereof, or that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or would reasonably be expected to prevent or significantly impede or materially delay the completion of the Arrangement.

3.1.29 **Tax Matters.**

- (a) Save for the requirement to file Tax Returns in respect of income taxes for the current taxation year (which return is not yet due), and any income Tax Return which is required to be filed as a result of or in connection with the transactions contemplated herein, Gold Canyon and each of the Gold Canyon Retained Subsidiaries has duly filed in the prescribed manner and within the prescribed time all Tax Returns required to be filed by it on or before the date hereof with any taxing or regulatory authority to which it is subject and each such Tax Return was complete and accurate at the time filed.
- (b) Gold Canyon and each of the Gold Canyon Retained Subsidiaries has paid all Taxes and installments on account of Taxes that are due and payable by it, and any interest, penalties and fines in connection therewith, properly due and payable, and has paid all of same in connection with all known assessments, reassessments and adjustments.
- (c) Gold Canyon and each of the Gold Canyon Retained Subsidiaries has duly and timely collected all amounts on account of any sales, use or transfer Taxes, including all goods and services, harmonized sales, value added, provincial and territorial taxes and state and local taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by Law to be remitted by it.
- (d) Except as set forth in the Annual Financial Statements of Gold Canyon, there are no Taxes or fines in respect of Taxes claimed by any Governmental Entity against Gold Canyon or any Gold Canyon Retained Subsidiary or which are known to

Gold Canyon to be due and owing by Gold Canyon or any Gold Canyon Retained Subsidiary and, to the knowledge of Gold Canyon, there are no pending or threatened reassessments by any Governmental Entity in respect of Taxes owing by Gold Canyon or any Gold Canyon Retained Subsidiary, and there are no matters of dispute or under discussion with any Governmental Entity relating to Taxes or fines in respect of Taxes asserted by such Governmental Entity against Gold Canyon or any Gold Canyon Retained Subsidiary.

- (e) The Annual Financial Statements of Gold Canyon fully reflect accrued liabilities as at November 30, 2014 for all Taxes which were not yet then due and payable and for which Tax Returns were not yet then required to be filed. There are no actions, suits, investigations or proceedings and no assessment, reassessment or request for information in progress, pending or, to the knowledge of Gold Canyon, threatened against or affecting Gold Canyon in respect of Taxes nor are any issues under discussion with any taxing authority relating to any matters which could result in claims for additional Taxes.
- (f) There are no agreements, waivers or other arrangements made by Gold Canyon or any Gold Canyon Retained Subsidiary providing for an extension of time with respect to any assessment or reassessment of Tax, the filing of any Tax Return or the payment of any Tax by Gold Canyon or any Gold Canyon Retained Subsidiary.
- (g) Gold Canyon and each of the Gold Canyon Retained Subsidiaries has withheld the amount of all Taxes and other deductions required under any applicable Laws to be withheld from each payment made by it and has paid all amounts withheld which are due and payable before the date hereof and all installments of Taxes which are due and payable before the date hereof to the relevant taxing or other authority within the time prescribed under any applicable Laws.
- (h) Gold Canyon has complied with and satisfied all obligations to incur expenses, make required disbursements and renounce to any third party any Canadian exploration expense or Canadian development expense with respect to any flow-through shares of Gold Canyon issued in connection with a “flow-through” financing of Gold Canyon.

3.1.30 **Licences.** Schedule 3.1.29(h) of the Gold Canyon Disclosure Letter sets out a complete and accurate list of all material licenses, permits, approvals, consents, certificates, registrations and authorizations (whether governmental, regulatory or similar type) relating to the Business (the “**Gold Canyon Licences**”), and there are no other material licenses, permits, approvals, consents, certificates, registrations, or authorizations, necessary to carry on its Business as presently carried on or to own or lease any of the material property or assets utilized by Gold Canyon or any Gold Canyon Retained Subsidiary. Each Gold Canyon License is valid and subsisting and in good standing and there is no default or breach of any Gold Canyon License which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gold

Canyon and, to the best of the knowledge of Gold Canyon, no proceeding is pending or threatened to revoke or limit any Gold Canyon License. No Gold Canyon License is non-renewable, expires within 12 months or contains any burdensome term, provision, condition or limitation which has or could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gold Canyon.

3.1.31 **No Business Restrictions.** There is no agreement (non-compete or otherwise), commitment, judgment, injunction, order or decree to which Gold Canyon is party or which is otherwise binding upon Gold Canyon which has or reasonably could be expected to have the effect of prohibiting or impairing any business practice of Gold Canyon, any acquisition of property (tangible or intangible) by Gold Canyon or the conduct of business by Gold Canyon, as currently conducted or proposed to be conducted and which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gold Canyon.

3.1.32 **Liabilities.** There are no material liabilities of Gold Canyon or any Gold Canyon Retained Subsidiary of any kind (whether accrued, absolute, contingent or otherwise and whether matured or unmatured) existing on the date hereof except for:

- (a) liabilities (including liabilities for unpaid Taxes) disclosed on, reflected in or provided for in the Financial Statements;
- (b) liabilities disclosed or referred to in this Agreement;
- (c) liabilities incurred in the ordinary course of business and attributable to the period since May 31, 2015, none of which, individually or in the aggregate, has a Material Adverse Effect on Gold Canyon; and
- (d) liabilities incurred in connection with this Agreement or the transactions contemplated in this Agreement;

which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gold Canyon.

3.1.33 **Environmental.**

- (a) The operation of the Business by Gold Canyon and each of the Gold Canyon Subsidiaries, the property and assets owned or used by Gold Canyon and the Gold Canyon Subsidiaries and the use, maintenance and operation thereof have been and are in compliance with all Environmental Laws. Each of Gold Canyon and the Gold Canyon Subsidiaries has complied, in all material respects, with all reporting and monitoring requirements under all Environmental Laws. Neither Gold Canyon nor any of the Gold Canyon Subsidiaries has received any notice of any non-compliance with any Environmental Laws or Environmental Permits, and none of Gold Canyon or any of the Gold Canyon Subsidiaries have been convicted of an offence of non-compliance with any Environmental Laws or

Environmental Permits or been fined or otherwise sentenced or settled such prosecution short of conviction.

- (b) Gold Canyon and each of the Gold Canyon Subsidiaries has obtained all material Environmental Permits necessary to conduct its Business and to own, use and operate its properties and assets, all such Environmental Permits are in full effect, no appeal or other action is pending to revoke any such Environmental Permit and the operation of the Business of Gold Canyon and each of the Gold Canyon Subsidiaries, the property and assets owned by Gold Canyon and each of the Gold Canyon Subsidiaries and the use, maintenance and operation thereof have been and are, in all material respects, in compliance with all Environmental Permits. To the extent required by applicable Environmental Laws, Gold Canyon and each of the Gold Canyon Subsidiaries has filed all applications necessary to renew or obtain any necessary permits, licenses, or authorizations in a timely fashion so as to allow it to continue to operate its Business in compliance with applicable Environmental Laws, and Gold Canyon does not expect such new or renewed licenses, permits or other authorizations to include any terms or conditions that will have a Material Adverse Effect in respect of Gold Canyon.
- (c) Gold Canyon and each of the Gold Canyon Subsidiaries has, at all times, used, generated, treated, stored, transported, disposed of or otherwise handled its Hazardous Substances, in all material respects, in compliance with all Environmental Laws and Environmental Permits.
- (d) Neither Gold Canyon nor any of the Gold Canyon Subsidiaries is, and, to the knowledge of Gold Canyon, there is no reasonable basis upon which Gold Canyon or any of the Gold Canyon Subsidiaries could become, responsible for any material clean up or corrective action under any Environmental Laws and which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gold Canyon.
- (e) All audits, assessments, investigation reports, studies, plans, regulatory correspondence and similar information with respect to environmental, health and safety matters relating to Gold Canyon or any of the Gold Canyon Subsidiaries have been made available to First Mining and are listed in Schedule 3.1.33 of the Gold Canyon Disclosure Letter.
- (f) There are no past or present (or, to the best of Gold Canyon's knowledge, future) events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent compliance or continued compliance by Gold Canyon and each of the Gold Canyon Subsidiaries with the Environmental Laws as in effect on the date hereof or which may give rise to any liability under the Environmental Laws, or otherwise form the basis of any claim, action, demand, suit, proceeding, hearing, notice of violation, study or investigation, based on or related to the manufacture, generation, processing, distribution, use, treatment, storage, disposal, transport or handling, or the Release or threatened Release into the indoor or outdoor environment by Gold Canyon or any of the Gold Canyon

Subsidiaries of any Hazardous Substances which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Gold Canyon.

3.1.34 **Intellectual Property.**

- (a) Gold Canyon or the Gold Canyon Retained Subsidiaries owns or has the valid right to use all trade-marks, service marks, and trade names used by Gold Canyon and the Gold Canyon Retained Subsidiaries in connection with the Business.
- (b) To the knowledge of Gold Canyon, the operation of the Business does not infringe or misappropriate the intellectual property rights of any Person, violate the rights of any Person (including rights to privacy or publicity) or constitute unfair competition or trade practices under the Laws of any applicable jurisdiction.

3.1.35 **Advisory Fees; Third Party Expenses.** Except for the accountants, lawyers and investment bankers of Gold Canyon retained to negotiate, advance, carry out and complete the transactions contemplated herein, there is no investment banker, broker, finder or other intermediary or advisor that has been retained by or is authorized to act on behalf of Gold Canyon, any Gold Canyon Subsidiary or any of their respective directors, officers or shareholders who might be entitled to any fee, commission or reimbursement of expenses from Gold Canyon or any Gold Canyon Subsidiary upon consummation of the transactions contemplated by this Agreement.

3.1.36 **Corrupt Practices.** None of Gold Canyon, any of the Gold Canyon Retained Subsidiaries, nor to the knowledge of Gold Canyon, any of their respective Representatives has taken, directly or indirectly any action which would cause Gold Canyon or any of the Gold Canyon Retained Subsidiaries or affiliates to be in violation of the United States Foreign Corrupt Practices Act of 1977, as amended (and the regulations promulgated thereunder), the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (and the regulations promulgated thereunder), or any applicable Laws of similar effect of any other jurisdiction (collectively, the “**Anti-Corruption Laws**”) and to the knowledge of Gold Canyon no such action has been taken by any of its Representatives or affiliates. Gold Canyon and the Gold Canyon Retained Subsidiaries have conducted their businesses in compliance with Anti-Corruption Laws and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

3.1.37 **Aboriginal Affairs.**

- (a) There is no Aboriginal Claim of which Gold Canyon has received notice, which has been made or threatened with respect to any Gold Canyon Material Property

or any authorization issued by any Governmental Entity in respect of, or otherwise related to Gold Canyon or any Gold Canyon Material Property.

- (b) To the knowledge of Gold Canyon, no other Person, including Persons representing or purporting to represent an Aboriginal Group, and no Aboriginal Group, has asserted any right or interest of any kind whatsoever, relating to any of the Gold Canyon Material Properties.
- (c) Schedule 3.1.37 of the Gold Canyon Disclosure Letter sets out all agreements between Gold Canyon and any Aboriginal Group. To the knowledge of Gold Canyon, all existing agreements, memoranda of understanding and similar arrangements with Aboriginal Groups are in full force and effect and there has been no assertion that Gold Canyon or any Gold Canyon Retained Subsidiary is in breach or default under any such arrangements. There are no material ongoing or outstanding discussions, negotiations or similar communications with or by any Aboriginal Group concerning Gold Canyon or any Gold Canyon Subsidiary or their respective business, operations or assets.
- (d) Neither Gold Canyon nor any of the Gold Canyon Retained Subsidiaries has received any notice, whether written or oral from any Governmental Entity, Aboriginal Group or any Persons representing or purporting to represent an Aboriginal Group of the exercise or assertion of any Aboriginal Claim in the area of the Gold Canyon Material Properties or of an impact on any asserted Aboriginal Claim involving any works on the Gold Canyon Material Properties.
- (e) Since June 30, 2013, there has not been any blockade or other program of civil disobedience undertaken by any Aboriginal Group with respect to the Gold Canyon Material Properties or otherwise affecting the Gold Canyon Material Properties, or to the knowledge of Gold Canyon has any responsible official of any Aboriginal Group since June 30, 2013, threatened Gold Canyon with any blockade or other program of civil disobedience with respect to the Gold Canyon Material Properties or which could reasonably be expected to affect the Gold Canyon Material Properties.

3.1.38 **Non-Governmental Organizations and Community Groups.** No material dispute between Gold Canyon or any of the Gold Canyon Retained Subsidiaries and any non-governmental organization, community, community group, civil organization or Aboriginal Group exists or, to the best of Gold Canyon's knowledge, is threatened or imminent with respect to any of Gold Canyon's or any of the Gold Canyon Retained Subsidiaries' properties or exploration activities. Gold Canyon has provided First Mining and First Mining's Representatives with full and complete access to all material correspondence received by Gold Canyon, the Gold Canyon Retained Subsidiaries or their Representatives from any non-governmental organization, community, community group, civil organization or Aboriginal Group.

3.1.39 **No Option on Assets.** Except as set out in Schedule 3.1.39 of the Gold Canyon Disclosure Letter, no Person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from Gold Canyon or the Gold Canyon Retained Subsidiaries of any of the material assets of Gold Canyon or any of the Gold Canyon Retained Subsidiaries other than pursuant to the transactions contemplated in this Agreement.

3.1.40 **Fairness Opinion and Recommendation.** As of the date hereof:

- (a) Maxit Capital LP has delivered an oral opinion to the Gold Canyon Board, to the effect that as of the date of such opinion, subject to the scope of review, assumptions and limitations described in such opinion, that the Consideration is fair from a financial point of view to the Gold Canyon Shareholders (other than First Mining and its affiliates);
- (b) the Gold Canyon Board has determined, after receiving financial and legal advice, that the Arrangement is fair to the Gold Canyon Shareholders (other than First Mining and its affiliates) and in the best interests of Gold Canyon;
- (c) the Gold Canyon Board has decided to recommend that the Gold Canyon Shareholders vote in favour of the Arrangement Resolution; and
- (d) all of Gold Canyon's directors have advised Gold Canyon that they intend to vote the Gold Canyon Securities held by them in favour of the Arrangement and will, accordingly, so represent in the Circular.

3.1.41 **Other Negotiations.** Neither Gold Canyon nor any Gold Canyon Subsidiary (a) has entered into any agreement that conflicts with any of the transactions contemplated by this Agreement, or (b) has entered into any agreement or had any discussions with any Person regarding any transaction involving Gold Canyon or any Gold Canyon Subsidiary which could reasonably be expected to result in any of First Mining, Gold Canyon, any Gold Canyon Subsidiary or to the knowledge of Gold Canyon any of their respective officers, directors or employees being subject to any claim for liability to such Person as a result of entering into this Agreement or consummating the transactions contemplated hereby.

3.1.42 **No Collateral Benefits.** To the knowledge of Gold Canyon, no related party of Gold Canyon:

- (a) is a party to any connected transaction to the Arrangement; or
- (b) is entitled to receive as a consequence of the Arrangement or the other transactions contemplated by this Agreement any collateral benefit.

The terms “**related party**”, “**connected transaction**” and “**collateral benefit**” are used in this paragraph as defined in MI 61-101.

3.1.43 **Full Disclosure.** The Gold Canyon Information Record, the Gold Canyon Datasite Information and the Gold Canyon Disclosure Letter taken together disclose all material facts related to Gold Canyon, the Gold Canyon Subsidiaries and their respective businesses, financial conditions, assets, liabilities and operations. The representations and warranties of Gold Canyon contained in this Agreement, the statements of Gold Canyon contained in the Gold Canyon Disclosure Letter and in any certificate furnished to First Mining pursuant to any provision of this Agreement and the information included in the Gold Canyon Datasite Information, taken together with the Gold Canyon Information Record, are true and correct in all material respects and do not contain any misrepresentation.

3.2 **Representations and Warranties of First Mining.** Except as disclosed in the First Mining Disclosure Letter (which, except as expressly stated therein, shall make reference to the applicable section below in respect of which such qualification is being made), First Mining represents and warrants to and in favour of Gold Canyon as follows and acknowledges that Gold Canyon is relying upon such representations and warranties in connection with the transactions herein contemplated:

3.2.1 **Incorporation and Organization.**

- (a) First Mining is a corporation duly incorporated under the laws of its jurisdiction of incorporation, is validly subsisting, has full corporate and legal power and authority to own, lease and operate the properties currently owned, leased and operated by it and to conduct its business as currently conducted and is in good standing with respect to the filing of annual returns or the equivalent.
- (b) First Mining is duly qualified or licensed to do business and is in good standing as a foreign corporation or organization authorized to do business in all jurisdictions in which the character of the properties owned, leased or operated or the nature of the business conducted by it would make such qualification or licensing necessary except as would not, individually or in the aggregate, be reasonably expected to result in a Material Adverse Effect with respect to First Mining.
- (c) True and complete copies of the constating documents of First Mining have been provided to Gold Canyon and no amendments to such constating documents have been authorized which have not been provided to Gold Canyon.

3.2.2 **Capitalization.**

- (a) The authorized capital of First Mining consists of an unlimited number of First Mining Shares. As of the close of business on August 31, 2015, the number of issued and outstanding First Mining Shares; First Mining Shares which are or will become issuable upon exercise of outstanding First Mining Options as at the Effective Date; and First Mining Shares which are or will become issuable upon exercise of outstanding First Mining Warrants are set forth in Schedule 3.1.2 of the First Mining Disclosure Letter. No First Mining Shares are held in treasury or

authorized or reserved for issuance, other than upon the exercise of the First Mining Options and the First Mining Warrants.

- (b) All outstanding First Mining Shares have been duly authorized and are validly issued, are fully paid and non-assessable and were issued in compliance with the articles of First Mining and all applicable Laws. There are, and have been, no preemptive rights relating to the allotment or issuance of any of the issued and outstanding First Mining Shares.
- (c) Other than the First Mining Options and First Mining Warrants, no Person has any other agreement, option, commitment, arrangement, or any other right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment (including any such right or privilege under convertible securities, warrants or convertible obligations of any nature) for the purchase, subscription, allotment or issuance of, or conversion into, any of the unissued shares or any other securities of First Mining.
- (d) The Consideration Shares to be issued pursuant to the Arrangement and the First Mining Shares issuable upon the exercise from time to time of the Replacement Warrants and Replacement Options in accordance with their respective terms, will, when issued and delivered be duly and validly issued by First Mining on their respective dates of issue as fully paid and non-assessable shares and will not be issued in violation of the terms of any agreement or other understanding binding upon First Mining at the time that such shares are issued and will be issued in compliance with the constating documents of First Mining and all applicable Laws. As of the Effective Date, all of the Replacement Warrants will be outstanding as duly authorized and validly existing warrants to acquire First Mining Shares and all of the Replacement Options will be outstanding as duly authorized and validly existing options to acquire First Mining Shares, none of which will be issued in violation of the terms of any agreement or other understanding binding upon First Mining at the time at which they are issued. The Replacement Options will be issued in compliance with the First Mining Option Plan and subject to the terms and conditions of the First Mining Option Plan including those relating to accelerated expiry of First Mining stock options on account of early termination after ceasing to hold office or ceasing to be an employee or consultant
- (e) There are no outstanding bonds, debentures or other evidences of indebtedness of First Mining having the right to vote (or that are convertible for or exercisable into securities having the right to vote) with the holders of the First Mining Shares on any matter.

3.2.3 **Authority and No Violation.**

- (a) First Mining has all requisite corporate power and authority to enter into this Agreement and the documents required to be executed by it in connection with the transactions contemplated herein, to perform its obligations hereunder and to

consummate the Arrangement and the other transactions contemplated by this Agreement. The execution and delivery of this Agreement by First Mining and such other documents by First Mining and the consummation by First Mining of the transactions contemplated by this Agreement (including the Arrangement) and such other documents have been duly authorized by its board of directors and no other corporate proceedings on its part are necessary to authorize this Agreement or the transactions contemplated hereby, other than with respect to the implementation of the Arrangement, the approval of its board of directors.

- (b) This Agreement has been duly executed and delivered by First Mining and constitutes a legal, valid and binding obligation, enforceable against First Mining in accordance with its terms, subject to bankruptcy, insolvency and other similar Laws affecting creditors' rights generally, and to general principles of equity. The execution and delivery by First Mining of this Agreement and the performance by First Mining of its obligations hereunder and the completion of the transactions contemplated hereby, do not and will not:
 - (i) conflict with, result in a violation or breach of, constitute a default or require any consent (other than as has already been obtained), to be obtained under, or give rise to any termination rights or payment obligation under, any provision of:
 - (A) the notice of articles or articles of First Mining;
 - (B) any applicable Laws, subject to obtaining authorization for listing of the Consideration Shares and the First Mining Shares issuable upon exercise of the Replacement Warrants and the Replacement Options on the TSX-V; or
 - (C) any license or registration or any agreement, contract or commitment, written or oral, which First Mining is a party to or bound by or subject to;
 - (ii) give rise to any right of termination or acceleration of indebtedness of First Mining, or cause any third party indebtedness to come due before its stated maturity; or
 - (iii) result in the imposition of any Encumbrance upon any of its assets or the assets of any of the First Mining Material Subsidiaries, or restrict, hinder, impair or limit its ability to carry on its business as and where it is now being carried on or as and where it may be carried on in the future.
- (c) No consent, approval, order, registration, notice, declaration or filing with, any Governmental Entity or other Person is required to be obtained by First Mining in connection with the execution and delivery of this Agreement or any of the other documents contemplated hereby, or the consummation by First Mining of the transactions contemplated hereby or thereby other than:

- (i) obtaining authorization for listing of the Consideration Shares and the First Mining Shares issuable and upon exercise of the Replacement Warrants and the Replacement Options on the TSX-V;
- (ii) as required by the Interim Order;
- (iii) the Final Order; and
- (iv) any other consents, approvals, orders, authorizations, declarations or filings, if not obtained, would not individually or in the aggregate have a Material Adverse Effect on First Mining.

3.2.4 **No Defaults.** Neither First Mining nor any First Mining Material Subsidiary is in default under, and there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by First Mining under any contract, agreement or license that is material to the conduct of the business of First Mining or any First Mining Material Subsidiary to which any of them is a party or by which any of them is bound that would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on First Mining.

3.2.5 **First Mining Material Subsidiaries.** Schedule 3.2.5 of the First Mining Disclosure Letter sets out a list of all the subsidiaries of First Mining (the “**First Mining Subsidiaries**”). Other than certain shares in the capital of Minera Teocuitla S.A. de C.V. which are held by Raul Diaz as nominee in trust for First Mining, First Mining or one or more of the First Mining Material Subsidiaries is the sole beneficial and registered owner of all of the outstanding shares in the capital of each of the First Mining Material Subsidiaries with, except pursuant to restrictions on transfer contained in the articles, charters, by-laws or constating documents (or their equivalent) of each of the First Mining Material Subsidiaries, good and marketable title thereto, free and clear of all Encumbrances. No Person has any other agreement, option, commitment, arrangement, or any other right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment (including any such right or privilege under convertible securities, warrants or convertible obligations of any nature) for the purchase, subscription, allotment or issuance of, or conversion into, any of the issued or unissued shares or any other securities of any of the First Mining Material Subsidiaries or the purchase or other acquisition from any of the First Mining Material Subsidiaries of any of their undertakings, business or assets.

3.2.6 **Reporting Issuer; Public Documents.**

- (a) First Mining is a reporting issuer in the provinces of British Columbia, Alberta and Ontario, and is not on the list of reporting issuers in default under applicable Securities Laws.
- (b) First Mining is not subject to the reporting requirements of the U.S. Exchange Act.

- (c) The First Mining Shares are listed and posted for trading on the TSX-V and the Frankfurt Stock Exchange and are quoted on the OTCQB. The First Mining Shares are not listed or quoted on any other market. First Mining is in compliance in all material respects with the rules and policies of the TSX-V.
- (d) First Mining is not subject to any cease trade or other order of any Governmental Entity, and, to the knowledge of First Mining, no inquiry, review or investigation (formal or informal) or other proceedings involving First Mining that may operate to prevent or restrict trading of any securities of First Mining are currently in progress or pending before any Governmental Entity.
- (e) First Mining has filed all documents required to be filed by it in accordance with applicable Securities Laws and the rules and policies of the TSX-V. The First Mining Information Record includes a true and complete copy of all forms, reports, statements, certifications, and other documents required to be filed by First Mining. Such forms, reports, statements, certifications, and other documents, at the time filed or, if amended, as of the date of such amendment: (i) did not contain any misrepresentation; and (ii) complied in all material respects with the requirements of applicable Securities Laws except where such non-compliance has not had or would not reasonably be expected to have a Material Adverse Effect on First Mining. First Mining has not filed any confidential material change or other report or other document with any Securities Authorities, the TSX-V or other self-regulatory authority which at the date hereof remains confidential.

3.2.7 **Financial Matters.**

- (a) The Financial Statements of First Mining, including the notes thereto, included in the First Mining Information Record comply as to form and content in all material respects with applicable Laws with respect thereto, have been, and all financial statements of First Mining which are publicly disseminated in respect of subsequent periods prior to the Effective Date will be, prepared in accordance with IFRS consistently applied (except as may be indicated in the notes) and present fairly in all material respects the consolidated financial position of First Mining at the dates thereof and the consolidated results of its operations and cash flows for the periods then ended (subject, in the case of unaudited financial statements, to normal year-end adjustments).
- (b) First Mining has no knowledge of any material adjustments, potential liabilities or obligations, which individually or in the aggregate have not been reflected in its Annual Financial Statements, other than liabilities, indebtedness and obligations incurred by First Mining and/or the First Mining Material Subsidiaries in the ordinary course of business, or as contemplated in this Agreement or as disclosed in Schedule 3.2.7 of the First Mining Disclosure Letter.

3.2.8 **Business Carried on in Ordinary Course.** The Business has been carried on in the ordinary course since December 31, 2014 and since such date:

- (a) there has not been any event, occurrence, development or state of circumstances or facts which has had or is reasonably likely to give rise to a Material Adverse Effect with respect to First Mining;
- (b) there has not been any material write-down by First Mining of any assets of First Mining or the First Mining Material Subsidiaries;
- (c) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise and whether matured or unmatured) which has had or is reasonably likely to have a Material Adverse Effect with respect to First Mining has been incurred;
- (d) neither First Mining nor any First Mining Subsidiary has made any change in accounting policies, principles, methods, practices or procedures (including for bad debts, contingent liabilities or otherwise); and
- (e) neither First Mining nor any First Mining Subsidiary has agreed, announced, resolved or committed to do any of the foregoing.

3.2.9 **Accuracy of Books and Records.** The financial books and records of First Mining and each of the First Mining Material Subsidiaries accurately and fairly set out and disclose in all material respects, in accordance with IFRS, its financial position as at the date hereof and all material financial transactions have been accurately recorded in such books and records on a consistent basis and in conformity with IFRS. All records, systems, controls, data or information (including any digital, electronic, mechanical, photographic or other technological process or device whether computerized or not) required to operate the Business are in the full possession and control of and are owned exclusively by First Mining or the First Mining Material Subsidiaries.

3.2.10 **Guarantees.** Neither First Mining nor any First Mining Subsidiary is a party to or bound by or subject to any Guarantee of the indebtedness of any other Person.

3.2.11 **Real Property.** Neither First Mining nor any First Mining Material Subsidiary owns, has any interest in, or is a party to or bound by or subject to any agreement, contract or commitment, or any option to purchase, any real or immovable property.

3.2.12 **Mineral Rights.**

- (a) The First Mining Material Properties are accurately described in Exhibit D, which contains a complete description of the claims, licenses, permits, agreements and other rights comprising First Mining's interest in the First Mining Material Properties. First Mining and the First Mining Material Subsidiaries have sole title, free and clear of any title defect or Encumbrance, to the First Mining Material Properties, except as described in Schedule 3.2.12 of the First Mining Disclosure Letter.

- (b) All of the First Mining Material Properties have been properly located and recorded in compliance with applicable Law and are valid and subsisting.
- (c) The First Mining Material Properties are in good standing under applicable Law and, to the knowledge of First Mining, all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, royalties, rentals, fees, expenditures and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made.
- (d) Neither First Mining nor any of the First Mining Material Subsidiaries (to the knowledge of First Mining, with respect to Coastal) has elected or refused to participate in any exploration, development or other operations with respect to the First Mining Material Properties which has or may give rise to any penalties, forfeitures or reduction of its interest by virtue of any conversion or other alteration occurring under the title and operating documents which govern the First Mining Material Properties.
- (e) To First Mining's knowledge, there is no material adverse claim against or challenge to the title to or ownership of the First Mining Material Properties. First Mining is not aware of any defects, failures or impairments in the title of First Mining or the First Mining Material Subsidiaries to any of the First Mining Material Properties whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which in aggregate could have a Material Adverse Effect in respect of First Mining.
- (f) There are no back-in rights, earn-in rights, farm-in rights, streaming arrangements, purchase options, rights of first refusal or similar provisions or rights or any agency marketing fees, volume or production based payments or any other arrangements or payments (actual or contingent) which would affect or entitle any Person to receive any payment in connection with First Mining's or any of the First Mining Material Subsidiaries' interest in the First Mining Material Properties or the production or sale of minerals therefrom.
- (g) There are no material restrictions on the ability of First Mining or any of the First Mining Material Subsidiaries to use, transfer or exploit any of the First Mining Material Properties, except pursuant to the applicable Laws and each lease, contract or other agreement pertaining to the First Mining Material Properties, which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on First Mining.
- (h) First Mining and each of the First Mining Material Subsidiaries has duly and timely satisfied all of the obligations required to be satisfied, performed and observed by it under, and there exists no default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default by First Mining or any First Mining Material Subsidiary under any agreement pertaining to the First Mining Material Properties or to their other

respective material assets or properties and each such lease, contract or other agreement is enforceable and in full force and effect.

- (i) Subject to the rights, covenants, conditions and stipulations in the title documents and any agreement pertaining to its assets or properties (including the First Mining Material Properties) and on the lessee's or holder's part thereunder to be paid or performed and observed, First Mining and each of the First Mining Material Subsidiaries may enter into and upon, hold and enjoy its respective property and assets (including the First Mining Material Properties) for the remainder of their respective material terms and all renewals or extensions thereof for its own use and benefit without any lawful interruption of or by any other Person.
- (j) First Mining and the First Mining Material Subsidiaries have those surface rights, including leases, easements, rights of way and permits or licences from landowners or Governmental Entities permitting the use of land by First Mining and the First Mining Material Subsidiaries, and other interests that are required to explore and develop the First Mining Material Properties based on current operations and no third party or group holds any such rights that would be required by First Mining to develop the First Mining Material Properties.
- (k) Neither First Mining nor any of the First Mining Material Subsidiaries has received any notice, whether written or oral, from any Governmental Entity of any revocation or intention to revoke any interest of First Mining or a First Mining Material Subsidiary in any of the First Mining Material Properties.
- (l) First Mining has provided Gold Canyon with access to full and complete copies of all material exploration information and data within its possession or control including, without limitation, all geological, geophysical and geochemical information and data (including all drill, sample and assay results and all maps) and all technical reports, feasibility studies and other similar reports and studies concerning the First Mining Material Properties, and First Mining and the First Mining Material Subsidiaries have the sole right, title and ownership of all such information, data, reports and studies.

3.2.13 **Technical Reports; Mineral Reserves and Resources.** The technical report prepared for First Mining entitled "Geology & Mineralization at the Miranda Gold Property, Sonora State, Northern Mexico" dated October 15, 2014 (the "**First Mining Technical Report**"), has been prepared and disclosed in all material respects in accordance with accepted mining, engineering, geoscience and other approved industry practices and all applicable Laws, including the requirements of NI 43-101. There has been no material reduction in the aggregate amount of estimated mineral resources of First Mining from the amounts disclosed in the First Mining Information Record. All material information regarding the First Mining Material Properties, including drill results, technical reports and studies, that are required to be disclosed by Laws, have (to the best of the knowledge of First Mining with respect to the property referred to as the

“Hope Brook Property”) been disclosed in the First Mining Information Record except where an omission of such disclosure may not reasonably, individually or in the aggregate, be reasonably expected to result in a Material Adverse Effect with respect to First Mining.

3.2.14 **Operational Matters.** Except as would not, individually or in the aggregate, be reasonably expected to result in a Material Adverse Effect with respect to First Mining:

- (a) all rentals, royalties, overriding royalty interests, production payments, net profit interests, burdens, payments and obligations due and payable, or to be performed, as the case may be, on or prior to the date hereof under, with respect to, or on account of, any direct or indirect assets of First Mining or the First Mining Material Subsidiaries have been duly paid, duly performed, or otherwise provided for prior to the date hereof;
- (b) all costs, expenses, and liabilities payable on or prior to the date hereof under the terms of any contracts and agreements to which First Mining or any of the First Mining Material Subsidiaries is directly or indirectly bound have been properly and timely paid, except for such expenses that are being currently paid prior to delinquency in the ordinary course of business;
- (c) to the knowledge of First Mining, as of the date of this Agreement there are no operational, geotechnical, geochemical or structural issues, social conflicts or limitations to surface rights, relating to the exploration and development of the First Mining mineral properties; and
- (d) any and all operations of First Mining and each of the First Mining Material Subsidiaries (to the knowledge of First Mining with respect to Coastal) and, to the knowledge of First Mining, any and all operations by third parties, on or in respect of the First Mining Material Properties, have been conducted in accordance with reasonable and prudent international mining industry practices and in compliance with applicable Laws.

3.2.15 **Material Agreements.** Except for the Material Agreements listed and described in Schedule 3.2.15 of the First Mining Disclosure Letter, as of the date of this Agreement neither First Mining nor any First Mining Material Subsidiary is a party to or bound by or subject to any of the following:

- (a) any continuing contract for the purchase of materials, supplies, equipment or services involving, in the case of any such contract, an aggregate of more than \$25,000 over the life of the contract;
- (b) any contract that expires, or may be renewed at the option of any Person other than First Mining or any First Mining Material Subsidiary so as to expire, more than one year after the date of this Agreement;
- (c) any Debt Instrument;

- (d) any contract limiting the right of First Mining or any First Mining Material Subsidiary to engage in any line of business or to compete with any other Person;
- (e) any confidentiality, secrecy or non-disclosure contract other than confidentiality agreements substantially in the form provided to First Mining's counsel on or before the date hereof, and First Mining further represents that it has not received any confidential information under any such agreement;
- (f) any agreement or contract by virtue of which any of the First Mining Material Properties were acquired or are held by First Mining or the First Mining Subsidiaries or to which the First Mining Mineral Rights are subject or which grant rights which are or may be used in connection therewith;
- (g) any contract pursuant to which First Mining or any First Mining Material Subsidiary leases any real property;
- (h) any contract pursuant to which First Mining or any First Mining Material Subsidiary leases any personal property involving payments by First Mining or any First Mining Material Subsidiary in excess of an aggregate of \$25,000 annually or involving rights or obligations which cannot be terminated without penalty on less than three months' notice;
- (i) any agreement with an Aboriginal Group;
- (j) any Guarantee;
- (k) any employment contracts with employees and service contracts with independent contractors providing for annual compensation over \$50,000 or any agreements with any executive officer;
- (l) any agreement to indemnify, hold harmless or defend any other Person with respect to any assertion of personal injury, damage to property, misappropriation or violation or warranting the lack thereof; or
- (m) any other agreement, indenture, contract, lease, deed of trust, license, option, instrument or other commitment which is or would reasonably be expected to be material to the Business, properties, assets, operations, condition (financial or otherwise) or prospects of First Mining or any of the First Mining Material Subsidiaries.

3.2.16 **No Breach of Material Agreements.** First Mining and each of the First Mining Material Subsidiaries has performed all of the material obligations required to be performed by it, and is entitled to all benefits under, and is not in default in respect of, any Material Agreement to which it is a party. Except as disclosed in section 3.2.16 of the First Mining Disclosure Letter, each of the Material Agreements is: (i) enforceable by First Mining or a subsidiary of First Mining, as applicable, in accordance with its terms (subject to any limitation under bankruptcy, insolvency or other Laws affecting creditors' rights generally and to

general principals of equity); (ii) is in full force and effect, unamended, and there exists no breach thereof or default or event of default or event, occurrence, condition or act with respect to First Mining or any First Mining Material Subsidiary or, to First Mining's knowledge, with respect to the other contracting party or otherwise that, with or without the giving of notice, the lapse of time or the happening of any other event or conditions, would (a) become a default or event of default under any Material Agreement, or (b) result in the loss or expiration of any right or option by First Mining or any First Mining Material Subsidiary (or the gain thereof by any third party) under any Material Agreement.

- 3.2.17 **Legal Proceedings.** There are no claims, actions, suits, complaints, investigations or proceedings (whether private, governmental or otherwise, and whether or not purportedly on behalf of First Mining or any First Mining Subsidiary) in progress, pending, or to the knowledge of First Mining, threatened, against or affecting First Mining or any First Mining Subsidiary (including actions, suits, investigations or proceedings against any directors, officers or employees of First Mining or any First Mining Subsidiary which relate to the business, affairs, assets or operations of First Mining), at law or in equity, or before or by any Governmental Entity which, individually or in the aggregate, may reasonably be expected to have a Material Adverse Effect on First Mining. There is no judgment, decree, ruling, order or award of any Tribunal outstanding against or affecting First Mining or any First Mining Subsidiaries. First Mining is not aware of any grounds on which any such action, suit, investigation or proceeding might be commenced with any reasonable likelihood of success.
- 3.2.18 **Compliance with Applicable Laws.** First Mining and each of the First Mining Material Subsidiaries has conducted (to the knowledge of First Mining with respect to Coastal) and is conducting its business in compliance in all material respects with all applicable Laws, in each jurisdiction in which its business is carried on, is not in material breach of any of such Laws which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on First Mining, and is duly licensed or registered in each jurisdiction in which it owns or leases its property and assets or carries on its business, so as to enable its business to be carried on as now conducted and its property and assets to be so owned or leased.
- 3.2.19 **Insolvency.** No act or proceeding has been taken by or against First Mining or any First Mining Material Subsidiary in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of First Mining or any First Mining Material Subsidiary or for the appointment of a trustee, receiver, manager or other administrator of First Mining or any First Mining Material Subsidiary or any of their respective properties or assets nor, to the knowledge of First Mining, is any such act or proceeding threatened. Neither First Mining nor any First Mining Material Subsidiary has sought protection under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation. Neither First Mining nor any First Mining Material Subsidiary nor any of their respective properties or assets is subject to any outstanding

judgment, order, writ, injunction or decree that involves or may involve, or restricts or may restrict, the right or ability of First Mining or any First Mining Material Subsidiary to conduct its Business in all material respects as it has been carried on prior to the date hereof, or that has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or would reasonably be expected to prevent or significantly impede or materially delay the completion of the Arrangement.

3.2.20 Tax Matters.

- (a) Save for the requirement to file Tax Returns in respect of income taxes for the current taxation year (which return is not yet due), and any income Tax Return which is required to be filed as a result of or in connection with the transactions contemplated herein, First Mining and each of the First Mining Material Subsidiaries (to the knowledge of First Mining, with respect to Coastal) has duly filed in the prescribed manner and within the prescribed time all Tax Returns required to be filed by it on or before the date hereof with any taxing or regulatory authority to which it is subject and each such Tax Return was complete and accurate at the time filed.
- (b) First Mining and each of the First Mining Material Subsidiaries (to the knowledge of First Mining, with respect to Coastal) has paid all Taxes and installments on account of Taxes that are due and payable by it, and any interest, penalties and fines in connection therewith, properly due and payable, and has paid all of same in connection with all known assessments, reassessments and adjustments.
- (c) Each of First Mining and the First Mining Material Subsidiaries (to the knowledge of First Mining, with respect to Coastal) has duly and timely collected all amounts on account of any sales, use or transfer Taxes, including all goods and services, harmonized sales, value added, provincial and territorial taxes and state and local taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by Law to be remitted by it.
- (d) Except as set forth in the Annual Financial Statements of First Mining, there are no Taxes or fines in respect of Taxes claimed by any Governmental Entity against First Mining or any First Mining Material Subsidiary or which are known to First Mining to be due and owing by First Mining or any First Mining Material Subsidiary and, to the knowledge of First Mining, there are no pending or threatened reassessments by any Governmental Entity in respect of Taxes owing by First Mining or any First Mining Material Subsidiary, and there are no matters of dispute or under discussion with any Governmental Entity relating to Taxes or fines in respect of Taxes asserted by such Governmental Entity against First Mining or any First Mining Material Subsidiary.
- (e) The Annual Financial Statements of First Mining fully reflect accrued liabilities as at December 31, 2014 for all Taxes which were not yet then due and payable

and for which Tax Returns were not yet then required to be filed. There are no actions, suits, investigations or proceedings and no assessment, reassessment or request for information in progress, pending or, to the knowledge of First Mining, threatened against or affecting First Mining in respect of Taxes nor are any issues under discussion with any taxing authority relating to any matters which could result in claims for additional Taxes.

- (f) There are no agreements, waivers or other arrangements made by First Mining or any First Mining Material Subsidiary providing for an extension of time with respect to any assessment or reassessment of Tax, the filing of any Tax Return or the payment of any Tax by First Mining or any First Mining Material Subsidiary.
- (g) First Mining and each of the First Mining Material Subsidiaries (to the knowledge of First Mining, with respect to Coastal) has withheld the amount of all Taxes and other deductions required under any applicable Laws to be withheld from each payment made by it and has paid all amounts withheld which are due and payable before the date hereof and all installments of Taxes which are due and payable before the date hereof to the relevant taxing or other authority within the time prescribed under any applicable Laws.

3.2.21 **Licences.** Schedule 3.2.21 of the First Mining Disclosure Letter sets out a complete and accurate list of all material licenses, permits, approvals, consents, certificates, registrations and authorizations (whether governmental, regulatory or similar type) relating to the Business (the “**First Mining Licences**”), and there are no other material licenses, permits, approvals, consents, certificates, registrations, or authorizations, necessary to carry on its Business as presently carried on or to own or lease any of the material property or assets utilized by First Mining or any First Mining Material Subsidiary. Each First Mining License is valid and subsisting and in good standing and there is no default or breach of any First Mining License which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on First Mining and, to the best of the knowledge of First Mining, no proceeding is pending or threatened to revoke or limit any First Mining License. No First Mining License is non-renewable, expires within 12 months or contains any burdensome term, provision, condition or limitation which has or could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on First Mining or its Business.

3.2.22 **Liabilities.** There are no material liabilities of First Mining or any First Mining Material Subsidiary of any kind (whether accrued, absolute, contingent or otherwise and whether matured or unmatured) existing on the date hereof except for:

- (a) liabilities (including liabilities for unpaid Taxes) disclosed on, reflected in or provided for in the Financial Statements;
- (b) liabilities disclosed or referred to in this Agreement;

- (c) liabilities incurred in the ordinary course of business and attributable to the period since June 30, 2015, none of which, individually or in the aggregate, has a Material Adverse Effect on First Mining; and
- (d) liabilities incurred in connection with this Agreement or the transactions contemplated in this Agreement,

which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on First Mining.

3.2.23 Environmental.

- (a) The operation of the First Mining Material Properties by First Mining and the First Mining Subsidiaries (to the knowledge of First Mining, with respect to Coastal) and the use, maintenance and operation thereof have been and are in compliance with all Environmental Laws. Each of First Mining and the First Mining Subsidiaries has complied, in all material respects, with all reporting and monitoring requirements under all Environmental Laws. Neither First Mining nor any of the First Mining Subsidiaries has received any notice of any non-compliance with any Environmental Laws or Environmental Permits, and none of First Mining or any of the First Mining Subsidiaries have been convicted of an offence of non-compliance with any Environmental Laws or Environmental Permits or been fined or otherwise sentenced or settled such prosecution short of conviction.
- (b) All audits, assessments, investigation reports, studies, plans, regulatory correspondence and similar information with respect to environmental, health and safety matters relating to the First Mining Material Properties have been made available to Gold Canyon and are described in Schedule 3.2.23 of the First Mining Disclosure Letter.
- (c) There are no past or present (or, to the best of First Mining's knowledge, future) events, conditions, circumstances, activities, practices, incidents, actions or plans which may interfere with or prevent compliance or continued compliance by First Mining and each of the First Mining Subsidiaries with the Environmental Laws as in effect on the date hereof or which may give rise to any liability under the Environmental Laws, or otherwise form the basis of any claim, action, demand, suit, proceeding, hearing, notice of violation, study or investigation, based on or related to the manufacture, generation, processing, distribution, use, treatment, storage, disposal, transport or handling, or the Release or threatened Release into the indoor or outdoor environment by First Mining or any of the First Mining Subsidiaries of any Hazardous Substances which would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on First Mining.

3.2.24 Corrupt Practices. None of First Mining, any of the First Mining Material Subsidiaries (to the knowledge of First Mining, with respect to Coastal), nor to

the knowledge of First Mining, any of their respective Representatives has taken, directly or indirectly any action which would cause First Mining or any of the First Mining Material Subsidiaries or affiliates to be in violation of Anti-Corruption Laws and to the knowledge of First Mining no such action has been taken by any of its Representatives or affiliates. First Mining and the First Mining Material Subsidiaries have conducted their businesses in compliance with Anti-Corruption Laws and have instituted and maintain policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance therewith.

3.2.25 Aboriginal Affairs.

- (a) There is no Aboriginal Claim of which First Mining has received notice, which has been made or threatened with respect to any First Mining Material Property or any authorization issued by any Governmental Entity in respect of, or otherwise related to First Mining, and First Mining Material Subsidiary or any Gold Canyon Material Property.
- (b) To the knowledge of First Mining, no other Person, including Persons representing or purporting to represent an Aboriginal Group, and no Aboriginal Group, has asserted any right or interest of any kind whatsoever, relating to any of the First Mining Material Properties.
- (c) Schedule 3.2.25 of the First Mining Disclosure Letter sets out all agreements between First Mining and any Aboriginal Group. To the knowledge of First Mining, all existing agreements, memoranda of understanding and similar arrangements with Aboriginal Groups are in full force and effect and there has been no assertion that First Mining or any First Mining Material Subsidiary is in breach or default under any such arrangements. There are no material ongoing or outstanding discussions, negotiations or similar communications with or by any Aboriginal Group concerning First Mining or any First Mining Material Subsidiary or their respective business, operations or assets.
- (d) Neither First Mining nor any of the First Mining Material Subsidiaries has received any notice, whether written or oral from any Governmental Entity, Aboriginal Group or any Persons representing or purporting to represent an Aboriginal Group of the exercise or assertion of any Aboriginal Claim in the area of the First Mining Material Properties or of an impact on any asserted Aboriginal Claim involving First Mining's or the First Mining Material Subsidiaries' works on the First Mining Material Properties.
- (e) Since June 30, 2013, there has not been any blockade or other program of civil disobedience undertaken by any Aboriginal Group with respect to the First Mining Material Properties or otherwise affecting the First Mining Material Properties, or to the knowledge of First Mining has any responsible official of any Aboriginal Group since June 30, 2013, threatened First Mining with any blockade or other program of civil disobedience with respect to the First Mining Material

Properties or which could reasonably be expected to affect the First Mining Material Properties.

- 3.2.26 **Other Negotiations.** Neither First Mining nor any First Mining Subsidiary (a) has entered into any agreement that conflicts with any of the transactions contemplated by this Agreement, or (b) has entered into any agreement or had any discussions with any Person regarding any transaction involving First Mining or any First Mining Subsidiary which could reasonably be expected to result in any of Gold Canyon, First Mining, any First Mining Material Subsidiary or to the knowledge of First Mining any of their respective officers, directors or employees being subject to any claim for liability to such Person as a result of entering into this Agreement or consummating the transactions contemplated hereby.
- 3.2.27 **Full Disclosure.** The First Mining Information Record, the First Mining Diligence Documents and the First Mining Disclosure Letter taken together disclose all material facts related to First Mining, the First Mining Subsidiaries and their respective businesses, financial conditions, assets, liabilities and operations as a whole. The representations and warranties of First Mining contained in this Agreement, the statements of First Mining contained in the First Mining Disclosure Letter and in any certificate furnished to First Mining pursuant to any provision of this Agreement and the information included in the First Mining Diligence Documents, taken together with the First Mining Information Record, are true and correct in all material respects and do not contain any misrepresentation.
- 3.2.28 **No Ownership of Gold Canyon Common Shares or Other Securities.** Neither First Mining nor any of its affiliates own any Gold Canyon Common Shares or any other securities of Gold Canyon.
- 3.3 **Representations and Warranties of SpinCo.** Each of Gold Canyon and SpinCo hereby represents and warrants to and in favour of First Mining as follows and acknowledges that First Mining is relying on such representations and warranties in connection with the transactions herein contemplated:
- 3.3.1 **Incorporation and Organization.** SpinCo has been duly incorporated under the laws of its jurisdiction of incorporation, is validly subsisting, has full corporate or legal power and authority to own, lease and operate the properties currently owned, leased and operated by it and to conduct its business as currently conducted, and is in good standing with respect to the filing of annual returns. No proceedings have been instituted or are pending for the dissolution or liquidation of SpinCo.
- 3.3.2 **Capitalization.**
- (a) The authorized capital of SpinCo consists of an unlimited number of SpinCo Shares and an unlimited number of preferred shares of which, as of the date hereof, one SpinCo Share is issued and outstanding, which is owned by Gold

Canyon. No SpinCo Shares are held in treasury or authorized or reserved for issuance. All outstanding SpinCo Shares have been duly authorized and are validly issued, are fully paid and non-assessable and were issued in compliance with the articles of SpinCo and all applicable Laws. There are, and have been, no preemptive rights relating to the allotment or issuance of any of the issued and outstanding SpinCo Shares. Other than as provided for in this Agreement, no Person has any agreement, option, commitment, arrangement, or any other right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment (including any such right or privilege under convertible securities, warrants or convertible obligations of any nature) for the purchase, subscription, allotment or issuance of, or conversion into, any of the unissued shares or any other securities of SpinCo or the purchase or other acquisition from SpinCo of any of its undertakings, business or assets.

- (b) There are no outstanding bonds, debentures or other evidences of indebtedness of SpinCo having the right to vote (or that are convertible for or exercisable into securities having the right to vote) with the holders of the SpinCo Shares on any matter.

3.3.3 **Authority and No Violation.**

- (a) SpinCo has all requisite corporate power and authority to enter into this Agreement, to perform its obligations hereunder and to consummate the transactions contemplated by this Agreement. The execution and delivery of this Agreement by SpinCo and the consummation by SpinCo of the transactions contemplated by this Agreement have been duly authorized by the board of directors of SpinCo.
- (b) This Agreement has been duly executed and delivered by SpinCo and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other similar Laws affecting creditors' rights generally, and to general principles of equity. All documents required to be executed by SpinCo in connection with the transactions contemplated herein will be duly executed and delivered by SpinCo and, when so executed and delivered, will constitute a legal, valid and binding obligation, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency and other similar Laws affecting creditors' rights generally, and to general principles of equity.
- (c) The approval of this Agreement and the other documents required to be executed by SpinCo in connection with the transactions contemplated herein, the execution and delivery by SpinCo of this Agreement and such other documents, the performance by it of its obligations hereunder and the completion of the Arrangement and the transactions contemplated thereby, will not conflict with, result in a violation or breach of, constitute a default, or require any consent (other than such as has already been obtained) to be obtained under, or give rise to any termination rights or payment obligation under any provision of:

- (i) its notice of articles or articles;
 - (ii) any resolutions of its board of directors (or any committee thereof) or shareholders;
 - (iii) any applicable Laws; or
 - (iv) any material contract, agreement, license, franchise or permit to which it is party or by which it is bound.
- (d) No consent, approval, order or authorization of, or registration, declaration or filing with, any Governmental Entity or other Person is required to be obtained by SpinCo in connection with the execution and delivery of this Agreement or the consummation by SpinCo of the transactions contemplated hereby.

3.3.4 **Residency.** SpinCo is not a non-resident of Canada for the purposes of the ITA.

3.4 **Non-Waiver.** No investigations made by or on behalf of any of the Parties at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation or warranty made by any other Party herein or pursuant hereto, unless disclosure of the fact at issue is expressly made in writing to the other Party prior to the execution hereof and such disclosure contains no material untrue statement.

3.5 **Disclosure Letters.** The Parties acknowledge and agree that Gold Canyon has concurrently with the execution hereof delivered to First Mining the Gold Canyon Disclosure Letter, which has been accepted by First Mining and which sets forth all modifications to those representations and warranties made by Gold Canyon in Section 3.1 hereof. The Parties acknowledge and agree that First Mining has concurrently with the execution hereof delivered to Gold Canyon the First Mining Disclosure Letter, which has been accepted by Gold Canyon and which sets forth all modifications to those representations and warranties made by First Mining in Section 3.2 hereof

3.6 **Survival.** For greater certainty, the representations and warranties of Gold Canyon, First Mining and SpinCo contained herein shall survive the execution and delivery of this Agreement and shall terminate on the earlier of the termination of this Agreement in accordance with its terms and the Effective Date.

ARTICLE 4 COVENANTS

4.1 **Retention of Goodwill.** During the Pre-Effective Date Period, Gold Canyon (and where applicable, SpinCo) will and will cause each of the Gold Canyon Subsidiaries to, subject to the fact that the Arrangement and related transactions are contemplated hereby, continue to carry on the Business in the ordinary course of business, working to preserve the attendant goodwill of Gold Canyon and the Gold Canyon Subsidiaries and to contribute to retention of that goodwill to and after the Effective Date, but subject to the following provisions of this Article 4. The following provisions of this Article 4 are intended to be in furtherance of this general

commitment, subject to the fact that the Arrangement and related transactions are contemplated hereby.

4.2 **Covenants of Gold Canyon and SpinCo.**

- (a) Gold Canyon shall promptly prepare, and provide copies of all documents to First Mining for review and comment, required to effect the transfer of Spin-Out Assets and Spin-Out Liabilities in accordance with all applicable Laws, including an asset purchase agreement, an assumption of liabilities agreement and any consents required to such transfer, for review and comment by First Mining by no later than 10 Business Days before the Effective Date. The asset purchase agreement and the assumption of liabilities agreement will become effective as of the Effective Date and prior to the Effective Date, Gold Canyon shall deliver to First Mining executed copies of the asset purchase agreement and assumption of liabilities agreement to First Mining as well as any consents required in connection with the Transfer of Spin-Out Assets and Spin-Out Liabilities.
- (b) Gold Canyon shall promptly prepare, and provide copies of all documents to First Mining for review and comment, required to effect the Gold Canyon Share Reorganization in accordance with all applicable Laws.
- (c) Prior to the Effective Date, Gold Canyon's board of directors shall accelerate the vesting of otherwise unvested Gold Canyon Options. Gold Canyon shall not permit or take any action to facilitate the exercise of any Gold Canyon Options on a cashless basis, provided that the Gold Canyon Optionholders may arrange for financial assistance from third parties (other than Gold Canyon) to fund the exercise of the Gold Canyon Options.
- (d) Until the Effective Date or the earlier termination of this Agreement in accordance with Article 6, except with the consent of First Mining to any deviation therefrom or with respect to any matter contemplated by this Agreement or the Plan of Arrangement, Gold Canyon will, and will cause each of the Gold Canyon Subsidiaries to, and, where applicable, SpinCo will:
 - (i) carry on the Business in, and only in, the ordinary and regular course in substantially the same manner as heretofore conducted and, to the extent consistent with the Business, use all commercially reasonable efforts to preserve intact its present business organization and keep available the services of its present officers and employees and others having business dealings with it to the end that its goodwill and Business shall be maintained;
 - (ii) pay all ordinary course liabilities as they come due consistent with past practice;
 - (iii) use best efforts to maintain and preserve each of the Gold Canyon Material Properties in good standing and maintain, preserve and keep in good standing all of its rights under each of its Licenses;

- (iv) not split, combine or reclassify any of its outstanding shares, nor declare or pay any dividends on or make any other distributions (in either case, in stock or property) on or in respect of its outstanding shares;
- (v) not amend its notice of articles or articles or other constating documents;
- (vi) not adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Gold Canyon or any of the Gold Canyon Subsidiaries;
- (vii) not sell, pledge, encumber, allot, reserve, set aside or issue, authorize or propose or agree to the sale, pledge, encumbrance, allotment, reservation, setting aside or issuance of, or purchase or redeem or propose or agree to the purchase or redemption of, any shares in its authorized share structure or any class of securities convertible or exchangeable into, or rights, warrants or options to acquire, any such shares or other convertible or exchangeable securities, except for (A) the issuance of Gold Canyon Common Shares pursuant to the valid exercise of Gold Canyon Options granted prior to the date hereof; (B) the issuance of Gold Canyon Common Shares pursuant to the valid exercise of Gold Canyon Warrants granted prior to the date hereof; or (C) the issuance of Gold Canyon Common Shares as required by agreements in force and effect prior to the date hereof or pursuant to arrangements disclosed in Schedule 3.1.2 of the Gold Canyon Disclosure Letter;
- (viii) not amend, vary or modify the Gold Canyon Option Plan or any Gold Canyon Options;
- (ix) not reorganize, amalgamate or merge with any other Person, nor acquire or agree to acquire by amalgamating, merging or consolidating with, purchasing substantially all of the assets of or otherwise, any business of any corporation, partnership, association or other business organization or division thereof;
- (x) not guarantee the payment of indebtedness by a third party or incur or repay any indebtedness for money borrowed prior to its maturity date or issue or sell any Debt Instruments;
- (xi) except as required by Law or by the terms of the Employee Benefits in effect as of the date of this Agreement, not enter into or modify any employment, severance, collective bargaining or other Employee Benefits, policies or arrangements with, or grant any bonuses, salary increases, pension or supplemental pension benefits, profit sharing, retirement allowances, deferred compensation, incentive compensation, severance or termination pay to, or make any loan to, any officers, directors or employees of Gold Canyon or any of the Gold Canyon Subsidiaries;
- (xii) not, except in the ordinary course of business, satisfy or settle any claims or liabilities prior to the same being due (except such as have been

reserved against in its Annual Financial Statements) which are, individually or in the aggregate, material;

- (xiii) not settle or compromise any claim brought by any present, former or purported holder of any of its securities in connection with the transactions contemplated by this Agreement or the Arrangement;
- (xiv) comply with the terms of all Material Agreements;
- (xv) not enter into any material contract, agreement, license, franchise, lease transaction, commitment or other right or obligation or amend, modify, relinquish, grant any waiver under, terminate or fail to renew in any material respect any Material Agreement;
- (xvi) other than pursuant to obligations or rights under existing contracts, agreements and commitments (to the extent such rights have been exercised or initiated by other Persons and only if such rights have been disclosed in the Gold Canyon Disclosure Letter), not acquire or sell, pledge, encumber or otherwise dispose of any material property or assets or incur or commit to incur capital expenditures prior to the Effective Date, other than in the ordinary course of business, and not, in any event, exceeding \$25,000 in the aggregate;
- (xvii) not make any changes to existing accounting practices, except as required by applicable Law or required by IFRS;
- (xviii) promptly advise First Mining orally and, if then requested, in writing, with the full particulars of any:
 - (A) event occurring subsequent to the date of this Agreement that would render any representation or warranty of Gold Canyon or SpinCo contained in this Agreement (except any such representation or warranty which speaks as of a date prior to the date of this Agreement), if made on or as of the date of such event or the Effective Date, untrue or inaccurate in any material respect;
 - (B) Material Adverse Change in respect of Gold Canyon; and
 - (C) breach by Gold Canyon or SpinCo of any covenant or agreement contained in this Agreement;
- (xix) timely withhold, collect, remit and pay all Taxes which are to be withheld, collected, remitted or paid by it to the extent due and payable;
- (xx) not make or rescind any material express or deemed election relating to Taxes;

- (xxi) not make a request for a Tax ruling or enter into any agreement with any taxing authorities or consent to any extension or waiver of any limitation period with respect to Taxes;
 - (xxii) not settle or compromise any claim, action, suit, litigation, proceeding, arbitration, investigation, audit or controversy relating to Taxes; and
 - (xxiii) not amend any Tax Return or change any of its methods of reporting income or deductions or its method of accounting, in each case, for income Tax purposes, from those employed in the preparation of its income Tax Return for the tax year ended November 30, 2014, except as may be required by applicable Laws.
- (e) Gold Canyon covenants and agrees that, during the Pre-Effective Date Period, Gold Canyon will fully cooperate and consult through meetings with First Mining, as First Mining may reasonably request, to allow First Mining to monitor, and provide input with respect to the direction and control of the Business.
- (f) Each of Gold Canyon and SpinCo shall perform all obligations required or desirable to be performed by it under this Agreement and shall do all such other acts and things as may be necessary or desirable in order to consummate and make effective, to the extent that the same is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete as soon as reasonably practicable, the transactions contemplated in this Agreement and without limiting the generality of the foregoing, Gold Canyon and, where applicable, SpinCo shall:
- (i) use commercially reasonable efforts to obtain the Gold Canyon Securityholder Approval in accordance with the terms of this Agreement;
 - (ii) use commercially reasonable efforts to obtain, on or before the Effective Date, all Regulatory Approvals required by Governmental Entities for Gold Canyon or the Gold Canyon Subsidiaries;
 - (iii) apply for and use commercially reasonable efforts to obtain the Interim Order and the Final Order;
 - (iv) carry out the terms of the Interim Order and Final Order applicable to it and use commercially reasonable efforts to comply promptly with all requirements which applicable Laws may impose on Gold Canyon with respect to the transactions contemplated hereby and by the Arrangement;
 - (v) defend all lawsuits or other legal, regulatory or other proceedings challenging or affecting this Agreement or the consummation of the transactions contemplated hereby;

- (vi) use commercially reasonable efforts to have lifted or rescinded any injunction or restraining order or other order relating to which may adversely affect the ability of the Parties to consummate the transactions contemplated hereby;
- (vii) on or before the Effective Date, effect all necessary registrations, filings, notices and submissions of information required by Governmental Entities from Gold Canyon or the Gold Canyon Subsidiaries relating to the transactions contemplated hereby;
- (viii) in connection with the Arrangement and other transactions contemplated hereby, use commercially reasonable efforts to obtain, before the Effective Date, all waivers, consents and approvals required to be obtained by Gold Canyon or the Gold Canyon Subsidiaries from other parties pursuant to its Material Agreements;
- (ix) use commercially reasonable efforts to obtain, on or before the Effective Date, written resignations effective as at the Effective Time, from all directors, administrators and officers of Gold Canyon and each of the Gold Canyon Retained Subsidiaries, such resignations to be subject to obtaining the mutual releases provided for in Section 4.10(d); and
- (x) use reasonable efforts to satisfy all conditions precedent set forth in Section 5.1 and Section 5.2 of this Agreement.

4.3 **Covenants of First Mining.**

- (a) Until the Effective Date or the earlier termination of this Agreement in accordance with Article 6, except with the consent of Gold Canyon to any deviation therefrom (which shall not be unreasonably withheld) or with respect to any matter contemplated by this Agreement or the Plan of Arrangement, First Mining will, and will cause each of the First Mining Material Subsidiaries to:
 - (i) carry on the Business in, and only in, the ordinary and regular course in substantially the same manner as heretofore conducted and, to the extent consistent with the Business, use all commercially reasonable efforts to preserve intact its present business organization and keep available the services of its present officers and employees and others having business dealings with it to the end that its goodwill and Business shall be maintained;
 - (ii) pay all ordinary course liabilities as they come due consistent with past practice, except in respect of the liabilities disclosed in Section 3.2.22 of the First Mining Disclosure Letter;
 - (iii) use best efforts to maintain and preserve each of the First Mining Material Properties in good standing and maintain, preserve and keep in good standing all of its rights under each of the First Mining Licenses;

- (iv) not split, combine or reclassify any of its outstanding shares, nor declare or pay any dividends on or make any other distributions (in either case, in stock or property) on or in respect of outstanding shares;
- (v) not amend its notice of articles or articles or other constating documents;
- (vi) not adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of First Mining or any of the First Mining Material Subsidiaries;
- (vii) not amend, vary or modify the First Mining Option Plan or any First Mining Options;
- (viii) not reorganize, amalgamate or merge First Mining with any other Person, nor acquire by amalgamating, merging or consolidating with, purchasing a majority of the voting securities of or substantially all of the assets of or otherwise, any business or Person which acquisition would reasonably be expected to have a Material Adverse Effect on First Mining, or be expected to materially impede or delay the consummation of the transactions contemplated hereby;
- (ix) not enter into any material contract, agreement, license, franchise, lease transaction, commitment or other right or obligation or amend, modify, relinquish, grant any waiver under, terminate or fail to renew in any material respect any Material Agreement;
- (x) not acquire or sell, pledge, encumber or otherwise dispose of any material property or assets or incur or commit to incur capital expenditures prior to the Effective Date, other than in the ordinary course of business, and not, in any event, exceeding \$25,000 in the aggregate;
- (xi) promptly advise Gold Canyon orally and, if then requested, in writing with the full particulars of any:
 - (A) event occurring subsequent to the date of this Agreement that would render any representation or warranty of First Mining contained in this Agreement (except any such representation or warranty which speaks as of a date prior to the occurrence of such event), if made on or as of the date of such event or the Effective Date, untrue or inaccurate in any material respect;
 - (B) Material Adverse Change in respect of First Mining; or
 - (C) breach by First Mining of any covenant or agreement contained in this Agreement.

provided that, none of the foregoing provisions shall be taken to prevent First Mining from completing the PC Gold Acquisition or any related matter.

- (b) First Mining shall perform all obligations required or desirable to be performed by it under this Agreement and shall do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement and, without limiting the generality of the foregoing, First Mining shall:
- (i) use commercially reasonable efforts to obtain, on or before the Effective Date, all Regulatory Approvals, required by Governmental Entities for First Mining or the First Mining Material Subsidiaries;
 - (ii) use commercially reasonable efforts to have lifted or rescinded any injunction or restraining order or other order relating to First Mining which may adversely affect the ability of First Mining to consummate the transactions contemplated hereby;
 - (iii) on or before the Effective Date, effect all necessary registrations, filings and submissions of information required by Governmental Entities from First Mining or the First Mining Material Subsidiaries relating to the transactions contemplated herein;
 - (iv) at the Effective Time, issue First Mining Shares, in accordance with the terms of the Plan of Arrangement, to those Gold Canyon Shareholders who are entitled to receive First Mining Shares pursuant to the Arrangement;
 - (v) on or before the Effective Date reserve a sufficient number of First Mining Shares for issuance upon the completion of the Arrangement and the exercise from time to time of Replacement Warrants and Replacement Options;
 - (vi) carry out the terms of the Interim Order and Final Order applicable to it and use commercially reasonable efforts to comply promptly with all requirements which applicable Laws may impose on First Mining with respect to the transactions contemplated hereby and by the Arrangement;
 - (vii) use commercially reasonable efforts to obtain, before the Effective Date, all necessary waivers, consents and approvals required to be obtained by First Mining or the First Mining Material Subsidiaries from other parties to material agreements to which it or they may be a party; and
 - (viii) use commercially reasonable efforts to satisfy all conditions precedent set forth in Section 5.1 and Section 5.3 of this Agreement.

4.4 **Gold Canyon Non-Solicitation.**

- (a) Subject to Section 4.5, from the date of this Agreement until the earlier of the Effective Time or the time at which this Agreement is terminated in accordance with its terms, Gold Canyon shall not, and shall cause its Representatives to not, directly or indirectly:
- (i) make, initiate, solicit, encourage or otherwise facilitate (including by way of furnishing information or according access to information or any site visit) any inquiries or proposals or offers that constitute an Acquisition Proposal or that could reasonably be expected to lead to an Acquisition Proposal;
 - (ii) participate in any discussions or negotiations with, furnish information to, or otherwise cooperate in any way with, any Person (other than First Mining and its affiliates) regarding an Acquisition Proposal or that could reasonably be expected to lead to an Acquisition Proposal;
 - (iii) effect any Change of Recommendation; or
 - (iv) accept, enter into, or propose publicly to accept or enter into, any letter of intent, memorandum of understanding, term sheet, agreement in principle, agreement, arrangement or understanding related to any Acquisition Proposal (except as permitted by Section 4.5).

Notwithstanding anything to the contrary contained in this Section 4.4, in the event that Gold Canyon receives a *bona fide* written Acquisition Proposal from any Person after the date hereof and prior to the Gold Canyon Meeting that was not solicited by Gold Canyon and that did not otherwise result from a breach of this Section 4.4, and subject to Gold Canyon's compliance with Section 4.4(d), Gold Canyon and its Representatives may (i) contact such Person solely to clarify the terms and conditions of such Acquisition Proposal, (ii) furnish information with respect to it to such Person pursuant to an Acceptable Confidentiality Agreement, provided that (A) Gold Canyon provides a copy of such Acceptable Confidentiality Agreement to First Mining promptly upon its execution and (B) Gold Canyon contemporaneously provides to First Mining a list of all non-public information concerning Gold Canyon that is provided to such Person and provides to First Mining copies of any such non-public information which was not previously provided to First Mining or its Representatives, and (iii) participate in any discussions or negotiations regarding such Acquisition Proposal; provided, however, that, prior to taking any action described in clauses (ii) or (iii) above, the Gold Canyon Board determines in good faith, after consultation with its financial advisors and outside legal counsel, that such Acquisition Proposal would be reasonably likely, if consummated in accordance with its terms, to be a Superior Proposal and failure to take such action would be inconsistent with its fiduciary duties under applicable Law. After the date of the Gold Canyon Meeting, Gold Canyon shall not consider, negotiate, accept or recommend an Acquisition Proposal or furnish any information with respect to it to any Person who has made an Acquisition Proposal.

- (b) Gold Canyon shall, and shall cause its Representatives to, immediately cease and cause to be terminated any solicitation, encouragement, discussion or negotiation with any Person (other than First Mining and its Representatives) conducted heretofore by Gold Canyon or any of its Representatives with respect to, or which may reasonably be expected to lead to, an Acquisition Proposal. To the extent it has not already done so, Gold Canyon shall discontinue or deny access to all parties other than First Mining and its Representatives to any and all data rooms which may have been opened. Gold Canyon shall immediately request the return of all confidential non-public information provided to any third parties (other than First Mining and its Representatives) who have entered into a confidentiality agreement with Gold Canyon relating to a potential Acquisition Proposal, shall use all reasonable efforts to ensure that such requests are honoured and shall immediately advise First Mining orally and in writing of any responses or action (actual or threatened) by any recipient of such request which could hinder, prevent, delay or otherwise adversely affect the completion of the Arrangement.
- (c) Gold Canyon shall:
 - (i) not release any Persons from, or terminate, amend, modify, waive or fail to enforce on a timely basis any obligation of any other Person under any confidentiality or standstill agreement or amend any such agreement or other conditions included in any agreement between Gold Canyon and a third party entered into prior to the date hereof;
 - (ii) promptly and diligently enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants of any other Person in any letter of intent, memorandum of understanding, term sheet, agreement in principle, agreement, arrangement or understanding that it has entered into prior to the date hereof or enters into after the date hereof;
 - (iii) not accept or enter into any letter of intent, memorandum of understanding, term sheet, agreement in principle, agreement, arrangement or understanding requiring Gold Canyon to abandon, terminate or fail to consummate the Arrangement or providing for the payment of any break, termination or other fees or expenses to any Person proposing an Acquisition Proposal in the event that Gold Canyon completes the transactions contemplated hereby or any other transaction with First Mining or any of its affiliates; and
 - (iv) except with the prior written consent of First Mining, not take any action to terminate, amend, extend the "Separation Time" under or waive the Gold Canyon Rights Plan, or the application of the Gold Canyon Rights Plan to, any Acquisition Proposal, or any Person making an Acquisition Proposal, not subject to the Gold Canyon Rights Plan (including redemption of any rights created under the Gold Canyon Rights Plan). In the event that any Person requests any Governmental Entity to invalidate or cease trade the Gold Canyon Rights Plan, Gold Canyon shall oppose

any such application unless the Gold Canyon Board determines, after consultation with outside legal counsel, that to do so is not consistent with its fiduciary duties.

- (d) Gold Canyon shall promptly (and, in any event, within 24 hours of receipt) notify First Mining, at first orally and then in writing, of any Acquisition Proposal (whether or not in writing) and any enquiry that may reasonably be expected to lead to an Acquisition Proposal, or any amendments to the foregoing, or any request for non-public information relating to Gold Canyon in connection with an Acquisition Proposal or for access to the properties, books or records of Gold Canyon by any Person that informs Gold Canyon that it is considering making, or has made, a proposal that constitutes, or may reasonably be expected to lead to an Acquisition Proposal. Such notice shall include a description of the material terms and conditions of any proposal and the identity of the Person making such proposal, enquiry or contact, and a copy of any written form of Acquisition Proposal and any other documents representing such Acquisition Proposal. Gold Canyon shall:
 - (i) keep First Mining fully informed of the status including any change to the material terms of any such Acquisition Proposal or enquiry;
 - (ii) provide to First Mining as soon as practicable after receipt or delivery thereof with copies of all correspondence and other written material sent or provided to Gold Canyon from any Person in connection with any Acquisition Proposal or sent or provided by Gold Canyon to any Person in connection with any Acquisition Proposal; and
 - (iii) provide to First Mining as soon as practicable such other information concerning the Acquisition Proposal as First Mining may reasonably request.
- (e) Gold Canyon shall not become a party to any letter of intent, memorandum of understanding, term sheet, agreement in principle, agreement, arrangement or understanding with any Person subsequent to the date hereof that limits or prohibits Gold Canyon from providing First Mining and its affiliates and Representatives with any information required to be given to them by Gold Canyon under this Section 4.4.
- (f) Gold Canyon shall ensure that its Representatives are aware of the provisions of this Section 4.4, and it shall be responsible for any breach of this Section 4.4 by any such Representatives.

4.5 **Notice by Gold Canyon of Superior Proposal Determination.**

- (a) Notwithstanding Section 4.4 Gold Canyon may accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal if, and only if:

- (i) Gold Canyon shall have complied with all of its other obligations under Section 4.4;
- (ii) the Gold Canyon Board has determined in good faith after consultation with outside legal counsel and its financial advisors that the Acquisition Proposal is a Superior Proposal;
- (iii) the Gold Canyon Meeting has not occurred;
- (iv) Gold Canyon has provided First Mining with:
 - (A) a copy of the Superior Proposal document and any other documents representing the Superior Proposal;
 - (B) written notice advising First Mining of the determination of the Gold Canyon Board that the Acquisition Proposal is a Superior Proposal and that the Gold Canyon Board has resolved, subject only to compliance with this Section 4.5 and termination of this Agreement, to accept, approve, recommend or enter into an agreement in respect of such Superior Proposal, specifying the terms and conditions of such Superior Proposal and identifying the Person making such Superior Proposal; and
 - (C) written notice from the Gold Canyon Board regarding the value or range of values in financial terms that the Gold Canyon Board has, in consultation with its financial advisors, determined should be ascribed to any non-cash consideration offered under the Superior Proposal;
- (v) five full Business Days shall have elapsed from the date First Mining received the documentation referred to in Section 4.5(a)(iv) (the “**Match Period**”); and
- (vi) Gold Canyon has previously or concurrently will have:
 - (A) paid to First Mining the Termination Payment, if any, payable under Section 6.3; and
 - (B) terminated this Agreement pursuant to Section 6.2.
- (b) Any information provided by Gold Canyon to First Mining pursuant to this Section 4.5 or pursuant to Section 4.4 shall be subject to the provisions of the Confidentiality Agreement.
- (c) During the Match Period, Gold Canyon agrees that First Mining shall have the right, but not the obligation, to offer to amend the terms of this Agreement and Gold Canyon shall co-operate with First Mining with respect thereto, including negotiating in good faith with First Mining during the Match Period. The Gold

Canyon Board will review in good faith any offer by First Mining to amend the terms of this Agreement in order to determine, in consultation with its financial advisors and outside legal counsel, whether First Mining's offer upon acceptance by Gold Canyon would result in such Acquisition Proposal ceasing to be a Superior Proposal. Gold Canyon agrees that, subject to its disclosure obligations under applicable Securities Laws, the fact of the making of, and each of the terms of, any such proposed amendments shall be kept strictly confidential and shall not be disclosed to any Person (including without limitation, the Person having made the Superior Proposal), other than Gold Canyon's Representatives, without First Mining's prior written consent. If the Gold Canyon Board determines that such Acquisition Proposal would cease to be a Superior Proposal as a result of the amendments proposed by First Mining, Gold Canyon will forthwith so advise First Mining and will promptly thereafter accept the offer by First Mining to amend the terms of this Agreement and the Arrangement and the Parties agree to take such actions and execute such documents as are necessary to give effect to the foregoing. Gold Canyon will, within two Business Days of entering into such amendment, reaffirm its recommendation of the Arrangement and issue a press release to that effect. If the Gold Canyon Board continues to believe, in good faith and after consultation with financial advisors and outside legal counsel, that such Acquisition Proposal remains a Superior Proposal and therefore rejects First Mining's amended proposal, Gold Canyon may terminate this Agreement pursuant to Section 6.2(a)(iv)(A); provided, however, that Gold Canyon must concurrently therewith pay to First Mining the Termination Payment, if any, payable to First Mining under Section 6.3 and must prior to or concurrently with such termination enter into a binding agreement, understanding or arrangement with respect to such Acquisition Proposal. Gold Canyon acknowledges and agrees that payment of the Termination Payment, if any, payable under Section 6.3 is a condition to valid termination of this Agreement under Section 6.2(a)(iv)(A) and this Section 4.5.

- (d) The Gold Canyon Board shall reaffirm its recommendation of the Arrangement by press release: (i) promptly after any Acquisition Proposal (which is determined not to be a Superior Proposal) is publicly announced or made; (ii) promptly after the Gold Canyon Board determines that a proposed amendment to the provisions of this Agreement would result in the Acquisition Proposal not being a Superior Proposal; or (iii) as soon as practicable after receipt of any reasonable request from First Mining to do so. First Mining and its legal advisors shall be given a reasonable opportunity to review and comment on the form and content of any such press release and Gold Canyon shall incorporate all reasonable comments made by First Mining and its legal advisors. Such press release shall state that the Gold Canyon Board has determined that such Acquisition Proposal is not a Superior Proposal.
- (e) If, less than six Business Days before the Gold Canyon Meeting, Gold Canyon has provided First Mining with a notice under Section 4.5(a)(iv), an Acquisition Proposal has been publicly disclosed or announced and the Match Period has not elapsed, then, subject to applicable Laws, at First Mining's request, Gold Canyon

will postpone or adjourn the Gold Canyon Meeting to a date acceptable to First Mining and Gold Canyon, acting reasonably, which shall not be less than six Business Days and not more than 12 Business Days after the scheduled date of the Gold Canyon Meeting and shall, in the event that First Mining and Gold Canyon amend the terms of this Agreement pursuant to this Section 4.5, ensure that the details of such amended Agreement are communicated to the Gold Canyon Shareholders and the Gold Canyon Warrantholders at or prior to the resumption of the adjourned Gold Canyon Meeting.

- (f) Gold Canyon acknowledges and agrees that each successive modification to any material terms or conditions of any Acquisition Proposal or that results in an increase in or modification of the consideration (or value of such consideration) to be received by Gold Canyon or the Gold Canyon Shareholders or which otherwise results in the Gold Canyon Board determining that such Acquisition Proposal is a Superior Proposal shall constitute a new Acquisition Proposal for purposes of the requirement under Section 4.5(a)(v) to initiate an additional five Business Day Match Period.
- (g) Nothing contained in this Section 4.5 shall prohibit the Gold Canyon Board from:
 - (i) responding through a directors' circular or otherwise as required by Law to an Acquisition Proposal that it determines is not a Superior Proposal, provided that Gold Canyon shall provide First Mining and its outside legal counsel with a reasonable opportunity to review the form and content of such circular or other disclosure and provided that such circular or other disclosure recommends that Gold Canyon Shareholders reject such Acquisition Proposal; or
 - (ii) calling and/or holding a meeting of Gold Canyon Shareholders requisitioned by Gold Canyon Shareholders in accordance with the Business Corporations Act or taking any other action with respect to an Acquisition Proposal to the extent ordered or otherwise mandated by a court of competent jurisdiction in accordance with Law and provided that any information circular or other document required in connection with such meeting recommends that Gold Canyon Shareholders vote against any proposed resolution in favour of or necessary to complete such Acquisition Proposal.

4.6 **First Mining Non-Solicitation.**

- (a) Subject to Section 4.7, from the date of this Agreement until the earlier of the Effective Time or the time at which this Agreement is terminated in accordance with its terms, First Mining shall not, and shall cause its Representatives to not, directly or indirectly:
 - (i) make, initiate, solicit, encourage or otherwise facilitate (including by way of furnishing information or according access to information or any site

visit) any inquiries or proposals or offers that constitute an Acquisition Proposal or that could reasonably be expected to lead to an Acquisition Proposal;

- (ii) participate in any discussions or negotiations with, furnish information to, or otherwise cooperate in any way with, any Person (other than Gold Canyon and its affiliates) regarding an Acquisition Proposal or that could reasonably be expected to lead to an Acquisition Proposal; or
- (iii) accept, enter into, or propose publicly to accept or enter into, any letter of intent, memorandum of understanding, term sheet, agreement in principle, agreement, arrangement or understanding related to any Acquisition Proposal (except as permitted by Section 4.7).

Notwithstanding anything to the contrary contained in this Section 4.6, in the event that First Mining receives a bona fide written Acquisition Proposal from any Person after the date hereof and prior to the Effective Date that was not solicited by First Mining and that did not otherwise result from a breach of this Section 4.6, and subject to First Mining's compliance with Section 4.6(d), First Mining and its Representatives may (i) contact such Person solely to clarify the terms and conditions of such Acquisition Proposal, (ii) furnish information with respect to it to such Person pursuant to an Acceptable Confidentiality Agreement, provided that First Mining provides a copy of such Acceptable Confidentiality Agreement to Gold Canyon promptly upon its execution, and (iii) participate in any discussions or negotiations regarding such Acquisition Proposal; provided, however, that, prior to taking any action described in clauses (ii) or (iii) above, the First Mining Board determines in good faith, after consultation with its financial advisors and outside legal counsel, that such Acquisition Proposal would be reasonably likely, if consummated in accordance with its terms, to be a Superior Proposal and failure to take such action would be inconsistent with its fiduciary duties under applicable Law.

- (b) First Mining shall, and shall cause its Representatives to, immediately cease and cause to be terminated any solicitation, encouragement, discussion or negotiation with any Person (other than Gold Canyon and its Representatives) conducted heretofore by First Mining or any of its Representatives with respect to, or which may reasonably be expected to lead to, an Acquisition Proposal. To the extent it has not already done so, First Mining shall discontinue or deny access to all parties other than Gold Canyon and its Representatives and PC Gold and its Representatives to any and all data rooms which may have been opened. First Mining shall immediately request the return of all confidential non-public information provided to any third parties (other than Gold Canyon and its Representatives) who have entered into a confidentiality agreement with First Mining relating to a potential Acquisition Proposal, shall use all reasonable efforts to ensure that such requests are honoured and shall immediately advise Gold Canyon orally and in writing of any responses or action (actual or threatened) by

any recipient of such request which could hinder, prevent, delay or otherwise adversely affect the completion of the Arrangement.

- (c) First Mining shall:
- (i) not release any Persons from, or terminate, amend, modify, waive or fail to enforce on a timely basis any obligation of any other Person under any confidentiality or standstill agreement or amend any such agreement or other conditions included in any agreement between First Mining and a third party entered into prior to the date hereof;
 - (ii) promptly and diligently enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants of any other Person in any letter of intent, memorandum of understanding, term sheet, agreement in principle, agreement, arrangement or understanding that it has entered into prior to the date hereof or enters into after the date hereof; and
 - (iii) not accept or enter into any letter of intent, memorandum of understanding, term sheet, agreement in principle, agreement, arrangement or understanding requiring First Mining to abandon, terminate or fail to consummate the Arrangement or providing for the payment of any break, termination or other fees or expenses to any Person proposing an Acquisition Proposal in the event that First Mining completes the transactions contemplated hereby or any other transaction with Gold Canyon or any of its affiliates.
- (d) First Mining shall promptly (and, in any event, within 24 hours of receipt) notify Gold Canyon, at first orally and then in writing, of any Acquisition Proposal (whether or not in writing) and any enquiry that may reasonably be expected to lead to an Acquisition Proposal, or any amendments to the foregoing, or any request for non-public information relating to First Mining in connection with an Acquisition Proposal or for access to the properties, books or records of First Mining by any Person that informs First Mining that it is considering making, or has made, a proposal that constitutes, or may reasonably be expected to lead to an Acquisition Proposal. Such notice shall include a description of the material terms and conditions of any proposal and the identity of the Person making such proposal, enquiry or contact, and a copy of any written form of Acquisition Proposal and any other documents representing such Acquisition Proposal. First Mining shall:
- (i) keep Gold Canyon fully informed of the status including any change to the material terms of any such Acquisition Proposal or enquiry;
 - (ii) provide to Gold Canyon as soon as practicable after receipt or delivery thereof with copies of all correspondence and other written material sent or provided to First Mining from any Person in connection with any

Acquisition Proposal or sent or provided by First Mining to any Person in connection with any Acquisition Proposal; and

- (iii) provide to Gold Canyon as soon as practicable such other information concerning the Acquisition Proposal as Gold Canyon may reasonably request.
- (e) First Mining shall not become a party to any letter of intent, memorandum of understanding, term sheet, agreement in principle, agreement, arrangement or understanding with any Person subsequent to the date hereof that limits or prohibits First Mining from providing Gold Canyon and its affiliates and Representatives with any other information required to be given to them by First Mining under this Section 4.6.
- (f) First Mining shall ensure that its Representatives are aware of the provisions of this Section 4.6, and it shall be responsible for any breach of this Section 4.6 by any such Representatives.

4.7 Notice by First Mining of Superior Proposal Determination.

- (a) Notwithstanding Section 4.6, First Mining may accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal if, and only if:
 - (i) First Mining shall have complied with all of its other obligations under Section 4.6;
 - (ii) the First Mining Board has determined in good faith after consultation with outside legal counsel and its financial advisors that the Acquisition Proposal is a Superior Proposal;
 - (iii) First Mining has provided Gold Canyon with written notice advising Gold Canyon of the determination of the First Mining Board that the Acquisition Proposal is a Superior Proposal and that the First Mining Board has resolved, subject only to compliance with this Section 4.7 and termination of this Agreement, to accept, approve, recommend or enter into an agreement in respect of such Superior Proposal, specifying the terms and conditions of such Superior Proposal and identifying the Person making such Superior Proposal; and
 - (iv) First Mining has previously or concurrently will have:
 - (A) paid to Gold Canyon the Termination Payment, if any, payable under Section 6.3; and
 - (B) terminated this Agreement pursuant to Section 6.2.

- (b) Any information provided by First Mining to Gold Canyon pursuant to this Section 4.7 or pursuant to Section 4.6 shall be subject to the provisions of the Confidentiality Agreement.

4.8 **Access to Information.**

- (a) Subject to the terms of the Confidentiality Agreement and applicable Laws, upon reasonable notice, Gold Canyon shall afford First Mining's Representatives access, during normal business hours in the Pre-Effective Date Period to such properties, books, contracts and records and other documents, information or data relating to Gold Canyon and the Gold Canyon Retained Subsidiaries which First Mining or its Representatives deem necessary or advisable to review in making an examination of Gold Canyon and the Gold Canyon Retained Subsidiaries and the Business, as well as to its management personnel, and, during such period, Gold Canyon shall furnish promptly to First Mining all information concerning Gold Canyon and the Gold Canyon Retained Subsidiaries and their respective Business, properties and personnel as First Mining or its Representatives may reasonably request.
- (b) Subject to the terms of the Confidentiality Agreement and applicable Laws, upon reasonable notice, First Mining shall afford Gold Canyon's Representatives access, during normal business hours in the Pre-Effective Date Period to such of First Mining's management personnel as First Mining may determine, acting reasonably, and, during such period, First Mining shall furnish promptly to Gold Canyon all contracts, records, documents and information respecting material changes in First Mining's business, properties and personnel as Gold Canyon may reasonably request.

4.9 **Covenant Regarding Representations and Warranties.** Each of Gold Canyon and First Mining covenants that it will use commercially reasonable efforts to ensure that the representations and warranties given by it and contained in Article 3 are true and correct on and as at the Effective Date (except as affected by transactions contemplated or permitted by this Agreement or otherwise consented to by the other Party) or if not true, do not have a Material Adverse Effect on such Party.

4.10 **Indemnification, Insurance and Mutual Releases.**

- (a) First Mining hereby covenants and agrees that, unless prohibited by applicable Laws, all rights to indemnification or exculpation in favour of the current and former directors and officers of Gold Canyon and any Gold Canyon Subsidiary provided in the current articles or by-laws (or the equivalent) of Gold Canyon or any Gold Canyon Subsidiary, or in any agreement to the extent disclosed in Schedule 4.10 to the Gold Canyon Disclosure Letter, and any directors' and officers' insurance now existing in favour of the directors or officers of Gold Canyon and any Gold Canyon Subsidiary shall survive the completion of the Arrangement (or be replaced with substantially equivalent coverage from another provider of at least equivalent standing to the current provider) and shall continue

in full force and effect (either directly or via run-off insurance or insurance provided by an alternative provider of at least equivalent standing to the current provider) for a period of not less than six years from the Effective Date and First Mining undertakes to ensure that this covenant shall remain binding upon its successors and assigns. First Mining acknowledges that Gold Canyon may purchase run-off directors' and officers' liability insurance, at a cost not exceeding 200% of Gold Canyon's current annual aggregate premium for directors' and officers' liability policies currently maintained by Gold Canyon, providing coverage for a period of up to six years from the Effective Date with respect to claims arising from or related to facts or events which occur on or prior to the Effective Date.

- (b) Gold Canyon shall act as agent and trustee of the benefits of the foregoing for its directors and officers and those of the Gold Canyon Subsidiaries for the purpose of this Section 4.10 and this Section 4.10 shall survive the execution and delivery of this Agreement and the completion of the Arrangement and shall be enforceable against First Mining by the Persons described in Section 4.10(a) hereof.
- (c) First Mining acknowledges and agrees that Gold Canyon may enter into indemnification agreements with each director and officer of Gold Canyon and each of the Gold Canyon Subsidiaries prior to the Effective Date, such agreements to be in a form acceptable to First Mining, acting reasonably. First Mining agrees that from and after the Effective Date it will cause Gold Canyon to honour all rights to indemnification or exculpation in such agreements in favour of present and former officers and directors of Gold Canyon and acknowledges that such rights will survive the Effective Date and will continue in full force and effect for a period of not less than six years from the Effective Date.
- (d) First Mining and Gold Canyon shall use commercially reasonable efforts to enter into a mutual release on or before the Effective Date with each director and officer of Gold Canyon and each of the Gold Canyon Subsidiaries, such release to be effective as at the Effective Time and in a form acceptable to First Mining, acting reasonably.

4.11 **Board of Directors.** First Mining shall take all actions necessary so that, as of the Effective Time, Jayant Bhandar will have been duly appointed to the board of directors of First Mining.

4.12 **Employment and Consulting Matters.** First Mining will, immediately prior to the Effective Time, offer a position as a consultant with First Mining to each of Akiko Levinson and Quinton Hennigh on such terms as the parties, acting reasonably, may agree.

4.13 **Post Closing Covenants of SpinCo.** SpinCo covenants to First Mining that prior to or as soon as possible after the Effective Date, it shall make all commercially reasonable efforts to seek and obtain a listing for its common shares on the Canadian Securities Exchange, TSX-V or another more senior stock exchange in North America.

ARTICLE 5 CONDITIONS

5.1 **Mutual Conditions Precedent.** The respective obligations of the Parties to complete the transactions contemplated by this Agreement shall be subject to the satisfaction, on or before the Effective Date, of the following conditions precedent:

- (a) the Arrangement Resolution shall have been approved by the Gold Canyon Shareholders and the Gold Canyon Warrantholders at the Gold Canyon Meeting in accordance with the Interim Order and applicable Laws;
- (b) the Interim Order and the Final Order shall each have been obtained in form and terms satisfactory to each of Gold Canyon and First Mining, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to either Party, acting reasonably, on appeal or otherwise;
- (c) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and there shall be no proceeding (other than an appeal made in connection with the Arrangement), of a judicial or administrative nature or otherwise, in progress or threatened that relates to or results from the transactions contemplated by this Agreement that would, if successful, result in an order or ruling that would preclude completion of the transactions contemplated by this Agreement in accordance with the terms hereof or would otherwise be inconsistent with the Regulatory Approvals which have been obtained;
- (d) this Agreement shall not have been terminated pursuant to Article 6;
- (e) the TSX-V shall have, if required, conditionally accepted notice for filing of all transactions of Gold Canyon contemplated herein or necessary to complete the Arrangement (which for avoidance of doubt, does not include conditional acceptance of the listing of SpinCo Shares and the SpinCo Shares issuable upon exercise of the SpinCo Warrants), subject only to compliance with the customary conditions of the TSX-V;
- (f) the TSX-V shall have, if required, conditionally accepted notice for filing of all transactions of First Mining contemplated herein or necessary to complete the Arrangement (which for avoidance of doubt, does not include conditional acceptance of the listing of SpinCo Shares and the SpinCo Shares issuable upon exercise of the SpinCo Warrants), subject only to compliance with the customary conditions of the TSX-V;
- (g) the Consideration Shares and the First Mining Shares issuable upon exercise of the Replacement Warrants and Replacement Options from time to time, shall have been authorized for listing on the TSX-V, subject to official notice of issuance;
- (h) the issuance of the Consideration Shares, the SpinCo Shares, the SpinCo Warrants, the Replacement Warrants and the Replacement Options will be

exempt from the registration requirements of the U.S. Securities Act and the issuance of the Consideration Shares, SpinCo Shares, SpinCo Warrants, Replacement Warrants and the Replacement Options will be exempt from the prospectus requirements of applicable Securities Laws in each of the Provinces of Canada in which holders of Gold Canyon securities are resident; and such securities will not be subject to hold periods under the Securities Laws of Canada or the United States except as may be imposed by Rule 144 under the U.S. Securities Act with respect to affiliates or except as disclosed in the Circular or except by reason of the existence of any controlling interest in First Mining or SpinCo, as applicable, pursuant to the Securities Laws of any applicable jurisdiction; and

- (i) all other consents, waivers, permits, orders and approvals of any Governmental Entity, and the expiry of any waiting periods, in connection with, or required to permit the consummation of the Arrangement and the other transactions contemplated herein, the failure of which to obtain or the non-expiry of which would constitute a criminal offense, or would have a Material Adverse Effect on First Mining or Gold Canyon shall have been obtained or received on terms that will not have a Material Adverse Effect on First Mining and/or Gold Canyon.

The foregoing conditions are for the mutual benefit of the Parties to this Agreement and may be waived by mutual consent of First Mining, Gold Canyon and SpinCo in writing at any time.

5.2 Additional Conditions Precedent to the Obligations of First Mining. The obligations of First Mining to complete the transactions contemplated by this Agreement shall also be subject to the satisfaction, on or before the Effective Date, of each of the following conditions precedent (each of which is for the exclusive benefit of First Mining and may be waived by First Mining):

- (a) all covenants and agreements of Gold Canyon and SpinCo under this Agreement to be performed or observed on or before the Effective Date shall have been duly performed and observed by Gold Canyon and SpinCo in all material respects and First Mining shall have received a certificate of Gold Canyon addressed to First Mining and dated the Effective Date, signed on behalf of Gold Canyon by two directors or senior executive officers of Gold Canyon, confirming the same as at the Effective Date;
- (b) the representations and warranties made by Gold Canyon in this Agreement that are qualified by the expression “Material Adverse Change” or “Material Adverse Effect” shall be true and correct as of the date of this Agreement and as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of a specified date which is earlier than the date of this Agreement, in which event such representations and warranties shall be true and correct in all respects as of such earlier specified date, or except as affected by transactions contemplated or permitted by this Agreement or otherwise consented to by First Mining), and all other representations and warranties made by Gold Canyon in this Agreement shall be true and correct in all

respects as of the date of this Agreement and as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of a specified date which is earlier than the date of this Agreement, in which event such representations and warranties shall be true and correct in all respects as of such earlier specified date, or except as affected by transactions contemplated or permitted by this Agreement or otherwise consented to by First Mining), in either case, except where any failures or breaches of representations and warranties would not either, individually or in the aggregate, have a Material Adverse Effect on Gold Canyon, *provided, however*, that no representation or warranty made by Gold Canyon hereunder shall be deemed not to be true and correct if the facts or circumstances that make such representation or warranty untrue or incorrect are disclosed or referred to in the Gold Canyon Disclosure Letter, or provided for or stated to be exceptions under this Agreement, and Gold Canyon shall have provided to First Mining a certificate of two officers thereof certifying such accuracy or lack of Material Adverse Effect on the Effective Date;

- (c) from the date of this Agreement until the Effective Date, there shall not have occurred, and neither Gold Canyon nor a Gold Canyon Retained Subsidiary shall have incurred or suffered, any one or more facts, circumstances, changes, effects, events or occurrences that, either individually, or in the aggregate have, or could reasonably be expected to have, a Material Adverse Effect on Gold Canyon;
- (d) the Gold Canyon Board and the board of directors of SpinCo shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by Gold Canyon and SpinCo, to permit the consummation of the Arrangement and the issue of the SpinCo Shares and the SpinCo Warrants;
- (e) holders of more than 5% of the issued and outstanding Gold Canyon Common Shares shall not have exercised the Dissent Rights in respect of the Arrangement;
- (f) there shall not be pending or threatened any suit, action or proceeding by any Governmental Entity, in each case that has a reasonable likelihood of success:
 - (i) seeking to restrain or prohibit the consummation of the Plan of Arrangement or any of the transactions contemplated by this Agreement or seeking to obtain from any of the Parties any damages that are material in relation to Gold Canyon;
 - (ii) seeking to prohibit or materially limit the ownership or operation by First Mining or any of the First Mining Material Subsidiaries of any material portion of the business or assets of Gold Canyon or any Gold Canyon Subsidiary or to compel First Mining or any of the First Mining Material Subsidiaries to dispose of or hold separate any material portion of the business or assets of Gold Canyon or any Gold Canyon Subsidiary;
 - (iii) seeking to impose limitations on the ability of First Mining to acquire or hold or exercise full rights of ownership of any Gold Canyon Common

Shares, including the right to vote the Gold Canyon Common Shares on all matters properly presented to the shareholders of Gold Canyon;

- (iv) seeking to prohibit First Mining or any of the First Mining Material Subsidiaries from effectively controlling in any material respect the business or operations of Gold Canyon or any Gold Canyon Subsidiary; or
- (v) which otherwise is reasonably likely to have a Material Adverse Effect on Gold Canyon or First Mining;
- (g) all consents, approvals, authorizations and waivers of any Persons (other than Governmental Entities) which are required or necessary for the completion of the Arrangement and other transactions contemplated hereby (including all consents, approvals, authorizations and waivers required under Gold Canyon's Material Agreements, shall have been obtained or received on terms which are acceptable to First Mining, acting reasonably;
- (h) each of the Lock-up Agreements shall be and remain in full force and effect, unamended, and each of the parties thereto (other than First Mining) shall be, in all material respects, in full compliance with their respective obligations thereunder;
- (i) Gold Canyon shall have provided to First Mining, not less than two Business Days before the Effective Date, executed copies of the asset purchase agreement, assumption of liabilities agreement and any consents required to effect the Transfer of Spin-Out Assets and Spin-Out Liabilities in accordance with applicable Laws;
- (j) Gold Canyon shall have provided to First Mining, on or before the Effective Date, written resignations effective as of the Effective Time, from all directors and officers of Gold Canyon and such directors and officers of the Gold Canyon Subsidiaries as First Mining may request; and
- (k) SpinCo shall have agreed to take-over and assume all of the rights and obligations of Gold Canyon under the agreements between Gold Canyon and JOGMEC.

First Mining may not rely on the failure to satisfy any of the above conditions precedent as a basis for non-compliance by it with its obligations under this Agreement if the condition precedent would have been satisfied but for a material default by First Mining in complying with its obligations hereunder.

5.3 Additional Conditions Precedent to the Obligations of Gold Canyon and SpinCo. The obligations of Gold Canyon and SpinCo to complete the transactions contemplated by this Agreement shall also be subject to the satisfaction, on or before the Effective Date, of each of the following conditions precedent (each of which is for the exclusive benefit of Gold Canyon and may be waived by Gold Canyon and SpinCo):

- (a) all covenants and agreements of First Mining under this Agreement to be performed or observed on or before the Effective Date shall have been duly performed by First Mining in all material respects and Gold Canyon shall have received a certificate of First Mining addressed to Gold Canyon and dated the Effective Date, signed on behalf of First Mining by two senior executive officers of First Mining confirming the same as at the Effective Date;
- (b) the representations and warranties made by First Mining in this Agreement that are qualified by the expression “Material Adverse Change” or “Material Adverse Effect” shall be true and correct as of the date of this Agreement and as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of a specified date which is earlier than the date of this Agreement, in which event such representations and warranties shall be true and correct in all respects as of such earlier specified date, or except as affected by transactions contemplated or permitted by this Agreement or otherwise consented to by Gold Canyon), and all other representations and warranties made by First Mining in this Agreement shall be true and correct in all respects as of the date of this Agreement and as of the Effective Date as if made on and as of such date (except to the extent such representations and warranties speak as of a specified date which is earlier than the date of this Agreement, in which event such representations and warranties shall be true and correct in all respects as of such earlier specified date, or except as affected by transactions contemplated or permitted by this Agreement or otherwise consented to by Gold Canyon), in either case, except where any failures or breaches of representations or warranties would not either, individually or in the aggregate, have a Material Adverse Effect on First Mining, *provided, however*, that no representation or warranty made by First Mining hereunder shall be deemed not to be true and correct if the facts or circumstances that make such representation or warranty untrue or incorrect are disclosed or referred to in the First Mining Disclosure Letter, or provided for or stated to be exceptions under this Agreement, and First Mining shall have provided to First Mining a certificate of two officers thereof certifying such accuracy or lack of Material Adverse Effect on the Effective Date;
- (c) from the date of this Agreement until the Effective Date, there shall not have occurred, and neither First Mining nor a First Mining Subsidiary shall have incurred or suffered, any one or more facts, circumstances, changes, effects, events or occurrences that, either individually, or in the aggregate have, or could reasonably be expected to have, a Material Adverse Effect on First Mining;
- (d) the board of directors of First Mining shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by First Mining to permit the consummation of the Arrangement and the issue of the Consideration Shares, the Replacement Warrants and the Replacement Options and the First Mining Shares issuable upon the exercise from time to time of Replacement Warrants and Replacement Options; and

- (e) First Mining will have delivered to Gold Canyon a written conditional acceptance of the TSX-V for the listing of the the Consideration Shares and the First Mining Shares issuable upon the exercise from time to time of Replacement Warrants and Replacement Options.

Gold Canyon may not rely on the failure to satisfy any of the above conditions precedent as a basis for non-compliance by Gold Canyon with its obligations under this Agreement if the condition precedent would have been satisfied but for a material default by Gold Canyon in complying with its obligations hereunder.

5.4 Notice and Cure Provisions. Each Party will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, or would be reasonably likely to:

- (a) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect between the date hereof and the Effective Date;
- (b) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by such Party hereunder prior to the Effective Date; or
- (c) result in the failure to satisfy any of the conditions precedent in favour of the other Party hereto contained in Section 5.1, 5.2 and 5.3, as the case may be.

Subject as herein provided, a Party may elect not to complete the transactions contemplated hereby pursuant to the conditions precedent contained in Sections 5.1, 5.2 and 5.3 in favour of such Party, or exercise any termination right arising therefrom, if forthwith, and in any event prior to the Effective Date, such Party has delivered a written notice to the other specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition precedent or the exercise of the termination right, as the case may be. If any such notice is delivered and the Party receiving such notice is proceeding diligently to cure such matter, if such matter is susceptible to being cured, the Party delivering such notice may not terminate this Agreement until the earlier of the Outside Date and the expiration of a period of ten Business Days from such notice. If such notice has been delivered prior to the date of the Gold Canyon Meeting, such meeting shall be postponed until the expiry of such period. If such notice has been delivered prior to the making of the application for the Final Order, such application shall be postponed until the expiry of such period. For greater certainty, in the event that such matter is cured within the time period referred to herein, this Agreement may not be terminated as a result of such matter.

5.5 Satisfaction of Conditions. The conditions precedent set out in Sections 5.1, 5.2 and 5.3 shall be conclusively deemed to have been satisfied, waived or released when, with the approval of First Mining and Gold Canyon, the Arrangement is completed.

ARTICLE 6 AMENDMENT AND TERMINATION

6.1 **Amendment.** This Agreement may, at any time and from time to time before or after the holding of the Gold Canyon Meeting but not later than the Effective Date, be amended by mutual written agreement of the Parties hereto provided, however, that any such change, waiver or modification does not invalidate any required approval of the Gold Canyon Shareholders and the Gold Canyon Warrantholders to the Arrangement.

6.2 **Termination.**

- (a) This Agreement may, at any time before or after the holding of the Gold Canyon Meeting but not later than the Effective Date:
 - (i) be terminated by the mutual agreement of Gold Canyon and First Mining;
 - (ii) be terminated by either Gold Canyon or First Mining, if:
 - (A) the Gold Canyon Meeting is held and the Arrangement Resolution is not approved by the Gold Canyon Shareholders in accordance with applicable Laws and the Interim Order;
 - (B) there shall be passed any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or if any Governmental Entity shall have issued any injunction, order, decree or ruling enjoining First Mining or Gold Canyon from consummating the transactions contemplated by this Agreement and such injunction, order, decree or ruling shall become final and non-appealable;
 - (C) subject to Section 5.4, the other Party is in default of a covenant or obligation hereunder such that the conditions contained in Section 5.2(a) or 5.3(a), as applicable, would be incapable of satisfaction, provided the Party seeking to terminate this Agreement is not then in breach of this Agreement so as to cause any condition in favour of all Parties or in favour of the other Party not to be satisfied;
 - (D) subject to Section 5.4, any representation or warranty of the other Party under this Agreement is untrue or incorrect and shall have become untrue or incorrect such that the condition contained in Section 5.2(b) or 5.3(b), as applicable, would be incapable of satisfaction, provided that the Party seeking to terminate this Agreement is not then in breach of this Agreement so as to cause any condition in favour of both Parties or in favour of the other Party not to be satisfied; or
 - (E) the Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate this Agreement pursuant to

this Section 6.2(a)(ii)(E) if the failure of the Effective Time to so occur has been a principal cause of, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement;

(iii) be terminated by First Mining:

- (A) if, through no fault of First Mining, the Arrangement shall not have been submitted for the approval of the Gold Canyon Shareholders on or before the Meeting Deadline in the manner provided for in Article 2 and in the Interim Order;
- (B) if Gold Canyon shall have effected a Change of Recommendation;
- (C) in order to accept, approve, recommend or enter into any agreement, understanding or arrangement with respect to a Superior Proposal, subject to compliance with Section 4.6 and Section 4.7 and the payment of the Termination Payment required to be paid pursuant to Section 6.3(b);
- (D) if Gold Canyon breaches any of the provisions of Section 4.4 or Section 4.5; or

(iv) be terminated by Gold Canyon:

- (A) in order to accept, approve, recommend or enter into any agreement, understanding or arrangement with respect to a Superior Proposal, subject to compliance with Section 4.4 and Section 4.5 and the payment of the Termination Payment required to be paid pursuant to Section 6.3(a); or
- (B) if First Mining breaches any of the provisions of Section 4.6 or Section 4.7.

(b) If this Agreement is terminated in accordance with the foregoing provisions of this Section 6.2, no Party shall have any further liability to perform its obligations hereunder, except as provided for in Section 6.3, which shall survive the termination of this Agreement or as otherwise contemplated hereby, and provided that, subject to Section 6.5, neither the termination of this Agreement nor anything contained in this Section 6.2(b) shall relieve any Party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants made herein.

6.3 Termination Payment.

- (a) If a Gold Canyon Termination Payment Event occurs then Gold Canyon shall, at the applicable time specified by Section 6.3(e), pay to First Mining by wire transfer the Termination Payment in immediately available funds to an account designated by First Mining.
- (b) If a First Mining Termination Payment Event occurs then First Mining shall, at the applicable time specified by Section 6.3(e), pay to Gold Canyon by wire transfer the Termination Payment in immediately available funds to an account designated by Gold Canyon.
- (c) **“Gold Canyon Termination Payment Event”** means if:
 - (i) Gold Canyon shall have terminated this Agreement pursuant to Section 6.2(a)(iv)(A);
 - (ii) First Mining shall have terminated this Agreement pursuant to Section 6.2(a)(iii)(B); or
 - (iii) either Gold Canyon or First Mining shall have terminated this Agreement pursuant to Section 6.2(a)(ii)(A) or Section 6.2(a)(ii)(E), or First Mining shall have terminated this Agreement pursuant to Section 6.2(a)(iii)(A) or Section 6.2(a)(iii)(D), where with respect to any of the foregoing circumstances: (A) an Acquisition Proposal is publicly announced or made to Gold Canyon or the Gold Canyon Shareholders and is not publicly withdrawn prior to the earlier of the date of the Gold Canyon Meeting and the date of such termination; and (B) an Acquisition Proposal with respect to Gold Canyon or the Gold Canyon Shareholders is consummated within 12 months of such termination;
- (d) **“First Mining Termination Fee Event”** means if:
 - (i) First Mining shall have terminated this Agreement pursuant to Section 6.2(a)(iii)(C); or
 - (ii) Gold Canyon shall have terminated this Agreement pursuant to Section 6.2(a)(iv)(B) where (A) an Acquisition Proposal is publicly announced or made to First Mining or the First Mining Shareholders and is not publicly withdrawn prior to the date of such termination; and (B) an Acquisition Proposal with respect to First Mining or the First Mining Shareholders is consummated within 12 months of such termination.
- (e) The Termination Payment shall be due and payable by the applicable Party:
 - (i) in the case of a termination specified in clause (c)(i) or (d)(i), prior to or concurrent with the termination of this Agreement;

- (ii) in the case of a termination specified in clause (c)(ii), within three Business Days after written notice of termination by First Mining; or
 - (iii) in the case of a termination specified in clause (c)(iii) or (d)(ii), prior to or concurrent with the consummation of an Acquisition Proposal.
- (f) For greater certainty, no Party shall be obligated to make more than one payment pursuant to this Section 6.3.
- (g) In the event that Gold Canyon is required to pay the Termination Payment pursuant to Section 6.3(c)(iii) or First Mining is required to pay the Termination Payment pursuant to Section 6.3(d)(ii) in circumstances where it has previously paid the expense reimbursement fee set out in Section 6.3(h) or 6.3(i), as applicable, then the Termination Fee will be reduced by the amount of such expense reimbursement fee.
- (h) If (i) First Mining shall terminate this Agreement pursuant to Section 6.2(a)(ii)(D) or Section 6.2(a)(iii)(A) provided that First Mining is not in default of a covenant or obligation hereunder so as to cause any condition in favour of both Parties or in favour of Gold Canyon not to be satisfied, or (ii) either Gold Canyon or First Mining shall terminate this Agreement pursuant to Section 6.2(a)(ii)(A), then Gold Canyon shall pay to First Mining an expense reimbursement fee in an amount equal to its reasonable expenses actually incurred in connection with the Arrangement to a maximum of \$200,000 within five Business Days after delivery of evidence, reasonably acceptable to First Mining, of such expenses.
- (i) If Gold Canyon shall terminate this Agreement pursuant to Section 6.2(a)(ii)(D) provided that Gold Canyon is not in default of a covenant or obligation hereunder so as to cause any condition in favour of both Parties or in favour of First Mining not to be satisfied, then First Mining shall pay to Gold Canyon an expense reimbursement fee in an amount equal to its reasonable expenses actually incurred in connection with the Arrangement to a maximum of \$200,000 within five Business Days after delivery of evidence, reasonably acceptable to Gold Canyon, of such expenses.

6.4 **Liquidated Damages.** Gold Canyon and First Mining acknowledge that the damages set forth in this Article 6 are a genuine pre-estimate of the damages the other Party will suffer or incur as a result of the event giving rise to those damages and are not penalties. Each of the Parties irrevocably waives any right it may have to raise as a defence in any proceedings that any such damages are excessive, punitive or abusive.

6.5 **Remedies.** Subject to Section 6.6, the Parties hereto acknowledge and agree that an award of money damages would be inadequate for any breach of this Agreement by any Party or its Representatives and any such breach would cause the non-breaching Party irreparable harm. Accordingly, the Parties hereto agree that, in the event of any breach or threatened breach of this Agreement by one of the Parties, the non-breaching Party will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and

specific performance. Such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at law or equity to the Parties.

6.6 Effects of Termination Payment or Expense Reimbursement. For greater certainty, the Parties agree that the payment of the amount pursuant to Section 6.3 is the sole monetary remedy as a result of the occurrence of any of the events referred to in Section 6.3. Subject to the immediately preceding sentence, nothing in this Agreement shall preclude a Party from seeking damages in respect of losses incurred or suffered by such Party as a result of any breach of this Agreement by the other Party, seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement or the Confidentiality Agreement or otherwise, or seeking specific performance of any of such covenants or agreements, without the necessity of posting bond or security in connection therewith.

ARTICLE 7 SPIN-OUT TRANSACTION

7.1 Covenants Regarding SpinCo. Gold Canyon unconditionally and irrevocably guarantees, in favour of First Mining, and covenants and agrees to be jointly and severally liable with SpinCo for the due and punctual performance of each and every obligation, covenant and agreement of SpinCo arising under this Agreement, the Arrangement, any agreements entered into by SpinCo to be performed by SpinCo prior to the Effective Date in connection with, ancillary to or to effect any transaction contemplated by this Agreement or the Arrangement and any amount of any judgment or award made against SpinCo for the benefit of First Mining. Gold Canyon shall, prior to the Effective Date, cause SpinCo to comply with all of SpinCo's obligations under or relating to the Arrangement and the transactions contemplated by this Agreement. Without limiting the generality of the foregoing, Gold Canyon shall, and shall cause SpinCo to:

- (a) apply for and use commercially reasonable efforts to obtain all consents and approvals required from any Governmental Entity or any other Person in order to consummate the Spin-Out Transaction pursuant to the Plan of Arrangement and, in doing so, keep First Mining reasonably informed as to the status of the proceedings related to obtaining such consents and approvals, including providing First Mining with copies of all related applications and notifications, in draft form in order for First Mining to provide its comments thereon, which shall be given due and reasonable consideration; and
- (b) use commercially reasonable efforts to ensure that the Section 3(a)(10) Exemption is available for the issuance of the SpinCo Shares and the SpinCo Warrants to be issued pursuant to the Plan of Arrangement and, in that regard, use its commercially reasonable efforts to comply, or assist Gold Canyon and First Mining in complying, with the provisions of Section 2.6.

7.2 SpinCo Indemnity. From the Effective Time, SpinCo hereby agrees to indemnify and save harmless First Mining, Gold Canyon and their subsidiaries, their affiliates, directors, officers, partners, employees, advisors, shareholders and agents (each an “**Indemnified**

Party”) from all losses suffered or incurred by an Indemnified Party as a result of or arising directly or indirectly out of or in connection with the Spin-Out Liabilities.

7.3 **SpinCo Indemnified Claims.** If any claim, proceeding, liability (including a liability for Taxes) or other matter resulting from the occurrence of any of the events contemplated by the Spin-Out Transaction (an “**Indemnified Claim**”) is made against an Indemnified Party by a third party for which the Indemnified Party may be entitled to indemnification, the Indemnified Party shall give notice (an “**Indemnity Notice**”) to SpinCo specifying the particulars of such Indemnified Claim within 20 days after it receives notification of the Indemnified Claim. SpinCo shall have the right to participate in any negotiations or proceedings with respect to any such Indemnified Claim. An Indemnified Party shall not settle or compromise any such Indemnified Claim without the prior written consent of SpinCo, unless SpinCo has not, within 20 Business Days after the receipt by SpinCo of the Indemnity Notice, given notice to the Indemnified Party that it wishes to dispute such Indemnified Claim. If SpinCo does give such a notice, it shall have the right to assume the defence of such Indemnified Claim and to defend such Indemnified Claim in the name of the Indemnified Party. An Indemnified Party shall provide to SpinCo all files, books, records and other information in their possession or control which may be relevant to the defence of such Indemnified Claim. If SpinCo fails after giving such notice, diligently and reasonably to defend such Indemnified Claim throughout the period such Indemnified Claim exists, its right to defend the Indemnified Claim shall terminate and the Indemnified Party may assume the defence of such Indemnified Claim. In such event, the Indemnified Party may assume the defence of such Indemnified Claim and may compromise or settle such Indemnified Claim without the consent of SpinCo.

7.4 **Treatment of Confidential Information.** SpinCo covenants and agrees that it shall, and shall cause its subsidiaries to, treat all exploration information, data, reports and studies including all geological, geophysical and geochemical information and data (including all drill, sample and assay results and all maps) and all technical reports, feasibility studies and other similar reports and studies concerning the Gold Canyon Material Properties in the same way SpinCo treats its own confidential information and shall use all commercially reasonable efforts to keep all such information confidential and shall not make or keep copies of such information or disclose any such information to anyone other than First Mining or First Mining’s Representatives without First Mining’s prior written consent unless in the opinion of outside legal counsel it is required to do so by Law, except that the foregoing shall not apply to information that: (i) at the time of its disclosure is generally available in the public domain; or (ii) enters the public domain and becomes generally available at any time after disclosure other than through a breach of the terms hereof by (A) SpinCo, (B) any of its subsidiaries or (C) any of SpinCo’s Representatives; or (iii) consists of general geological, geophysical, geochemical, metallurgical or operational concepts, models or principles.

7.5 **Survival.** If the Effective Date occurs, Sections 7.2 to 7.4 shall survive the termination of this Agreement and shall terminate on the date that is two years after the Effective Date.

**ARTICLE 8
GENERAL**

8.1 **Notices.** All notices and other communications which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if served personally or by email, in each case addressed to the particular party at:

(a) If to First Mining:

First Mining Finance Corp.
1805 – 925 West Georgia St.
Vancouver, British Columbia V6C 3L2

Attention: Keith Neumeyer
Email: keith@firstminingfinance.com

with a copy to:

McCullough O'Connor Irwin LLP
2600 – 1066 West Hastings Street
Vancouver, British Columbia V6E 3X1

Attention: James D. Beeby
Email: jbeeby@moisolicitors.com

(b) If to Gold Canyon:

Gold Canyon Resources Inc.
Suite 810 - 609 Granville Street
Vancouver, British Columbia V7Y 1G5

Attention: Akiko Levinson
Email: akiko@goldcanyon.ca

with a copy to:

Getz Prince Wells LLP
#1810 - 1111 West Georgia Street
Vancouver, British Columbia V6E 4M3

Attention: Jeff Larkins
Email: jeff@getzpw.com

(c) If to SpinCo:

1047431 B.C. Ltd.
Suite 810 - 609 Granville Street
Vancouver, British Columbia V7Y 1G5

Attention: Akiko Levinson
Email: akiko@goldcanyon.ca

with a copy to:

Getz Prince Wells LLP
#1810 - 1111 West Georgia Street
Vancouver, British Columbia V6E 4M3

Attention: Jeff Larkins
Email: jeff@getzpw.com

or at such other address of which any party may, from time to time, advise the other parties by notice in writing given in accordance with the foregoing. The date of receipt of any such notice shall be deemed to be the date of delivery or telecopying thereof.

8.2 **Assignment.** Gold Canyon agrees that First Mining may assign all or any part of its rights under this Agreement to a wholly-owned direct or indirect subsidiary of First Mining, provided that First Mining shall continue to be liable jointly and severally with such subsidiary for all obligations hereunder. Subject to the foregoing, neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by any Party without the prior written consent of the other Party.

8.3 **Binding Effect.** This Agreement and the Arrangement shall be binding upon and shall enure to the benefit of the Parties hereto and their respective successors.

8.4 **Time of Essence.** Time is of the essence of this Agreement.

8.5 **Waiver and Modification.** Each of the Parties may waive or consent to the modification of, in whole or in part, any inaccuracy of any representation or warranty made to them hereunder or in any document to be delivered pursuant hereto and may waive or consent to the modification of any of the covenants herein contained for their respective benefit or waiver or consent to the modification of any of the obligations of the other Party hereto. Any waiver or consent to the modification of any of the provisions of this Agreement, to be effective, must be in writing executed by the Party granting such waiver or consent.

8.6 **Third Party Beneficiaries.** Except as provided in Section 4.10 which, without limiting its terms, is intended as stipulations for the benefit of the third parties mentioned in such provisions (such third parties referred to in this Section 8.6 as the “**Covered Persons**”) and except for the rights of the Gold Canyon Shareholders to receive the Consideration following the Effective Time pursuant to the Arrangement, the Parties intend that this Agreement will not

benefit or create any right or cause of action in favour of any Person, other than the Parties and that no Person, other than the Parties, shall be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum. Despite the foregoing, First Mining acknowledges to each of the Covered Persons their direct rights against it under Section 4.10 of this Agreement, which are intended for the benefit of, and shall be enforceable by, each Covered Person, his or her heirs and his or her legal representatives, and for such purpose, Gold Canyon confirms that it is acting as trustee on their behalf, and agrees to enforce such provisions on their behalf.

8.7 **Severability.** If any provision of this Agreement is determined by any court of competent jurisdiction to be illegal or unenforceable, that provision will be severed from this Agreement and the remaining provisions will continue in full force and effect so long as the economic or legal substance of the transactions contemplated herein is not affected in any material manner or would prevent or significantly impede or materially delay the completion of the Arrangement.

8.8 **Mutual Interest.** Notwithstanding the fact that any part of this Agreement has been drafted or prepared by or on behalf of one of the Parties, all Parties confirm that they and their respective counsel have reviewed and negotiated this Agreement and that the Parties have adopted this Agreement as the joint agreement and understanding of the Parties, and the language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent, and the Parties waive the application of any Laws or rule of construction providing that ambiguities in any agreement or other document will be construed against the Party drafting such agreement or other document and agree that no rule of construction providing that a provision is to be interpreted in favour of the Person who contracted the obligation and against the Person who stipulated it will be applied against any Party.

8.9 **Further Assurances.** Each Party hereto shall, from time to time, and at all times hereafter, at the request of the other Party hereto, but without further consideration, do all such further acts and things and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent of this Agreement and, in the event the Arrangement becomes effective, to document or evidence any of the transactions or events set out in the Plan of Arrangement.

8.10 **No Personal Liability.** No director, officer or employee of First Mining will have any personal liability to Gold Canyon or SpinCo under this Agreement or any other document delivered in connection with this Agreement or the Arrangement on behalf of First Mining. No director, officer or employee of Gold Canyon or SpinCo will have any personal liability to First Mining under this Agreement or any other document delivered in connection with this Agreement or the Arrangement on behalf of Gold Canyon or SpinCo.

8.11 **Expenses.** Except as provided in Section 6.3 and the Plan of Arrangement, each Party will pay its respective legal and accounting costs, fees and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement and any other costs, fees and expenses whatsoever and howsoever incurred, and will indemnify and save harmless the others from and

against any claim for any broker's, finder's or placement fee or commission alleged to have been incurred as a result of any action by it in connection with the transactions hereunder.

8.12 **Governing Law; Attornment; Service of Process.** This Agreement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of British Columbia and the laws of Canada applicable therein. Each of the Parties hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of British Columbia in respect of all matters arising under and in relation to this Agreement or the Arrangement and waives, to the fullest extent possible, the defence of an inconvenient forum or any similar defence to the maintenance of proceedings in such courts.

8.13 **Counterparts.** This Agreement may be executed in one or more counterparts and by facsimile or other electronic means, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

[Remainder of page has been left intentionally blank]

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first written above.

FIRST MINING FINANCE CORP.

(signed) "*Keith Neumeyer*"

Authorized Signatory

Name: Keith Neumeyer

GOLD CANYON RESOURCES INC.

(signed) "*Akiko Levinson*"

Authorized Signatory

Name: Akiko Levinson

1047431 B.C. LTD.

(signed) "*Akiko Levinson*"

Authorized Signatory

Name: Akiko Levinson

EXHIBIT A
TO THE ARRANGEMENT AGREEMENT DATED AS OF AUGUST 31, 2015
AMONG FIRST MINING FINANCE CORP., GOLD CANYON RESOURCES INC. AND
1047431 B.C. LTD.

PLAN OF ARRANGEMENT

**PLAN OF ARRANGEMENT UNDER THE PROVISIONS OF DIVISION 5 OF PART 9
OF THE
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)**

**ARTICLE 1
INTERPRETATION**

1.1 **Definitions.** In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

- (a) **“Arrangement”** means an arrangement under the provisions of Division 5 of Part 9 of the Business Corporations Act, on the terms set forth in the Plan of Arrangement, subject to any amendment or supplement thereto (i) made in accordance with Article 5 of the Plan of Arrangement or (ii) made at the direction of the Court in the Final Order and with the consent of First Mining and Gold Canyon, each acting reasonably or (iii) otherwise made in accordance with Section 6.1 of the Arrangement Agreement;
- (b) **“Arrangement Agreement”** means the agreement made as of August 31, 2015 between First Mining, Gold Canyon and SpinCo as amended, supplemented and/or restated in accordance therewith prior to the Effective Date, providing for, among other things, the Arrangement;
- (c) **“Arrangement Resolution”** means the special resolution approving the Arrangement, to be substantially in the form and content of Exhibit B attached to the Arrangement Agreement, to be considered, and if deemed advisable, passed with or without variation, by the Gold Canyon Shareholders and Gold Canyon Warrantholders voting as a single class at the Meeting;
- (d) **“Business Corporations Act”** means the *Business Corporations Act* (British Columbia), as amended;
- (e) **“Business Day”** means any day other than a Saturday, a Sunday or a day observed as a holiday in Vancouver, British Columbia under the laws of the Province of British Columbia or the federal laws of Canada;
- (f) **“Court”** means the British Columbia Supreme Court;
- (g) **“Depository”** means Computershare Investor Services Inc., or such other party appointed by First Mining and SpinCo for the purpose of, among other things, exchanging certificates representing First Mining Shares and SpinCo Shares in connection with the Arrangement, at such offices as will be set out in the Letter of Transmittal;
- (h) **“Dissent Procedures”** has the meaning set out in Section 3.1;

- (i) **“Dissent Rights”** has the meaning set out in Section 3.1;
- (j) **“Dissenting Shareholder”** means a holder of Gold Canyon Common Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Procedures;
- (k) **“Effective Date”** means the date the Arrangement completes, as determined in accordance with Section 2.9 of the Arrangement Agreement;
- (l) **“Effective Time”** means the time when the transactions contemplated herein will be deemed to have been completed, which shall be 12:01 a.m. on the Effective Date or such other time as First Mining, Gold Canyon and SpinCo agree to in writing before the Effective Date;
- (m) **“Encumbrance”** has the meaning set out in the Arrangement Agreement;
- (n) **“Final Order”** means the final order of the Court approving the Arrangement as such order may be amended at any time prior to the Effective Date or, if appealed, then, unless such appeal is abandoned or denied, as affirmed;
- (o) **“First Mining”** means First Mining Finance Corp., a company existing under the laws of the Province of British Columbia;
- (p) **“First Mining Exchange Ratio”** has the meaning set out in Section 2.3(d)(i);
- (q) **“First Mining Option Plan”** means First Mining’s stock option plan approved by the First Mining Shareholders on April 19, 2015;
- (r) **“First Mining Replacement Warrant”** has the meaning set out in Section 2.3(e);
- (s) **“First Mining Share”** means a common share in the authorized share structure of First Mining and any other securities into which such share may be changed;
- (t) **“Gold Canyon”** means Gold Canyon Resources Inc., a company existing under the laws of British Columbia;
- (u) **“Gold Canyon Common Share”** means a common share without par value in the authorized share structure of Gold Canyon outstanding immediately prior to the Effective Time;
- (v) **“Gold Canyon Class A Common Share”** has the meaning set out in Section **Error! Reference source not found.**;
- (w) **“Gold Canyon Option”** means an option to purchase Gold Canyon Common Shares outstanding and unexercised immediately prior to the Effective Time;

- (x) **“Gold Canyon Rights Plan”** means the shareholder rights plan agreement dated as of March 15, 2006 between Gold Canyon and Computershare Investor Services Inc., as rights agent;
- (y) **“Gold Canyon Securities”** means the Gold Canyon Common Shares, the Gold Canyon Class A Common Shares, the Gold Canyon Warrants and the Gold Canyon Options, collectively;
- (z) **“Gold Canyon Shareholder”** means a holder of Gold Canyon Common Shares or Gold Canyon Class A Common Shares, as the context requires;
- (aa) **“Gold Canyon Warrant”** means a common share purchase warrant of Gold Canyon outstanding and unexercised immediately prior to the Effective Time;
- (bb) **“Gold Canyon Warrantholder”** means a holder of Gold Canyon Warrants;
- (cc) **“Governmental Entity”** means any: (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank or Tribunal; (ii) subdivision, agent, commission, board, or authority of any of the foregoing; or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (dd) **“holder”** means, (i) when used with reference to any Gold Canyon Securities, the holder of such Gold Canyon Securities, (ii) when used with reference to any First Mining Shares, means the holder of such First Mining Shares shown from time to time on the register of shareholders maintained by or on behalf of First Mining in respect of such First Mining Shares, and (iii) when used with reference to any SpinCo Shares, means the holder of such SpinCo Shares shown from time to time on the register of shareholders maintained by or on behalf of SpinCo in respect of such SpinCo Shares;
- (ee) **“Interim Order”** means the interim order of the Court made in connection with the process for obtaining shareholder approval of the Arrangement and related matters, as such order may be amended, supplemented or varied by the Court;
- (ff) **“ITA”** means the *Income Tax Act* (Canada);
- (gg) **“Letter of Transmittal”** means the Letter of Transmittal for use by Gold Canyon Shareholders;
- (hh) **“Meeting”** means the special meeting of the Gold Canyon Shareholders and the Gold Canyon Warrantholders (including any adjournment thereof) that is to be convened as provided by the Interim Order to consider and, if deemed advisable, approve the Arrangement;
- (ii) **“Person”** includes any individual, firm, partnership, joint venture, venture capital fund, association, trust, trustee, executor, administrator, legal personal

representative, estate, group, body corporate, corporation, company, unincorporated association or organization, government body, syndicate or other entity, whether or not having legal status;

- (jj) **“Replacement Option”** has the meaning set out in Section 2.3(f);
- (kk) **“Replacement Warrants”** means, collectively, the First Mining Replacement Warrants and the SpinCo Replacement Warrants;
- (ll) **“SpinCo”** means 1047431 B.C. Ltd., a company existing under the laws of the Province of British Columbia;
- (mm) **“SpinCo Exchange Ratio”** has the meaning set out in Section 2.3(c)(ii);
- (nn) **“SpinCo Replacement Warrant”** has the meaning set out in Section 2.3(e)(ii);
- (oo) **“SpinCo Share”** means a common share in the authorized share structure of SpinCo;
- (pp) **“Spin-Out Assets”** means:
 - (i) all direct and indirect right, title and interest of Gold Canyon in and to all of the issued and outstanding shares of Spring Stone Mining Corporation and all of the membership interests in Gold Canyon Kratz Spring, LLC;
 - (ii) all direct and indirect right, title and interest of Gold Canyon in, to and under and the full benefit and advantage of all Japan Oil, Gas And Metals National Corporation (“JOGMEG”) project venture, operation and participation agreements including agreements with respect to Tanzania Projects, Mangochi/Thyolo RE Project and Mulanje RE Project and all business, corporate, legal and accounting books, records and documents used in the conduct of the JOGMEG project venture, operation and participation agreements and related undertakings;
 - (iii) all direct and indirect right, title and interest of Gold Canyon in, to and under and the full benefit and advantage of the office lease with respect to Suite 810 - 609 Granville Street, Vancouver, British Columbia, Canada (the **“Office Space”**) and any sublease, sharing, maintenance agreements, registrations, documentation or correspondence related thereto;
 - (iv) all equipment, hardware, software, office supplies, fixtures, furniture, furnishings and other tangible property located in the Office Space owned, leased or held by or on behalf of Gold Canyon; and
 - (v) cash in the amount of \$500,000 less all cash held as of the Effective Time by Spring Stone Mining Corporation, its subsidiaries and Gold Canyon Kratz Spring, LLC;

(qq) **“Spin-Out Liabilities”** means:

- (i) all liabilities or obligations (contingent or otherwise) (other than any liability or obligation for Taxes) in respect (but only in respect) of the Spin-Out Assets (including the operations or activities in connection therewith);
- (ii) all liabilities or obligations for Taxes payable to any Governmental Entity arising from, or in connection with the Spin-Out Transaction;
- (iii) all liabilities or obligations for Taxes payable but not yet paid or reflected in the contingencies or commitments in the Annual Financial Statements of Gold Canyon, to any Governmental Entity and imposed on, or is in respect of, the Spin-Out Assets and/or any liabilities or obligations referred to in this definition net of all applicable credits, deductions, and other amounts available (including any loss carryforwards) with respect to the Spin-Out Assets; and
- (iv) all fees and expenses related to the listing of the SpinCo Shares on the TSX-V;

(rr) **“Spin-Out Transaction”** means the transfer of the Spin-Out Assets and the assignment of the Spin-Out Liabilities to SpinCo and the distribution of SpinCo Shares to Gold Canyon Shareholders, all pursuant to this Plan of Arrangement;

(ss) **“Taxes”** means with respect to any entity, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, *ad valorem* taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, Canada Pension Plan premiums, excise, severance, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, production taxes, severance taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties, mining duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;

(tt) **“Tribunal”** means: (i) any court (including a court of equity); (ii) any federal, provincial, state, county, municipal or other government or governmental department, ministry, commission, board, bureau, agency or instrumentality; or (iii) any securities commission, Canadian or U.S. stock exchange or other regulatory or self-regulatory body; and (iv) any arbitrator or arbitration tribunal; and

(uu) “**TSX-V**” means the TSX Venture Exchange.

1.2 **Interpretation Not Affected by Headings, etc.** The division of this Plan of Arrangement into sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation hereof. Unless otherwise indicated, all references in this Plan of Arrangement to a “Section” followed by a number and/or a letter refer to the specified section of this Plan of Arrangement. Unless otherwise indicated, the terms “this Plan of Arrangement”, “hereof”, “herein”, “hereunder” and “hereby” and similar expressions refer to this Plan of Arrangement as amended or supplemented from time to time pursuant to the applicable provisions hereof, and not to any particular section or other portion hereof.

1.3 **Currency.** All sums of money referred to in this Plan of Arrangement are expressed in lawful money of Canada.

1.4 **Number, etc.** In this Plan of Arrangement, unless the context otherwise requires, words importing the singular number include the plural and *vice versa* and words importing any gender include all genders.

1.5 **Construction.** In this Plan of Arrangement:

- (a) the words “include”, “including” or “in particular”, when following any general term or statement, shall not be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as permitting the general term or statement to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (b) a reference to a statute means that statute, as amended and in effect as of the date of this Plan of Arrangement, and includes each and every regulation and rule made thereunder and in effect as of the date hereof;
- (c) where a word, term or phrase is defined, its derivatives or other grammatical forms have a corresponding meaning; and
- (d) time is of the essence.

ARTICLE 2 ARRANGEMENT

2.1 **Arrangement Agreement.** This Plan of Arrangement is made pursuant to, is subject to the provisions of and forms a part of the Arrangement Agreement.

2.2 **Binding Effect.** As of and from the Effective Time, this Plan of Arrangement shall be binding upon the following, without any further act or formality required on the part of any person, except as specified herein: (i) Gold Canyon, (ii) First Mining, (iii) SpinCo and (iv) all holders of Gold Canyon Securities.

2.3 **Arrangement.** At the Effective Time, the following steps shall occur and shall be deemed to occur in the following order without any further act or formality (except as specified herein):

- (a) the Gold Canyon Rights Plan shall be terminated (and all rights thereunder shall expire) and shall be of no further force or effect;
- (b) all of the Spin-out Assets and Spin-out Liabilities shall be transferred to SpinCo by Gold Canyon in consideration for the issuance by SpinCo of such number of fully-paid and non-assessable SpinCo Shares to Gold Canyon such that immediately after the foregoing issuance Gold Canyon shall hold in the aggregate (together with the SpinCo Shares held immediately prior to the foregoing issuance) that number of SpinCo Shares that is equal to 0.03333 of (i) the total number of Gold Canyon Common Shares issued and outstanding immediately prior to the Effective Time less (ii) the number of Gold Canyon Common Shares held by Dissenting Shareholders;
- (c) Gold Canyon shall undertake a reorganization of capital within the meaning of Section 86 of the ITA as follows, with the following steps occurring in the following order:
 - (i) Gold Canyon's share capital and its Articles will be altered by (A) creating an unlimited number of Class A common shares (the "**Gold Canyon Class A Common Shares**") with the rights, privileges and restrictions as set forth in Schedule I hereto, and (B) amending the rights, privileges and restrictions attaching to the Gold Canyon Common Shares so as to match those set forth in Schedule II hereto;
 - (ii) each issued and outstanding Gold Canyon Common Share, other than those held by Dissenting Shareholders, shall be exchanged free and clear of all Encumbrances for one Gold Canyon Class A Common Share and 0.03333 of one SpinCo Share (the "**SpinCo Exchange Ratio**"); and
 - (iii) the capital of the outstanding Gold Canyon Class A Common Shares shall be an amount equal to the paid-up capital (within the meaning of the ITA) of the Gold Canyon Common Shares, less the paid-up capital (within the meaning of the ITA) of the Gold Canyon Common Shares that is attributable to each issued Gold Canyon Common Share held by Dissenting Shareholders and less the fair market value of the SpinCo Shares distributed to Gold Canyon Shareholders;
- (d) the following steps shall be effected contemporaneously:
 - (i) each issued and outstanding Gold Canyon Common Share held by a Dissenting Shareholder shall be deemed to be transferred by the holder thereof to First Mining, free and clear of all Encumbrances, and First Mining shall thereupon be obliged to pay the amount therefor determined and payable in accordance with Article 4 hereof;

- (ii) each issued and outstanding Gold Canyon Class A Common Share held by a former Gold Canyon Shareholder, other than those held by Dissenting Shareholders and other than Gold Canyon Class A Common Shares beneficially owned by First Mining immediately prior to the Effective Time, shall be deemed to be transferred by the holder thereof to First Mining, free and clear of all Encumbrances, in exchange for one First Mining Common Share (the “**First Mining Exchange Ratio**”);
 - (iii) with respect to each Gold Canyon Common Share and each Gold Canyon Class A Common Share transferred under Section 2.3(d)(i) or (ii) the former holder thereof shall cease to be a registered or beneficial holder of such shares and the name of such holder shall be removed from the central securities register maintained by or on behalf of Gold Canyon in respect thereof and shall cease to have any rights as holders of such shares other than the right to receive the First Mining Common Shares and SpinCo Shares in accordance with this Plan of Arrangement;
 - (iv) each former holder of Gold Canyon Common Shares or Gold Canyon Class A Common Shares that was the registered holder thereof immediately prior to such transfer shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign such shares to First Mining;
 - (v) First Mining shall issue and cause to be delivered to each former holder of Gold Canyon Class A Common Shares the First Mining Common Shares to which such holder is entitled as aforesaid and the name of such holder shall be added to the securities register maintained by or on behalf of First Mining in respect of the First Mining Common Shares showing such holder as the registered holder of the First Mining Common Shares so issued; and
 - (vi) First Mining shall be added to the securities register maintained by or on behalf of Gold Canyon in respect of the Gold Canyon Common Shares and the Class A Common Shares showing First Mining as the sole legal and beneficial owner of such shares free and clear of all Encumbrances;
- (e) each Gold Canyon Warrant, to the extent it has not been exercised as of the Effective Date, will be exchanged by the holder thereof, without any further act or formality and free and clear of all Encumbrances, for:
 - (i) a warrant (a “**First Mining Replacement Warrant**”) to purchase a number of First Mining Shares equal to the product of the First Mining Exchange Ratio multiplied by the number of Gold Canyon Common Shares issuable on exercise of such Gold Canyon Warrant immediately prior to the Effective Time for an exercise price per First Mining Share equal to the exercise price per share of such Gold Canyon Warrant immediately prior to the Effective Time divided by the First Mining Exchange Ratio and rounded up to the nearest whole cent (provided that, if the foregoing

calculation results in a First Mining Replacement Warrant being exercisable for a fraction of a First Mining Share, then the number of First Mining Shares subject to such First Mining Replacement Warrant shall be rounded down to the next whole number of First Mining Shares); and

- (ii) a warrant (a “**SpinCo Replacement Warrant**”) to purchase a number of SpinCo Shares equal to the product of the SpinCo Exchange Ratio multiplied by the number of Gold Canyon Common Shares issuable on exercise of such Gold Canyon Warrant immediately prior to the Effective Time for an exercise price per whole SpinCo Share equal to \$0.30, being the fair market portion of the exercise price per share of such Gold Canyon Warrant assigned to a SpinCo Replacement Warrant rounded up to the nearest whole cent, divided by the SpinCo Exchange Ratio and rounded up to the nearest whole cent (provided that, if the foregoing calculation results in a SpinCo Replacement Warrant being exercisable for a fraction of a SpinCo Share, then the number of SpinCo Shares subject to such SpinCo Replacement Warrant shall be rounded down to the next whole number of SpinCo Shares);

and the Gold Canyon Warrants shall thereupon be cancelled. The term to expiry, conditions to and manner of exercise (provided any Replacement Warrant shall be exercisable at the offices of First Mining and) and other terms and conditions of each of the Replacement Warrants shall be the same as the terms and conditions of the Gold Canyon Warrant for which it is exchanged. Any document previously evidencing the Gold Canyon Warrant shall thereafter evidence and be deemed to evidence such Replacement Warrant and no certificates evidencing the Replacement Warrants shall be issued; and

- (f) each Gold Canyon Option, to the extent it has not been exercised as of the Effective Date, will be exchanged by the holder thereof, without any further act or formality and free and clear of all liens, claims and encumbrances, for a stock option (a “**Replacement Option**”) to purchase a number of First Mining Shares equal to the product of the First Mining Exchange Ratio multiplied by the number of Gold Canyon Common Shares issuable on exercise of such Gold Canyon Option immediately prior to the Effective Time for an exercise price per First Mining Share equal to the exercise price per share of such Gold Canyon Option immediately prior to the Effective Time divided by the First Mining Exchange Ratio and rounded up to the nearest whole cent (provided that, if the foregoing calculation results in a Replacement Option being exercisable for a fraction of a First Mining Share, then the number of First Mining Shares subject to such Replacement Option shall be rounded down to the next whole number of First Mining Shares). The term to expiry, conditions to and manner of exercise and other terms and conditions of each of the Replacement Options shall be the same as the terms and conditions of the Gold Canyon Option for which it is exchanged except that such Replacement shall be governed by the terms and conditions of the First Mining Option Plan and, in the event of any inconsistency or conflict the First Mining Option Plan shall govern. Notwithstanding the foregoing, no such

First Mining Option shall expire due to the holder ceasing to hold office or ceasing to be an employee or consultant and each such First Mining Option shall terminate on the earlier of (i) the date of expiry of the Gold Canyon Option for which it was exchanged and (ii) the date 12 months after the Effective Date. Any document previously evidencing the Gold Canyon Option shall thereafter evidence and be deemed to evidence such Replacement Option and no certificates evidencing the Replacement Options shall be issued and

- (g) the exchanges, cancellations and steps provided for in this Section 2.3 shall be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not completed until after the Effective Time.

2.4 **Post- Effective Time Procedures.**

- (a) Following receipt of the Final Order and prior to the Effective Date, First Mining shall deliver or arrange to be delivered to the Depositary the certificates representing the First Mining Shares and SpinCo shall deliver or arrange to be delivered to the Depositary the SpinCo Shares required to be issued to the former Gold Canyon Shareholders, in either case in accordance with Section 2.3 hereof, which certificates shall be held by the Depositary as agent and nominee for the former Gold Canyon Shareholders for distribution to the former Gold Canyon Shareholders in accordance with the provisions of Article 4 hereof.
- (b) Subject to the provisions of Article 4 hereof, and upon return of a properly completed Letter of Transmittal by a registered former Gold Canyon Shareholder together with certificates, if any, which, immediately prior to the Effective Date, represented Gold Canyon Common Shares and such other documents as the Depositary may require, former Gold Canyon Shareholders shall be entitled to receive delivery of the certificates representing the First Mining Shares and the SpinCo Shares to which they are entitled pursuant to Sections 2.3(c)(ii) and 2.3(d)(i).

2.5 **No Fractional Shares.** In no event shall any holder of Gold Canyon Common Shares be entitled to a fractional First Mining Share or a fractional SpinCo Share. Where the aggregate number of First Mining Shares to be issued to a former Gold Canyon Shareholder as consideration under this Arrangement would result in a fraction of a First Mining Share being issuable, the number of First Mining Shares to be received by such Gold Canyon Shareholder shall be rounded down to the nearest whole First Mining Share and no Person will be entitled to any compensation in respect of a fractional First Mining Share. Where the aggregate number of SpinCo Shares to be issued to a former Gold Canyon Shareholder as consideration under this Arrangement would result in a fraction of a SpinCo Share being issuable, the number of SpinCo Shares to be received by such Gold Canyon Shareholder shall be rounded down to the nearest whole SpinCo Share and no Person will be entitled to any compensation in respect of a fractional SpinCo Share and any remaining SpinCo shares held by Gold Canyon as a result will be returned by Gold Canyon and will be deemed to be cancelled.

2.6 **Adjustments to Exchange Ratios.** The First Mining Exchange Ratio shall be adjusted to reflect fully the effect of any stock split, reverse split, stock dividend (including any

dividend or distribution of securities convertible into First Mining Shares or Gold Canyon Common Shares), reorganization, recapitalization or other like change with respect to First Mining Shares or Gold Canyon Common Shares occurring after the date of the Arrangement Agreement and prior to the Effective Time. The SpinCo Exchange Ratio shall be adjusted to reflect fully the effect of any stock split, reverse split, stock dividend (including any dividend or distribution of securities convertible into SpinCo Shares or Gold Canyon Common Shares), reorganization, recapitalization or other like change with respect to SpinCo Shares or Gold Canyon Common Shares occurring after the date of the Arrangement Agreement and prior to the Effective Time.

2.7 **Paramountcy.** From and after the Effective Time:

- (a) this Plan of Arrangement shall take precedence and priority over any and all Gold Canyon Common Shares, Gold Canyon Warrants and Gold Canyon Options issued prior to the Effective Time;
- (b) the rights and obligations of the Gold Canyon Common Shares, Gold Canyon Warrants and Gold Canyon Options shall be solely as provided in this Plan of Arrangement; and
- (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Gold Canyon Common Shares, Gold Canyon Warrants and Gold Canyon Options shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 3 RIGHTS OF DISSENT

3.1 **Rights of Dissent.**

- (a) Registered holders of Gold Canyon Common Shares may exercise rights of dissent (“**Dissent Rights**”) with respect to such shares pursuant to and in the manner set forth in Section 237 to 247 of the Business Corporations Act and this Section 3.1 (the “**Dissent Procedures**”) in connection with the Arrangement; provided that, notwithstanding subsection 242(a) of the Business Corporations Act, the written objection to the Arrangement Resolution referred to in subsection 242(a) of the Business Corporations Act must be received by Gold Canyon not later than 5:00 p.m. (Vancouver time) on the business day that is two business days before the date of the Meeting or any date to which the Gold Canyon Meeting may be postponed or adjourned and provided further that Dissenting Shareholders who:
 - (i) are ultimately entitled to be paid fair value for their Gold Canyon Common Shares shall be deemed to have transferred such Gold Canyon Common Shares to First Mining as of the Effective Time without any further act or formality and free and clear of all liens, claims and

encumbrances, in consideration for the payment by First Mining of the fair value thereof, in cash; or

- (ii) are ultimately not entitled, for any reason, to be paid fair value for their Gold Canyon Common Shares shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Gold Canyon Common Shares and shall receive First Mining Shares and SpinCo Shares on the basis determined in accordance with Sections 2.3(c)(ii) and 2.3(d)(i);

but in no case shall First Mining, Gold Canyon or any other Person be required to recognize such Persons as holders of Gold Canyon Common Shares or Gold Canyon Class A Common Shares after the Effective Time, and the names of such Persons shall be deleted from the applicable shareholder registers at the Effective Time.

- (b) In addition to any other restrictions set forth in the Business Corporations Act, none of the following shall be entitled to exercise Dissent Rights:
 - (i) Holders of Gold Canyon Options;
 - (ii) Gold Canyon Warrantholders; and
 - (iii) Gold Canyon Shareholders who vote in favour of the Arrangement Resolution.

ARTICLE 4

DELIVERY OF CERTIFICATES

4.1 **Exchange of Share Certificates.** As soon as practicable following the later of the Effective Date and the surrender to the Depositary for cancellation of certificates that, immediately before the Effective Time, represented a holder's Gold Canyon Common Shares, together with a duly completed Letter of Transmittal and such other documents and instruments as would have been required to effect the transfer of the shares formerly represented by such certificates under the Business Corporations Act and the Articles of Gold Canyon and such additional documents and instruments as the Depositary may reasonably require, (a) First Mining shall cause the Depositary to deliver to such holder a certificate representing that number of First Mining Shares which such holder has the right to receive and (b) SpinCo shall cause the Depositary to deliver to such holder a certificate representing that number of SpinCo Shares which such holder has the right to receive (together, in either case, with any dividends or distributions with respect thereto pursuant to Section 4.2) and the certificate so surrendered shall forthwith be cancelled. In the event of a transfer of ownership of Gold Canyon Common Shares which is not registered in the transfer records of Gold Canyon, certificates representing the proper number of First Mining Shares and SpinCo Shares may be issued to the transferee if the certificate representing such Gold Canyon Common Shares is presented to the Depositary, accompanied by all documents required to evidence and effect such transfer to the transferee. Until surrendered as contemplated by this Section 4.1, each certificate which immediately prior to the Effective Time represented one or more outstanding Gold Canyon Common Shares shall

be deemed at all times after the Effective Time to represent only the right to receive upon such surrender (i) the certificates representing First Mining Shares and SpinCo Shares as contemplated by this Section 4.1, and (ii) any dividends or distributions with a record date after the Effective Time theretofore paid or payable with respect to First Mining Shares and SpinCo Shares as contemplated by Section 4.2.

4.2 Distributions with Respect to Unsurrendered Certificates. No dividends or other distributions declared or made after the Effective Time with respect to First Mining Shares and SpinCo Shares with a record date after the Effective Time shall be paid to the holder of any unsurrendered certificate which immediately prior to the Effective Time represented outstanding Gold Canyon Common Shares that were exchanged pursuant to Section 2.3(d)(i), unless and until the holder of record of such certificate shall surrender such certificate in accordance with Section 4.1. Subject to applicable law, at the time of such surrender of any such certificate (or in the case of clause (ii) below, at the appropriate payment date), there shall be paid to the holder of record of the certificates formerly representing whole Gold Canyon Common Shares, without interest, (i) the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole First Mining Share or SpinCo Share and (ii) on the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to surrender and a payment date subsequent to surrender payable with respect to such whole First Mining Share or SpinCo Share.

4.3 Lost Certificates. In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Gold Canyon Common Shares that were exchanged pursuant to Section 2.3(d)(i) shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, one or more certificates representing one or more First Mining Shares and SpinCo Shares (and any dividends or distributions with respect thereto) deliverable in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom certificates representing First Mining Shares and SpinCo Shares are to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to First Mining, SpinCo and the Depositary in such sum as they may direct or otherwise indemnify First Mining, SpinCo and the Depositary in a manner satisfactory to each of them against any claim that may be made against them with respect to the certificate alleged to have been lost, stolen or destroyed.

4.4 Extinction of Rights. Any certificate which immediately prior to the Effective Time represented outstanding Gold Canyon Common Shares that were exchanged pursuant to Section 2.3(d)(i) and not deposited, with all other instruments required by Section 4.1 on or prior to the third anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature as a shareholder of First Mining or SpinCo. On such date, the First Mining Shares and SpinCo Shares to which the former registered holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered to First Mining or SpinCo, respectively, together with all entitlements to dividends, distributions and interest thereon held for such former registered holder. None of First Mining, SpinCo, Gold Canyon or the Depositary shall be liable to any person in respect of any First Mining Shares or

SpinCo Shares (or dividends, distributions and interest in respect thereof) delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

4.5 **Withholding and Sale Rights.** Each of First Mining, SpinCo and the Depositary shall be entitled to deduct and withhold from (i) any First Mining Shares, SpinCo Shares or other consideration otherwise issuable or payable pursuant to this Plan of Arrangement to any holder of Gold Canyon Common Shares, or (ii) any dividend or consideration otherwise payable to any holder of Gold Canyon Common Shares, First Mining Shares or SpinCo Shares such amounts as First Mining, SpinCo or the Depositary, respectively, is required to deduct and withhold with respect to such issuance or payment, as the case may be, under the ITA, the United States Internal Revenue Code of 1986 or any provision of provincial, state, local or foreign tax law, in each case as amended. To the extent that the amount so required to be deducted or withheld from the First Mining Shares, SpinCo Shares, dividends or consideration otherwise issuable or payable to a holder exceeds the cash portion of the consideration otherwise payable to such holder, each of First Mining, SpinCo and the Depositary is hereby authorized to sell or otherwise dispose of, at such times and at such prices as it determines, in its sole discretion, such portion of the First Mining Shares or SpinCo Shares otherwise issuable or payable to such holder as is necessary to provide sufficient funds to First Mining, SpinCo or the Depositary, as the case may be, to enable it to comply with such deduction or withholding requirement, and shall notify the holder thereof and remit to such holder any unapplied balance of the net proceeds of such sale or disposition (after deducting applicable sale commissions and any other reasonable expenses relating thereto) in lieu of the First Mining Shares, SpinCo Shares or other consideration so sold or disposed of. To the extent that amounts are so withheld or First Mining Shares or SpinCo Shares or other consideration are so sold or disposed of, such withheld amounts, or shares or other consideration so sold or disposed of, shall be treated for all purposes as having been paid to the holder of the shares in respect of which such deduction, withholding, sale or disposition was made, provided that such withheld amounts, or the net proceeds of such sale or disposition, as the case may be, are actually remitted to the appropriate taxing authority. None of First Mining, SpinCo or the Depositary shall be obligated to seek or obtain a minimum price for any of the First Mining Shares, SpinCo Shares or other consideration sold or disposed of by it hereunder, nor shall any of them be liable for any loss arising out of any such sale or disposition.

ARTICLE 5 AMENDMENTS

5.1 This Plan of Arrangement may be amended, modified and/or supplemented at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/ or supplement must be (i) set out in writing, (ii) approved by First Mining and Gold Canyon (on its own behalf and on behalf of SpinCo), (iii) filed with the Court and, if made following the Meeting, approved by the Court, and (iv) communicated to holders of Gold Canyon Securities if and as required by the Court.

5.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Gold Canyon at any time prior to the Meeting (provided that First Mining shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

5.3 Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Meeting shall be effective only if (i) it is consented to by each of Gold Canyon (on its own behalf and on behalf of SpinCo) and First Mining, and (ii) if required by the Court, it is consented to by the Gold Canyon Shareholders and the Gold Canyon Warrantholders voting in the manner directed by the Court.

5.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by First Mining, provided that it concerns a matter which, in the reasonable opinion of First Mining, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any holder of Gold Canyon Securities.

5.5 This Plan of Arrangement may be withdrawn prior to the occurrence of any of the events in Section 2.3 in accordance with the terms of the Arrangement Agreement.

ARTICLE 6 FURTHER ASSURANCES

6.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done or executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein

SCHEDULE I

RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS ATTACHED TO CLASS A COMMON SHARES OF GOLD CANYON RESOURCES INC.

The Class A Common Shares shall have the following rights, privileges, restrictions and conditions:

1. **Voting.** The holders of the Class A Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and to cast one vote for each share held, except meetings to which only holders of specified classes or series of shares are entitled to vote.
2. **Dividends.** Subject to the rights attaching to any other shares of the Company, the holders of the Class A Common Shares shall be entitled to receive dividends, as and when declared by the directors in their absolute discretion from time to time.
3. **Participation.** Subject to the rights attaching to any other shares of the Company, in the event of the liquidation, dissolution or winding-up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs or upon a reduction of capital, the holders of the Class A Common Shares shall be entitled to receive a pro rata portion of the remaining property of the Company.

SCHEDULE II

RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS ATTACHED TO COMMON SHARES OF GOLD CANYON RESOURCES INC.

The Common Shares shall have the following rights, privileges, restrictions and conditions:

1. **Voting.** The holders of the Common Shares shall not as such be entitled to receive notice of or to attend any meetings of the shareholders of the Company or to cast any vote thereat, except for meetings at which only holders of that class of shares are entitled to vote.
2. **Dividends.**
 - (a) Holders of the Common Shares shall be entitled to receive in priority to any other shares of the Company, if, as and when declared thereon by the board of directors of the Company, a non-cumulative preferential dividend in the amount (if any) declared by the board of directors of the Company.
 - (b) No dividends shall be declared or paid in any year on any other shares of the Company unless all dividends which shall have been declared and which remain unpaid on the Common Shares then issued and outstanding shall have been paid or provided for at the date of such declaration.
 - (c) The rights of the holders of the Common Shares to dividends in any year shall be limited to the non-cumulative, preferential dividend specified in this Section 2.
3. **Participation.** Subject to the rights attaching to any other shares of the Company, in the event of the liquidation, dissolution or winding-up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs or upon a reduction of capital, the holders of the Common Shares shall be entitled to receive a pro rata portion of the remaining property of the Company.

EXHIBIT B
TO THE ARRANGEMENT AGREEMENT DATED AS OF AUGUST 31, 2015
AMONG FIRST MINING FINANCE CORP., GOLD CANYON RESOURCES INC. AND
1047431 B.C. LTD.

ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement (the “**Arrangement**”) under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) (as the Arrangement may be modified or amended), as more particularly described and set forth in the information circular (the “**Circular**”) of Gold Canyon Resources Inc. (“**Gold Canyon**”) dated <@>, 2015, is hereby authorized, approved and adopted.
2. The plan of arrangement (the “**Plan of Arrangement**”), the full text of which is set out as Exhibit A to the arrangement agreement dated August 31, 2015 among Gold Canyon, First Mining Finance Corp. and 1047431 B.C. Ltd. (the “**Arrangement Agreement**”) and all transactions contemplated thereby, is hereby approved and adopted.
3. The Arrangement Agreement, the actions of the directors of Gold Canyon in approving the Arrangement Agreement and the actions of the directors and officers of Gold Canyon in executing and delivering the Arrangement Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved.
4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders and warrant holders of Gold Canyon or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Gold Canyon are hereby authorized and empowered (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, and (ii) not to proceed with the Arrangement at any time prior to the Effective Time (as defined in the Arrangement Agreement).
5. Any officer or director of Gold Canyon is hereby authorized and directed for and on behalf of Gold Canyon to execute or cause to be executed, under the seal of Gold Canyon or otherwise, and to deliver or cause to be delivered, all such documents and instruments and to perform or cause to be performed all such other acts and things as in such person’s opinion may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such authorization to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

EXHIBIT C
TO THE ARRANGEMENT AGREEMENT DATED AS OF AUGUST 31, 2015
AMONG FIRST MINING FINANCE CORP., GOLD CANYON RESOURCES INC. AND
1047431 B.C. LTD.

GOLD CANYON MATERIAL PROPERTIES

Springpole Property
RED LAKE Mining Division, Ontario, Canada

Township/Area	Claim Number	Recording Date	Claim Due Date	Status	Percent Option
SEAGRAVE LAKE AREA	4253260	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253261	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253265	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253266	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253267	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253268	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253269	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253270	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253271	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253272	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253278	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253280	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253281	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253282	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253283	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253284	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253285	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253290	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253291	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253292	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253293	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253294	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253295	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253296	2011-Oct-27	2016-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253297	2011-Oct-27	2016-Oct-27	A	100%
KEIGAT LAKE AREA	4253234	2011-Feb-11	2017-Feb-11	A	100%
KEIGAT LAKE AREA	4253235	2011-Feb-11	2017-Feb-11	A	100%
SEAGRAVE LAKE AREA	4253237	2011-Feb-11	2017-Feb-11	A	100%

SEAGRAVE LAKE AREA	4253238	2011-Feb-11	2017-Feb-11	A	100%
SEAGRAVE LAKE AREA	4253239	2011-Feb-11	2017-Feb-11	A	100%
KEIGAT LAKE AREA	3004712	2004-Feb-25	2017-Feb-25	A	100%
CASUMMIT LAKE AREA	4205214	2007-Mar-02	2017-Mar-02	A	100%
CASUMMIT LAKE AREA	4205215	2007-Mar-02	2017-Mar-02	A	100%
SATTERLY LAKE AREA	4212757	2007-Mar-12	2017-Mar-12	A	100%
SATTERLY LAKE AREA	4212758	2007-Mar-12	2017-Mar-12	A	100%
SATTERLY LAKE AREA	4212760	2007-Mar-12	2017-Mar-12	A	100%
SATTERLY LAKE AREA	4212761	2007-Mar-12	2017-Mar-12	A	100%
SEAGRAVE LAKE AREA	4224125	2011-Mar-18	2017-Mar-18	A	100%
SEAGRAVE LAKE AREA	4224126	2011-Mar-18	2017-Mar-18	A	100%
SEAGRAVE LAKE AREA	4224127	2011-Mar-18	2017-Mar-18	A	100%
SATTERLY LAKE AREA	4224128	2011-Mar-18	2017-Mar-18	A	100%
SATTERLY LAKE AREA	4224129	2011-Mar-18	2017-Mar-18	A	100%
SATTERLY LAKE AREA	4224130	2011-Mar-18	2017-Mar-18	A	100%
SATTERLY LAKE AREA	4253244	2011-Mar-18	2017-Mar-18	A	100%
SATTERLY LAKE AREA	4253245	2011-Mar-18	2017-Mar-18	A	100%
SEAGRAVE LAKE AREA	4267701	2012-Mar-29	2017-Mar-29	A	100%
SEAGRAVE LAKE AREA	4267702	2012-Mar-29	2017-Mar-29	A	100%
SEAGRAVE LAKE AREA	4267703	2012-Mar-29	2017-Mar-29	A	100%
SEAGRAVE LAKE AREA	4267704	2012-Mar-29	2017-Mar-29	A	100%
SEAGRAVE LAKE AREA	4267705	2012-Mar-29	2017-Mar-29	A	100%
SEAGRAVE LAKE AREA	4267706	2012-Mar-29	2017-Mar-29	A	100%
HAILSTONE LAKE AREA	4267707	2012-Mar-29	2017-Mar-29	A	100%
HAILSTONE LAKE AREA	4267708	2012-Mar-29	2017-Mar-29	A	100%
HAILSTONE LAKE AREA	4267709	2012-Mar-29	2017-Mar-29	A	100%
HAILSTONE LAKE AREA	4267710	2012-Mar-29	2017-Mar-29	A	100%
HAILSTONE LAKE AREA	4267711	2012-Mar-29	2017-Mar-29	A	100%
HAILSTONE LAKE AREA	4267712	2012-Mar-29	2017-Mar-29	A	100%
SATTERLY LAKE AREA	1248628	2002-Apr-02	2017-Apr-02	A	100%
CASUMMIT LAKE AREA	903534	1986-Apr-18	2017-Apr-18	A	100%
CASUMMIT LAKE AREA	903538	1986-Apr-18	2017-Apr-18	A	100%
CASUMMIT LAKE AREA	903539	1986-Apr-18	2017-Apr-18	A	100%
SEAGRAVE LAKE AREA	903559	1986-Apr-18	2017-Apr-18	A	100%
SEAGRAVE LAKE AREA	903560	1986-Apr-18	2017-Apr-18	A	100%
SEAGRAVE LAKE AREA	903561	1986-Apr-18	2017-Apr-18	A	100%
SEAGRAVE LAKE AREA	903562	1986-Apr-18	2017-Apr-18	A	100%
SEAGRAVE LAKE AREA	903563	1986-Apr-18	2017-Apr-18	A	100%
SATTERLY LAKE AREA	903586	1986-Apr-18	2017-Apr-18	A	100%
SATTERLY LAKE AREA	903587	1986-Apr-18	2017-Apr-18	A	100%
SATTERLY LAKE AREA	903588	1986-Apr-18	2017-Apr-18	A	100%

SATTERLY LAKE AREA	903589	1986-Apr-18	2017-Apr-18	A	100%
SATTERLY LAKE AREA	903591	1986-Apr-18	2017-Apr-18	A	100%
SATTERLY LAKE AREA	903592	1986-Apr-18	2017-Apr-18	A	100%
CASUMMIT LAKE AREA	1185085	1998-Apr-20	2017-Apr-20	A	100%
SATTERLY LAKE AREA	1185088	1998-Apr-20	2017-Apr-20	A	100%
KEIGAT LAKE AREA	720284	1984-Apr-27	2017-Apr-27	A	100%
KEIGAT LAKE AREA	720285	1984-Apr-27	2017-Apr-27	A	100%
KEIGAT LAKE AREA	720286	1984-Apr-27	2017-Apr-27	A	100%
KEIGAT LAKE AREA	720287	1984-Apr-27	2017-Apr-27	A	100%
CASUMMIT LAKE AREA	720373	1985-Apr-29	2017-Apr-29	A	100%
CASUMMIT LAKE AREA	720374	1985-Apr-29	2017-Apr-29	A	100%
CASUMMIT LAKE AREA	720375	1985-Apr-29	2017-Apr-29	A	100%
LATREILLE LAKE AREA	4267716	2012-Apr-30	2017-Apr-30	A	100%
LATREILLE LAKE AREA	4267717	2012-Apr-30	2017-Apr-30	A	100%
LATREILLE LAKE AREA	4267718	2012-Apr-30	2017-Apr-30	A	100%
LATREILLE LAKE AREA	4267719	2012-Apr-30	2017-Apr-30	A	100%
LATREILLE LAKE AREA	4267720	2012-Apr-30	2017-Apr-30	A	100%
LATREILLE LAKE AREA	4267721	2012-Apr-30	2017-Apr-30	A	100%
LATREILLE LAKE AREA	4267722	2012-Apr-30	2017-Apr-30	A	100%
COSTELLO	4267723	2012-Apr-30	2017-Apr-30	A	100%
COSTELLO	4267724	2012-Apr-30	2017-Apr-30	A	100%
COSTELLO	4267725	2012-Apr-30	2017-Apr-30	A	100%
COSTELLO	4271960	2012-Apr-30	2017-Apr-30	A	100%
COSTELLO	4271961	2012-Apr-30	2017-Apr-30	A	100%
LATREILLE LAKE AREA	4271962	2012-May-02	2017-May-02	A	100%
LATREILLE LAKE AREA	4271963	2012-May-02	2017-May-02	A	100%
LATREILLE LAKE AREA	4271964	2012-May-02	2017-May-02	A	100%
KEIGAT LAKE AREA	4262103	2011-May-12	2017-May-12	A	100%
KEIGAT LAKE AREA	4262104	2011-May-12	2017-May-12	A	100%
KEIGAT LAKE AREA	4262105	2011-May-12	2017-May-12	A	100%
KEIGAT LAKE AREA	4262106	2011-May-12	2017-May-12	A	100%
SEAGRAVE LAKE AREA	4262107	2011-May-12	2017-May-12	A	100%
SEAGRAVE LAKE AREA	4262108	2011-May-12	2017-May-12	A	100%
SEAGRAVE LAKE AREA	4262109	2011-May-12	2017-May-12	A	100%
SEAGRAVE LAKE AREA	4262110	2011-May-12	2017-May-12	A	100%
SEAGRAVE LAKE AREA	4262111	2011-May-12	2017-May-12	A	100%
SEAGRAVE LAKE AREA	4262112	2011-May-12	2017-May-12	A	100%
SEAGRAVE LAKE AREA	4262113	2011-May-12	2017-May-12	A	100%
SEAGRAVE LAKE AREA	4262114	2011-May-12	2017-May-12	A	100%
SATTERLY LAKE AREA	845852	1985-May-24	2017-May-24	A	100%
SATTERLY LAKE AREA	845853	1985-May-24	2017-May-24	A	100%

SATTERLY LAKE AREA	845854	1985-May-24	2017-May-24	A	100%
SATTERLY LAKE AREA	845855	1985-May-24	2017-May-24	A	100%
SATTERLY LAKE AREA	845857	1985-May-24	2017-May-24	A	100%
SATTERLY LAKE AREA	845858	1985-May-24	2017-May-24	A	100%
SATTERLY LAKE AREA	845859	1985-May-24	2017-May-24	A	100%
SATTERLY LAKE AREA	845860	1985-May-24	2017-May-24	A	100%
CASUMMIT LAKE AREA	845861	1985-May-24	2017-May-24	A	100%
CASUMMIT LAKE AREA	845862	1985-May-24	2017-May-24	A	100%
CASUMMIT LAKE AREA	845863	1985-May-24	2017-May-24	A	100%
CASUMMIT LAKE AREA	845864	1985-May-24	2017-May-24	A	100%
CASUMMIT LAKE AREA	845865	1985-May-24	2017-May-24	A	100%
CASUMMIT LAKE AREA	845866	1985-May-24	2017-May-24	A	100%
CASUMMIT LAKE AREA	1184813	1997-Jun-11	2017-Jun-11	A	100%
KEIGAT LAKE AREA	856298	1985-Jul-08	2017-Jul-08	A	100%
KEIGAT LAKE AREA	856299	1985-Jul-08	2017-Jul-08	A	100%
KEIGAT LAKE AREA	856301	1985-Jul-08	2017-Jul-08	A	100%
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SEAGRAVE LAKE AREA	856305	1985-Jul-08	2017-Jul-08	A	100%
SEAGRAVE LAKE AREA	856306	1985-Jul-08	2017-Jul-08	A	100%
SEAGRAVE LAKE AREA	856309	1985-Jul-08	2017-Jul-08	A	100%
SEAGRAVE LAKE AREA	856310	1985-Jul-08	2017-Jul-08	A	100%
SEAGRAVE LAKE AREA	856313	1985-Jul-08	2017-Jul-08	A	100%
SEAGRAVE LAKE AREA	856314	1985-Jul-08	2017-Jul-08	A	100%
SEAGRAVE LAKE AREA	856315	1985-Jul-08	2017-Jul-08	A	100%
SEAGRAVE LAKE AREA	862144	1985-Jul-08	2017-Jul-08	A	100%
SEAGRAVE LAKE AREA	862145	1985-Jul-08	2017-Jul-08	A	100%
SEAGRAVE LAKE AREA	862148	1985-Jul-08	2017-Jul-08	A	100%
SEAGRAVE LAKE AREA	862149	1985-Jul-08	2017-Jul-08	A	100%
CASUMMIT LAKE AREA	1247880	2003-Jul-17	2017-Jul-17	A	100%
CASUMMIT LAKE AREA	1247881	2003-Jul-17	2017-Jul-17	A	100%
SATTERLY LAKE AREA	846643	1985-Jul-22	2017-Jul-22	A	100%
CASUMMIT LAKE AREA	870237	1986-Aug-06	2017-Aug-06	A	100%
KEIGAT LAKE AREA	3018697	2004-Aug-24	2017-Aug-24	A	100%
KEIGAT LAKE AREA	3018698	2004-Aug-24	2017-Aug-24	A	100%
KEIGAT LAKE AREA	3018699	2004-Aug-24	2017-Aug-24	A	100%
CASUMMIT LAKE AREA	3018700	2004-Aug-24	2017-Aug-24	A	100%
KEIGAT LAKE AREA	3018701	2004-Aug-24	2017-Aug-24	A	100%
KEIGAT LAKE AREA	3018702	2004-Aug-24	2017-Aug-24	A	100%
KEIGAT LAKE AREA	3018703	2004-Aug-24	2017-Aug-24	A	100%
KEIGAT LAKE AREA	3018704	2004-Aug-24	2017-Aug-24	A	100%
KEIGAT LAKE AREA	1201986	1995-Aug-28	2017-Aug-28	A	100%

SEAGRAVE LAKE AREA	1201987	1995-Aug-28	2017-Aug-28	A	100%
KEIGAT LAKE AREA	1201988	1995-Aug-28	2017-Aug-28	A	100%
CASUMMIT LAKE AREA	1201991	1995-Aug-28	2017-Aug-28	A	100%
CASUMMIT LAKE AREA	1201992	1995-Aug-28	2017-Aug-28	A	100%
KEIGAT LAKE AREA	977248	1987-Sep-10	2017-Sep-10	A	100%
KEIGAT LAKE AREA	977249	1987-Sep-10	2017-Sep-10	A	100%
SATTERLY LAKE AREA	3019689	2005-Sep-13	2017-Sep-13	A	100%
SATTERLY LAKE AREA	4205212	2005-Sep-13	2017-Sep-13	A	100%
KEIGAT LAKE AREA	3004382	2004-Sep-14	2017-Sep-14	A	100%
KEIGAT LAKE AREA	3004383	2004-Sep-14	2017-Sep-14	A	100%
KEIGAT LAKE AREA	3018680	2004-Sep-14	2017-Sep-14	A	100%
KEIGAT LAKE AREA	3018688	2004-Sep-14	2017-Sep-14	A	100%
KEIGAT LAKE AREA	3018689	2004-Sep-14	2017-Sep-14	A	100%
KEIGAT LAKE AREA	3018694	2004-Sep-14	2017-Sep-14	A	100%
KEIGAT LAKE AREA	3018696	2004-Sep-14	2017-Sep-14	A	100%
CASUMMIT LAKE AREA	977221	1987-Sep-17	2017-Sep-17	A	100%
CASUMMIT LAKE AREA	977222	1987-Sep-17	2017-Sep-17	A	100%
CASUMMIT LAKE AREA	977223	1987-Sep-17	2017-Sep-17	A	100%
CASUMMIT LAKE AREA	1185275	2003-Sep-29	2017-Sep-29	A	100%
CASUMMIT LAKE AREA	1185276	2003-Sep-29	2017-Sep-29	A	100%
CASUMMIT LAKE AREA	1185277	2003-Sep-29	2017-Sep-29	A	100%
SATTERLY LAKE AREA	4253251	2011-Oct-27	2017-Oct-27	A	100%
SATTERLY LAKE AREA	4253252	2011-Oct-27	2017-Oct-27	A	100%
SATTERLY LAKE AREA	4253253	2011-Oct-27	2017-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253254	2011-Oct-27	2017-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253255	2011-Oct-27	2017-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253256	2011-Oct-27	2017-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253257	2011-Oct-27	2017-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253258	2011-Oct-27	2017-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253259	2011-Oct-27	2017-Oct-27	A	100%
SATTERLY LAKE AREA	4253262	2011-Oct-27	2017-Oct-27	A	100%
SATTERLY LAKE AREA	4253263	2011-Oct-27	2017-Oct-27	A	100%
SATTERLY LAKE AREA	4253264	2011-Oct-27	2017-Oct-27	A	100%
SATTERLY LAKE AREA	4253273	2011-Oct-27	2017-Oct-27	A	100%
SATTERLY LAKE AREA	4253274	2011-Oct-27	2017-Oct-27	A	100%
SATTERLY LAKE AREA	4253275	2011-Oct-27	2017-Oct-27	A	100%
SATTERLY LAKE AREA	4253276	2011-Oct-27	2017-Oct-27	A	100%
SATTERLY LAKE AREA	4253277	2011-Oct-27	2017-Oct-27	A	100%
SEAGRAVE LAKE AREA	4253279	2011-Oct-27	2017-Oct-27	A	100%
SATTERLY LAKE AREA	4253286	2011-Oct-27	2017-Oct-27	A	100%
SATTERLY LAKE AREA	4253287	2011-Oct-27	2017-Oct-27	A	100%

SATTERLY LAKE AREA	4253288	2011-Oct-27	2017-Oct-27	A	100%
SATTERLY LAKE AREA	4253289	2011-Oct-27	2017-Oct-27	A	100%
CASUMMIT LAKE AREA	818714	1984-Oct-29	2017-Oct-29	A	100%
CASUMMIT LAKE AREA	818715	1984-Oct-29	2017-Oct-29	A	100%
CASUMMIT LAKE AREA	818855	1984-Oct-29	2017-Oct-29	A	100%
CASUMMIT LAKE AREA	818858	1984-Oct-29	2017-Oct-29	A	100%
CASUMMIT LAKE AREA	818859	1984-Oct-29	2017-Oct-29	A	100%
CASUMMIT LAKE AREA	903841	1987-Jan-22	2018-Jan-22	A	100%
SEAGRAVE LAKE AREA	4253236	2011-Feb-11	2018-Feb-11	A	100%
CASUMMIT LAKE AREA	834734	1985-Mar-05	2018-Mar-05	A	100%
CASUMMIT LAKE AREA	834783	1985-Mar-05	2018-Mar-05	A	100%
CASUMMIT LAKE AREA	834784	1985-Mar-05	2018-Mar-05	A	100%
CASUMMIT LAKE AREA	834785	1985-Mar-05	2018-Mar-05	A	100%
CASUMMIT LAKE AREA	834788	1985-Mar-05	2018-Mar-05	A	100%
SATTERLY LAKE AREA	4212759	2007-Mar-12	2018-Mar-12	A	100%
CASUMMIT LAKE AREA	1234316	2003-Mar-24	2018-Mar-24	A	100%
CASUMMIT LAKE AREA	1234317	2003-Mar-24	2018-Mar-24	A	100%
CASUMMIT LAKE AREA	1234318	2003-Mar-24	2018-Mar-24	A	100%
SATTERLY LAKE AREA	1248631	2002-Apr-02	2018-Apr-02	A	100%
CASUMMIT LAKE AREA	1248691	2002-Apr-08	2018-Apr-08	A	100%
CASUMMIT LAKE AREA	903535	1986-Apr-18	2018-Apr-18	A	100%
CASUMMIT LAKE AREA	903536	1986-Apr-18	2018-Apr-18	A	100%
CASUMMIT LAKE AREA	903537	1986-Apr-18	2018-Apr-18	A	100%
CASUMMIT LAKE AREA	903540	1986-Apr-18	2018-Apr-18	A	100%
CASUMMIT LAKE AREA	903541	1986-Apr-18	2018-Apr-18	A	100%
CASUMMIT LAKE AREA	903542	1986-Apr-18	2018-Apr-18	A	100%
CASUMMIT LAKE AREA	903543	1986-Apr-18	2018-Apr-18	A	100%
CASUMMIT LAKE AREA	903545	1986-Apr-18	2018-Apr-18	A	100%
SATTERLY LAKE AREA	903584	1986-Apr-18	2018-Apr-18	A	100%
SATTERLY LAKE AREA	903585	1986-Apr-18	2018-Apr-18	A	100%
SATTERLY LAKE AREA	903590	1986-Apr-18	2018-Apr-18	A	100%
CASUMMIT LAKE AREA	1185086	1998-Apr-20	2018-Apr-20	A	100%
CASUMMIT LAKE AREA	1185087	1998-Apr-20	2018-Apr-20	A	100%
KEIGAT LAKE AREA	720288	1984-Apr-27	2018-Apr-27	A	100%
KEIGAT LAKE AREA	720289	1984-Apr-27	2018-Apr-27	A	100%
CASUMMIT LAKE AREA	818866	1985-Apr-29	2018-Apr-29	A	100%
CASUMMIT LAKE AREA	818867	1985-Apr-29	2018-Apr-29	A	100%
CASUMMIT LAKE AREA	818868	1985-Apr-29	2018-Apr-29	A	100%
CASUMMIT LAKE AREA	818869	1985-Apr-29	2018-Apr-29	A	100%
CASUMMIT LAKE AREA	818870	1985-Apr-29	2018-Apr-29	A	100%
CASUMMIT LAKE AREA	818871	1985-Apr-29	2018-Apr-29	A	100%

CASUMMIT LAKE AREA	818872	1985-Apr-29	2018-Apr-29	A	100%
CASUMMIT LAKE AREA	818873	1985-Apr-29	2018-Apr-29	A	100%
CASUMMIT LAKE AREA	818874	1985-Apr-29	2018-Apr-29	A	100%
CASUMMIT LAKE AREA	818875	1985-Apr-29	2018-Apr-29	A	100%
CASUMMIT LAKE AREA	818876	1985-Apr-29	2018-Apr-29	A	100%
CASUMMIT LAKE AREA	818877	1985-Apr-29	2018-Apr-29	A	100%
CASUMMIT LAKE AREA	818878	1985-Apr-29	2018-Apr-29	A	100%
CASUMMIT LAKE AREA	818879	1985-Apr-29	2018-Apr-29	A	100%
CASUMMIT LAKE AREA	818891	1985-Apr-29	2018-Apr-29	A	100%
CASUMMIT LAKE AREA	818892	1985-Apr-29	2018-Apr-29	A	100%
CASUMMIT LAKE AREA	818893	1985-Apr-29	2018-Apr-29	A	100%
KEIGAT LAKE AREA	823832	1985-Apr-29	2018-Apr-29	A	100%
KEIGAT LAKE AREA	823833	1985-Apr-29	2018-Apr-29	A	100%
SEAGRAVE LAKE AREA	4262115	2011-May-12	2018-May-12	A	100%
SEAGRAVE LAKE AREA	4262116	2011-May-12	2018-May-12	A	100%
SEAGRAVE LAKE AREA	4262117	2011-May-12	2018-May-12	A	100%
SEAGRAVE LAKE AREA	4262118	2011-May-12	2018-May-12	A	100%
SEAGRAVE LAKE AREA	4262119	2011-May-12	2018-May-12	A	100%
SEAGRAVE LAKE AREA	4262120	2011-May-12	2018-May-12	A	100%
SEAGRAVE LAKE AREA	4262121	2011-May-12	2018-May-12	A	100%
SEAGRAVE LAKE AREA	4262122	2011-May-12	2018-May-12	A	100%
KEIGAT LAKE AREA	856247	1985-Jul-08	2018-Jul-08	A	100%
KEIGAT LAKE AREA	856248	1985-Jul-08	2018-Jul-08	A	100%
KEIGAT LAKE AREA	856259	1985-Jul-08	2018-Jul-08	A	100%
KEIGAT LAKE AREA	856260	1985-Jul-08	2018-Jul-08	A	100%
KEIGAT LAKE AREA	856261	1985-Jul-08	2018-Jul-08	A	100%
KEIGAT LAKE AREA	856263	1985-Jul-08	2018-Jul-08	A	100%
KEIGAT LAKE AREA	856264	1985-Jul-08	2018-Jul-08	A	100%
SATTERLY LAKE AREA	846611	1985-Jul-22	2018-Jul-22	A	100%
SATTERLY LAKE AREA	846612	1985-Jul-22	2018-Jul-22	A	100%
SATTERLY LAKE AREA	846613	1985-Jul-22	2018-Jul-22	A	100%
SATTERLY LAKE AREA	846614	1985-Jul-22	2018-Jul-22	A	100%
SATTERLY LAKE AREA	846615	1985-Jul-22	2018-Jul-22	A	100%
CASUMMIT LAKE AREA	1201989	1995-Aug-28	2018-Aug-28	A	100%
CASUMMIT LAKE AREA	1201990	1995-Aug-28	2018-Aug-28	A	100%
CASUMMIT LAKE AREA	1201993	1995-Aug-28	2018-Aug-28	A	100%
SATTERLY LAKE AREA	870079	1986-Aug-31	2018-Aug-31	A	100%
CASUMMIT LAKE AREA	870087	1986-Aug-31	2018-Aug-31	A	100%
KEIGAT LAKE AREA	870238	1986-Aug-31	2018-Aug-31	A	100%
SATTERLY LAKE AREA	1056773	1988-Aug-31	2018-Aug-31	A	100%
KEIGAT LAKE AREA	977247	1987-Sep-10	2018-Sep-10	A	100%

KEIGAT LAKE AREA	977250	1987-Sep-10	2018-Sep-10	A	100%
CASUMMIT LAKE AREA	977224	1987-Sep-17	2018-Sep-17	A	100%
SATTERLY LAKE AREA	903842	1987-Jan-22	2019-Jan-22	A	100%
CASUMMIT LAKE AREA	903544	1986-Apr-18	2019-Apr-18	A	100%
KEIGAT LAKE AREA	823834	1985-Apr-29	2019-Apr-29	A	100%
KEIGAT LAKE AREA	823835	1985-Apr-29	2019-Apr-29	A	100%
KEIGAT LAKE AREA	823836	1985-Apr-29	2019-Apr-29	A	100%
KEIGAT LAKE AREA	823837	1985-Apr-29	2019-Apr-29	A	100%
KEIGAT LAKE AREA	823838	1985-Apr-29	2019-Apr-29	A	100%
KEIGAT LAKE AREA	823839	1985-Apr-29	2019-Apr-29	A	100%
KEIGAT LAKE AREA	823840	1985-Apr-29	2019-Apr-29	A	100%
KEIGAT LAKE AREA	823841	1985-Apr-29	2019-Apr-29	A	100%
SATTERLY LAKE AREA	845856	1985-May-24	2019-May-24	A	100%
CASUMMIT LAKE AREA	1184814	1997-Jun-11	2019-Jun-11	A	100%
KEIGAT LAKE AREA	844050	1985-Jul-08	2019-Jul-08	A	100%
KEIGAT LAKE AREA	844055	1985-Jul-08	2019-Jul-08	A	100%
KEIGAT LAKE AREA	844056	1985-Jul-08	2019-Jul-08	A	100%
KEIGAT LAKE AREA	844057	1985-Jul-08	2019-Jul-08	A	100%
KEIGAT LAKE AREA	844198	1985-Jul-08	2019-Jul-08	A	100%
KEIGAT LAKE AREA	844199	1985-Jul-08	2019-Jul-08	A	100%
KEIGAT LAKE AREA	844200	1985-Jul-08	2019-Jul-08	A	100%
CASUMMIT LAKE AREA	818712	1984-Oct-29	2019-Oct-29	A	100%
CASUMMIT LAKE AREA	818713	1984-Oct-29	2019-Oct-29	A	100%
CASUMMIT LAKE AREA	818854	1984-Oct-29	2019-Oct-29	A	100%
CASUMMIT LAKE AREA	818856	1984-Oct-29	2019-Oct-29	A	100%
CASUMMIT LAKE AREA	818857	1984-Oct-29	2019-Oct-29	A	100%
# Claims		300			

Springpole Lake Patented Claims

Springpole Lake Leased Claims

	<i>Claim Number</i>	<i>Acres</i>		<i>Claim Number</i>	<i>Acres</i>
Gold Canyon Resources (Jubilee)			Heinrich		
	11229	34.59		562895	44.58
	11230	44.86		562896	19.08
	11231	61.49		562897	32.17
	12868	46.41		562898	29.71
	12869	51.20		562899	37.96
Frahm				562900	41.89
	11233	33.96			
	11234	58.52		Total	205.39
	11235	48.24			
	12896	38.54			
	12897	54.62			

	12898	43.65
	12899	40.71
	12900	46.19
	12901	49.15
	13043	36.76
Springpole Company		
	11236	43.03
	12867	47.5
	12870	26.29
	12871	55.04
	12872	60.79
	12873	62.38
	12874	58.61
	12902	60.75
	12903	70.24
	12904	41.18
	12905	37.43
	12906	40.24
	12907	42.67
	12908	54.00
	12909	66.35
	Total	1455.39

EXHIBIT D
TO THE ARRANGEMENT AGREEMENT DATED AS OF AUGUST 31, 2015
AMONG FIRST MINING FINANCE CORP., GOLD CANYON RESOURCES INC. AND
1047431 B.C. LTD.

FIRST MINING MATERIAL PROPERTIES

Mexico

	LOT	HOLDER	SURFACE (Hectares)	TITLE	TERM	LOCATION
	Miranda	MT	4,552.0057	240024	March 28, 2062	Caborca, Sonora
	Miranda I	MT	2,266.2909	238480	September 22, 2061	Caborca, Sonora
	Miranda 2	MT	78.7210	240244	April 26, 2062	Caborca, Sonora

Hope Brook

Licence	No. of Claims	Property	Held by	Issue Date	Renewal / Expiry Date
010734M	7	Hope Brook	Coastal Gold Corp.	28-mar-03	28-Mar-18
010735M	8	Hope Brook	Coastal Gold Corp.	28-Mar-03	28-Mar-18
011130M	16	Hope Brook	Coastal Gold Corp.	10-Apr-03	10-Apr-18
020452M	256	Hope Brook	Coastal Gold Corp.	07-Jan-03	07-Jan-18
020453M	238	Hope Brook	Coastal Gold Corp.	24-Jan-08	24-Jan-18
021871M	234	Hope Brook	Coastal Gold Corp.	08-Feb-08	08-Feb-18
021870M	234	Hope Brook	Coastal Gold Corp.	08-Feb-08	08-Feb-18
Subtotal	993				
021733M	63	Peter Snout	Coastal Gold Corp.	19-Dec-13	19-Dec-18
Subtotal	63				
022779M	10	Cross Gulch	D. Copeland	12-Jan-15	12-Jan-20
Subtotal	10				
Total	1066				