EXECUTION VERSION

PROBE METALS INC.

and

ADVENTURE GOLD INC.

ARRANGEMENT AGREEMENT

April 6, 2016

STIKEMAN ELLIOTT LLP

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ARRANGEMENT AGREEMENT

THIS AGREEMENT is made as of April 6, 2016

BETWEEN

PROBE METALS INC., a corporation incorporated under the laws of the Province of Ontario (the "**Purchaser**")

\- and -

ADVENTURE GOLD INC., a corporation incorporated under the laws of Canada (the "**Company**")

WHEREAS the Purchaser proposes to acquire all of the outstanding securities of the Company pursuant to the Arrangement, as provided in this Agreement;

AND WHEREAS the Board of the Company has unanimously determined that the Arrangement is fair to the Shareholders and that the Arrangement is in the best interests of the Company and has unanimously resolved, subject to the terms of this Agreement, to recommend that the Shareholders vote in favour of the Arrangement Resolution;

NOW THEREFORE in consideration of the premises and the covenants and agreements herein contained, the Parties agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions

In this Agreement, unless otherwise defined or expressly stated herein or something in the subject matter or the context is inconsistent therewith:

"**Acceptable Confidentiality Agreement**" means the confidentiality agreement between the Company and a third party other than the Purchaser: (i) that is entered into in accordance with Section 5.3 hereof; (ii) that contains confidentiality restrictions that are no less favourable to the Company than those set out in the Confidentiality Agreements and (iii) that contains customary standstill provisions that only permits the third party to, either alone or jointly with others, to make an Acquisition Proposal to the Board that is not publicly announced;

"**Acquisition Proposal**" means any (a) offer, proposal or inquiry (written or oral) from any person or group of persons after the date of this agreement relating to: (i) any direct or indirect acquisition by any person or group of persons of Common Shares (or securities convertible into or exchangeable or exercisable for Common Shares) representing 20% or more of the Common Shares then outstanding (assuming, if applicable, the conversion, exchange or exercise of such securities convertible into or exchangeable or exercisable for Common Shares); (ii) any plan of arrangement, amalgamation, merger, share exchange, consolidation, recapitalization, liquidation, dissolution or other business combination in respect of the Company; or (iii) any direct or indirect acquisition by any person or group of persons of any assets of the Company that individually or in the aggregate constitute 20% or more of the consolidated book value of the assets of the Company based on the financial statements of the Company most recently filed prior to such time as part of the Public Disclosure Record (or any lease, license, royalty, joint venture, long-term supply agreement or other arrangement having a similar economic effect), whether in a single transaction or a series of related transactions, (b) public announcement of or of an intention to do any of the foregoing, or (c) modification or proposed modification of any such proposal, inquiry or offer, in each case whether by plan of arrangement, amalgamation, merger, consolidation, recapitalization, liquidation, dissolution or other business combination, sale of assets, joint venture, take-over bid, tender offer, share exchange, exchange offer or otherwise, including any single or multi-step transaction or series of transactions, directly or indirectly involving the Company, and in each case excluding the Arrangement and the other transactions contemplated by this Agreement;

"**affiliate**" and "**associate**" have the meanings respectively ascribed thereto under the *Securities Act*;

"**Agreement**" means this Agreement (including the Schedules attached hereto) as the same may be amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof;

"**Annual Financial Statements**" means the audited financial statements of the Company as at, and for the years ended, July 31, 2015 and July 31, 2014 including the notes thereto;

"**Arrangement**" means an arrangement under the provisions of Section 192 of the CBCA, on the terms and conditions set forth in the Plan of Arrangement as amended from time to time in accordance with its terms;

"**Arrangement Resolution**" means the special resolution approving the Plan of Arrangement to be considered at the Company Meeting substantially in the form set out in Schedule "B" hereto;

"**Articles of Arrangement**" has the meaning ascribed thereto in Section 1.1 of the Plan of Arrangement;

"**Board**" means the board of directors of the Company;

"**Board Recommendation**" has the meaning ascribed thereto in Section 2.4(2);

"**Business Day**" means a day other than a Saturday, a Sunday or any other day on which commercial banking institutions in Toronto, Ontario or Montreal, Quebec are authorized or required by applicable Law to be closed;

"**CBCA**" means the Canada Business Corporations Act, R.S.C. 1985, as amended;

"**commercially reasonable efforts**" with respect to any Party means the cooperation of such Party and the use by such Party of its reasonable efforts consistent with reasonable commercial practice without payment or incurrence of any liability or obligation, other than reasonable expenses;

"**Common Shares**" means the common shares in the capital of the Company;

"**Company Circular**" means the notice of meeting and accompanying information circular (including all schedules, appendices and exhibits thereto) to be sent to the Shareholders in connection with the Company Meeting, including any amendments or supplements thereto;

"**Company Diligence Information**" means the documents provided or made available to the Purchaser by the Company following execution of the Confidentiality Agreements and prior to the execution of this Agreement for the purposes of its due diligence in connection with the Arrangement;

"**Company Disclosure Letter**" means the disclosure letter dated the date hereof regarding this Agreement that has been executed by the Company and delivered to the Purchaser prior to the execution of this Agreement;

"**Company Meeting**" means the special meeting of the Shareholders, including any adjournment or postponement 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;

"**Company Senior Management**" means Marco Gagnon, Robert Boisjoli and Jules Riopel;

"**Company Shareholder Approval**" has the meaning ascribed thereto in Section 2.2(b);

"**Confidentiality Agreements**" means the confidentiality and standstill agreement dated as of December 17, 2015, the confidentiality agreement dated as of September 15, 2015 and the confidentiality and non-disclosure agreement dated February 1, 2016, each between the Company and the Purchaser;

"**Consideration**" means the consideration to be received pursuant to the Plan of Arrangement in respect of each Common Share that is issued and outstanding immediately prior to the Effective Time, consisting of 0.39 of a Purchaser Share;

"**Consideration Shares**" means the Purchaser Shares to be issued in exchange for Common Shares (including Purchaser Shares to be issued upon exercise of Purchaser Replacement Options and Replacement Warrants) pursuant to the Arrangement;

"**Contract**" means any contract, agreement, license, franchise, lease, arrangement, commitment, understanding, joint venture, partnership, note, instrument, or other right or obligation (whether written or oral) to which a Party is a party or by which the Party is bound or affected or to which any of their respective properties or assets is subject;

"**Court**" means the Superior Court of Québec;

"**D&O Indemnified Parties**" has the meaning ascribed thereto in Section 4.8;

"**Depositary**" means TMX Equity Transfer Services Inc.;

"**Detour Québec Project**" means, collectively, the Company's interest in the Detour Quebec East, Detour Quebec North and Detour Quebec SOQUEM Option projects, located approximately 125 km north of the town of La Sarre, Quebec;

"**Director**" means the director appointed under Section 260 of the CBCA;

"**Dissent Rights**" has the meaning ascribed thereto in Section 1.1 of the Plan of Arrangement;

"**Effective Date**" has the meaning ascribed thereto in Section 1.1 of the Plan of Arrangement;

"**Effective Time**" has the meaning ascribed thereto in Section 1.1 of the Plan of Arrangement;

"**Employee Plans**" means all benefit, bonus, incentive, profit sharing, termination, change of control, pension, retirement, savings, stock option, stock purchase, stock appreciation, phantom stock, health, welfare, medical, dental, disability, life insurance and similar plans, programmes, arrangements or practices relating to the current or former employees, officers or directors of the Company, sponsored or funded by the Company, under which the Company has any liability, contingent or otherwise, other than benefit plans established pursuant to statute;

"**Employment Agreements**" means the employment agreements, consulting agreements and other agreements listed in Section 3.1(s) of the Company Disclosure Letter;

"**Environment**" means the natural environment (including soil, land surface or subsurface strata, surface water, groundwater, sediment, ambient air (including all layers of the atmosphere), organic and inorganic matter and living organisms, including public health) and all sewer systems;

"**Environmental Approvals**" means all Permits, issued or required to be issued pursuant to any Environmental Law;

"**Environmental Laws**" means Laws aimed at or relating to reclamation or restoration of properties; abatement of pollution; protection of the Environment; protection of wildlife, including endangered species; processing, distribution, use, handling, transport, management, treatment, storage, disposal or control of, or exposure to, Hazardous Substances; Releases or threatened Releases of Hazardous Substances, including civil and common law responsibility for acts or omissions with respect to the Environment; the Soil Protection and Contaminated Sites Rehabilitation Policy adopted in 1998 by the Quebec Minister of Sustainable Development, Environment and Fight Against Climate Change, as amended to this date; and all Environmental Approvals;

"**Fairness Opinion**" means the opinion of the Financial Advisor 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 to be received by the Shareholders, under the Arrangement is fair, from a financial point of view, to the Shareholders;

"**Final Order**" means the final order of the Court approving the Arrangement under Section 192 of the CBCA, in form and substance acceptable to the Company and the Purchaser, each acting reasonably, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;

"Financial Advisor" means Cormark Securities Inc.**;**

"**Financial Statements**" means, collectively, the Annual Financial Statements and the Interim Financial Statements;

"**First Nations 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 First Nations Group by virtue of its status as a First Nations Group;

(b) treaty rights;

(c) Métis rights, title or interests; or

(d) specific or comprehensive claims being considered by the Government of Canada;

(e) 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;

“**First Nations Group**” means any Indian band, first nation, Métis community or aboriginal group, tribal council, band council or other aboriginal organization in Canada;

“**Governmental Authority**” means any multinational, federal, provincial, territorial, state, regional, municipal, local or other government or governmental body and any division, agent, official, agency, commission, board or authority of any government, governmental body, quasi-governmental or private body (including the TSXV or any other stock exchange) exercising any statutory, regulatory, expropriation or taxing authority under the authority of any of the foregoing and any domestic, foreign or international judicial, quasi-judicial or administrative court, tribunal, commission, board, panel or arbitrator acting under the authority of any of the foregoing;

“**Hazardous Substances**” means any substance, material or waste that is regulated, prohibited, listed, defined, designated or classified as hazardous, dangerous, radioactive, corrosive, explosive, infectious, carcinogenic, or toxic or a pollutant or a contaminant under or pursuant to, or that could result in liability under, any applicable Environmental Laws;

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

“**Interim Financial Statements**” means the unaudited condensed financial statements of the Company as at, and for the three month periods ended October 31, 2015 and October 31, 2014 including the notes thereto;

“**Interim Order**” means the interim order of the Court to be issued following the application therefor submitted to the Court as contemplated by Section 2.2, after being informed of the intention to rely upon the exemption from registration under Section 3(a)(10) of the *U.S. Securities Act* with respect to the Consideration Shares, Replacement Options and Replacement Warrants issued pursuant to the Arrangement, in form and substance acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be affirmed, amended, modified, supplemented or varied by the Court with the consent of both the Company and the Purchaser, each acting reasonably;

“**Joint Venture**” means a joint venture, partnership or other similar arrangement, whether in corporate, partnership, contractual or other legal form, in which a Party directly or indirectly holds voting shares, equity interests or other rights of participation but which is not a subsidiary of such Party, and any subsidiary of any such entity;

“**Laws**” means all laws, statutes, codes, ordinances (including zoning), decrees, rules, regulations, by-laws, notices, judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, settlements, writs, assessments, arbitration awards, rulings, determinations or awards, decrees or other requirements of any Governmental Authority having the force of law and any legal requirements arising under the common law or principles of law or equity, and the term "applicable" with respect to such Laws and, in the context that refers to any person, means such Laws as are applicable at the relevant time or times to such person or its business, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over such person or its business, undertaking, property or securities;

"**Liens**" means any mortgage, hypothec, prior claim, lease, sublease, easement, servitude, lien, pledge, assignment for security, security interest, option, right of first offer or first refusal or other charge or encumbrance of any kind;

"**Litigation**" has the meaning ascribed thereto in Section 4.1(m);

"**Matching Period**" has the meaning ascribed thereto in Section 5.4(1)(e);

"**Material Adverse Effect**" means any fact, change, effect, event, circumstance, occurrence or development that individually or in the aggregate with other such facts, changes, effects, events, circumstances, occurrences or developments, is or would reasonably be expected to be material and adverse to the business, operations, results of operations, capitalization, assets, properties, liabilities (including any contingent liabilities), obligations (whether absolute, accrued, conditional or otherwise), or financial condition of the Company, except any such fact, change, effect, event, circumstance, occurrence or development resulting from:

(a) any change, development or condition in or relating to general international or Canadian, political, economic or financial or capital market conditions;

(b) any change in Law or IFRS;

(c) any change affecting the global mining industry as a whole;

(d) a change in the market price or trading volume of the Common Shares as a result of the announcement of the execution of this Agreement or of the transactions contemplated hereby;

(e) provided, however, that each of clauses (a) through (c) above shall not apply to the extent that any of the changes, developments, conditions or occurrences referred to therein relate primarily to (or have the effect of relating primarily to) the Company or disproportionately adversely affect the Company in comparison to other comparable persons who operate in the gold mining industry and provided further, however, that references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a Material Adverse Effect has occurred;

"**Material Contract**" means, in respect of a Party, any Contract to which such Party is party that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect on the Company or a Purchaser Material Adverse Effect on the Purchaser, and shall, without limitation, include the following Contracts: (i) any lease of real property by a Party, as tenant, with third parties; (ii) any Contract under which such Party has directly or indirectly guaranteed any liabilities or obligations of a third party in excess of $50,000 in the aggregate; (iii) any Contract relating to indebtedness for borrowed money, whether incurred, assumed, guaranteed or secured by any asset, with an outstanding principal amount in excess of $50,000; (iv) any partnership, limited liability company agreement, joint venture, alliance agreement or other similar agreement or arrangement relating to the formation, creation, operation, management, business or control of any partnership or Joint Venture; (v) any Contract under which the Company is obliged to make payments, or will receive payments in excess of $50,000 in the aggregate over the remaining term; (vi) any Contract that limits or restricts such Party or any of its subsidiaries from engaging in any line of business or any geographic area in any material respect, (vii) any shareholders or stockholders agreements, registration rights agreements, voting trusts, proxies or similar agreements, arrangements or commitments with respect to any shares or other equity interests of such Party or any other Contract relating to disposition, voting or dividends with respect to any shares or other equity securities of such Party; (viii) any Contract providing for the sale or exchange of, or option to sell or exchange, any property or asset with a fair market value in excess of $50,000, or for the purchase or exchange of, or option to purchase or exchange, any property or asset with a fair market value in excess of $50,000, in each case entered into in the past 12 months or in respect of which the applicable transaction has not been consummated; (ix) any Contract providing for indemnification by such Party, other than Contracts which provide for indemnification obligations of less than $50,000; (x) any Contract providing for a royalty, streaming or similar arrangement or economically equivalent arrangement in respect of the Properties or the Purchaser Properties, as applicable, (xi) any standstill or similar Contract currently restricting the ability of such Party to offer to purchase or purchase the assets or equity securities of another person; or (xii) any Contract that is otherwise material to such Party; and, for greater certainty, with respect to the Company, includes the Material Contracts listed in the Company Disclosure Letter and, with respect to the Purchaser, includes the Material Contracts listed in the Purchaser Disclosure Letter;

"**material fact**" has the meaning attributed to such term under the *Securities Act*;

"**May 2012 Warrantholder**" means a holder of May 2012 Warrants;

"**May 2012 Warrants**" means the common share purchase warrants of the Company issued in May 2012, each currently exercisable to purchase one Common Share at a price of $0.45 until May 4, 2017;

"**MD&A**" means the management discussion and analysis filed in conjunction with the Financial Statements and included in the Public Disclosure Record;

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

"**Misrepresentation**" has the meaning attributed to such term under the Securities Act;

"**NI 43-101**" means National Instrument 43-101 – Standards of Disclosure for Mineral Projects;

"**Nominee**" has the meaning ascribed thereto in Section 4.7(1);

"**November 2015 Warrantholder**" means a holder of November 2015 Warrants;

"**November 2015 Warrants**" means the common share purchase warrants of the Company issued in November 2015, each currently exercisable to purchase one Common Share at a price of $0.20 until November 23, 2017;

"**OHSA**" shall have the meaning ascribed thereto in Section 3.1(t);

"**Optionholder**" means a holder of Options;

"**Options**" means, at any time, options to acquire Common Shares granted pursuant to the Stock Option Plan which are, at such time, outstanding and unexercised, whether or not vested;

"**ordinary course of business**", or any similar reference, means, with respect to an action taken or to be taken by any person, that such action is consistent with the past practices of such person and is taken in the ordinary course of the normal day-to-day business and operations of such person and, in any case, is not unreasonable or unusual in the circumstances of such case in the context of the provisions of this Agreement;

"**Outside Date**" means July 31, 2016 or such later date as may be agreed to in writing by the Parties;

"**Parties**" means the parties to this Agreement and "Party" means any one of them;

"**Permit**" means any lease, license, permit, certificate, consent, decree, order, direction, grant, approval, classification, registration, waiver, exemption, agreement or other authorization of or from any Governmental Authority;

"**Permitted Purchaser Acquisition**" means acquisitions of or options to acquire interests in mining rights, wherever located, and limited to: (i) base and precious metal projects and (ii) having a total consideration payable by the Purchaser by way of share issuances, cash payments or work commitments, or any combination thereof, which acquisitions or options do not collectively exceed $2,000,000;

"**person**" includes an individual, sole proprietorship, corporation, body corporate, incorporated or unincorporated association, syndicate or organization, partnership, limited partnership, limited liability company, unlimited liability company, joint venture, joint stock company, trust, natural person in his or her capacity as trustee, executor, administrator or other legal representative, a government or Governmental Authority or other entity, whether or not having legal status;

"**Plan of Arrangement**" means the plan of arrangement substantially in the form and content set out in Schedule "A" hereto, as amended, modified or supplemented from time to time in accordance with Article 6 of the Plan of Arrangement or at the direction of the Court in the Final Order, with the consent of the Company and the Purchaser, each acting reasonably;

"**Proceedings**" has the meaning ascribed thereto in Section 3.1(l);

"**Properties**" means the Val-d'Or East Project and the other properties listed in Section 3.1(n)(i) of the Company Disclosure Letter.

"**Public Disclosure Record**" means all documents filed by or on behalf of the Company on the System for Electronic Document Analysis Retrieval ("**SEDAR**") since January 1, 2014 and prior to the date hereof that are publicly available on the date hereof;

"**Purchaser Annual Financial Statements**" means the audited carve-out financial statements of the exploration properties business of the Purchaser for the financial years ended April 30, 2014, 2013 and 2012 including the notes thereto;

"**Purchaser Diligence Information**" means the documents provided or made available to the Company by the Purchaser following execution of the Confidentiality Agreements and prior to the execution of this Agreement for the purposes of its due diligence in connection with the Arrangement;

"**Purchaser Disclosure Letter**" means the disclosure letter dated the date hereof regarding this Agreement that has been executed by the Purchaser and delivered to the Company prior to the execution of this Agreement;

"**Purchaser Disclosure Record**" means all documents filed by or on behalf of the Purchaser on SEDAR since March 17, 2015 and prior to the date hereof that are publicly available on the date hereof;

"**Purchaser Employment Agreements**" means the employment agreements, consulting agreements and other agreements listed in Section 3.2(q)(v) of the Purchaser Disclosure Letter;

"**Purchaser Employee Plans**" means all benefit, bonus, incentive, profit sharing, termination, change of control, pension, retirement, savings, stock option, stock purchase, stock appreciation, phantom stock, health, welfare, medical, dental, disability, life insurance and similar plans, programmes, arrangements or practices relating to the current or former employees, officers or directors of the Purchaser, sponsored or funded by the Purchaser, under which the Purchaser has any liability, contingent or otherwise, other than benefit plans established pursuant to statute;

"**Purchaser Financial Statements**" means, collectively, the Purchaser Annual Financial Statements and the Purchaser Interim Financial Statements;

"**Purchaser Interim Financial Statements**" means the unaudited condensed financial statements of the Company as at, and for the three months ended September 30, 2015 and for the period from January 16, 2015 to September 30, 2015 including the notes thereto;

"**Purchaser Material Adverse Effect**" means any fact, change, effect, event, circumstance, occurrence or development that individually or in the aggregate with other such facts, changes, effects, events, circumstances, occurrences or developments, is or would reasonably be expected to be material and adverse to the business, operations, results of operations, capitalization, assets, properties, liabilities (including any contingent liabilities), obligations (whether absolute, accrued, conditional or otherwise), or financial condition of the Purchaser, except any such fact, change, effect, event, circumstance, occurrence or development resulting from:

(a) any change, development or condition in or relating to general international or Canadian, political, economic or financial or capital market conditions;

(b) any change in Law or IFRS;

(c) any change affecting the global mining industry as a whole;

(d) a change in the market price or trading volume of the Purchaser Shares as a result of the announcement of the execution of this Agreement or of the transactions contemplated hereby;

(e) provided, however, that each of clauses (a) through (c) above shall not apply to the extent that any of the changes, developments, conditions or occurrences referred to therein relate primarily to (or have the effect of relating primarily to) the Purchaser or disproportionately adversely affect, the Purchaser in comparison to other comparable persons who operate in the gold mining industry and provided further, however, that references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a Purchaser Material Adverse Effect has occurred;

"**Purchaser MD&A**" means the management discussion and analysis filed in conjunction with the Purchaser Financial Statements and included in the Purchaser Disclosure Record;

"**Purchaser Option Plan**" means the stock option plan of the Purchaser, as approved by the shareholders of the predecessor entity to the Purchaser on March 11, 2015;

"**Purchaser Properties**" means the properties listed in Section 3.2(m)(i) of the Purchaser Disclosure Letter;

"**Purchaser Shareholder**" means a holder of one or more Purchaser Shares;

"**Purchaser Shares**" means common shares in the capital of the Purchaser;

"**Release**" means any sudden, intermittent or gradual release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement or introduction of a Hazardous Substance, whether accidental or intentional, into the Environment;

"**Remedial Action**" shall mean any investigation, feasibility study, impact study, risk analysis, monitoring, testing, sampling, removal (including removal of underground storage tanks), restoration, clean-up, remediation, closure, site restoration, remedial response, compensation measure or remedial work, in each case in relation to environmental matters;

"**Replacement Options**" shall have the meaning ascribed thereto in the Plan of Arrangement;

"**Replacement Warrants**" shall have the meaning ascribed thereto in the Plan of Arrangement;

"**Representatives**" means, collectively, with respect to a Party, that Party's officers, directors, employees, consultants, advisors, agents or other representatives (including lawyers, accountants, investment bankers and financial advisors);

"**Returns**" means all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed by Law in respect of Taxes;

"**Securities Act**" means the *Securities Act* (Quebec) and the rules, regulations and published policies made thereunder;

"**Securities Laws**" means the Securities Act and all other applicable Canadian provincial and territorial securities Laws;

"**Shareholder**" means a holder of one or more Common Shares;

"**Stock Option Plan**" means the Stock Option Plan of the Company adopted by the Board in 2007, and amended on March 30, 2009 and December 8, 2010;

"**subsidiary**" means, with respect to a specified entity, any:

(a) corporation of which issued and outstanding voting securities of such corporation to which are attached more than 50% of the votes that may be cast to elect directors of the corporation (whether or not shares of any other class or classes will or might be entitled to vote upon the happening of any event or contingency) are owned by such specified entity and the votes attached to those voting securities are sufficient, if exercised, to elect a majority of the directors of such corporation;

(b) partnership, unlimited liability company, joint venture or other similar entity in which such specified entity has more than 50% of the equity interests and the power to direct the policies, management and affairs thereof; and

(c) a subsidiary (as defined in clauses (a) and (b) above) of any subsidiary (as so defined) of such specified entity;

"**Superior Proposal**" means any unsolicited bona fide Acquisition Proposal (provided, however, that for the purposes of this definition, all references to "20%" in the definition of "Acquisition Proposal" shall be changed to "100%") made in writing on or after the date of this Agreement by a third party or parties acting jointly (other than the Purchaser) that did not result from a breach of Article 5 and which or in respect of which:

(a) the Board has determined in good faith, after consultation with its financial advisors and outside legal counsel, that such Acquisition Proposal would, taking into account all of the terms and conditions of such Acquisition Proposal, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction which is more favourable to the Shareholders from a financial point of view than the Arrangement (taking into account any amendments to this Agreement and the Arrangement proposed by the Purchaser pursuant to Section 5.4) ;

(b) is made available to all of the Shareholders on the same terms and conditions;

(c) is not subject to any financing condition and in respect of which adequate arrangements have been made to ensure that the required funds will be available to effect payment in full;

(d) is not subject to any due diligence and/or access condition;

(e) the Board has determined in good faith, after consultation with its financial advisors and outside legal counsel, is reasonably capable of being completed in accordance with its terms, without undue delay, taking into account all legal, financial, regulatory and other aspects of such Acquisition Proposal and the person making such Acquisition Proposal; and

(f) in the event that the Company does not have the financial resources to pay the Termination Fee, the terms of such Acquisition Proposal provide that the person making such Superior Proposal shall advance or otherwise provide the Company the cash required for the Company to pay the Termination Fee and such amount shall be advanced or provided on or before the date such Termination Fee becomes payable;

“**Superior Proposal Notice**” has the meaning ascribed thereto in Section 5.4(1)(c);

“**Support Agreements**” means the agreements to vote in favour of the Arrangement from certain Shareholders and each of the Company’s directors and officers;

“**Supporting Shareholders**” means the persons who are party to the Support Agreements, other than the Purchaser;

“**Tax**” or “**Taxes**” means all taxes, dues, duties, rates, imposts, fees, levies, other assessments, tariffs, charges or obligations of the same or similar nature, however denominated, imposed, assessed or collected by any Governmental Authority, including all income taxes, including any tax on or based on net income, gross income, income as specifically defined, earnings, gross receipts, capital gains, profits, business royalty or selected items of income, earnings or profits, and specifically including any federal, provincial, state, territorial, county, municipal, local or foreign taxes, state profit share taxes, windfall or excess profit taxes, capital taxes, royalty taxes, production taxes, payroll taxes, health taxes, employment taxes, withholding taxes, sales taxes, use taxes, goods and services taxes, custom duties, value added taxes, ad valoram taxes, excise taxes, alternative or add-on minimum taxes, franchise taxes, gross receipts taxes, licence taxes, occupation taxes, real and personal property taxes, stamp taxes, anti-dumping taxes, countervailing taxes, occupation taxes, environment taxes, transfer taxes, and employment or unemployment insurance premiums, social insurance premiums and worker’s compensation premiums and pension (including Canada Pension Plan) payments, and other taxes, fees, imposts, assessments or charges of any kind whatsoever together with any interest, penalties, additional taxes, fines and other charges and additions that may become payable in respect thereof;

“**Tax Act**” means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended;

“**Termination Fee**” has the meaning ascribed thereto in Section 5.5(2);

“**Termination Fee Event**” has the meaning ascribed thereto in Section 5.5(2);

“**TSXV**” means the TSX Venture Exchange;

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

“**Val-d'Or East Project**” means the Company’s 100% interest in the Val-d'Or East gold project including, approximately 26 km east of the city of Val-d’Or, Quebec; and

“**wilful breach**” means a material breach that is a consequence of an act undertaken by the breaching party with the actual knowledge that the taking of such act would, or would be reasonably expected to, cause a breach of this Agreement.

Section 1.2 Currency

Except where otherwise specified, all references to currency herein are to lawful money of Canada and "$" refers to Canadian dollars.

Section 1.3 Interpretation Not Affected by Headings

The division of this Agreement into Articles and Sections and the insertion of a table of contents and headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein", "hereunder" and similar expressions refer to this Agreement, including the Schedules hereto, and not to any particular Article, Section or other portion hereof. Unless something in the subject matter or context is inconsistent therewith, references herein to an Article, Section or Schedule by number or letter or both are to that Article, Section or Schedule in or to this Agreement.

Section 1.4 Knowledge

Any reference in this Agreement to the "knowledge" of the Company, means to the knowledge and information of the Company Senior Management after making due inquiry regarding the relevant matter. Any reference in this Agreement to the "knowledge" of the Purchaser, means to the knowledge and information of the David Palmer, Patrick Langlois and Yves Dessureault after making due inquiry regarding the relevant matter.

Section 1.5 Extended Meanings, Etc.

Unless the context otherwise requires, words importing the singular number only include the plural and vice versa; words importing any gender include all genders. The terms "including" or "includes" and similar terms of inclusion, unless expressly modified by the words "only" or "solely", mean "including without limiting the generality of the foregoing" and "includes without limiting the generality of the foregoing". Any Contract, instrument or Law defined or referred to herein means such Contract, instrument or Law as from time to time amended, modified, supplemented or consolidated, including, in the case of Contracts or instruments, by waiver or consent and, in the case of Laws, by succession of comparable successor Laws, and all attachments thereto and instruments incorporated therein and, in the case of statutory Laws, all rules and regulations made thereunder.

Section 1.6 Date of any Action

In the event that any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day, such action will be required to be taken on the next succeeding day which is a Business Day.

Section 1.7 Schedules

The following are the Schedules to this Agreement:

Schedule "A" - Form of Plan of Arrangement

Schedule "B" - Arrangement Resolution

ARTICLE 2
THE ARRANGEMENT

Section 2.1 The Arrangement

The Company and the Purchaser agree that the Arrangement will be implemented in accordance with and subject to the terms and conditions of this Agreement and the Plan of Arrangement.

Section 2.2 Interim Order

As soon as reasonably practicable after the date of this Agreement, but in any event on or before April 29, 2016, the Company shall apply in a manner reasonably acceptable to the Purchaser pursuant to Section 192 of the CBCA and, in cooperation with the Purchaser, prepare, file and diligently pursue an application for the Interim Order, which must provide, among other things:

(a) for the class of persons to whom notice is to be provided in respect of the Arrangement and the Company Meeting and for the manner in which such notice is to be provided;

(b) that the required level of approval for the Arrangement Resolution shall be two-thirds of the votes cast on the Arrangement Resolution by Shareholders present in person or represented by proxy at the Company Meeting and, if necessary, subject to the simple majority of votes cast on the Arrangement Resolution excluding the votes for Common Shares held or controlled by "related parties" and "interested parties" as defined under MI 61-101 (the "**Company Shareholder Approval**");

(c) that, subject to the foregoing and in all other respects, the terms, restrictions and conditions of the Company's articles and by-laws, including quorum requirements and all other matters, shall apply in respect of the Company Meeting;

(d) that the Parties intend to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act, subject to and conditioned on the Court's determination that the Arrangement is substantially and procedurally fair and reasonable to Shareholders;

(e) for the grant of the Dissent Rights to those Shareholders who are registered Shareholders as contemplated in the Plan of Arrangement;

(f) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;

(g) that the Company Meeting may be adjourned or postponed from time to time by the Company in accordance with the terms of this Agreement without the need for additional approval of the Court;

(h) that the record date for the Shareholders entitled to notice of and to vote at the Company Meeting will not change in respect of any adjournment(s) of the Company Meeting, unless required by Law; and

(i) for such other matters as the Purchaser or the Company (with the prior consent of the other) may reasonably require.

Section 2.3 The Company Meeting

(1) The Company shall:

(a) convene and conduct the Company Meeting in accordance with the Interim Order, the Company's articles and by-laws and Law as soon as reasonably possible, but in any event on or before June 3, 2016, for the purpose of considering the Arrangement Resolution and for any other proper purpose as may be set out in the Company Circular and agreed to by the Purchaser, and not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the Company Meeting without the prior written consent of the Purchaser except as required or permitted under Section 5.4(5), or as required for quorum purposes (in which case, the Company Meeting, shall be adjourned and not cancelled) or as required by applicable Law or by a Governmental Authority;

(b) subject to the terms of this Agreement and to compliance by the directors and the officers of the Company with their fiduciary duties, use its commercially reasonable efforts to solicit proxies in favour of the approval of the Arrangement Resolution and against any resolution submitted by any person that is inconsistent with the Arrangement Resolution and the completion of any of the transactions contemplated by this Agreement (it being understood that the Company will not be required to retain a proxy solicitation agent);

(c) consult with the Purchaser in fixing the date of the Company Meeting and the record date of the Company Meeting, give notice to the Purchaser of the Company Meeting and allow the Purchaser's representatives and legal counsel to attend the Company Meeting;

(d) promptly advise the Purchaser, at such times as the Purchaser may reasonably request, including, as applicable, on a daily basis on each of the last 10 Business Days prior to the date of the Company Meeting, as to the aggregate tally of the proxies received by the Company in respect of the Arrangement Resolution;

(e) promptly advise the Purchaser of any communication (written or oral) from or claims brought by (or threatened to be brought by) any person in opposition to the Arrangement and/or purported exercise or withdrawal of Dissent Rights by Shareholders. The Company shall not settle or compromise, or agree to settle or compromise, any such claims without the prior written consent of the Purchaser;

(f) not change the record date for the Shareholders entitled to vote at the Company Meeting in connection with any adjournment or postponement of the Company Meeting unless required by Law; and

(g) at the reasonable request of the Purchaser from time to time, provide the Purchaser with a list (in both written and electronic form) of (i) the registered Shareholders, together with their addresses and respective holdings of Common Shares, (ii) the names, addresses and holdings of all persons having rights issued by the Company to acquire Common Shares (including Optionholders, May 2012 Warrantholders and November 2015 Warrantholders), and (iii) participants and book-based nominee registrants such as CDS & Co., CEDE & Co. and DTC, and non-objecting beneficial owners of Common Shares, together with their addresses and respective holdings of Common Shares, all as can be reasonably obtained by the Company using the procedure set forth under Securities Laws. The Company shall from time to time require that its registrar and transfer agent furnish the Purchaser with such additional information, including updated or additional lists of Shareholders, and lists of securities positions and other assistance as the Purchaser may reasonably request.

Section 2.4 Company Circular

(1) The Company shall, as promptly as reasonably practicable, prepare and complete, in consultation with the Purchaser, the Company Circular together with any other documents required by applicable Law in connection with the Company Meeting and the Arrangement, and the Company shall, as promptly as reasonably practicable after obtaining the Interim Order, cause the Company Circular and such other documents to be filed and sent to each Shareholder and other person as required by the Interim Order and applicable Law, in each case so as to permit the Company Meeting to be held by the date specified in Section 2.3(1), provided that the Purchaser shall have complied with Section 2.4(4).

(2) The Company shall ensure that the Company Circular complies in all material respects with applicable Law, does not contain any Misrepresentation (other than, in each case, with respect to any written information provided by the Purchaser and its representatives for inclusion in the Company Circular) and provides the Shareholders with sufficient information to permit them to form a reasoned judgement concerning the matters to be placed before the Company Meeting. Without limiting the generality of the foregoing, the Company Circular must include: (i) a copy of the Fairness Opinion, (ii) a statement that the Board has received the Fairness Opinion, and has unanimously, after receiving legal and financial advice, determined that the Arrangement Resolution is in the best interests of the Company and recommends that the Shareholders vote in favour of the

Arrangement Resolution (the "**Board Recommendation**") and (iii) a statement that each director and officer of the Company intends to vote all of such individual's Common Shares in favour of the Arrangement Resolution.

(3) The Company shall give the Purchaser and its legal counsel a reasonable opportunity to review and comment on drafts of the Company Circular and other related documents, and shall give reasonable consideration to any comments made by the Purchaser and its counsel, and agrees that all information relating solely to the Purchaser included in the Company Circular must be in a form and content satisfactory to the Purchaser, acting reasonably.

(4) The Purchaser shall, in a timely manner, provide to the Company with all necessary information concerning the Purchaser that is required by Law to be included by the Company in the Company Circular or other related documents to the Company in writing, and shall ensure that such information (including with respect to any information incorporated by reference) does not contain any Misrepresentation.

(5) Each Party shall promptly notify the other Party if, at any time before the Effective Date, it becomes aware (in the case of the Company, only in respect of information relating to the Company and in the case of the Purchaser, only in respect of information relating to the Purchaser) that the Company Circular or other related documents contain a Misrepresentation, or otherwise requires an amendment or supplement. The Parties shall cooperate in the preparation of any such amendment or supplement as required or appropriate, and the Company shall promptly mail, file or otherwise publicly disseminate any such amendment or supplement to the Shareholders and, if required by the Court or by Law, file the same with the Securities Authorities or any other Governmental Authority as required.

Section 2.5 Final Order

If the Interim Order is obtained and the Arrangement Resolution is passed at the Company Meeting as provided for in the Interim Order, the Company shall take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to Section 192 of the CBCA, as soon as reasonably practicable, but in any event not later than five Business Days after the Arrangement Resolution is passed at the Company Meeting.

Section 2.6 Court Proceedings

Subject to the terms of this Agreement, the Purchaser shall cooperate with, assist and consent to the Company seeking the Interim Order and the Final Order, including by providing the Company on a timely basis including any information reasonably required to be supplied by the Purchaser in connection therewith. In connection with all Court proceedings relating to obtaining the Interim Order and the Final Order, the Company shall:

(1) diligently pursue, and cooperate with the Purchaser in diligently pursuing, the Interim Order and the Final Order;

(2) provide the Purchaser and its legal counsel with a reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, and give reasonable and due consideration to all comments of the Purchaser and its legal counsel;

(3) provide legal counsel to the Purchaser on a timely basis with copies of any notice of appearance, evidence or other documents served on the Company or its legal counsel in respect of the application for the Interim Order or the Final Order or any appeal therefrom, and any notice, written or oral, indicating the intention of any person to appeal, or oppose the granting of, the Interim Order or the Final Order;

(4) ensure that all material filed with the Court in connection with the Arrangement is consistent in all material respects with the terms of this Agreement and the Plan of Arrangement;

(5) subject to applicable Law, not file any material with the Court in connection with the Arrangement or serve any such material, or agree to modify or amend any material so filed or served, except as contemplated by this Agreement or with the Purchaser's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned, provided that nothing herein shall require the Purchaser to agree or consent to any increase in, or variation of the form of, the Consideration or other modification or amendment to such filed or served materials that expands or increases the Purchaser's obligations, or diminishes or limits the Purchaser's rights, set forth in any such filed or served materials or under this Agreement;

(6) oppose any proposal from any person 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 Time, the Company is required by the terms of the Final Order or by Law to return to Court with respect to the Final Order, do so only after notice to, and in consultation and cooperation with, the Purchaser; and

(7) not object to legal counsel to the Purchaser making such submissions on the application for the Interim Order and the application for the Final Order as such counsel considers appropriate, acting reasonably, provided that the Company is advised of the nature of any submission prior to the hearing.

Section 2.7 Options and Warrants

Each outstanding Option will be replaced by a Replacement Option to acquire Purchaser Shares in accordance with the Plan of Arrangement. Each outstanding May 2012 Warrant and November 2015 Warrant will be replaced by a Replacement Warrant to acquire Purchaser Shares in accordance with the Plan of Arrangement.

Section 2.8 Articles of Arrangement and Effective Date

(1) The Articles of Arrangement shall implement the Plan of Arrangement. The Articles of Arrangement shall include the form of the Plan of Arrangement attached to this

Agreement as Schedule "A", as it may be amended from time to time by written agreement of the Parties hereto.

(2) The Company shall file the Articles of Arrangement with the Director as soon as reasonably practicable and in any event within five (5) Business Days after the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of the conditions set out in Article 7 (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of those conditions as of the Effective Date), unless another time or date is agreed to in writing by the Parties.

(3) From and after the Effective Time, the Plan of Arrangement shall have all of the effects provided by applicable Law, including the CBCA. The closing of the Arrangement will take place at the offices of Stikeman Elliott LLP, or at such other location as may be agreed upon by the Parties

Section 2.9 Payment of Consideration

Following receipt by the Company of the Final Order, the Purchaser will deposit in escrow with the Depositary sufficient Purchaser Shares to satisfy the aggregate Consideration payable by the Purchaser pursuant to the Plan of Arrangement (other than payments to Shareholders exercising Dissent Rights and who have not withdrawn their notice of objection).

Section 2.10 U.S. Securities Law Matters

The Parties agree that the Arrangement will be carried out with the intention that all Consideration Shares, Replacement Options and Replacement Warrants to be issued pursuant to the Arrangement will be issued by the Purchaser in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereunder. In order to ensure the availability of the exemption under Section 3(a)(10) of the U.S. Securities Act, 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 exemption under Section 3(a)(10) of the U.S. Securities Act prior to the hearing required to approve the Interim Order;

(c) the Court will be required to satisfy itself as to the procedural and substantive fairness of the Arrangement to the Shareholders, the May 2012 Warrantholders, the November 2015 Warrantholders and Optionholders, subject to the Arrangement;

(d) the Company will ensure that each person entitled to receive the Consideration Shares, Replacement Options and Replacement Warrants on completion of 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;

(e) each person entitled to receive Consideration Shares, Replacement Options and Replacement Warrants will be advised that the Consideration Shares, Replacement Options and Replacement Warrants issued pursuant to the Arrangement have not been registered under the U.S. Securities Act and will be issued by the Purchaser in reliance on the exemption under Section 3(a)(10) of the U.S. Securities Act;

(f) the Final Order approving the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as being substantively and procedurally fair to the Shareholders, the May 2012 Warrantholders, the November 2015 Warrantholders and the Optionholders;

(g) the Interim Order approving the Company Meeting will specify that each Shareholder, May 2012 Warrantholder, November 2015 Warrantholder and Optionholder will have the right to appear before the Court at the hearing of the Court to give approval of the Arrangement so long as they enter an appearance within a reasonable time and in accordance with the requirements of Section 3(a)(10) under the U.S. Securities Act; and

(h) the Final Order shall include a statement to substantially the following effect:

"This Order will serve as a basis of a claim to an exemption, pursuant to section 3(a)(10) of the United States Securities Act of 1933, as amended, from the registration requirements otherwise imposed by that Act, regarding the distribution of securities of the Purchaser pursuant to the Plan of Arrangement."

Section 2.11 Withholding Taxes

The Purchaser, the Company and the Depositary, as applicable, shall be entitled to deduct and withhold from any consideration otherwise payable or otherwise deliverable to any person under the Plan of Arrangement such amounts as the Purchaser, the Company or the Depositary, as applicable, are required or reasonably believe to be required to deduct and withhold from such consideration under any provision of any Laws in respect of Taxes. Any such amounts will be deducted, withheld and remitted from the consideration payable pursuant to the Plan of Arrangement and shall be treated for all purposes under this Agreement as having been paid to the person in respect of which such deduction, withholding and remittance was made; provided that such deducted and withheld amounts are actually remitted to the appropriate Governmental Authority.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of the Company

Except as specifically disclosed in the Company Disclosure Letter (which shall make reference to the applicable section in respect of which such qualification is being made) or the Public Disclosure Record, the Company represents and warrants to and in favour of the Purchaser as follows and acknowledges that the Purchaser is relying upon such representations and warranties in entering into this Agreement:

(a) **Organization and Corporate Capacity.** The Company has been duly incorporated and validly exists and is in good standing under the CBCA, and has the requisite corporate and legal power and capacity to own its assets as now owned and to carry on its business as it is now being carried on. The Company is duly qualified to carry on business in each jurisdiction in which the nature or character of its properties and assets, owned, leased or operated by it, or the nature of its business or activities, makes such qualification necessary. The Company Diligence Information includes complete and correct copies of the constating documents of the Company, as amended to the date of this Agreement.

(b) **Authority Relative to this Agreement**. The Company has the requisite corporate power, authority and capacity to enter into this Agreement and (subject to obtaining the Final Order and Company Shareholder Approval) to perform its obligations hereunder and to complete the transactions contemplated by this Agreement. The execution and delivery of this Agreement and the performance by the Company of its obligations under this Agreement have been duly authorized by the Board and no other corporate proceedings on the part of the Company are necessary to authorize the execution and delivery by it of this Agreement or, subject to obtaining Company Shareholder Approval and the Final Order as contemplated in Section 2.5, the completion by the Company of the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other Laws relating to or affecting the availability of equitable remedies and the enforcement of creditors' rights generally and general principles of equity and public policy and to the qualification that equitable remedies such as specific performance and injunction may be granted only in the discretion of a court of competent jurisdiction.

(c) **Required Approvals**. Except as disclosed in the Company Disclosure Letter, no authorization, licence, permit, certificate, registration, consent or approval of, or filing with, or notification to, any Governmental Authority is required to be obtained or made by or with respect to the Company for the execution and delivery of this Agreement or, the performance by the Company of its obligations hereunder, the completion by the Company of the Arrangement or the ability of the Purchaser to conduct operations at the Properties, other than:

(i) the Interim Order and any filings required in order to obtain, and approvals required under, the Interim Order;

(ii) the Final Order, and any filings required in order to obtain the Final Order; and

(iii) such filings and other approvals required under applicable Securities Laws and the rules and policies of the TSXV as are contemplated by this Agreement.

(d) **No Violation**. Subject to obtaining the authorizations, consents and approvals and making the filings referred to in Section 3.1(c), the execution and delivery by the Company of this Agreement, the performance by the Company of its obligations hereunder and the completion of the Arrangement do not and will not (nor will they with the giving of notice or the lapse of time or both):

(i) result in a contravention, breach, violation or default under any Law applicable to it or any of its Properties or assets;

(ii) result in a contravention, conflict, violation, breach or default under its constating documents;

(iii) except as disclosed in the Company Disclosure Letter, result in a contravention, breach or default under or termination of, or acceleration or permit the acceleration of the performance required by, or loss of any benefit under, or require any approval under, any Material Contract or material Permit to which it is a party or by which it is bound or to which its Properties or any of its material assets is subject or give to any person any interest, benefit or right, including any right of purchase, termination, payment, modification, reimbursement, cancellation or acceleration, under any such contracts or permits; or

(iv) result in the suspension or material alteration in the terms of any material Permit held by it or in the creation of any Lien upon any of its Properties or material assets.

(e) **Capitalization**. The authorized capital of the Company consists of an unlimited number of Common Shares. As at April 5, 2016, there were (i) 80,197,474 Common Shares issued and outstanding all of which have been duly authorized and validly issued and are fully paid and non-assessable, (ii) 300,000 May 2012 Warrants issued and outstanding providing for the issuance of 300,000 Common Shares upon the exercise thereof, (iii) 2,416,750

November 2015 Warrants issued and outstanding providing for the issuance of 2,416,750Common Shares upon the exercise thereof and (iv) 4,020,000 Options outstanding under the Stock Option Plan providing for the issuance of 4,020,000 Common Shares upon the exercise thereof. There is no outstanding contractual obligation of the Company to repurchase, redeem or otherwise acquire any such Common Shares, May 2012 Warrants or November 2015 Warrants. Except as set out in the Company Disclosure Letter, the Company has no other outstanding agreement, subscription, warrant, option, right or commitment (nor has it granted any right or privilege capable of becoming an agreement, subscription, warrant, option, right or commitment) obligating it to issue or sell any Common Shares or other securities, including any security or obligation of any kind convertible into or exchangeable or exercisable for any Common Shares or other security. The Company does not have any share or stock appreciation right, phantom equity, restricted share unit, deferred share unit or similar right, agreement, arrangement or commitment based on the book value, Common Share price, income or any other attribute of or related to the Company. The Common Shares are listed on the TSXV and, except for such listing, no securities of the Company are listed or quoted for trading on any other stock or securities exchange or market or registered under any securities Laws. Section 3.1(e) of the Company Disclosure Letter sets out a complete and correct list of all outstanding May 2012 Warrants, November 2015 Warrants and Options, the number of Common Shares subject to such May 2012 Warrants, November 2015 Warrants and Options, the grant date, exercise price, vesting schedule and terms, expiration date and other material terms, as applicable, of each such May 2012 Warrant, November 2015 Warrant and Option and the names of the holders of such May 2012 Warrants, November 2015 Warrants and Options and whether each such holder is a current director of the Company or current officer, consultant or employee of the Company.

(f) **Subsidiaries**. The Company does not and has never had any subsidiaries.

(g) **Reporting Issuer Status and Securities Laws Matters**. The Company is a "reporting issuer" within the meaning of applicable Securities Laws in British Columbia, Alberta and Québec, and is not on the list of reporting issuers in default under applicable Securities Laws, and no securities commission or similar regulatory authority has issued any order preventing or suspending trading of any securities of the Company, and the Company is not in default of any material provision of applicable Securities Laws. Trading in the Common Shares on the TSXV is not currently halted or suspended. No delisting, suspension of trading or cease trading order with respect to any securities of the Company is pending or, to the knowledge of the Company, threatened. To the knowledge of the Company, no inquiry, review or investigation (formal or informal) of the Company by any securities commission or similar regulatory authority under applicable Securities Laws or the TSXV is in effect or ongoing or expected to be implemented or undertaken. Except as set forth above in this Section 3.1(g), the Company is not subject to continuous disclosure or other public reporting requirements under any Securities Laws or, to the knowledge of the Company, any securities Laws, including, without limitation, the securities laws of the United States. The Company has filed all documents required to be filed by it in accordance with applicable Securities Laws and the rules and policies of the TSXV. The documents and information comprising the Public Disclosure Record, as at the respective dates they were filed, were in compliance in all material respects with applicable Securities Laws and, where applicable, the rules and policies of the TSXV and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Company has not filed any confidential material change report that at the date hereof remains confidential.

(h) **Financial Statements**. The Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with those of previous periods and in accordance with applicable Laws except (i) as otherwise stated in the notes to such statements or, in the case of the Annual Financial Statements, in the auditor's report thereon and (ii) except that the Interim Financial Statements are subject to normal period-end adjustments and may omit notes which are not required by applicable Securities Laws or IFRS. The Financial Statements, together with the related management's discussion and analysis, present fairly, in all material respects, the assets, liabilities and financial condition of the Company as at the respective dates thereof and the losses, comprehensive losses, results of operations, changes in shareholders' equity and cash flows of the Company for the periods covered thereby (subject, in the case of the Interim Financial Statements, to normal period end adjustments). There are no outstanding loans made by the Company to any director or officer of the Company

(i) **Absence of Certain Changes**. Except as disclosed in the Public Disclosure Record, the Interim Financial Statements and MD&A, since July 31, 2015:

(i) the Company has conducted its business only in the ordinary course of business;

(ii) there has not been any event, occurrence, development or state of circumstances or facts that has had or would be reasonably expected to have a Material Adverse Effect;

(iii) there has not been any material write-down by the Company of any of the assets of the Company;

(iv) there has not been any expenditure or commitment to expend by the Company with respect to capital expenses;

(v) there has not been any acquisition or sale, lease, license or other disposition or encumbrance by the Company of any interest in the Properties or any other material assets;

(vi) there has not been any incurrence, assumption or guarantee by the Company of any material debt for borrowed money, any creation or assumption by the Company of any Lien, or any making by the Company of any loan, advance or capital contribution to or material investment in any other person;

(vii) there has not been any satisfaction or settlement of any material claim, liability or obligation of the Company;

(viii) the Company has not effected any material change in its accounting policies, principles, methods, practices or procedures;

(ix) the Company has not suffered any material casualty, damage, destruction or loss to any of its properties or assets;

(x) the Company has not declared, set aside or paid any dividends or made any distribution or payment or return of capital in respect of the Common Shares;

(xi) the Company has not effected or passed any resolution to approve a split, division, consolidation, combination or reclassification of the Common Shares or any other securities;

(xii) there has not been any material increase in or modification of the compensation payable to or to become payable by the Company to any of its directors, officers, employees or consultants, except as may be required by Contract or any grant to any such director, officer, employee or consultant of any increase in severance or termination pay or any increase or modification of any bonus, pension, insurance or benefit arrangement to, for or with any of such directors, officers, employees or consultants;

(xiii) the Company has not entered into, adopted, or materially amended, any collective bargaining agreement, bonus, pension, profit sharing, change of control, stock purchase, stock option or other benefit plan or agreement (including the Stock Option Plan); and

(xiv) the Company has not agreed, announced, resolved or committed to do any of the foregoing.

(j) **Compliance with Laws**. The business of the Company has been and is currently being conducted in compliance in all material respects with all applicable Laws. Without limiting the generality of the foregoing, all issued and outstanding Common Shares have been issued in compliance, in all material respects, with all applicable Securities Laws.

(k) **Permits**. The Company has identified, obtained, acquired or entered into in its name, and is in compliance in all material respects with all Permits (including any interest in, or right to earn an interest in, any mineral property) required by applicable Laws to conduct its current businesses as it is now being conducted or proposed to be conducted (as described in the Public Disclosure Record). All such Permits are valid and subsisting, in full force and effect, enforceable in accordance with terms thereof. All Permits are in good standing and there has been no material default under any such Permit, and all fees and other amounts required to be paid with respect to such Permits to the date hereof have been paid. There are no actions, proceedings or investigations, pending, or to the knowledge of the Company, threatened, against the Company that could reasonably be expected to result in the suspension, loss or revocation of any such Permits.

(l) **Litigation**. There is no court, administrative, regulatory or similar proceeding (whether civil, quasi-criminal or criminal), arbitration or other dispute settlement procedure, investigation or inquiry before or by any Governmental Authority, or any claim, action, suit, demand, arbitration, charge, indictment, hearing or other similar civil, quasi-criminal or criminal, administrative or investigative matter or proceeding (collectively, "**Proceedings**") against or involving the Company (whether in progress or, to the knowledge of the Company, threatened), and, to the knowledge of the Company, no event has occurred which might reasonably be expected to give rise to any such Proceeding. To the knowledge of the Company, there is no judgment, writ, decree, injunction, rule, award or order of any Governmental Authority outstanding against the Company.

(m) **Insolvency**. No act or proceeding has been taken by or against the Company in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of the Company or for the appointment of a trustee, receiver, manager or other administrator of the Company or any of its properties or assets nor, to the knowledge of the Company, is any such act or proceeding threatened. The Company has not sought protection under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation. Neither the Company nor any of its 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 the Company 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.

(n) **Interest in Properties**.

(i) The Company possesses or has obtained in its name, and is in compliance with, all material licences, permits, certificates, orders, grants and other authorizations necessary to conduct its business and contemplated businesses relating to the Properties and each Property complies in all material respects with all applicable Laws. The Company has good, valid and sufficient right, title and interest, free and clear of any title defect or Lien, other than any title defect or Lien which would not materially interfere with the use of, or materially detract from the value of, the Properties, to: (i) its prospecting licenses, mining claims, mining leases, mining concessions, and all other rights relating in any manner whatsoever to the interest in, or exploration for minerals on the Properties, all of which have been accurately and completely set out in the Company Disclosure Letter and, in each case, as are necessary to perform the operation of its business as presently owned and conducted and as contemplated to be conducted; (ii) its ownership of immovable property, its mining claims, mining leases, mining concessions, servitudes, rights of superficies and other immovable real rights, as well as its prospecting licenses, leases, licenses and rights of way (in each case from landowners and authorities permitting the use of land by the Company) in respect of the Properties, all of which have been identified completely and accurately in the Company Disclosure Letter, and, in each case, as are necessary to perform the operation of its business as presently owned and conducted and contemplated to be conducted; and (iii) each of the Properties and its assets of any nature whatsoever and to all benefits derived therefrom and mineral or mining rights including all the properties and assets reflected in the balance sheet forming part of the Public Disclosure Record relating to the Properties, except as indicated in the notes thereto or the Company Disclosure Letter, together with all additions thereto, and such properties and assets are not subject to any Lien or material defect in title of any kind except: (a) as is specifically identified in the balance sheets forming part of the Financial Statements and in the notes thereto; (b) as is set out in the Company Disclosure Letter; and (c) any title defect or Lien which would not materially interfere with the use of, or materially detract from the value of, any Property.

(ii) All prospecting licenses, mining claims, mining leases and mining concessions in respect of the Properties in which the Company has an interest or right have been validly obtained and, if an immovable real right, registered in accordance with all Laws and are valid and subsisting. The Company has all necessary surface rights, access rights and other rights and interests relating to the Properties, as may be necessary or desirable to grant the Company the right and ability to explore for minerals, ore and metals for development purposes, with only such exceptions as do not materially interfere with the use made by the Company of the rights or interests so held, and each of the property interests or rights and each of the documents, agreements, instruments and obligations relating thereto and referred to above is currently in good standing in the name of the Company and free and clear of all material encumbrances.

(iii) except as set forth in the Company Disclosure Letter: (i) the Company has the exclusive right to deal with each Property; (ii) no person or entity of any nature whatsoever other than the Company has any interest in any Property or any right to acquire or otherwise obtain any such interest; (iii) there are no earn-in rights, rights of first refusal, royalty rights, streaming rights, or other rights of any nature whatsoever which would affect the Company's interests in the Properties; (iv) the Company has not received any notice, whether written or oral, from any Governmental Authority or any other person of any revocation or intention to revoke, diminish or challenge its interest in the any Property; and (v) in all material respects, each Property is in good standing under and comply with all Laws and all work required to be performed has been performed and all taxes, fees, expenditures and all other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made.

(iv) There are no adverse claims, actions, suits or proceedings that have been commenced or are pending or, to the knowledge of the Company, that are threatened, affecting or which could affect the Company's right, title or interest in any Property or the ability of the Company to explore or develop any Property, including the title to or ownership by the Company of the foregoing, or which might involve the possibility of any judgement or liability affecting any Property.

(v) None of the directors or officers of the Company holds any right, title or interest in, nor has taken any action to obtain, directly or indirectly, any right, title and interest in the Properties or in any permit, concession, mining claim, lease, licence or other right to explore for, exploit, develop, mine or produce minerals, ore or metals from or in any manner in relation to the Properties and any other properties located within 20 kilometres of any Property.

(vi) The Company has provided the Purchaser with access to all 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 Properties and the Company has the sole right, title and ownership of all such information, data, reports and studies.

(o) **Technical Report**.

(i) The Val-d'Or East Project (which includes the Pascalis-Colombiere property, the Senore property and the Beaufort North property), is the only material property of the Company for the purposes of NI 43-101;

(ii) The technical report prepared by Yann Camus, Eng. and Claude Duplessis, Eng., of SGS Canada Inc. - Geostat Group, entitled "NI 43-101 Technical Report - Mineral Resource - Val-d'Or East Property - Abitibi, Qc, Canada" dated January 4, 2013, (the "**Technical Report**") complied in all material respects with the requirements of NI 43-101 at the time of filing thereof and reasonably presented the quantity of mineral resources attributable to the properties evaluated therein as at the date stated therein based upon information available at the time the report was prepared. The Company does not have knowledge of a material adverse change in any production, cost, price, reserves, resources or other relevant information provided since the date such information was provided;

(iii) The Company has made available to the authors of the Technical Report, prior to the issuance thereof, for the purpose of preparing such report, all information requested by them, and none of such information contained any Misrepresentation at the time such information was so provided;

(iv) All of the material assumptions underlying the resource estimates in the Technical Report are reasonable and appropriate;

(v) The estimates of mineral resources as described in the Public Disclosure Record comply in all material respects with NI 43-101;

(vi) The information set forth in the Public Disclosure Record relating to mineral resources required to be disclosed therein pursuant to NI 43-101 has been prepared by the Company and its consultants in accordance with methods generally applied in the mining industry and conforms to the requirements of NI 43-101 and Securities Laws; and

(vii) The Company is in compliance in all material respects with the provisions of NI 43-101, has filed all technical reports required thereby, and there has been no change of which the Company is or should be aware that would disaffirm or change any material aspect of the Technical Report or that would require the filing of a new technical report under NI 43-101;

(p) **First Nations Claims**. The Company has not received any written First Nations Claim which affects the Company nor, to the knowledge of the Company, has any First Nations Claim been threatened which relates to any

Property, any Permits or the operation by the Company of its businesses in the areas in which such operations are carried on or in which the Properties are located and other than as set out in the Company Disclosure Letter, the Company has no material outstanding agreements, memorandums of understanding or similar arrangements with any First Nations Group. There are no material ongoing or outstanding discussions, negotiations, or similar communications with or by any First Nations Group concerning the Company or its business, operations or assets.

(q) **Taxes.**

(i) The Company has timely filed all Returns required to be filed by it with any Governmental Authority and each such Return was complete and correct in all material respects at the time of filing. The Company has paid or caused to be paid to the appropriate Governmental Authority on a timely basis all Taxes which are due and payable, all assessments and reassessments and all other Taxes as are due and payable by it, other than those which are being or have been contested in good faith pursuant to applicable Laws, and in respect of which, adequate reserves or accruals in accordance with IFRS have been provided in the Interim Financial Statements. Except as set out in Section 3.1(q)(i) of the Company Disclosure Letter, to the knowledge of the Company, no audit, action, investigation, deficiencies, litigation, proposed adjustments have been asserted or, to the knowledge of the Company, threatened with respect to Taxes of the Company, and the Company is not a party to any action or proceeding for assessment or collection of Taxes and no such event has been asserted or, to the knowledge of the Company, threatened. Except as set out in Section 3.1(q)(i) of the Company Disclosure Letter, to the knowledge of the Company, no Return of the Company is under investigation, review, audit or examination by any taxing authority with respect to any Taxes, and no written notice of any investigation, review, audit or examination by any taxing authority has been received by the Company with respect to any Taxes. No Lien for Taxes has been filed or exists with respect to any assets or properties of the Company other than for Taxes not yet due and payable or Liens for Taxes that are being contested in good faith by appropriate proceedings. There are no currently effective elections, agreements or waivers extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of any Taxes, the filing of any Return or any payment of Taxes by the Company. The Company has not made, prepared and/or filed any elections, designations or similar filings relating to Taxes or entered into any agreement or other arrangement in respect of Taxes or Returns that could, in and of itself, require a material amount to be included in the income of the Company for any period ending after the Effective Date.

(ii) All Taxes that the Company has been required to withhold have been duly withheld and have been duly and timely paid to the proper Governmental Authority. The Company has remitted all Canada Pension Plan contributions, provincial pension plan contributions, employment insurance premiums, employer health taxes, payroll taxes and other Taxes payable by it in respect of its employees, agents and consultants, as applicable, and has remitted such amounts to the appropriate Governmental Authority within the time required under applicable Laws. The Company has, to the extent required under applicable Laws, duly charged, collected and remitted on a timely basis all Taxes on any sale, supply or delivery whatsoever, made by it.

(iii) There are no rulings or closing agreements relating to the Company which may affect the Company's liability for Taxes for any taxable period commencing after the Effective Date.

(iv) For all transactions between the Company and any person who is not resident in Canada for purposes of the *Tax Act* with whom the Company was not dealing at arm's length for purposes of the Tax Act, the Company has made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the *Tax Act* (or comparable provisions of any other applicable legislation).

(v) No circumstances exist or may reasonably be expected to arise as a result of matters existing before the Effective Date that may result in the Company being subject to Section 160 of the *Tax Act* (or comparable provisions of any other applicable legislation).

(vi) None of Sections 78 or 80 to 80.04 of the *Tax Act* (or comparable provisions of any other applicable legislation) have applied to the Company, and there are no circumstances existing which could reasonably be expected to result in the application of Sections 78 or 80 to 80.04 of the *Tax Act* (or comparable provisions of any other applicable legislation) to the Company.

(vii) The Company has satisfied all of its obligations in respect of its issuance of any "flow-through shares" (as defined in subsection 66(15) of the *Tax Act*), has not breached any of the representations, warranties or covenants in any subscription agreements relating to such issuances and, except as set out in Section 3.1(q)(vii) of the Company Disclosure Letter, has no outstanding liabilities, contingent, or otherwise, in respect of any such share issuances or pursuant to such subscription agreements. The Company has filed all prescribed forms and returns that were required to be filed by the Company with any Governmental Authority in connection with such issuances and has delivered all prescribed forms to the subscribers of such flow-through shares, which prescribed forms and returns were complete and correct in all respects.

(viii) The Company does not have an accrued liability under section 211.91 of the *Tax Act* in respect of which the Company is late in incurring or renouncing exploration expenses.

(ix) There are no circumstances which exist and would result in, or which have existed and resulted in, Section 17 of the *Tax Act* applying to the Company.

(r) **Contracts.**

(i) All Material Contracts to which the Company is a party are in full force and effect, and the Company is entitled to all rights and benefits thereunder in accordance with the terms thereof. The Company has made available to the Purchaser for inspection true and complete copies of all Material Contracts to which the Company is a party. All of the Material Contracts are valid and binding obligations of the Company and the other parties thereto enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

(ii) None of the Company, or, to the knowledge of the Company, any of the other parties thereto, is in material breach or violation of or in default under (in each case, with or without notice or lapse of time or both) any Material Contract and the Company has not received or given any notice of default under any Material Contract which remains uncured, and, to the knowledge of the Company, there exists no state of facts which after notice or lapse of time or both would constitute a default under or material breach of any Material Contract or the inability of a party to any Material Contract to perform its obligations thereunder.

(iii) Set out in Section 3.1(r) of the Company Disclosure Letter is a list of each Material Contract of the Company.

(s) **Employment Matters**. Except as set forth in Section 3.1(s) of the Company Disclosure Letter, the Company is not a party to or bound or governed by, or subject to:

(i) any employment, consulting, retention, termination, or change of control agreement with, or any written or oral agreement, arrangement or understanding providing for retention, change of control, severance or termination payments to, any officer, employee or consultant of the Company;

(ii) any collective bargaining, union or employee association agreement;

(iii) any unfair labour practice complaint, grievance or arbitration proceeding, or any labour dispute, strike or lock-out relating to or involving any employees of the Company; or

(iv) any claim for wrongful dismissal, constructive dismissal or any other claim, complaint or litigation relating to employment, discrimination or termination of employment of any of its employees or former employees or relating to any failure to hire a candidate for employment; or

(v) complete and correct copies of the agreements, arrangements and understandings referred to in paragraphs (i) and (ii) of this Section 3.1(s) are included in the Company Diligence Information. The Company Disclosure Letter sets forth a complete and accurate list of the employees of the Company, listed by their employee number, if any, or title without listing their names, and independent contractors, agents and consultants of the Company.

(t) **Health and Safety**. There are no outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workers' compensation legislation in respect of the Company and the Company has not been reassessed in any material respect under such legislation during the past three years and, to the knowledge of Company, no audit of the Company is currently being performed pursuant to any applicable workers' compensation legislation. To the knowledge of Company, there are no claims or potential claims which may materially adversely affect the Corporation's accident cost experience. All orders and inspection reports, if any, under applicable Occupational Health and Safety legislation ("**OHSA**") relating to the Company have been provided to Purchaser. To the knowledge of the Company, there are no charges pending under OHSA in respect of the Company. The Company has complied in all material respects with any orders issued under OHSA and there are no appeals of any orders under OHSA currently outstanding.

(u) **Employment Laws.** The Company has operated in all material respects in accordance with all applicable Laws with respect to employment and labour, including employment and labour standards, occupational health and safety, employment equity, pay equity, workers' compensation, human rights, labour relations and privacy, and there are no current, pending, or to the knowledge of the Company, threatened proceedings before any Governmental Authority with respect to any such matters

(v) **Acceleration of Benefits**. Except pursuant to the Employment Agreements or as disclosed in Section 3.1(v) of the Company Disclosure Letter, no person will, as a result of any of the transactions contemplated herein or in the Plan of Arrangement, become entitled to (i) any retirement, severance, termination, retention, bonus or other similar payment from the Company, (ii) the acceleration of the vesting or the time to exercise of any outstanding stock option or employee or director awards of the Company, (iii) the forgiveness or postponement of payment of any indebtedness owing by such person to the Company, or (iv) receive any additional payments or compensation under or in respect of any employee or director benefits or incentive or other compensation plans or arrangements from the Company.

(w) **Pension and Employee Benefits**. All Employees Plans are listed in Section 3.1(w) of the Company Disclosure Letter. The Company has complied with all the terms of, and all applicable Laws in respect of, the Employee Plans. All contributions, and premiums owing under the Employee Plans have been paid when due in accordance with the terms of the Employees Plans and applicable Laws. All Employee Plans that provide group benefits are established through a contract of insurance, and no retroactive increase in premiums is permitted thereunder. No Employee Plan is a "registered pension plan" as such term is defined in the *Tax Act* or provides benefits following the retirement or (except where required by statute) termination of employment of any employee of the Company.

(x) **Independent Contractors**. To the knowledge of Company, each independent contractor and consultant have been properly classified by the Company as an independent contractor and the Company has not received notification from any Governmental Authority challenging the classification of any individual who performs services for the Company's business as an independent contractor or consultant.

(y) **Intellectual Property**. The Company does not own or possess any intellectual property rights including any patents, copyrights, trade secrets, trademarks, service marks or trade names.

(z) **Environment**.

(i) The Company is carrying on and has for the last 5 years carried on its operations in material compliance with all applicable Environmental Laws and the Properties and assets comply in all material respects with all applicable Environmental Laws.

(ii) The Company is not subject to any material, actual, liability or, to the knowledge of the Company, potential or contingent liability relating to (a) any Remedial Action, or (b) non-compliance with Environmental Laws;

(iii) the Properties have not been used to generate, manufacture, refine, treat, recycle, transport, store, handle, dispose of, transfer, produce or process Hazardous Substances, except in compliance in all material respects with all Environmental Laws. To the knowledge of the Company, there are no Hazardous Substances at, in, on, under or migrating to or from any Property in violation of or in excess of applicable limits pursuant to Environmental Laws;

(iv) The Company has not treated or disposed of, or arranged for the treatment or disposal of, any Hazardous Substances at any location not duly authorized to receive such Hazardous Substances;

(v) To the knowledge of the Company, the Properties are not listed on any list of sites requiring Remedial Action issued by any Governmental Authority nor proposed for listing on any such list; and

(vi) The Company has not received and has no reason to expect receipt from any person or Governmental Authority of any notice, formal or informal, of any proceeding, action or other claim, liability or responsibility arising under any Environmental Law that is pending as of the date of this Agreement. To the knowledge of the Company, no Properties are subject to enforcement actions by any Governmental Authority that creates the reasonable potential for any proceeding, action, or other claim against the Company.

(aa) **Insurance**. All insurance policies of the Company are disclosed in Section 3.1(aa) of the Company Disclosure Letter and are in full force and effect. All premiums due and payable under all such policies have been paid and the Company is otherwise in compliance in all material respects with the terms of such policies. The Company has not received any notice of cancellation or termination with respect to any such policy. There has been no denial of material claims nor material claims disputed by the Company's insurers.

(bb) **Books and Records**. The corporate records and minute books of the Company have been maintained in accordance with all applicable Laws in all material respects, and such corporate records and minute books are complete and accurate in all material respects. The financial books and records and accounts of the Company in all material respects have been maintained in accordance with good business practices and in accordance with IFRS or the accounting principles generally accepted in the country of domicile of each such entity on a basis consistent with prior years.

(cc) **Non-Arm's Length Transactions**. Except as set out in Section 3.1(cc) of the Company Disclosure Letter, there are no current contracts, commitments, agreements, arrangements or other transactions between the Company, on the one hand, and any (a) officer or director of the Company, (b) any holder of record or, to the knowledge of the Company, beneficial owner or 5% or more of the outstanding Common Shares, or (c) any affiliate or associate or any such officer, director or Shareholder, on the other hand.

(dd) **Financial Advisors or Brokers**. Except as set out in Section 3.1(dd) of the Company Disclosure Letter, the Company has not incurred any obligation or liability, contingent or otherwise, or agreed to pay or reimburse any broker, finder, financial adviser or investment banker, for any brokerage, finder's, advisory or other fee or commission, or for the reimbursement of expenses, in connection with this Agreement, the transactions contemplated hereby or any alternative transaction in relation to the Company, other than with respect to the Financial Advisor.

(ee) **Fairness Opinion.** The Board have received the Fairness Opinion in oral form, which opinion has not been modified, amended, qualified or withdrawn. A true and complete copy of the Fairness Opinion will be provided by the Company to the Purchaser promptly following delivery by the Financial Advisor.

(ff) **Board Approval**. The Board, at a meeting duly called and held, upon consultation with legal and financial advisors, has unanimously determined that the Arrangement is fair to the Shareholders and is in the best interests of the Company, has unanimously approved the execution and delivery of this Agreement and the transactions contemplated by this Agreement and has unanimously resolved to recommend that the Shareholders vote in favour of the Arrangement Resolution. Each director and executive officer of the Company intends to vote all Common Shares held by him or her in favour of the Arrangement Resolution and has agreed that the news release announcing the execution of this Agreement may so state and that references to such intention may be made in the Company Circular and other documents relating to the Arrangement.

(gg) **Due Diligence Information**. To the knowledge of the Company, all information provided to the Purchaser in relation to the Purchaser's due diligence requests is true and correct in all material respects and does not contain any omissions as at its respective date as stated therein and has not been amended except as provided to the Purchaser.

Section 3.2 Representations and Warranties of the Purchaser

Except as specifically disclosed in the Purchaser Disclosure Letter (which shall make reference to the applicable section in respect of which such qualification is being made) or the Purchaser Disclosure Record, the Purchaser represents and warrants to and in favour of the Company as follows and acknowledges that the Company is relying upon such representations and warranties in entering into this Agreement:

(a) **Organization and Corporate Capacity**. The Purchaser has been duly organized and is validly existing and in good standing under the Laws governing its formation, and has the requisite corporate and legal power and capacity to own its assets as now owned and to carry on its business as it is now being carried on. The Purchaser is duly qualified to carry on business in each jurisdiction in which the nature or character of its properties and assets, owned, leased or operated by it, or the nature of its business or activities, makes such qualification necessary. The Purchaser Diligence Information includes complete and correct copies of the constating documents of the Company, as amended to the date of this Agreement.

(b) **Authority Relative to this Agreement**. The Purchaser has the requisite corporate power, authority and capacity to enter into and perform its obligations under this Agreement and to complete the transactions contemplated hereby. The execution and delivery of this Agreement and the completion by the Purchaser of the transactions contemplated by this Agreement have been duly authorized by the directors of the Purchaser and no other corporate proceedings on the part of the Purchaser are necessary to authorize the execution and delivery by it of this Agreement or the completion by the Purchaser of the transactions contemplated hereby. This Agreement has been duly executed and delivered by the Purchaser and constitutes legal, valid and binding obligations of the Purchaser enforceable against the Purchaser in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other Laws relating to or affecting the availability of equitable remedies and the enforcement of creditors' rights generally and general principles of equity and public policy and to the qualification that equitable remedies such as specific performance and injunction may be granted only in the discretion of a court of competent jurisdiction.

(c) **Required Approvals**. No authorization, licence, permit, certificate, registration, consent or approval of, or filing with, or notification to, any Governmental Authority is necessary for the execution and delivery by the Purchaser of this Agreement, the performance by the Purchaser of its obligations hereunder and the completion by the Purchaser of the Arrangement, other than:

(i) the Interim Order and any filings required in order to obtain, and approvals required under, the Interim Order;

(ii) the Final Order, and any filings required in order to obtain the Final Order; and

(iii) such filings and approvals required for the issuance of the Consideration Shares as a result of the Arrangement required under applicable Securities Laws and the rules and policies of the TSXV.

(d) **No Violation**. Subject to obtaining the authorizations, consents and approvals and making the filings referred to in Section 3.2(c), the execution and delivery by the Purchaser of this Agreement, the performance by the Purchaser of its obligations hereunder and the completion of the Arrangement do not and will not (nor will they with the giving of notice or the lapse of time or both):

(i) result in a contravention, breach, violation or default under any Law applicable to it or any of the Purchaser Properties or assets;

(ii) result in a contravention, conflict, violation, breach or default under its constating documents;

(iii) result in a contravention, breach or default under or termination of, or acceleration or permit the acceleration of the performance required by, or loss of any benefit under, or require any approval under, any Material Contract to which it is a party or by which it is bound or to which the Purchaser Properties or any of its material assets is subject or give to any person any interest, benefit or right, including any right of purchase, termination, payment, modification, reimbursement, cancellation or acceleration, under any such contracts or permits; or

(iv) result in the creation of any Lien upon any of the Purchaser Properties or material assets.

(e) **Capitalization**. The authorized capital of the Purchaser consists of an unlimited number of Purchaser Shares. As at April 5, 2016, there were (i) 34,914,205 Purchaser Shares issued and outstanding all of which have been duly authorized and validly issued and are fully paid and non-assessable, (ii) 2,536,378 options outstanding under the Purchaser Option Plan providing for the issuance of up to 2,536,378 Purchaser Shares upon the exercise thereof. There is no outstanding contractual obligation of the Purchaser to repurchase, redeem or otherwise acquire any Purchaser Shares or any convertible securities issued by the Purchaser. All Consideration Shares will, when issued in accordance with the terms of this Agreement and the Plan of Arrangement be duly authorized, validly issued, fully-paid and non-assessable Purchaser Shares. Except as set out in the Purchaser Disclosure Letter, the Purchaser has no other outstanding agreement, subscription, warrant, option, right or commitment (nor has it granted any right or privilege capable of becoming an agreement, subscription, warrant, option, right or commitment) obligating it to issue or sell any Purchaser Shares or other securities, including any security or obligation of any kind convertible into or exchangeable or exercisable for any Purchaser Shares or other security. The Purchaser does not have any share or stock appreciation right, phantom equity, restricted share unit, deffered share unit or similar right, agreement, arrangement or commitment based on the book value, Purchaser Share price, income or any other attribute of or related to the Purchaser. The Purchaser Shares are listed on the TSXV and, except for such listing, no securities of the Purchaser are listed or quoted for trading on any other stock or securities exchange or market or registered under any securities Laws. Section 3.2(e) of the Purchaser Disclosure Letter sets out a complete and correct list of all outstanding convertible securities of the Purchaser, the number of Purchaser Shares subject to such convertible securities, the grant date, exercise price, vesting schedule and terms, expiration date and other material terms of the convertible securities of the Purchaser and the names of the holders of such convertible securities and whether each such holder is a current director of the Purchaser or current officer, consultant or employee of the Purchaser.

(f) **Subsidiaries.** The Purchaser does not and has never had any subsidiaries.

(g) **Reporting Issuer Status and Securities Laws Matters**. The Purchaser is a "reporting issuer" within the meaning of applicable Securities Laws in the provinces of British Columbia, Alberta, Ontario and Quebec, and not on the list of reporting issuers in default under applicable Securities Laws, and no securities commission or similar regulatory authority has issued any order preventing or suspending trading of any securities of the Purchaser, and the Purchaser is not in default of any material provision of applicable Securities Laws. Trading in the Purchaser Shares on the TSXV is not currently halted or suspended. No delisting, suspension of trading or cease trading order with respect to any securities of the Purchaser is pending or, to the knowledge of the Purchaser, threatened. To the knowledge of the Purchaser, no inquiry, review or investigation (formal or informal) of the Purchaser by any securities commission or similar regulatory authority under applicable Securities Laws or the TSXV is in effect or ongoing or expected to be implemented or undertaken. Except as set forth above in this Section 3.2(g), the Purchaser is not subject to continuous disclosure or other public reporting requirements under any Securities Laws or, to the knowledge of the Purchaser, any securities Laws, including, without limitation, the securities laws of the United States. The Purchaser has filed all documents required to be filed by it in accordance with applicable Securities Laws and the rules and policies of the TSXV. The documents and information comprising the Purchaser Disclosure Record, as at the respective dates they were filed, were in compliance in all material respects with applicable Securities Laws and, where applicable, the rules and policies of the TSXV and did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. The Purchaser has not filed any confidential material change report that at the date hereof remains confidential.

(h) **Financial Statements.** The Purchaser Financial Statements have been prepared in accordance with IFRS applied on a basis consistent with those of previous periods and in accordance with applicable Laws except (i) as otherwise stated in the notes to such statements or, in the case of the Purchaser Annual Financial Statements, in the auditor's report thereon and (ii) except that the Purchaser Interim Financial Statements are subject to normal period-end adjustments and may omit notes which are not required by applicable Securities Laws or IFRS. The Purchaser Financial Statements, together with the related management's discussion and analysis, present fairly, in all material respects, the assets, liabilities and financial condition of the Purchaser as at the respective dates thereof and the losses, comprehensive losses, results of operations, changes in shareholders' equity and cash flows of the Purchaser for the periods covered thereby (subject, in the case of the Purchaser Interim Financial Statements, to normal period end adjustments). There are no outstanding loans made by the Purchaser to any director or officer of the Purchaser.

(i) **Absence of Certain Changes**. Except as disclosed in the Purchaser Disclosure Record since March 17, 2015:

(i) the Purchaser has conducted its business only in the ordinary course of business;

(ii) there has not been any event, occurrence, development or state of circumstances or facts that has had or would be reasonably expected to have a Purchaser Material Adverse Effect;

(iii) there has not been any material write-down by the Purchaser of any of the assets of the Purchaser;

(iv) there has not been any expenditure or commitment to expend by the Purchaser with respect to capital expenses;

(v) there has not been any acquisition or sale, lease, license or other disposition or encumbrance by the Purchaser of any interest in the Purchaser Properties or any other material assets;

(vi) there has not been any incurrence, assumption or guarantee by the Purchaser of any material debt for borrowed money, any creation or assumption by the Purchaser of any Lien, or any making by the Purchaser of any loan, advance or capital contribution to or material investment in any other person;

(vii) there has not been any satisfaction or settlement of any material claim, liability or obligation of the Purchaser;

(viii) the Purchaser has not effected any material change in its accounting policies, principles, methods, practices or procedures;

(ix) the Purchaser has not suffered any material casualty, damage, destruction or loss to any of its properties or assets;

(x) the Purchaser has not declared, set aside or paid any dividends or made any distribution or payment or return of capital in respect of the Purchaser Shares;

(xi) the Purchaser has not effected or passed any resolution to approve a split, division, consolidation, combination or reclassification of the Purchaser Shares or any other securities;

(xii) there has not been any material increase in or modification of the compensation payable to or to become payable by the Purchaser to any of its directors, officers, employees or consultants, except as may be required by Contract or any grant to any such director, officer, employee or consultant of any increase in severance or termination pay or any increase or modification of any bonus, pension, insurance or benefit arrangement to, for or with any of such directors, officers, employees or consultants;

(xiii) the Purchaser has not entered into, adopted, or materially amended, any collective bargaining agreement, bonus, pension, profit sharing, change of control, stock purchase, stock option or other benefit plan or agreement (including the Purchaser Option Plan); and

(xiv) the Purchaser has not agreed, announced, resolved or committed to do any of the foregoing.

(j) **Compliance with Laws**. The business of the Purchaser has been and is currently being conducted in compliance in all material respects with all applicable Laws. Without limiting the generality of the foregoing, all issued and outstanding Purchaser Shares have been issued in compliance, in all material respects, with all applicable Securities Laws.

(k) **Litigation**. There is no Proceeding against or involving the Purchaser (whether in progress or, to the knowledge of the Purchaser, threatened) and, to the knowledge of the Purchaser, no event has occurred which might reasonably be expected to give rise to any such Proceeding. To the knowledge of the Purchaser, there is no judgment, writ, decree, injunction, rule, award or order of any Governmental Authority outstanding against the Purchaser.

(l) **Insolvency**. No act or proceeding has been taken by or against the Purchaser in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of the Purchaser or for the appointment of a trustee, receiver, manager or other administrator of the Purchaser or any of its properties or assets nor, to the knowledge of the Purchaser, is any such act or proceeding threatened. The Purchaser has not sought protection under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation. Neither the Purchaser nor any of its 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 the Purchaser 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 Purchaser Material Adverse Effect or would reasonably be expected to prevent or significantly impede or materially delay the completion of the Arrangement.

(m) **Interest in Properties**.

(i) The Purchaser possesses or has obtained in its name, and is in compliance with, all material licences, permits, certificates, orders, grants and other authorizations necessary to conduct its business and contemplated businesses relating to the Purchaser Properties and each Property complies in all material respects with all applicable Laws. The Purchaser has good, valid and sufficient right, title and interest, free and clear of any title defect or Lien, other than any title defect or Lien which would not materially interfere with the use of, or materially detract from the value of, the Purchaser Properties, to: (i) its prospecting licenses, mining claims, mining leases, mining concessions, and all other rights relating in any manner whatsoever to the interest in, or exploration for minerals on the Purchaser Properties, all of which have been accurately and completely set out in the Purchaser Disclosure Letter and, in each case, as are necessary to perform the operation of its business as presently owned and conducted and as contemplated to be conducted; (ii) its ownership of immovable property, its mining claims, mining leases, mining concessions, servitudes, rights of superficies and other immovable real rights, as well as its prospecting licenses, leases, licenses and rights of way (in each case from landowners and authorities permitting the use of land by the Purchaser) in respect of the Purchaser Properties, all of which have been identified completely and accurately in the Purchaser Disclosure Letter, and, in each case, as are necessary to perform the operation of its business as presently owned and conducted and contemplated to be conducted; and (iii) each of the Purchaser Properties and its assets of any nature whatsoever and to all benefits derived therefrom and mineral or mining rights including all the properties and assets reflected in the balance sheet forming part of the Purchaser Disclosure Record relating to the Purchaser Properties, except as indicated in the notes thereto or the Purchaser Disclosure Letter, together with all additions thereto, and such properties and assets are not subject to any Lien or material defect in title of any kind except: (a) as is specifically identified in the balance sheets forming part of the Purchaser Financial Statements and in the notes thereto; (b) as is set out in the Purchaser Disclosure Letter; and (c) any title defect or Lien which would not materially interfere with the use of, or materially detract from the value of, any Property.

(ii) All prospecting licenses, mining claims, mining leases and mining concessions in respect of the Purchaser Properties in which the Purchaser has an interest or right have been validly obtained and, if an immovable real right, registered in accordance with all Laws and are valid and subsisting. The Purchaser has all necessary surface rights, access rights and other rights and interests relating to the Purchaser Properties, as may be necessary or desirable to grant the Purchaser the right and ability to explore for minerals, ore and metals for development purposes, with only such exceptions as do not materially interfere with the use made by the Purchaser of the rights or interests so held, and each of the property interests or rights and each of the documents, agreements, instruments and obligations relating thereto and referred to above is currently in good standing in the name of the Purchaser and free and clear of all material encumbrances.

(iii) except as set forth in the Purchaser Disclosure Letter: (i) the Purchaser has the exclusive right to deal with each Purchaser Property; (ii) no person or entity of any nature whatsoever other than the Purchaser has any interest in any Purchaser Property or any right to acquire or otherwise obtain any such interest; (iii) there are no earn-in rights, rights of first refusal, royalty rights, streaming rights, or other rights of any nature whatsoever which would affect the Purchaser's interests in the Purchaser Properties; (iv) the Purchaser has not received any notice, whether written or oral, from any Governmental Authority or any other person of any revocation or intention to revoke, diminish or challenge its interest in the any Purchaser Property; and (v) in all material respects, each Purchaser Property is in good standing under and comply with all Laws and all work required to be performed has been performed and all taxes, fees, expenditures and all other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made.

(iv) There are no adverse claims, actions, suits or proceedings that have been commenced or are pending or, to the knowledge of the Purchaser, that are threatened, affecting or which could affect the Purchaser's right, title or interest in any Purchaser Property or the ability of the Purchaser to explore or develop any Purchaser Property, including the title to or ownership by the Purchaser of the foregoing, or which might involve the possibility of any judgement or liability affecting any Purchaser Property.

(v) None of the directors or officers of the Purchaser holds any right, title or interest in, nor has taken any action to obtain, directly or indirectly, any right, title and interest in the Purchaser Properties or in any permit, concession, mining claim, lease, licence or other right to explore for, exploit, develop, mine or produce minerals, ore or metals from or in any manner in relation to the Purchaser Properties and any other properties located within 20 kilometres of any Purchaser Property.

(vi) The Purchaser has provided the Company with access to all 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 Purchaser Properties and the Purchaser has the sole right, title and ownership of all such information, data, reports and studies.

(n) **First Nations Claims**. The Purchaser has not received any written First Nations Claim which affects the Purchaser nor, to the knowledge of the Purchaser, has any First Nations Claim been threatened which relates to any Purchaser Property, any Permits or the operation by the Purchaser of its businesses in the areas in which such operations are carried on or in which the Purchaser Properties are located and the Purchaser has no material outstanding agreements, memorandums of understanding or similar arrangements with any First Nations Group. There are no material ongoing or outstanding discussions, negotiations, or similar communications with or by any First Nations Group concerning the Purchaser or its business, operations or assets

(o) **Taxes.**

(i) The Purchaser has timely filed all Returns required to be filed by it with any Governmental Authority and each such Return was complete and correct in all material respects at the time of filing. The Purchaser has paid or caused to be paid to the appropriate Governmental Authority on a timely basis all Taxes which are due and payable, all assessments and reassessments and all other Taxes as are due and payable by it, other than those which are being or have been contested in good faith pursuant to applicable Laws, and in respect of which, adequate reserves or accruals in accordance with IFRS have been provided in the Purchaser Interim Financial Statements. To the knowledge of the Purchaser, no audit, action, investigation, deficiencies, litigation, proposed adjustments have been asserted or, to the knowledge of the Purchaser, threatened with respect to Taxes of the Purchaser, and the Purchaser is not a party to any action or proceeding for assessment or collection of Taxes and no such event has been asserted or, to the knowledge of the Purchaser, threatened. To the knowledge of the Purchaser, no Return of the Purchaser is under investigation, review, audit or examination by any taxing authority with respect to any Taxes, and no written notice of any investigation, review, audit or examination by any taxing authority has been received by the Purchaser with respect to any Taxes. No Lien for Taxes has been filed or exists with respect to any assets or properties of the Purchaser other than for Taxes not yet due and payable or Liens for Taxes that are being contested in good faith by appropriate proceedings. There are no currently effective elections, agreements or waivers extending the statutory period or providing for an extension of time with respect to the assessment or reassessment of any Taxes, the filing of any Return or any payment of Taxes by the Purchaser. The Purchaser has not made, prepared and/or filed any elections, designations or similar filings relating to Taxes or entered into any agreement or other arrangement in respect of Taxes or Returns that could, in and of itself, require a material amount to be included in the income of the Purchaser for any period ending after the Effective Date.

(ii) All Taxes that the Purchaser has been required to withhold have been duly withheld and have been duly and timely paid to the proper Governmental Authority. The Purchaser has remitted all Canada Pension Plan contributions, provincial pension plan contributions, employment insurance premiums, employer health taxes, payroll taxes and other Taxes payable by it in respect of its employees, agents and consultants, as applicable, and has remitted such amounts to the appropriate Governmental Authority within the time required under applicable Laws. The Purchaser has, to the extent required under applicable Laws, duly charged, collected and remitted on a timely basis all Taxes on any sale, supply or delivery whatsoever, made by it.

(iii) There are no rulings or closing agreements relating to the Purchaser which may affect the Purchaser's liability for Taxes for any taxable period commencing after the Effective Date.

(iv) For all transactions between the Purchaser and any person who is not resident in Canada for purposes of the Tax Act with whom the Purchaser was not dealing at arm's length for purposes of the Tax Act, the Purchaser has made or obtained records or documents that meet the requirements of paragraphs 247(4)(a) to (c) of the Tax Act (or comparable provisions of any other applicable legislation).

(v) No circumstances exist or may reasonably be expected to arise as a result of matters existing before the Effective Date that may result in the Purchaser being subject to Section 160 of the Tax Act (or comparable provisions of any other applicable legislation).

(vi) None of Sections 78 or 80 to 80.04 of the Tax Act (or comparable provisions of any other applicable legislation) have applied to the Purchaser, and there are no circumstances existing which could reasonably be expected to result in the application of Sections 78 or 80 to 80.04 of the Tax Act (or comparable provisions of any other applicable legislation) to the Purchaser.

(vii) The Purchaser does not have an accrued liability under section 211.91 of the Tax Act in respect of which the Purchaser is late in incurring or renouncing exploration expenses.

(viii) There are no circumstances which exist and would result in, or which have existed and resulted in, Section 17 of the Tax Act applying to the Purchaser.

(p) **Contracts.**

(i) All Material Contracts to which the Purchaser is a party are in full force and effect, and the Purchaser is entitled to all rights and benefits thereunder in accordance with the terms thereof. The Purchaser has made available to the Company for inspection true and complete copies of all Material Contracts to which the Company is a party. All of the Material Contracts are valid and binding obligations of the Purchaser and the other parties thereto enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other Laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.

(ii) None of the Purchaser, or, to the knowledge of the Purchaser, any of the other parties thereto, is in material breach or violation of or in default under (in each case, with or without notice or lapse of time or both) any Material Contract and the Purchaser has not received or given any notice of default under any Material Contract which remains uncured, and, to the knowledge of the Purchaser, there exists no state of facts which after notice or lapse of time or both would constitute a default under or material breach of any Material Contract or the inability of a party to any Material Contract to perform its obligations thereunder.

(iii) Set out in Section 3.2(p)(iii) of the Purchaser Disclosure Letter is a list of each Material Contract of the Purchaser.

(q) **Employment Matters.** Except as set forth in Section 3.2(q)(v) of the Purchaser Disclosure Letter, the Purchaser is not a party to or bound or governed by, or subject to:

(i) any employment, consulting, retention, termination, or change of control agreement with, or any written or oral agreement, arrangement or understanding providing for retention, change of control, severance or termination payments to, any officer, employee or consultant of the Purchaser;

(ii) any collective bargaining, union or employee association agreement;

(iii) any unfair labour practice complaint, grievance or arbitration proceeding, or any labour dispute, strike or lock-out relating to or involving any employees of the Purchaser; or

(iv) any claim for wrongful dismissal, constructive dismissal or any other claim, complaint or litigation relating to employment, discrimination or termination of employment of any of its employees or former employees or relating to any failure to hire a candidate for employment; or

(v) complete and correct copies of the agreements, arrangements and understandings referred to in paragraphs (i) and (ii) of this Section 3.2(q) are included in the Purchaser Diligence Information. The Purchaser Disclosure Letter sets forth a complete and accurate list of the employees of the Purchaser, listed by their employee number, if any, or title without listing their names, and independent contractors, agents and consultants of the Purchaser.

(r) **Health and Safety**. There are no outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workers' compensation legislation in respect of the Purchaser and the Purchaser has not been reassessed in any material respect under such legislation since January 16, 2015 and, to the knowledge of Purchaser, no audit of the Purchaser is currently being performed pursuant to any applicable workers' compensation legislation. To the knowledge of Purchaser, there are no claims or potential claims which may materially adversely affect the Purchaser's accident cost experience. All orders and inspection reports, if any, under applicable OHSA relating to the Purchaser have been provided to the Company. To the knowledge of the Purchaser, there are no charges pending under OHSA in respect of the Purchaser. The Purchaser has complied in all material respects with any orders issued under OHSA and there are no appeals of any orders under OHSA currently outstanding.

(s) **Employment Laws.** The Purchaser has operated in all material respects in accordance with all applicable Laws with respect to employment and labour, including employment and labour standards, occupational health and safety, employment equity, pay equity, workers' compensation, human rights, labour relations and privacy, and there are no current, pending, or to the knowledge of the Purchaser, threatened proceedings before any Governmental Authority with respect to any such matters

(t) **Pension and Employee Benefits**. All Purchaser Employees Plans are listed in Section 3.2(t) of the Purchaser Disclosure Letter. The Purchaser has complied with all the terms of, and all applicable Laws in respect of, the Purchaser Employee Plans. All contributions, and premiums owing under the Purchaser Employee Plans have been paid when due in accordance with the terms of the Purchaser Employees Plans and applicable Laws. All Purchaser

Employee Plans that provide group benefits are established through a contract of insurance, and no retroactive increase in premiums is permitted thereunder. No Purchaser Employee Plan is a "registered pension plan" as such term is defined in the *Tax Act* or provides benefits following the retirement or (except where required by statute) termination of employment of any employee of the Purchaser.

(u) **Independent Contractors**. To the knowledge of Purchaser, each independent contractor and consultant have been properly classified by the Purchaser as an independent contractor and the Purchaser has not received notification from any Governmental Authority challenging the classification of any individual who performs services for the Purchaser's business as an independent contractor or consultant.

(v) **Intellectual Property**. The Purchaser does not own or possess any intellectual property rights including any patents, copyrights, trade secrets, trademarks, service marks or trade names.

(w) **Environment.**

(i) The Purchaser is carrying on and has since incorporation carried on its operations in material compliance with all applicable Environmental Laws and the Purchaser Properties and assets comply in all material respects with all applicable Environmental Laws.

(ii) The Purchaser is not subject to any material, actual, liability or, to the knowledge of the Purchaser, potential or contingent liability relating to (a) any Remedial Action, or (b) non-compliance with Environmental Laws;

(iii) the Purchaser Properties have not been used to generate, manufacture, refine, treat, recycle, transport, store, handle, dispose of, transfer, produce or process Hazardous Substances, except in compliance in all material respects with all Environmental Laws. To the knowledge of the Purchaser, there are no Hazardous Substances at, in, on, under or migrating to or from any Purchaser Property in violation of or in excess of applicable limits pursuant to Environmental Laws;

(iv) The Purchaser has not treated or disposed of, or arranged for the treatment or disposal of, any Hazardous Substances at any location not duly authorized to receive such Hazardous Substances;

(v) To the knowledge of the Purchaser, the Properties are not listed on any list of sites requiring Remedial Action issued by any Governmental Authority nor proposed for listing on any such list;

(vi) The Purchaser has not received and has no reason to expect receipt from any person or Governmental Authority of any notice, formal or informal, of any proceeding, action or other claim, liability or responsibility arising under any Environmental Law that is pending as of the date of this Agreement. To the knowledge of the Purchaser, no Purchaser Properties are subject to enforcement actions by any Governmental Authority that creates the reasonable potential for any proceeding, action, or other claim against the Purchaser.

(x) **Non-Arm's Length Transactions**. There are no current contracts, commitments, agreements, arrangements or other transactions between the Purchaser, on the one hand, and any (a) officer or director of the Purchaser, (b) any holder of record or, to the knowledge of the Purchaser, beneficial owner or 5% or more of the outstanding Purchaser Shares, or (c) any affiliate or associate or any such officer, director or Purchaser Shareholder, on the other hand.

(y) **Board Approval**. The board of directors of the Purchaser, at a meeting duly called and held, has approved the execution and delivery of this Agreement and the transactions contemplated by this Agreement.

(z) **Insurance**. All insurance policies of the Purchaser are in full force and effect. All premiums due and payable under all such policies have been paid and the Purchaser is otherwise in compliance in all material respects with the terms of such policies. The Purchaser has not received any notice of cancellation or termination with respect to any such policy. There has been no denial of material claims nor material claims disputed by the Purchaser's insurers.

(aa) **Books and Records**. The corporate records and minute books of the Purchaser have been maintained in accordance with all applicable Laws in all material respects, and such corporate records and minute books are complete and accurate in all material respects. The financial books and records and accounts of the Purchaser in all material respects have been maintained in accordance with good business practices and in accordance with IFRS or the accounting principles generally accepted in the country of domicile of each such entity on a basis consistent with prior years.

(bb) **Due Diligence Information**. To the knowledge of the Purchaser, the information provided to the Company in relation to the Company's due diligence requests is true and correct in all material respects and does not contain any omissions as at its respective date as stated therein and has not been amended except as provided to the Company

(cc) **Residency**. The Purchaser is a "Canadian corporation" as defined in the *Tax Act*.

Section 3.3 Survival of Representations and Warranties

No investigation by or on behalf of any Party prior to the execution of this Agreement will mitigate, diminish or affect the representations and warranties made by the other Parties. The representations and warranties of the Parties contained in this Agreement will not survive the completion of the Arrangement and will expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms. This Section 3.3 will not limit any covenant or agreement of any of the Parties, which, by its terms, contemplates performance after the Effective Time or the date on which this Agreement is terminated, as the case may be.

ARTICLE 4
COVENANTS

Section 4.1 Covenants of the Company Regarding the Conduct of Business

The Company covenants and agrees that, until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, unless the Purchaser otherwise consents in writing, which consent will not be unreasonably withheld, conditioned or delayed, or expressly permitted or specifically contemplated by this Agreement or as is otherwise required by applicable Law:

(a) the businesses of the Company will be conducted only in the ordinary course of business, the Company will comply with the terms of all Material Contracts and the Company will, except as disclosed in Section 4.1(a) of the Company Disclosure Letter, use commercially reasonable efforts to maintain and preserve intact its business organizations, assets, properties, rights, goodwill and business relationships and keep available the services of its officers, employees and consultants as a group;

(b) in addition, the Company will fully cooperate and consult through meetings with the Purchaser, as the Purchaser may reasonably request, to allow the Purchaser to monitor, and provide input with respect to the direction and control of, any activities relating to the exploration and maintenance of the Properties that may be permitted by the Purchaser and will obtain the written consent of the Purchaser prior to the public disclosure of exploration results or other technical information.

(c) the Company will not, directly or indirectly:

(i) alter or amend the articles, charter, by-laws or other constating documents of the Company;

(ii) declare, set aside or pay any dividend on or make any distribution or payment or return of capital in respect of any equity securities of the Company (other than dividends, distributions, payments or return of capital made to the Company)(except in accordance with the Plan of Arrangement);

(iii) split, divide, consolidate, combine or reclassify the Common Shares or any other securities of the Company;

(iv) issue, grant, sell or pledge or authorize or agree to issue, grant, sell or pledge any Common Shares or other securities of the Company, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, Common Shares or other securities of the Company, other than the issuance of Common Shares issuable pursuant to: (A) the terms of Options, May 2012 Warrants and November 2015 Warrants outstanding on the date hereof; or (B) the terms of existing Material Contracts;

(v) redeem, purchase or otherwise acquire or subject to any Lien, any of its outstanding Common Shares or other securities or securities convertible into or exchangeable or exercisable for Common Shares or any such other securities;

(vi) amend the terms of any securities of the Company;

(vii) adopt a plan of liquidation or resolution providing for the liquidation or dissolution of the Company;

(viii) reorganize, amalgamate or merge with any other person;

(ix) create any subsidiary or enter into any Contracts or other arrangements regarding the control or management of the operations, or the appointment of governing bodies or enter into any Joint Ventures;

(x) make any material changes to any of its accounting policies, principles, methods, practices or procedures (including by adopting any material new accounting policies, principles, methods, practices or procedures), except as disclosed in the Public Disclosure Record, as required by applicable Laws or under IFRS; or

(xi) enter into, modify or terminate any Contract with respect to any of the foregoing;

(d) the Company will immediately notify the Purchaser orally and then promptly notify the Purchaser in writing of (i) any “material change” (as defined in the Securities Act) in relation to the Company, (ii) any event, circumstance or development that, to the knowledge of the Company, has had or would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (iii) any breach of this Agreement by the Company, or (iv) any event occurring after the date of this Agreement that would render a representation or warranty, if made on that date or the Effective Date, inaccurate such that any of the conditions in Section 7.3(b) would not be satisfied;

(e) except as disclosed in Section 4.1(e) of the Company Disclosure Letter or in the ordinary course of business, the Company will not, directly or indirectly, except in connection with this Agreement:

(i) sell, pledge, lease, licence, dispose of or encumber any assets or properties of the Company;

(ii) acquire (by merger, amalgamation, consolidation, arrangement or acquisition of shares or other equity securities or interests or assets or otherwise) any corporation, partnership, association or other business organization or division thereof or any property or asset, or make any investment by the purchase of securities, contribution of capital, property transfer, or purchase of any property or assets of any other person;

(iii) incur any expenses (except as disclosed in Section 4.1(e)(iii) of the Company Disclosure Letter) or incur any indebtedness (including the making of any payments in respect thereof, including any premiums or penalties thereon or fees in respect thereof) or issue any debt securities, or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other person, or make any loans or advances;

(iv) pay, discharge or satisfy any claim, liability or obligation prior to the same being due, other than the payment, discharge or satisfaction, in the ordinary course of business, of liabilities reflected or reserved against in the Interim Financial Statements, or voluntarily waive, release, assign, settle or compromise any Proceeding;

(v) engage in any new business, enterprise or other activity that is inconsistent with the existing businesses of the Company in the manner such existing businesses generally have been carried on or (as disclosed in the Public Disclosure Record) planned or proposed to be carried on prior to the date of this Agreement;

(vi) except as provided for in the Company Disclosure Letter, in respect of any property and assets reflected in the balance sheet forming part of the Public Disclosure Record, expend or commit to expend any amounts with respect to expenses for such property and assets; or

(vii) authorize any of the foregoing, or enter into or modify any Contract to do any of the foregoing;

(f) the Company will not, directly or indirectly, except in the ordinary course of business:

(i) terminate, fail to renew, cancel, waive, release, grant or transfer any rights of material value;

(ii) except in connection with matters otherwise permitted under this Section 4.1, enter into any Contract which would be a Material Contract if in existence on the date hereof, or terminate, cancel, extend, renew or amend, modify or change any Material Contract;

(iii) enter into any lease or sublease of real property (whether as a lessor, sublessor, lessee or sublessee), or modify, amend, terminate or exercise any right to renew any lease or sublease of real property or acquire any interest in real property; or

(iv) enter into any Contract containing any provision restricting or triggered by the transactions contemplated herein;

(g) the Company will not, except in the ordinary course of business or pursuant to any existing Contracts or employment, pension, supplemental pension, termination or compensation arrangements or policies or plans in effect on the date hereof, and except as is necessary to comply with applicable Laws:

(i) grant to any officer, director, employee or consultant of the Company an increase in compensation in any form;

(ii) grant any general salary increase or fee, or pay any bonus profit sharing distribution or similar payment of any kind to the directors, officers, employees or consultants of the Company other than the payment of salaries, fees and benefits in the ordinary course of business as disclosed in the Company Disclosure Letter;

(iii) take any action with respect to the grant or increase of any severance, change of control, retirement, retention or termination pay;

(iv) enter into or modify any employment or consulting agreement with any officer, director, employee or consultant of the Company;

(v) terminate the employment or consulting arrangement of any senior management employees (including the Company Senior Management), except for cause (as defined by applicable Law);

(vi) increase any benefits payable under its current severance or termination pay policies;

(vii) adopt or amend or make any contribution to or any award under the Stock Option Plan or other bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, compensation or other similar plan, agreement, trust, fund or arrangement for the benefit of directors or senior officers or former directors or senior officers of the Company; or

(viii) take any action to accelerate the time of payment of any compensation or benefits, amend or waive any performance or vesting criteria or accelerate vesting under the Stock Option Plan, except in accordance with its terms as contemplated herein;

(h) the Company will not make any loan to any officer, director, employee or consultant of the Company;

(i) the Company will use its commercially reasonable efforts to cause the current insurance (or re-insurance) policies maintained by the Company, including directors' and officers' insurance, not to be cancelled or terminated and to prevent any of the coverage thereunder from lapsing, unless at the time of such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductions and providing coverage comparable to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect, provided, however, that, except as contemplated by Section 4.8(2), the Company will not obtain or renew any insurance (or re-insurance) policy for a term exceeding 12 months;

(j) the Company will use reasonable commercial efforts to retain the services of its existing employees and consultants (including the Company Senior Management) until the Effective Time, and will promptly provide written notice to the Purchaser of the resignation or termination of any of its key employees or consultants;

(k) the Company will not make an application to amend, terminate, allow to expire or lapse or otherwise modify any of its Permits or take any action or fail to take any action which action or failure to act would result in the material loss, expiration or surrender of, or the loss of any material benefit under, or reasonably be expected to cause any Governmental Authority to institute proceedings for the suspension, revocation or limitation of rights under, any material Permit necessary to conduct its businesses as now being conducted;

(l) the Company will (i) duly and timely file all Returns required to be filed by it on or after the date hereof and all such Returns will be true, complete and correct in all material respects and (ii) 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 except for any Taxes contested in good faith pursuant to applicable Laws, and the Company will not (A) change its tax accounting methods, principles or practices, except insofar as may have been required by a change in IFRS or applicable Law, (B) settle, compromise or agree to the entry of judgment with respect to any action, claim or other Proceeding relating to Taxes, (other than the payment, discharge or satisfaction of liabilities reflected or reserved against in the Financial Statements) (C) enter into any tax sharing, tax allocation or tax indemnification agreement, (D) make a request for a tax ruling to any Governmental Authority, or (E) agree to any extension or waiver of the limitation period relating to any material Tax claim or assessment or reassessment;

(m) the Company will not settle or compromise any action, claim or other Proceeding ("**Litigation**") (i) brought against it for damages or providing for the grant of injunctive relief or other non-monetary remedy or (ii) brought by any present, former or purported holder of its securities in connection with the transactions contemplated by this Agreement or the Arrangement;

(n) the Company will not commence any Litigation (other than litigation in connection with the collection of accounts receivable, to enforce the terms of this Agreement or the Confidentiality Agreements, to enforce other obligations of the Purchaser or as a result of litigation commenced against the Company);

(o) the Company will not enter into or renew any Contract (i) containing (A) any limitation or restriction on the ability of the Company or, following completion of the transactions contemplated hereby, the ability of the Purchaser or any of its affiliates, to engage in any type of activity or business, (B) any limitation or restriction on the manner in which, or the localities in which, all or any portion of the business of the Company or, following consummation of the transactions contemplated hereby, all or any portion of the business of the Purchaser or any of its affiliates, is or would be conducted or (C) any limit or restriction on the ability of the Company or, following completion of the transactions contemplated hereby, the ability of the Purchaser or any of its affiliates, to solicit customers or employees, or (ii) that would reasonably be expected to prevent or significantly impede or materially delay the completion of the Arrangement;

(p) the Company will not take any action which would render, or which reasonably may be expected to render, any representation or warranty made by the Company in this Agreement untrue or inaccurate in any material respect (disregarding for this purpose all materiality or Material Adverse Effect qualifications contained therein) at any time prior to the Effective Date if then made; and

(q) as is applicable, the Company will not agree, announce, resolve, authorize or commit to do any of the foregoing.

Section 4.2 Access to Information

Subject to compliance with applicable Laws and the terms of any existing Contracts, each Party will afford to the other Party and its Representatives until the earlier of the Effective Time or the termination of this Agreement in accordance with its terms, continuing access to the Company Diligence Information or the Purchaser Diligence Information, as applicable, and reasonable access during normal business hours and upon reasonable notice, to each Party's businesses, properties, books and records and such other data and information as the other Party may reasonably request, as well as to its management personnel, subject however to such access not interfering with the ordinary conduct of the businesses of such Party. Subject to compliance with applicable Laws and such requests not materially interfering with the ordinary conduct of the business of the Company, the Company will also make available to the Purchaser and its Representatives information reasonably requested by the Purchaser for the purposes of preparing, considering and implementing integration and strategic plans for the combined businesses of the Company and the Purchaser and its affiliates following completion of the Arrangement. Without limiting the generality of the provisions of the Confidentiality Agreements, each Party acknowledges that all information provided to it under this Section 4.2, or otherwise pursuant to this Agreement or in connection with the transactions contemplated hereby, is subject to the Confidentiality Agreements, which will remain in full force and effect in accordance with its terms notwithstanding any other provision of this Agreement or any termination of this Agreement. If any provision of this Agreement otherwise conflicts or is inconsistent with any provision of the Confidentiality Agreements, the provisions of this Agreement will supersede those of the Confidentiality Agreements but only to the extent of the conflict or inconsistency and all other provisions of the Confidentiality Agreements will remain in full force and effect.

Section 4.3 Covenants of the Company Regarding the Arrangement

(1) Subject to the terms and conditions of this Agreement, the Company will perform all obligations required to be performed by the Company under this Agreement, cooperate with the Purchaser in connection therewith, and use commercially reasonable efforts to do such other acts and things as may be necessary or desirable in order to complete the Arrangement and the other transactions contemplated hereby, including (without limiting the obligations of the Company in Article 2):

(a) using its commercially reasonable efforts to obtain all necessary waivers, consents and approvals required to be obtained by the Company from other parties to any Material Contracts in order to complete the Arrangement;

(b) using its commercially reasonable best efforts to carry out all actions necessary to ensure the availability of the exemption from registration under Section 3(a)(10) of the U.S. Securities Act; and

(c) defending all lawsuits or other legal, regulatory or other Proceedings against the Company challenging or affecting this Agreement or the completion of the Arrangement.

(2) In the event that the Parties conclude that it is necessary or desirable to proceed with another form of transaction (such as a formal take-over bid or amalgamation) whereby the Purchaser or its Affiliates would effectively acquire all of the Common Shares within approximately the same time periods and on economic terms and other terms and conditions (including tax treatment) and having consequences to the Company and its Shareholders which are equivalent to or better than those contemplated by this Agreement (an "**Alternative Transaction**"), the Company agrees to support the completion of such Alternative Transaction in the same manner as the Arrangement and shall otherwise fulfill its covenants contained in this Agreement in respect of such Alternative Transaction. In the event of any proposed Alternative Transaction, any reference in this Agreement to the Arrangement shall refer to the Alternative Transaction to the extent applicable, all terms, covenants, representations and warranties of this Agreement shall be and shall be deemed to have been made in the context of the Alternative Transaction and all references to time periods regarding the Arrangement, including the Effective Time, herein shall refer to the date of closing of the transactions contemplated by the Alternative Transaction (as such date may be extended from time to time).

Section 4.4 Covenants of the Purchaser Regarding the Conduct of Business

The Purchaser covenants and agrees that, until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, unless the Company otherwise consents in writing, which consent will not be unreasonably withheld, conditioned or delayed, or expressly permitted or specifically contemplated by this Agreement, or in connection with a Permitted Purchaser Acquisition, or as disclosed in the Purchaser Disclosure Letter or as is otherwise required by applicable Law:

(a) the businesses of the Purchaser will be conducted only in the ordinary course of business, the Purchaser will comply with the terms of all Material Contracts and the Purchaser will use commercially reasonable efforts to maintain and preserve intact its business organizations, assets, properties, rights, goodwill and business relationships and keep available the services of its officers, employees and consultants as a group;

(b) the Purchaser will not, directly or indirectly:

(i) alter or amend the articles, charter, by-laws or other constating documents of the Purchaser;

(ii) split, divide, consolidate, combine or reclassify the Purchaser Shares or any other securities of the Purchaser;

(iii) issue, grant, sell or pledge or authorize or agree to issue, grant, sell or pledge any Purchaser Shares or other securities of the Purchaser, or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, Purchaser Shares or other securities of the Purchaser, other than the issuance of Purchaser Shares issuable pursuant to convertible securities of the Purchaser outstanding as of the date of this Agreement; or (B) the terms of existing Material Contracts;

(iv) adopt a plan of liquidation or resolution providing for the liquidation or dissolution of the Purchaser;

(v) reorganize, amalgamate or merge with any other person; or

(vi) enter into, modify or terminate any Contract with respect to any of the foregoing;

(c) the Purchaser will immediately notify the Company orally and then promptly notify the Company in writing of (i) any "material change" (as defined in the Securities Act) in relation to the Purchaser, (ii) any event, circumstance or development that, to the knowledge of the Purchaser, has had or would reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect, (iii) any breach of this Agreement by the Purchaser, or (iv) any event occurring after the date of this Agreement that would render a representation or warranty, if made on that date or the Effective Date, inaccurate such that any of the conditions in Section 7.2(b) would not be satisfied;

(d) except in the ordinary course of business, the Purchaser will not, directly or indirectly, except in connection with this Agreement:

(i) acquire (by merger, amalgamation, consolidation, arrangement or acquisition of shares or other equity securities or interests or assets or otherwise) any corporation, partnership, association or other business organization or division thereof or acquire any property or asset, or make any investment by the purchase of securities, contribution of capital, property transfer, or purchase of any property or assets of any other person;

(ii) engage in any new business, enterprise or other activity that is inconsistent with the existing businesses of the Purchaser in the manner such existing businesses generally have been carried on or (as disclosed in the Purchaser Disclosure Record) planned or proposed to be carried on prior to the date of this Agreement;

(iii) authorize any of the foregoing, or enter into or modify any Contract to do any of the foregoing;

(e) the Purchaser will not make any loan to any officer, director, employee or consultant of the Purchaser;

(f) the Purchaser will use its commercially reasonable efforts to cause the current insurance (or re-insurance) policies maintained by the Purchaser, including directors' and officers' insurance, not to be cancelled or terminated and to prevent any of the coverage thereunder from lapsing, unless at the time of such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductions and providing coverage comparable to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(g) the Purchaser will (i) duly and timely file all Returns required to be filed by it on or after the date hereof and all such Returns will be true, complete and correct in all material respects and (ii) 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 except for any Taxes contested in good faith pursuant to applicable Laws, and the Purchaser will not (A) change its tax accounting methods, principles or practices, except insofar as may have been required by a change in IFRS or applicable Law, (B) settle, compromise or agree to the entry of judgment with respect to any action, claim or other Proceeding relating to Taxes, (other than the payment, discharge or satisfaction of liabilities reflected or reserved against in the Purchaser Financial Statements) (C) enter into any tax sharing, tax allocation or tax indemnification agreement, (D) make a request for a tax ruling to any Governmental Authority, or (E) agree to any extension or waiver of the limitation period relating to any material Tax claim or assessment or reassessment;

(h) the Purchaser will not enter into or renew any Contract (i) containing (A) any limitation or restriction on the ability of the Purchaser or, following completion of the transactions contemplated hereby, the ability of the Purchaser or any of its affiliates, to engage in any type of activity or business, (B) any limitation or restriction on the manner in which, or the localities in which, all or any portion of the business of the Purchaser or, following consummation of the transactions contemplated hereby, all or any portion of the business of the Purchaser or any of its affiliates, is or would be conducted or (C) any limit or restriction on the ability of the Purchaser or, following completion of the transactions contemplated hereby, the ability of the Purchaser or any of its affiliates, to solicit customers or employees, or (ii) that would reasonably be expected to prevent or significantly impede or materially delay the completion of the Arrangement;

(i) the Purchaser will not take any action which would render, or which reasonably may be expected to render, any representation or warranty made by the Purchaser in this Agreement untrue or inaccurate in any material respect (disregarding for this purpose all materiality or Purchaser Material Adverse Effect qualifications contained therein) at any time prior to the Effective Date if then made; and

(j) as is applicable, the Purchaser will not agree, announce, resolve, authorize or commit to do any of the foregoing.

Section 4.5 Covenants of the Purchaser Regarding the Performance of Obligations

Subject to the terms and conditions of this Agreement, the Purchaser will perform all obligations required to be performed by it under this Agreement, cooperate with the Company in connection therewith, and use commercially reasonable efforts to do such other acts and things as may be necessary or desirable in order to complete the Arrangement and other transactions contemplated hereby, including:

(a) cooperating with the Company in connection with, and using its commercially reasonable efforts to assist the Company in obtaining the waivers, consents and approvals referred to in Section 4.3(1)(a), provided, however, that, notwithstanding anything to the contrary in this Agreement, in connection with obtaining any waiver, consent or approval from any person (other than a Governmental Authority) with respect to any transaction contemplated by this Agreement, the Purchaser will not be required to pay or commit to pay to such person whose waiver, consent or approval is being solicited any cash or other consideration, make any commitment or incur any liability or other obligation;

(b) using its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Authorities from the Purchaser relating to the Arrangement required to be completed prior to the Effective Time;

(c) defending all lawsuits or other legal, regulatory or other Proceedings against or relating to the Purchaser challenging or affecting this Agreement or the completion of the Arrangement;

(d) forthwith carrying out the terms of the Interim Order and Final Order to the extent applicable to it and taking all necessary actions to give effect to the transactions contemplated herein and the Plan of Arrangement; and

(e) apply for and use commercially reasonable efforts to obtain conditional approval or equivalent of the listing and posting for trading on the TSXV of the Consideration Shares, subject only to the satisfaction by the Purchaser of customary listing conditions of the TSXV.

Section 4.6 Mutual Covenants

Each of the Parties covenants and agrees that, subject to the terms and conditions of this Agreement, until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms:

(a) it will use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder as set forth in Article 7 hereof to the extent 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 and commercially reasonable to permit the completion of the Arrangement in accordance with its obligations under this Agreement, the Plan of Arrangement and applicable Laws and cooperate with the other Parties in connection therewith, including using its commercially reasonable efforts to (i) obtain all Approvals required to be obtained by it, (ii) effect or cause to be effected all necessary registrations, filings and submissions of information requested by Governmental Authorities required to be effected by it in connection with the Arrangement, (iii) oppose, lift or rescind any injunction or restraining order against it or other order or action against it seeking to stop, or otherwise adversely affecting its ability to make and complete, the Arrangement and (iv) cooperate with the other Parties in connection with the performance by it of its obligations hereunder;

(b) it will use commercially reasonable efforts not to take or cause to be taken any action which is inconsistent with this Agreement or which would reasonably be expected to prevent or significantly impede or materially delay the completion of the Arrangement; and

(c) it will use commercially reasonable efforts to execute and do all acts, further deeds, things and assurances as may be required in the reasonable opinion of the other Parties' legal counsel to permit the completion of the Arrangement.

Section 4.7 Board of Directors; Employment Agreements

(1) Provided the Arrangement is completed, the Purchaser shall add one additional member (the "**Nominee**") to the Purchaser board of directors which member shall be designated by the Company and selected from the current members of the Company board of directors to be added immediately after the Effective Time to the Purchaser board of directors. If the Purchaser mails a management information circular to its shareholders in connection with the election of directors of the Purchaser prior to the Company Meeting with the Nominee included as a proposed nominee for election as a director of the Purchaser and the Arrangement Resolution is not approved by the Shareholders at the Company Meeting, such Nominee shall immediately withdraw as a nominee for election as a director of the Purchaser.

(2) The Purchaser shall appoint Marco Gagnon as Executive Vice-President of the Purchaser and Mr. Jules Riopel as Director of Exploration of the Purchaser, and shall use its commercially reasonable efforts to negotiate and execute employment agreements with Mr. Gagnon and Mr. Riopel.

(3) Prior to the Effective Time, with the exception of Mr. Gagnon and Mr. Riopel, the Company shall cause, all directors and officers of the Company to provide resignations as at the Effective Time.

Section 4.8 Indemnification and Insurance

(1) The Parties agree that all rights to indemnification existing in favour of the present and former directors and officers of the Company (each such present or former director or officer of the Company being herein referred to as a "**D&O Indemnified**

Party" and such persons collectively being referred to as the "**D&O Indemnified Parties**") as provided by contracts or agreements to which the Company is a party and in effect as of the date hereof, which are listed in Section 4.8(1) of the Company Disclosure Letter and copies of which have been provided to the Purchaser, and, as of the Effective Time, will survive and will continue in full force and effect and without modification, and the Company and any successor to the Company shall continue to honour such rights of indemnification and indemnify the D&O Indemnified Parties pursuant thereto, with respect to actions or omissions of the D&O Indemnified Parties occurring prior to the Effective Time, for six years following the Effective Date.

(2) Prior to the Effective Time, notwithstanding any other provision hereof, the Company may purchase prepaid non-cancellable run-off directors' and officers' liability insurance, at a cost not exceeding 200% of the Company's current annual aggregate premium for directors' and officers' liability policies currently maintained by the Company, providing coverage for a period of 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.

Section 4.9 Public Communications

The Parties shall cooperate in the preparation of presentations, if any, to the Shareholders regarding the Arrangement. A Party must not issue any press release or make any other public statement or disclosure with respect to this Agreement or the Arrangement without the consent of the other Party (which consent shall not be unreasonably withheld, conditioned or delayed), and the Company must not make any filing with any Governmental Authority (subject in each case to the Company's overriding obligations to make any disclosure or filing required by Laws) with respect to this Agreement or the Arrangement without the consent of the Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed); provided that any Party that, in the opinion of its outside legal counsel, is required to make disclosure by Law shall use its best efforts to give the other Party prior oral or written notice and a reasonable opportunity to review or comment on the disclosure or filing (other than with respect to confidential information contained in such disclosure or filing). The Party making such disclosure shall give reasonable consideration to any comments made by the other Party and their counsel, and if such prior notice is not possible, shall give such notice immediately following the making of such disclosure or filing. For greater certainty, the foregoing shall not prevent either Party from making internal announcements to employees and having discussions with Shareholders and financial analysts and other stakeholders so long as such statements and announcements are consistent with the most recent press releases, public disclosures or public statements made by the Parties.

ARTICLE 5
ADDITIONAL AGREEMENTS

Section 5.1 Non-Solicitation

(1) Except as expressly provided in this Article 5, the Company shall not, directly or indirectly, through any Representative of the Company, or otherwise, and not permit any such person to:

(a) solicit, assist, initiate, encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of the Company or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

(b) enter into or otherwise engage or participate in any discussions or negotiations with any person regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

(c) withdraw, amend, modify or qualify, or publicly propose or state an intention to withdraw, amend, modify or qualify, the Board Recommendation;

(d) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for a period of no more than five (5) Business Days following such public announcement or public disclosure will not be considered to be in violation of this Section 5.1 (or in the event that the Company Meeting is scheduled to occur within such five (5) Business Day period, prior to the Business Day prior to the date of the Company Meeting)); or

(e) accept or enter into (other than an Acceptable Confidentiality Agreement permitted by and in accordance with Section 5.3) or publicly propose to accept or enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal.

(2) The Company shall, and shall cause its Representatives to, immediately cease and terminate any solicitation, encouragement, discussion, negotiation, or other activities commenced prior to the date of this Agreement with any person (other than the Purchaser) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection therewith, the Company will:

(a) discontinue access to and disclosure of all information regarding the Company, including any data room and any confidential information, properties, facilities, books and records of the Company; and

(b) to the extent that such information has not previously been returned, promptly request, and exercise all rights it has to require, (i) the return or destruction of all copies of any confidential information regarding the Company and (ii) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding the Company, in each case, using its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.

(3) The Company represents and warrants that the Company has not waived any confidentiality, standstill or similar agreement or restriction in effect as of the date of this Agreement to which the Company is a Party, and further covenants and agrees (i) that the Company shall take all necessary action to enforce each confidentiality, standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement or covenant to which the Company is a party, and (ii) not release any person from, or waive, amend, suspend or otherwise modify such person's obligations respecting the Company under any confidentiality, standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement or covenant to which the Company is a party, without the prior written consent of the Purchaser (which may be withheld or delayed in the Purchaser's sole and absolute discretion) (it being acknowledged by the Purchaser that the automatic termination or release of any standstill restrictions of any such agreements as a result of entering into and announcing this Agreement shall not be a violation of this Section 5.1(3)).

Section 5.2 Notification of Acquisition Proposals

If the Company or any of its Representatives, receives or otherwise becomes aware of any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to the Company in connection with an Acquisition Proposal, including but not limited to information, access, or disclosure relating to the properties, facilities, books or records of the Company, the Company shall promptly notify the Purchaser, at first orally, and then as soon as practicable and in any event within 24 hours in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions, the identity of all persons making the Acquisition Proposal, inquiry, proposal, offer or request, and shall provide the Purchaser with copies of all written documents, material or substantive correspondence or other material received in respect of, from or on behalf of any such persons. The Company shall keep the Purchaser fully informed on a current basis of the status of material developments and (to the extent permitted by Section 5.3) negotiations with respect to such Acquisition Proposal, inquiry, proposal, offer or request, including any changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request and shall provide to the Purchaser copies of all material or substantive correspondence if in writing or electronic form, and if not in writing or electronic form, a description of the material terms of such correspondence communicated to the Company by or on behalf of any person making any such Acquisition Proposal, inquiry, proposal, offer or request.

Section 5.3 Responding to an Acquisition Proposal

(1) Notwithstanding Section 5.1, if at any time prior to obtaining the approval by the Shareholders of the Arrangement Resolution, the Company receives a written Acquisition Proposal, the Company may (i) contact the person making such Acquisition Proposal and its Representatives solely for the purpose of clarifying the terms and conditions of such Acquisition Proposal, and (ii) engage in or participate in discussions or negotiations with such person regarding such Acquisition Proposal, and may provide copies of, access to or disclosure of information, properties, facilities, books or records of the Company, if and only if, in the case of this clause (ii):

(a) the Board first determines in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes or would reasonably be expected to constitute or lead to a Superior Proposal;

(b) such person was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-disclosure, use, business purpose or similar restriction with the Company or any of its Subsidiaries;

(c) the Company has been, and continues to be, in compliance with its obligations under this Article 5;

(d) prior to providing any such copies, access, or disclosure, the Company enters into an Acceptable Confidentiality Agreement with such person, and any such copies, access or disclosure provided to such person shall have already been (or simultaneously be) provided to the Purchaser; and

(e) prior to providing any such copies, access or disclosure, the Company provides the Purchaser with a true, complete and final executed copy of the Acceptable Confidentiality Agreement referred to in Section 5.3(1)(d).

Section 5.4 Right to Match

(1) If the Company receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Arrangement Resolution by the Shareholders the Board may, subject to compliance with Article 6 and Section 5.5, enter into a definitive agreement with respect to such Superior Proposal, if and only if:

(a) the person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing confidentiality, standstill, non-disclosure, use, business purpose or similar restriction with the Company;

(b) the Company has been, and continues to be, in compliance with its obligations under this Article 5;

(c) the Company has delivered to the Purchaser a written notice of the determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Board to enter into such definitive agreement with respect to such Superior Proposal, together with a written notice from the Board regarding the value and financial terms that the Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Superior Proposal (the "**Superior Proposal Notice**");

(d) the Company has provided the Purchaser a copy of the proposed definitive agreement for the Superior Proposal and all supporting materials, including any financing documents supplied to the Company in connection therewith;

(e) at least five (5) Business Days (the "**Matching Period**") have elapsed from the date that is the later of the date on which the Purchaser received the Superior Proposal Notice and the date on which the Purchaser received all of the materials set forth in Section 5.4(1)(d);

(f) during any Matching Period, the Purchaser has had the opportunity (but not the obligation), in accordance with Section 5.4(2), to offer to amend this Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal;

(g) after the Matching Period, the Board (i) has determined in good faith, after consultation with its outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Arrangement as proposed to be amended by the Purchaser under Section 5.4(2)) and (ii) has determined in good faith, after consultation with its outside legal counsel, that the failure by the Board to recommend that the Company enter into a definitive agreement with respect to such Superior Proposal would be inconsistent with its fiduciary duties; and

(h) prior to or concurrently with entering into such definitive agreement the Company terminates this Agreement pursuant to Section 6.2(1)(c)(ii) and pays the Termination Fee pursuant to Section 5.5.

(2) During the Matching Period, or such longer period as the Company may approve in writing for such purpose: (a) the Board shall review any offer made by the Purchaser under Section 5.4(1)(e) to amend the terms of this Agreement and the Arrangement

in good faith in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (b) the Company shall negotiate in good faith with the Purchaser to make such amendments to the terms of this Agreement and the Arrangement as would enable the Purchaser to proceed with the transactions contemplated by this Agreement on such amended terms. If the Board determines that such Acquisition Proposal would cease to be a Superior Proposal, the Company shall promptly so advise the Purchaser and the Company and the Purchaser shall amend this Agreement to reflect such offer made by the Purchaser, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

(3) Each successive amendment or modification to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Shareholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal for the purposes of this Section 5.4, and the Purchaser shall be afforded a new five Business Day Matching Period from the later of the date on which the Purchaser received the Superior Proposal Notice and the date on which the Purchaser received all of the materials set forth in Section 5.4(1)(d) with respect to the new Superior Proposal from the Company.

(4) The Board shall promptly reaffirm the Board Recommendation by press release after any Acquisition Proposal which the Board has determined not to be a Superior Proposal is publicly announced or publicly disclosed or the Board determines that a proposed amendment to the terms of this Agreement as contemplated under Section 5.4(2) would result in an Acquisition Proposal no longer being a Superior Proposal. The Company shall provide the Purchaser and its outside legal counsel with a reasonable opportunity to review the form and content of any such press release and shall make all reasonable amendments to such press release as requested by the Purchaser and its counsel.

(5) If the Company provides a Superior Proposal Notice to the Purchaser on a date that is less than 10 Business Days before the Company Meeting, the Company shall either proceed with or postpone the Company Meeting to a date that is not more than 15 Business Days after the scheduled date of the Company Meeting, as directed by the Purchaser.

(6) Nothing contained in this Agreement shall prevent the Board from complying with Section 2.17 of Multilateral Instrument 62-104 – *Takeover Bids and Issuer Bids* and similar provisions under Securities Laws relating to the provision of a directors' circular in respect of an Acquisition Proposal.

Section 5.5 Expenses and Termination Fee

(1) Despite any other provision in this Agreement relating to the payment of fees and expenses, including the payment of brokerage fees, if a Termination Fee Event occurs, the Company shall pay the Purchaser the Termination Fee in accordance with Section 5.5(3).

(2) For the purposes of this Agreement, "**Termination Fee**" means $800,000, and "**Termination Fee Event**" means the termination of this Agreement:

(a) by the Purchaser, pursuant to Section 6.2(1)(d)(ii);

(b) by the Company, pursuant to Section 6.2(1)(c)(ii);

(c) pursuant to any Subsection of Section 6.2(1) if at such time the Purchaser is entitled to terminate this Agreement pursuant to Section 6.2(1)(d)(ii); or

(d) by the Company or the Purchaser pursuant to Section 6.2(1)(b)(i) or Section 6.2(1)(b)(iii), or by the Purchaser pursuant to Section 6.2(1)(d)(i) (due to a willful breach or fraud), if:

(i) prior to such termination, an Acquisition Proposal is made or publicly announced or otherwise publicly disclosed by any person (other than the Purchaser) or any person (other than the Purchaser) shall have publicly announced an intention to make an Acquisition Proposal; and

(ii) within 12 months following the date of such termination (A) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (i) above) is consummated or effected, or (B) the Company, directly or indirectly, in one or more transactions, enters into a contract, other than an Acceptable Confidentiality Agreement permitted by and in accordance with Section 5.3, in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (i) above) and such Acquisition Proposal is later consummated or effected (whether or not such Acquisition Proposal is later consummated or effected within 12 months after such termination).

For purposes of the foregoing, the term "Acquisition Proposal" shall have the meaning assigned to such term in Section 1.1, except that references to "20% or more" shall be deemed to be references to "50% or more".

(3) If a Termination Fee Event occurs due to a termination of this Agreement by the Company pursuant to Section 6.2(1)(c)(ii), the Termination Fee shall be paid prior to or simultaneously with the occurrence of such Termination Fee Event. If a Termination Fee Event occurs in the circumstances set out in Section 5.5(2)(a) or Section 5.5(2)(c), the Termination Fee shall be paid within two Business Days following such Termination Fee Event. If a Termination Fee Event occurs in the circumstances set out in Section 5.5(2)(d), the Termination Fee shall be paid upon the consummation/closing of the Acquisition Proposal referred to therein. Any Termination Fee shall be paid by the Company to the Purchaser, by wire transfer in immediately available funds to an account designated by the Purchaser.

(4) The Company acknowledges that the agreements contained in Section 5.5 are an integral part of the transactions contemplated by this Agreement, and that without these agreements the Purchaser would not enter into this Agreement, and that the amounts set out in this Section 5.5 represent liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, reputational damage, and out-of-pocket expenditures, which the Purchaser will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement, and are not penalties. The Company irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. In the event the Termination Fee is paid in full to the Purchaser in the manner provided in this Section 5.5, the Purchaser agrees that the payment of the Termination Fee is the sole and exclusive remedy of the Purchaser in connection with this Agreement (and the termination hereof), the transactions contemplated hereby or any matter forming the basis for such termination, and following such receipt the Purchaser shall not be entitled to bring or maintain any claim, action or proceeding against the Company arising out of or in connection with this Agreement (or the termination thereof) or the transactions contemplated herein and the Company shall not have any further liability with respect to this Agreement or the transactions contemplated hereby to the Purchaser. Notwithstanding anything in this Agreement to the contrary, while the Purchaser may pursue both a grant of specific performance in accordance with Section 8.13 and the payment of the Termination Fee under Section 5.5, under no circumstances shall the Purchaser be permitted or entitled to receive both a grant of specific performance of the Company's obligation to consummate the transactions contemplated hereby and any monetary damages, including all or any portion of the Termination Fee.

(5) Except as expressly otherwise provided in this Agreement, all out-of-pocket third party transaction expenses incurred in connection with this Agreement and the Plan of Arrangement and the transactions contemplated hereunder and thereunder, including all costs, expenses and fees of the Company incurred prior to or after the Effective Time in connection with, or incidental to, the Plan of Arrangement, shall be paid by the Party incurring such expenses, whether or not the Arrangement is consummated.

(6) The Company confirms that other than the fees disclosed in Section 3.1(dd) of the Company Disclosure Letter, no broker, finder or investment banker is or will be entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement.

ARTICLE 6
TERM AND TERMINATION

Section 6.1 Term

This Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms.

Section 6.2 Termination

(1) This Agreement may be terminated prior to the Effective Time by;

(a) the mutual written agreement of the Parties; or

(b) either the Company or the Purchaser if:

(i) the Arrangement Resolution is not approved by the Shareholders at the Company Meeting in accordance with the Interim Order provided that a Party may not terminate this Agreement pursuant to this Section 6.2(1)(b)(i) if the failure to obtain the approval of the Shareholders has been caused by, 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;

(ii) after the date of this Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins the Company or the Purchaser from consummating the Arrangement, and such Law has, if applicable, become final and non-appealable, provided the Party seeking to terminate this Agreement pursuant to this Section 6.2(1)(b)(ii) has used its commercially reasonable efforts to, as applicable, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Arrangement; or

(iii) 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(1)(b)(iii) if the failure of the Effective Time to so occur has been caused by, 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

(c) the Company if:

(i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Purchaser under this Agreement occurs that would cause any condition in Section 7.1 or Section 7.2 not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Outside Date or is not cured in accordance with the terms of Section 6.4; provided that any wilful breach shall be deemed to be incurable and the Company is not then in breach of this Agreement so as to cause any condition in Section 7.1 or Section 7.3 not to be satisfied;

(ii) prior to the approval by the Shareholders of the Arrangement Resolution, the Board authorizes the Company to enter into a written agreement (other than an Acceptable Confidentiality Agreement permitted by and in accordance with Section 5.3) with respect to a Superior Proposal in accordance with Section 5.4, provided the Company is then in compliance with Article 5 and that prior to or concurrent with such termination the Company pays the Termination Fee in accordance with Section 5.5; or

(iii) there has occurred a Purchaser Material Adverse Effect which is incapable of being cured on or prior to the Outside Date;

(d) the Purchaser if:

(i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company under this Agreement occurs that would cause any condition in Section 7.2 or Section 7.3 not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Outside Date or is not cured in accordance with the terms of Section 6.4; provided that any wilful breach shall be deemed to be incurable and the Purchaser are not then in breach of this Agreement so as to cause any condition in Section 7.1 or Section 7.2 not to be satisfied;

(ii) (A) the Board or any committee of the Board fails to unanimously recommend or withdraws, amends, modifies or qualifies, or publicly proposes or states an intention to withdraw, amend, modify or qualify, the Board Recommendation, (B) the Board or any committee of the Board accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend an Acquisition Proposal or takes no position or remains neutral with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than five (5) Business Days (or beyond the Business Day prior to the date of the Company Meeting, if sooner)), (C) the Board or any committee of the Board accepts or enters into (other than an Acceptable Confidentiality Agreement permitted by and in accordance with Section 5.3) or publicly proposes to accept or enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal, (D) the Board or any committee of the Board fails to publicly recommend or reaffirm the Board Recommendation within five (5)Business Days after having been requested in writing by the Purchaser to do so (or in the event that the Company Meeting is scheduled to occur within such five (5)Business Day period, prior to the Business Day prior to the date of the Company Meeting), or (E) the Company breaches Article 5 in any material respect; or

(iii) there has occurred a Material Adverse Effect which is incapable of being cured on or prior to the Outside Date.

(2) The Party desiring to terminate this Agreement pursuant to this Section 6.2 (other than pursuant to Section 6.2(1)(a)) shall give notice of such termination to the other Party, specifying in reasonable detail the basis for such Party's exercise of its termination right.

Section 6.3 Effect of Termination/Survival

If this Agreement is terminated pursuant to Section 6.1 or Section 6.2, this Agreement shall become void and of no further force or effect without liability of any Party (or any shareholder, director, officer, employee, agent, consultant or representative of such Party) to any other Party to this Agreement, except that: (a) in the event of termination under Section 6.1 as a result of the Effective Time occurring Section 4.8 shall survive for a period of six (6) years following such termination and (b) in the event of termination under Section 6.2, this Section 6.3, Section 5.5 and Article 8 (other than Section 8.7) shall survive, and provided further that no Party shall be relieved of any liability for any wilful breach by it of this Agreement.

Section 6.4 Notice and Cure Provisions

If any Party determines at any time prior to the Effective Time that it intends to refuse to complete the transactions contemplated hereby because of any unfilled or unperformed condition contained in this Agreement, such Party will so notify the other Party forthwith upon making such determination in order that the other Party will have the right and opportunity to take such steps, at its own expense, as may be necessary for the purpose of fulfilling or performing such condition within a reasonable period of time, but in no event later than the Outside Date. Neither the Company nor the Purchaser may elect not to complete the transactions contemplated hereby pursuant to the conditions precedent contained in Article 7 hereof or exercise any termination right arising therefrom and no payments will be payable as a result of such election pursuant to Article 7 unless forthwith and in any event prior to the Effective Time the Party intending to rely thereon has given a written notice to the other Party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party giving 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 given, provided that the other Party is proceeding diligently to cure such matter, if such matter is susceptible to being cured, the Party giving such notice may not terminate this Agreement as a result thereof until the earlier of the Outside Date and the expiration of a period of 15 Business Days from such notice. If such notice has been given prior to the date of the Company Meeting, such meeting, unless the Parties otherwise agree, will be postponed or adjourned until the expiry of such period (without causing any breach of any other provision contained herein).

ARTICLE 7
CONDITIONS PRECEDENT

Section 7.1 Mutual Conditions Precedent

The respective obligations of the Parties to complete the Arrangement are subject to the satisfaction, or mutual waiver by the Parties, on or before the Effective Date, of each of the following conditions, each of which are for the mutual benefit of the Parties and which may be waived, in whole or in part, by the Purchaser and the Company at any time:

(a) the Arrangement Resolution will have been approved by the Shareholders at the Company Meeting in accordance with the Interim Order and applicable Laws;

(b) each of the Interim Order and Final Order will have been obtained in form and substance satisfactory to each of the Company and the Purchaser, each acting reasonably, and will not have been set aside or modified in any manner unacceptable to either the Company or the Purchaser, each acting reasonably, on appeal or otherwise;

(c) the necessary conditional approvals or equivalent approvals, as the case may be, of the TSXV will have been obtained;

(d) no Law will have been enacted, issued, promulgated, enforced, made, entered, issued or applied and no Proceeding will otherwise have been taken under any Laws or by any Governmental Authority (whether temporary, preliminary or permanent) that makes the Arrangement illegal or otherwise directly or indirectly cease trades, enjoins, restrains or otherwise prohibits completion of the Arrangement;

(e) the Consideration Shares and other securities to be issued pursuant to the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof, provided, however, that the Company shall be not entitled to the benefit of the conditions in this Section 7.1(e) and shall be deemed to have waived such condition in the event that the Company fails to advise the Court prior to hearing in respect of the Interim Order that the Purchaser intends to rely on the exemption from registration afforded by Section 3(a)(10) of the U.S. Securities Act based on the Court's approval of the Arrangement and comply with the requirements set forth in Section 2.10 and the Final Order shall reflect such reliance;

(f) this Agreement shall not have been terminated in accordance with its terms.

Section 7.2 Additional Conditions Precedent to the Obligations of the Company

The obligation of the Company to complete the Arrangement will be subject to the satisfaction, or waiver by the Company, on or before the Effective Date, of each of the following conditions, each of which is for the exclusive benefit of the Company and which may be waived by the Company at any time, in whole or in part, in its sole discretion and without prejudice to any other rights that the Company may have:

(a) the Purchaser will have complied in all material respects with its obligations, covenants and agreements in this Agreement to be performed and complied with on or before the Effective Date;

(b) the representations and warranties of the Purchaser in Section 3.2 will be true and correct (disregarding for this purpose all materiality or Purchaser Material Adverse Effect qualifications contained therein) as of the Effective Date as if made on and as of such date (except for such representations and warranties which refer to or are made as of another specified date, in which case such representations and warranties will have been true and correct as of that date) except (i) as affected by transactions, changes, conditions, events or circumstances expressly permitted by this Agreement or (ii) for breaches of representations and warranties (other than those contained in Section 3.2(e) which have not had and would not reasonably be expected to have, individually or in the aggregate, a Purchaser Material Adverse Effect or prevent or significantly impede or materially delay the completion of the Arrangement, it being understood that it is a separate condition precedent to the obligations of the Company hereunder that the representations and warranties made by the Purchaser in Section 3.2(e) must be accurate in all respects when made and as of the Effective Date;

(c) there shall not have occurred a Purchaser Material Adverse Effect;

(d) the Purchaser will have complied with its obligations under Section 2.9 and the Depositary shall have confirmed receipt of the Consideration Shares;

(e) the Company will have received a certificate of the Purchaser signed by a senior officer of the Purchaser and dated the Effective Date certifying that the conditions set out in Section 7.2(a), Section 7.2(b) and Section 7.2(c)have been satisfied, which certificate will cease to have any force and effect after the Effective Time; and

the Purchaser shall have delivered evidence satisfactory to the Company, acting reasonably, of the approval of the listing and posting for trading on the TSXV of the Consideration Shares, subject only to the satisfaction of the customary listing conditions of the TSXV, as the case may be.

Section 7.3 Additional Conditions Precedent to the Obligations of the Purchaser

The obligation of the Purchaser to complete the Arrangement will be subject to the satisfaction, or waiver by the Purchaser, on or before the Effective Date, of each of the following conditions, each of which is for the exclusive benefit of the Purchaser and which may be waived by the Purchaser at any time, in whole or in part, in its sole discretion and without prejudice to any other rights that the Purchaser may have:

(a) the Company will have complied in all material respects with its obligations, covenants and agreements in this Agreement to be performed and complied with on or before the Effective Date;

(b) the representations and warranties of the Company in Section 3.1 will be true and correct (disregarding for this purpose all materiality or Material Adverse Effect qualifications contained therein) as of the Effective Date as if made on and as of such date (except for such representations and warranties which refer to or are made as of another specified date, in which case such representations and warranties will have been true and correct as of that date) except (i) as affected by transactions, changes, conditions, events or circumstances expressly permitted by this Agreement or (ii) for breaches of representations and warranties (other than those contained in Section 3.1(e) and Section 3.1(n) which have not had and would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect or prevent or significantly impede or materially delay the completion of the Arrangement, it being understood that it is a separate condition precedent to the obligations of the Purchaser hereunder that the representations and warranties made by the Company in Section 3.1(e) and Section 3.1(n) must be accurate in all respects when made and as of the Effective Date;

(c) there shall not have occurred a Material Adverse Effect

(d) the Purchaser will have received a certificate of the Company signed by a senior officer of the Company and dated the Effective Date certifying that the conditions set out in Section 7.3(a), Section 7.3(b), Section 7.3(c) and Section 7.3(e) have been satisfied, which certificate will cease to have any force and effect after the Effective Time;

(e) Shareholders will not have exercised Dissent Rights, or have instituted proceedings to exercise Dissent Rights, in connection with the Arrangement (other than Shareholders representing not more than 5% of the Common Shares then outstanding);

(f) there shall not be pending or threatened in writing any Proceeding by any Governmental Authority or any other person that is reasonably likely to result in any:

  (i) prohibition or restriction on the acquisition by the Purchaser of any Common Shares or the completion of the Arrangement or any person obtaining from any of the Parties any material damages directly in connection with the Arrangement;

  (ii) prohibition or material limit on the ownership by the Purchaser of the Company or any material portion of their respective businesses; or

(iii) imposition of limitations on the ability of the Purchaser to acquire or hold, or exercise full rights of ownership of, any Common Shares, including the right to vote such Common Shares; and

(g) each of the Supporting Shareholders shall have entered into a Support Agreement (in form and substance agreed to by the Parties prior to the execution of this Agreement) with the Purchaser on the date of this Agreement.

ARTICLE 8
GENERAL

Section 8.1 Notices

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and will be given by personal delivery or by electronic means of communication addressed to the recipient as follows:

(a) if to the Purchaser as follows:

Probe Metals Inc.
56 Temperance Street, Suite 1000
Toronto, Ontario
Canada M5H 3V5

Attention: David Palmer
Facsimile No.: 416 777 6705
E-mail: dpalmer@Probe Metals.com

with a copy (which will not constitute notice) to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Ontario
M5L 1B9

Attention: Amanda Linett
Facsimile: 416 947 0866
Email: alinett@stikeman.com

(b) if to the Company:

Adventure Gold Inc.
1 Place Ville-Marie, Suite 1670
Montréal, Quebec H3B 2B6

Attention: Marco Gagnon
Facsimile: 514 397 0199
E-mail: marco@adventure-gold.com

with a copy (which will not constitute notice) to:

Fasken Martineau DuMoulin LLP
Stock Exchange Tower
800 Square Victoria, Suite 3700 P.O. Box 242
Montréal, Quebec H4Z 1E9

Attention: Frank Mariage
Facsimile: 514 397 7600
Email: fmariage@fasken.com

or to such other street address, individual or electronic communication number or address as may be designated by notice given by either Party to the other. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during the normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day.

Section 8.2 Assignment

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.

Section 8.3 Benefit of Agreement

This Agreement will enure to the benefit of and be binding upon the respective successors (including any successor by reason of amalgamation or statutory arrangement) and permitted assigns of the Parties.

Section 8.4 Time of Essence

Time is of the essence of this Agreement.

Section 8.5 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 Ontario 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 Ontario 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.

Section 8.6 Entire Agreement

This Agreement constitutes, together with the Confidentiality Agreements, the entire agreement between the Parties with respect to the subject matter thereof. 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 Agreements.

Section 8.7 Amendment

(1) This Agreement may, at any time and from time to time before or after the holding of the Company Meeting but not later than the Effective Time, be amended by written agreement of the Parties without, subject to applicable Laws, further notice to or authorization on the part of the Shareholders, and any such amendment may, without limitation:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) waive any inaccuracies or modify any representation, term or provision contained herein or in any document delivered pursuant hereto; or

(c) waive compliance with or modify any of the conditions precedent referred to in Article 7 or any of the covenants herein contained or waive or modify performance of any of the obligations of the Parties,

provided, however, that no such amendment may reduce or materially affect the consideration to be received by the Shareholders under the Arrangement without their approval at the Company Meeting or, following the Company Meeting, without their approval given in the same manner as required by applicable Laws for the approval of the Arrangement as may be required by the Court.

(2) Notwithstanding the foregoing, the Plan of Arrangement may only be supplemented or amended in accordance with the provisions thereof.

Section 8.8 Waiver and Modifications

Any Party may (a) waive, in whole or in part, any inaccuracy of, or consent to the modification of, any representation or warranty made to it hereunder or in any document to be delivered pursuant hereto, (b) extend the time for the performance of any of the obligations or acts of the other Parties (c) waive or consent to the modification of any of the covenants herein contained for its benefit or waive or consent to the modification of any of the obligations of the other Parties hereto or (d) waive the fulfillment of any condition to its own obligations contained herein. No waiver or consent to the modifications of any of the provisions of this Agreement will be effective or binding unless made in writing and signed by the Party or Parties purporting to give the same and, unless otherwise provided, will be limited to the specific breach or condition waived. The rights and remedies of the Parties hereunder are cumulative and are in addition to, and not in substitution for, any other rights and remedies available at law or in equity or otherwise. No single or partial exercise by a Party of any right or remedy precludes or otherwise affects any further exercise of such right or remedy or the exercise of any other right or remedy to which that Party may be entitled. No waiver or partial waiver of any nature, in any one or more instances, will be deemed or construed a continued waiver of any condition or breach of any other term, representation or warranty in this Agreement.

Section 8.9 Third Party Beneficiaries

(1) Except as provided in Section 4.8 which, without limiting their terms, are intended as stipulations for the benefit of the third persons mentioned in such provisions (such third persons referred to in this Section 8.9 as the "**Covered Persons**") and except for the rights of the 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.

(2) Despite the foregoing, the Purchaser acknowledges to each of the Covered Persons their direct rights against it under Section 4.8 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, the Company confirms that it is acting as trustee on their behalf, and agrees to enforce such provisions on their behalf.

Section 8.10 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.

Section 8.11 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 or 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.

Section 8.12 Further Assurances

Subject to the provisions of this Agreement, the Parties will, from time to time, do all acts and things and execute and deliver all such further documents and instruments, as the other Parties may, either before or after the Effective Date, reasonably require to effectively carry out or better evidence or perfect the full intent and meaning 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.

Section 8.13 Injunctive Relief

The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement, and to enforce compliance with the terms of this Agreement without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this, subject to Section 5.5(4), being in addition to any other remedy to which the Parties may be entitled at law or in equity.

Section 8.14 No Personal Liability

(1) No director, officer or employee of the Purchaser will have any personal liability to the Company under this Agreement or any other document delivered in connection with this Agreement or the Arrangement on behalf of the Purchaser.

(2) No director, officer or employee of the Company will have any personal liability to the Purchaser under this Agreement or any other document delivered in connection with this Agreement or the Arrangement on behalf of the Company.

Section 8.15 Counterparts

This Agreement may be executed and delivered in any number of counterparts (including by facsimile or electronic transmission), each of which will be deemed to be an original and all of which taken together will be deemed to constitute one and the same instrument.

[Remainder of page has been left intentionally blank]

IN WITNESS WHEREOF the Parties have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

PROBE METALS INC.

By: (signed) "*David Palmer*"

Name: David Palmer

Title: President & Chief Executive Officer

ADVENTURE GOLD INC.

By: (signed) "*Marco Gagnon*"

Name: Marco Gagnon

Title: President & Chief Executive Officer

Schedule “A”
FORM OF PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT
UNDER THE CANADA BUSINESS CORPORATIONS ACT

ARTICLE 1
INTERPRETATION

Section 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 those terms shall have corresponding meanings:

“**Arrangement**” means the arrangement under the provisions of Section 192 of the CBCA, on the terms and conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 8.7 of the Arrangement Agreement or Article 5 of this Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of the Company and the Purchaser, each acting reasonably;

“**Arrangement Agreement**” means the agreement made as of April 6, 2016 between the Company and the Purchaser, including the schedules thereto, as the same may be supplemented or amended from time to time;

“**Arrangement Resolution**” means the resolution of the Shareholders approving the Arrangement to be considered at the Company Meeting;

“**Articles of Arrangement**” means the articles of arrangement of the Company in respect of the Arrangement, to be filed with the Director after the Final Order is made;

“**Business Day**” means a day other than a Saturday, a Sunday or any other day on which commercial banking institutions in Montreal, Quebec or in Toronto, Ontario are authorized or required by applicable Law to be closed;

“**CBCA**” means the Canada Business Corporations Act, R.S.C. 1985, as amended;

“**Common Shares**” means the common shares without par value in the capital of the Company;

“**Common Share Letter of Transmittal**” means the letter of transmittal to be delivered by the Company to the Shareholders providing for the delivery of Common Shares to the Depositary;

“**Company**” means Adventure Gold Inc., a corporation incorporated under the laws of Canada;

"**Company Meeting**" means the special meeting of the Shareholders, including any adjournment or postponement 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;

"**Consideration**" means the consideration to be received pursuant to the Plan of Arrangement in respect of each Common Share that is issued and outstanding immediately prior to the Effective Time, consisting of 0.39 of a Purchaser Share;

"**Court**" means the Superior Court of Québec;

"**CRA**" means the Canada Revenue Agency;

"**Depositary**" means TMX Equity Transfer Services Inc.;

"**Director**" means the director appointed pursuant to Section 260 of the CBCA;

"**Dissent Rights**" has the meaning ascribed thereto in Section 4.1;

"**Dissenting Shares**" means the Common Shares held by Dissenting Shareholders in respect of which such Dissenting Shareholders have given Notice of Dissent;

"**Dissenting Shareholder**" means a registered holder of Common Shares who has duly and validly exercised the Dissent Rights in respect of the Arrangement Resolution in strict compliance with the Dissent Rights and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;

"**Effective Date**" means the date upon which the Arrangement becomes effective as established by the date of issue shown on the certificate giving effect to the Arrangement as issued by the Director pursuant to Section 192(7) of the CBCA;

"**Effective Time**" means 12:01 a.m. (Toronto time) on the Effective Date or such other time as the Company and the Purchaser may agree upon in writing;

"**Fair Market Value**" with reference to:

(a) a Purchaser Share means the amount that is the closing price of the Purchaser Shares on the TSXV on the last trading day immediately prior to the Effective Date;

(b) a Common Share means the amount that is the Fair Market Value of a Purchaser Share multiplied by 0.39;

"**Final Order**" means the order of the Court approving the Arrangement, in a form acceptable to the Company and Purchaser, each acting reasonably, granted pursuant to Section 192 of the CBCA, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement, as such order may be affirmed, amended, modified, supplemented or varied by the Court (with the consent of the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, as affirmed or amended (provided that any such amendment is acceptable to the Company and the Purchaser, each acting reasonably) on appeal unless such appeal is withdrawn, abandoned or denied;

"**Former Company Shareholders**" means the holders of Common Shares immediately prior to the Effective Time;

"**Governmental Authority**" means any multinational, federal, provincial, territorial, state, regional, municipal, local or other government or governmental body and any division, agent, official, agency, commission, board or authority of any government, governmental body, quasi-governmental or private body (including any stock exchange) exercising any statutory, regulatory, expropriation or taxing authority under the authority of any of the foregoing and any domestic, foreign or international judicial, quasi-judicial or administrative court, tribunal, commission, board, panel or arbitrator acting under the authority of any of the foregoing;

"**holder**", when used with reference to any securities of the Company, means the holder of such securities shown from time to time in the central securities register maintained by or on behalf of the Company in respect of such securities;

"**In-The-Money Amount**" in respect of a stock option means the amount, if any, by which the aggregate Fair Market Value at that time of the securities subject to the option exceeds the aggregate exercise price of the option;

"**Interim Order**" means the interim order of the Court to be issued following the application therefor contemplated by Section 2.2 of the Arrangement Agreement, after being informed of the intention to rely upon the exemption from registration under Section 3(a)(10) of the U.S. Securities Act with respect to the Purchaser Shares, Replacement Options and Replacement Warrants issued pursuant to the Arrangement, in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be affirmed, amended, modified, supplemented or varied by the Court with the consent of both the Company and the Purchaser, each acting reasonably;

"**Liens**" means any mortgage, hypothec, prior claim, lien, pledge, assignment for security, security interest, option, right of first offer or first refusal or other charge or encumbrance of any kind and adverse claim;

"**Notice of Dissent**" means a notice of dissent duly and validly given by a registered holder of Common Shares exercising Dissent Rights as contemplated in the Interim Order and as described in Article 4;

"**Option**" means an option to acquire a Common Share granted pursuant to the Stock Option Plan which are outstanding and unexercised, whether or not vested;

"**Optionholder**" means a holder of Options;

"**Plan of Arrangement**" means this plan of arrangement, including any appendices hereto, and any amendments, modifications or supplements hereto made from time to time in accordance with the terms hereof or made at the direction of the Court in the Final Order, with the consent of the Company and the Purchaser, each acting reasonably;

"**Purchaser**" means Probe Metals Inc.;

"**Replacement Option**" has the meaning given thereto in Section 3.1(a)(ii);

"**Replacement Warrant**" has the meaning given thereto in Section 3.1(a)(iii);

"**Purchaser Shares**" means common shares in the capital of the Purchaser;

"**Shareholder**" means a holder of one or more Common Shares;

"**Stock Option Plan**" means the Stock Option Plan of the Company adopted by the Board in 2007, and amended on March 30, 2009 and December 8, 2010;

"**Tax Act**" means the *Income Tax Act* (Canada) including all regulations 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. Tax Code**" means the United States Internal Revenue Code of 1986, as amended; and

"**Warrant**" means a warrant that is outstanding immediately before the Effective Date, to acquire Common Shares; and

"**Warrantholders**" means a holder of Warrants.

Any capitalized terms used but not defined herein shall have the meaning ascribed to such terms in the Arrangement Agreement. In addition, words and phrases used herein and defined in the CBCA and not otherwise defined herein or in the Arrangement Agreement shall have the same meaning herein as in the CBCA unless the context otherwise requires.

Section 1.2 Interpretation Not Affected by Headings, etc.

The division of this Plan of Arrangement into Articles, Sections, paragraphs 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 to an "Article", "Section" or "paragraph" followed by a number and/or a letter refer to the specified Article, Section or paragraph of this Plan of Arrangement.

Section 1.3 Number

In this Plan of Arrangement, unless the context otherwise requires, words used herein importing the singular include the plural and vice versa.

Section 1.4 Date of Any Action

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

Section 1.5 Time

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein or in any letter of transmittal contemplated herein are local time (Montreal, Quebec) unless otherwise stipulated herein or therein.

Section 1.6 Currency

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

ARTICLE 2
EFFECT OF THE ARRANGEMENT

Section 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, except in respect of the sequence of the steps comprising the Arrangement, which shall occur in the order set forth herein.

Section 2.2 Binding Effect

This Plan of Arrangement will become effective at the Effective Time and shall be binding upon the Purchaser, the Company, the Shareholders, the Optionholders and the Warrantholders.

ARTICLE 3
ARRANGEMENT

Section 3.1 The Arrangement

Commencing at the Effective Time, each of the events set out below shall occur and be deemed to occur in the following sequence, in each case effective as at one minute intervals starting at the Effective Time, without any further authorization, act or formality of or by the Company, the Purchaser or any other person:

(a) At the Effective Time:

(i) each Common Share held by a Dissenting Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all liens, claims and encumbrances, to the Purchaser and the Purchaser shall thereupon be obliged to pay the amount therefor determined and payable in accordance with Article 4 hereof, and the name of such holder shall be removed from the central securities register of the Company as a holder of Common Shares and the Purchaser shall be recorded as the registered holder of the Common Shares so transferred and shall be deemed to be the legal owner of such Common Shares;

(ii) each outstanding Option shall be exchanged for an option (each, a "**Replacement Option**") to purchase from the Purchaser 0.39 of a Purchaser Share (and when aggregated with the other similar Replacement Options of a holder of such options resulting in a fraction of a Purchaser Share, they shall be rounded down to the nearest whole number of Purchaser Shares). The exercise price per Purchaser Share subject to a Replacement Option shall be an amount equal to the quotient obtained when (A) the exercise price per Common Share subject to such Option immediately before the Effective Time, is divided by (B) 0.39, provided that the aggregate exercise price payable on any particular exercise of Replacement Options shall be rounded up to the nearest whole cent. All terms and conditions of a Replacement Option, including the term to expiry, conditions to and manner of exercising, will be the same as the Option for which it was exchanged, and shall be governed by the terms of the Stock Option Plan and any document evidencing an Option shall thereafter evidence and be deemed to evidence such Replacement Option. It is intended that subsection 7(1.4) of the *Tax Act* apply to such exchange of options. Accordingly, and notwithstanding the foregoing, if required, the exercise price of a Replacement Option will be increased such that the In-The-Money Amount of the Replacement Option immediately after the exchange does not exceed the In-The-Money Amount of the Option immediately before the exchange;

(iii) each outstanding Warrant shall without any further action on the part of any holder of a Warrant, be exchanged for a warrant (each, a "**Replacement Warrant**") to purchase from Purchaser 0.39 of a Purchaser Share (and when aggregated with the other similar Replacement Warrants of a holder of such Warrants resulting in a fraction of a Purchaser Share, they shall be rounded down to the nearest whole number of Purchaser Shares). The exercise price per Purchaser Share subject to a Replacement Warrant shall be an amount equal to the quotient obtained when (A) the exercise price per Common Share subject to such Warrant immediately before the Effective Time is divided by (B) 0.39, provided that the aggregate exercise price payable on any particular exercise of Replacement

Warrants shall be rounded up to the nearest whole cent. All terms and conditions of a Replacement Warrant, including the term to expiry, conditions to and manner of exercising, will be the same as the Warrant for which it was exchanged and any document evidencing a Warrant shall thereafter evidence and be deemed to evidence such Replacement Warrant;

(iv) each outstanding Common Share (other than Common Shares held by any Dissenting Shareholders) will, without further act or formality by or on behalf of a holder of Common Shares, be irrevocably assigned and transferred by the holder thereof to the Purchaser (free and clear of all Liens) in exchange for 0.39 of a Purchaser Share for each Common Share held, and

(A) the holders of such Common Shares shall cease to be the holders thereof and to have any rights as holders of such Common Shares other than the right to receive 0.39 of a Purchaser Share per Common Share in accordance with this Plan of Arrangement;

(B) such holders' name shall be removed from the register of the Common Shares maintained by or on behalf of the Company; and

(C) the Purchaser shall be deemed to be the transferee and the legal and beneficial holder of such Common Shares (free and clear of all Liens) and shall be entered as the registered holder of such Common Shares in the register of the Common Shares maintained by or on behalf of the Company.

Section 3.2 Post Effective Time Procedures

(1) Following the receipt of the Final Order and prior to the Effective Date, the Purchaser shall deliver or arrange to be delivered to the Depositary certificates representing the Purchaser Shares required to be issued to Former Company Shareholders, in accordance with the provisions of Section 3.1(a) hereof, which certificates shall be held by the Depositary as agent and nominee for such Former Company Shareholders for distribution to such Former Company Shareholders in accordance with the provisions of Article 5 hereof.

(2) Subject to the provisions of Article 5 hereof, and upon return of a properly completed Common Share Letter of Transmittal by a registered Former Company Shareholder together with certificates representing Common Shares and such other documents as the Depositary may require, Former Company Shareholders shall be entitled to receive delivery of the certificates representing the Purchaser Shares to which they are entitled pursuant to Section 3.1(a) hereof.

Section 3.3 No Fractional Shares

In no event shall any holder of Common Shares be entitled to a fractional Purchaser Share. Where the aggregate number of Purchaser Shares to be issued to a person as consideration under or as a result of this Arrangement would result in a fraction of a Purchaser Share being issuable, the number of Purchaser Shares to be received by such securityholder shall be rounded down to the nearest whole Purchaser Share and no person will be entitled to any compensation in respect of a fractional Purchaser Share.

Section 3.4 U.S. Securities Act Exemption

Notwithstanding any provision herein to the contrary, the Purchaser and the Company agree that this Plan of Arrangement will be carried out with the intention that all Purchaser Shares issued to Shareholders, Replacement Warrants issued to Warrantholders, and Replacement Options issued to Optionholders on completion of this Plan of Arrangement will be issued by the Purchaser in reliance on the exemption from the registration requirements of the U.S. Securities Act as provided by Section 3(a)(10) thereof.

ARTICLE 4
DISSENT RIGHTS

Section 4.1 Rights of Dissent

Pursuant to the Interim Order, each registered Shareholder may exercise rights of dissent ("**Dissent Rights**") under Section 190 of the CBCA as modified by this Article 4 as the same may be modified by the Interim Order or the Final Order, provided that the written objection to the Arrangement Resolution contemplated by Section 190(5) of the CBCA must be sent to and received by the Company no later than 5:00 p.m. (Montreal time) at least two days before the Company Meeting. Shareholders who duly exercise such rights of dissent and who:

(a) are ultimately determined to be entitled to be paid fair value from the Purchaser, for the Dissenting Shares in respect of which they have exercised Dissent Rights, will be deemed to have irrevocably transferred such Dissenting Shares to the Purchaser pursuant to Section 3.1(a)(i) in consideration of such fair value; or

(b) are ultimately not entitled, for any reason, to be paid fair value for the Dissenting Shares in respect of which they have exercised Dissent Rights, will be deemed to have participated in the Arrangement on the same basis as a Shareholder who has not exercised Dissent Rights;

but in no case will the Company or the Purchaser or any other person be required to recognize such holders as holders of Common Shares after the completion of the steps set forth in Section 3.1(a), and each Dissenting Shareholder will cease to be entitled to the rights of a Shareholder in respect of the Common Shares in relation to which such Dissenting Shareholder has exercised Dissent Rights and the central securities register of the Company will be amended to reflect that such former holder is no longer the holder of such Common Shares as and from the completion of the steps in Section 3.1(a).

ARTICLE 5
CERTIFICATES AND PAYMENTS

Section 5.1 Payment of Consideration

(1) As soon as practicable following the later of the Effective Date and the surrender to the Depositary for cancellation of a certificate that immediately prior to the Effective Time represented outstanding Common Shares that were transferred under Section 3.1(a), together with a duly completed Common Share Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require and such other documents and instruments as would have been required to effect such transfer under the CBCA, the *Act respecting the Transfer of Securities and the Establishment of Security Entitlements* (Quebec) and the articles of the Company after giving effect to Section 3.1(a) the former holder of such Common Shares shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder following the Effective Time, or make available for pick up at its offices during normal business hours, a certificate representing the Purchaser Shares that such holder is entitled to receive in accordance with Section 3.1(a) hereof, less any amounts withheld, if any, pursuant to Section 5.4.

(2) Subject to Section 5.3, until surrendered as contemplated by this Section 5.1, each certificate which immediately prior to the Effective Time represented Common Shares will be deemed after the time described in Section 3.1(a) to represent only the right to receive from the Depositary upon such surrender a certificate representing the Purchaser Shares that the holder of such certificate is entitled to receive in accordance with Section 3.1 hereof, less any amounts withheld, if any, pursuant to Section 5.4.

(3) The Company and the Purchaser will cause the Depositary, as soon as a Former Company Shareholder becomes entitled to the Consideration in accordance with Section 3.1(a), to:

(a) forward or cause to be forwarded by first class mail (postage paid) to such former holder at the address specified in the Common Share Letter of Transmittal;

(b) if requested by such former holder in the Common Share Letter of Transmittal make available at the offices of the Depositary specified in the Common Share Letter of Transmittal; or

(c) if the Common Share Letter of Transmittal neither specifies an address as described in Section 5.1(3)(a) nor contains a request as described in Section 5.1(3)(b), forward or cause to be forwarded by first class mail (postage paid) to such former holder at the address of such former holder as shown on the applicable securities register maintained by or on behalf of the Company immediately prior to the Effective Time;

a certificate representing the Purchaser Shares that such holder is entitled to receive in accordance with the provisions hereof.

(4) Following the Effective Time, no holder of Common Shares, Options or Warrants, shall be entitled to receive any consideration or entitlement with respect to such Common Shares, Options or Warrants, other than any consideration or entitlement to which such holder is entitled to receive in accordance with Section 3.1, this Section 5.1 and the other terms of this Plan of Arrangement and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith, other than any declared but unpaid dividends.

Section 5.2 Loss of Certificates

In the event any certificate which immediately prior to the Effective Time represented any outstanding Common Shares which were exchanged or transferred in accordance with Section 3.1 has been lost, stolen or destroyed, upon the making of an affidavit of that fact by the former holder of such Common Shares, the Depositary will deliver to such person or make available for pick up at its offices in exchange for such lost, stolen or destroyed certificate, a certificate representing the Purchaser Shares which the former holder of such Common Shares is entitled to receive pursuant to Section 3.1 hereof in accordance with such holder's Common Share Letter of Transmittal. When authorizing such payment in relation to any lost, stolen or destroyed certificate, the former holder of such Common Shares will, as a condition precedent to the delivery of such Consideration, give a bond satisfactory to the Company, the Purchaser and the Depositary in such sum as the Purchaser and the Depositary may direct or otherwise indemnify the Company and the Purchaser in a manner satisfactory to the Company and the Purchaser against any claim that may be made against the Company or the Purchaser with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 5.3 Extinction of Rights

If any Former Company Shareholder fails to deliver to the Depositary the certificates, documents or instruments required to be delivered to the Depositary under Section 5.1 or Section 5.2 in order for such Former Company Shareholder to receive the Consideration which such former holder is entitled to receive pursuant to Section 3.1, on or before the sixth anniversary of the Effective Date, on the sixth anniversary of the Effective Date (i) such former holder will be deemed to have donated and forfeited to the Purchaser or its successors and assigns, any Consideration held by the Depositary in trust for such former holder to which such former holder is entitled and (ii) any certificate representing Common Shares formerly held by such former holder will cease to represent a claim of any nature whatsoever and will be deemed to have been surrendered to the, and will be cancelled. None of the Company or the Purchaser, or any of their respective successors, will be liable to any person in respect of any Consideration (including any consideration previously held by the Depositary in trust for any such former holder) which is forfeited to the Company or the Purchaser or delivered to any public official pursuant to any applicable abandoned property, escheat or similar law.

Section 5.4 Withholding Rights

The Company, the Purchaser and the Depositary will be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any Person (for greater certainty, including the distribution of Purchaser Shares) under this Plan of Arrangement (including any payment to Dissenting Shareholders) such amounts as the Company, the Purchaser or the Depositary is required to deduct and withhold with respect to such payment under the Tax Act, the U.S. Tax Code, and the rules and regulations promulgated thereunder, or any provision of any provincial, state, local or foreign tax law as counsel may advise is required to be so deducted and withheld by the Company, the Purchaser or the Depositary, as the case may be. For the purposes hereof, all such withheld amounts shall be treated as having been paid to the person in respect of which such deduction and withholding was made on account of the obligation to make payment to such person hereunder, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Authority.

Section 5.5 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

Section 5.6 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Common Shares, Warrants and Options issued prior to the Effective Time, (b) the rights and obligations of the Shareholders, the Company, the Purchaser, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for 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 Common Shares, Warrants and Options shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 6
AMENDMENTS

Section 6.1 Amendments to Plan of Arrangement

(1) The Parties may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must (i) be set out in writing, (ii) be approved by the Company and the Purchaser, each acting reasonably, (iii) filed with the Court and, if made following the Company Meeting, approved by the Court, and (iv) communicated to Shareholders if and as required by the Court.

(2) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company at any time prior to the Company Meeting (provided that the Purchaser 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 Company Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(3) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting shall be effective only if (i) it is consented to in writing by each of the Company and the Purchaser (in each case, acting reasonably), and (ii) if required by the Court, it is consented to by some or all of the Shareholders voting in the manner directed by the Court.

(4) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date but shall only be effective if it is consented to by each of the Company and the Purchaser, provided that it concerns a matter which, in the reasonable opinion of the Company and the Purchaser, 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 interest of any Former Company Shareholder.

ARTICLE 7
FURTHER ASSURANCES

Notwithstanding that the transactions and events set out herein will 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 Company and the Purchaser will make, do and execute, or cause to be made, done and executed, any such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order to further document or evidence any of the transactions or events set out herein.

Schedule “B”
ARRANGEMENT RESOLUTION

RESOLUTION OF THE SHAREHOLDERS OF ADVENTURE GOLD INC.

(the “Company”)

BE IT RESOLVED THAT:

(1) The arrangement (as it may be modified or amended, the “**Arrangement**”) under Section 192 of the *Canada Business Corporations Act* involving the Company and its shareholders, all as more particularly described and set forth in the plan of arrangement (as it may be modified or amended, the “**Plan of Arrangement**”) attached as Appendix [●] to the Management Information Circular of the Company dated [●], 2016 (the “**Information Circular**”), is hereby authorized, approved and agreed to.

(2) The Arrangement Agreement dated as of April 6, 2016 among the Company and Probe Metals Inc., as it may be amended from time to time (the “**Arrangement Agreement**”), the actions of the directors of the Company in approving the Arrangement and the Arrangement Agreement and the actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement and causing the performance by the Company of its obligations thereunder are hereby confirmed, ratified, authorized and approved.

(3) Notwithstanding that this resolution has been passed (and the Arrangement approved and agreed to) by shareholders of the Company or that the Arrangement has been approved by the Quebec Superior Court, the directors of the Company are hereby authorized and empowered without further approval of any shareholders of the Company (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or 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).

(4) Any one director or officer of the Company is hereby authorized, empowered and instructed, acting for, in the name and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or to cause to be delivered, all such other documents and to do or to cause to be done all such other acts and things as in such person’s opinion may be necessary or desirable in order to carry out the intent of the foregoing paragraphs of these resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or the doing of such act or thing.