

**AMENDED AND RESTATED ARRANGEMENT AGREEMENT**

**THIS AMENDED AND RESTATED ARRANGEMENT AGREEMENT** is dated as of the 27<sup>th</sup> day of August, 2012.

**AMONG:**

**NASS VALLEY GATEWAY LTD.**, a corporation incorporated under the laws of the Province of British Columbia (“**NVG**”)

- and -

**KIRKLAND PRECIOUS METALS CORP.**, a corporation incorporated under the laws of the Province of British Columbia (“**KPM**”)

**WHEREAS** NVG proposes to change the primary focus of its business from exploration for industrial and metallic minerals to the assembly and commercialization of industrial drying systems based on the applications of microwave technology, and has therefore entered into a joint venture agreement with Vixon Technology Ltd.;

**AND WHEREAS** the Parties hereto intend to carry out the transactions contemplated herein by way of an arrangement under the provisions of the *Business Corporations Act* (British Columbia) on the terms herein and in the Plan of Arrangement attached as Schedule A hereto;

**AND WHEREAS** the Parties hereto have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to such arrangement;

**NOW THEREFORE**, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto do hereby covenant and agree as follows:

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following defined terms have the meanings hereinafter set forth:

- (a) “**Agreement**”, “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**” and similar expressions mean and refer to this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;

- (b) **“Applicable Laws”** means all applicable corporate laws, rules of applicable stock exchanges and applicable securities laws, including the rules, regulations, notices, instruments, blanket orders and policies of the securities regulatory authorities in Canada;
- (c) **“Arrangement”** means the arrangement pursuant to Section 288 of the BCBCA on the terms and conditions set forth in the Plan of Arrangement;
- (d) **“Arrangement Provisions”** means Part 9, Division 5 of the BCBCA;
- (e) **“Arrangement Resolution”** means the special resolution in respect to the Arrangement and other related matters to be considered at the NVG Meeting, the full text of which is set out as Schedule C to this Agreement;
- (f) **“Assets”** means the rights to the mineral claims of NVG to be transferred to KPM pursuant to the Arrangement, as more particularly described in Schedule B attached hereto and forming part of this Agreement;
- (g) **“BCBCA”** means the *Business Corporations Act*, S.B.C. 2002, c. 57, as amended, including the regulations promulgated thereunder;
- (h) **“Business Day”** means a day other than a Saturday, Sunday or other than a day when banks in the City of Vancouver, British Columbia are not generally open for business;
- (i) **“Closing Date”** has the meaning ascribed thereto in §5.2;
- (j) **“CNSX”** means the Canadian National Stock Exchange;
- (k) **“Computershare”** means Computershare Trust Company of Canada;
- (l) **“Conversion Factor”** means the number arrived at by dividing the number of issued NVG Shares minus the issued KPM Shares as of the close of business on the Share Distribution Record Date by 24,383,650;
- (m) **“Court”** means the Supreme Court of British Columbia;
- (n) **“Dissent Rights”** means the rights of dissent of NVG Shareholders under the BCBCA if such rights are required by the Court, in respect of the Arrangement as described in Article 5 of the Plan of Arrangement;
- (o) **“Dissenting Shareholder”** means an NVG Shareholder who validly exercises rights of dissent under the Arrangement and who will be entitled to be paid fair value for his, her or its NVG Shares in accordance with the Interim Order and the Plan of Arrangement;
- (p) **“Dissenting Shares”** means the NVG Shares in respect of which Dissenting Shareholders have exercised a right of dissent;
- (q) **“Effective Date”** means the date the Arrangement becomes effective under the BCBCA;
- (r) **“Effective Time”** means 10:00 a.m. (Vancouver time) on the Effective Date;
- (s) **“Final Order”** means the order of the Court approving the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (t) **“Governmental Entity”** means any: (a) multinational, federal, provincial, territory, state, regional, municipal, local or other government or any governmental or public department, court, tribunal, arbitral body, commission, board, bureau or agency; (b) any subdivision, agent, commission, board or authority of any of the foregoing; or (c) any quasi-

governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

- (u) **“IFRS”** means International Financial Reporting Standards;
- (v) **“Information Circular”** means the management proxy circular of NVG to be sent by NVG to the NVG Shareholders in connection with the NVG Meeting;
- (w) **“Interim Order”** means an interim order of the Court concerning the Arrangement in respect of NVG, containing declarations and directions with respect to the Arrangement and the holding of the NVG Meeting, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (x) **“KPM”** means Kirkland Precious Metals Corp., a private company incorporated under the BCBCA;
- (y) **“KPM Class A Preferred Shares”** means the Class “A” preferred shares without par value which will be created and issued pursuant to §3.1 of this Plan of Arrangement;
- (z) **“KPM Option Plan Resolution”** means an ordinary resolution to be considered by the NVG Shareholders to approve the KPM Option Plan, the full text of which is set out in Schedule D to this Arrangement Agreement;
- (aa) **“KPM Shareholder”** means a holder of KPM Shares;
- (bb) **“KPM Shares”** means the common shares without par value in the authorized share structure of KPM, as constituted on the date of this Agreement;
- (cc) **“Laws”** means all laws, by-laws, statutes, rules, regulations, principles of law, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity (including the CNSX) or self-regulatory authority, to the extent each of the foregoing have the force of law, and the term "applicable" with respect to such laws and in a context that refers to one or more Parties, means such laws as are applicable to such Party or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party or Parties or its or their business, undertaking, property or securities; and "Laws" includes Environmental Laws;
- (dd) **“Notice of Meeting”** means the notice of annual and special meeting of the NVG Shareholders in respect of the NVG Meeting;
- (ee) **“NVG Meeting”** means the annual and special meeting of the NVG Shareholders to be held on September 26, 2012, and any adjournment(s) or postponement(s) thereof;
- (ff) **“NVG Options”** means the outstanding stock options, whether or not vested, to acquire NVG Shares;
- (gg) **“NVG Shares”** means the common shares without par value in the authorized share capital of NVG, as constituted on the date of this Agreement;
- (hh) **“NVG Shareholders”** means the holders from time to time of NVG Shares;
- (ii) **“NVG Share Commitments”** means an obligation of NVG to issue NVG Shares and to deliver KPM Shares to the holders of NVG Options and NVG Warrants which are outstanding on the Effective Date, upon the exercise of such stock options and warrants;

- (jj) **“NVG Warrants”** means the common share purchase warrants of NVG outstanding on the Effective Date;
- (kk) **“Parties”** means NVG and KPM; and **“Party”** means any one of them;
- (ll) **“Person”** means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;
- (mm) **“Plan of Arrangement”** means the plan of arrangement in the form set out in **Schedule A** to this Agreement, as amended or supplemented from time to time in accordance with Article 6 thereof and Article 7 hereof;
- (nn) **“Registrar”** means the Registrar of Companies for the Province of British Columbia duly appointed under the BCBCA;
- (oo) **“Registered Shareholder”** means a registered holder of NVG Shares as recorded in the shareholder register of NVG maintained by Computershare;
- (pp) **“Share Distribution Record Date”** means the close of business on the day which is ten Business Days after the date of the NVG Meeting or such other date as agreed to by NVG and KPM, which date establishes the NVG Shareholders who will be entitled to receive KPM Shares pursuant to this Plan of Arrangement; and
- (qq) **“Tax Act”** means the *Income Tax Act* (Canada) and the regulations thereunder, all as amended from time to time.

## **1.2 Interpretation Not Affected by Headings, etc.**

The division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement (including Schedules A to H hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

## **1.3 Number, etc.**

Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders, and words importing persons include firms and corporations and vice versa.

## **1.4 Date for Any Action**

If any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place.

## **1.5 Entire Agreement**

This Agreement, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

## **1.6 Currency**

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada.

## **1.7 Accounting Matters**

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS principles and all determinations of an accounting nature are required to be made shall be made in a manner consistent with IFRS principles.

## **1.8 References to Legislation**

References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

## **1.9 Enforceability**

All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principles of equity).

## **1.10 Schedules**

The following schedules attached hereto are incorporated into and form an integral part of this Agreement:

- Schedule A – Plan of Arrangement
- Schedule B – Assets
- Schedule C – Arrangement Resolution
- Schedule D – KPM Option Plan Resolution

## **ARTICLE 2 THE ARRANGEMENT**

### **2.1 Plan of Arrangement**

NVG and KPM will forthwith jointly file, proceed with and diligently prosecute an application for an Interim Order providing for, among other things, the calling and holding of the NVG Meeting for the purpose of considering and, if deemed advisable, approving the Arrangement Resolution and upon receipt thereof, NVG and KPM will forthwith carry out the terms of the Interim Order to the extent applicable to it. Provided all necessary approvals for the Arrangement Resolution are obtained from the NVG Shareholders, NVG and KPM shall jointly submit the Arrangement to the Court and apply for the Final Order. Upon issuance of the Final Order and subject to the conditions precedent in Article 5, NVG shall forthwith proceed to file the Final Order and such other documents as may be required to give effect to the Arrangement with the Registrar pursuant to the Arrangement Provisions, whereupon the transactions comprising the Arrangement shall occur and shall be deemed to have occurred in the order set out therein without any act or formality.

## 2.2 Interim Order and Final Order

The petition in respect of the application referred to in §2.1 shall request that the Interim Order provide, among other things:

- (a) for the class of persons to whom notice is to be provided in respect of the Arrangement and the NVG Meeting and for the manner in which such notice is to be provided;
- (b) that the requisite approval for the Arrangement Resolution to be placed before the NVG Meeting shall be:
  - (i) two-thirds of the votes cast by the NVG Shareholders present in person or by proxy at the NVG Meeting; and
  - (ii) a majority of the votes cast by the NVG Shareholders, after excluding the votes cast by those persons whose votes must be excluded pursuant to Ontario Securities Commission Rule 61-501 – "Insider Bids, Issuer Bids, Business Combinations and Related Party Transactions";
- (c) that, in all other respects, the terms, restrictions and conditions of the constating documents of NVG, including quorum requirements and all other matters, shall apply in respect of the NVG Meeting;
- (d) for the grant of the Dissent Rights as set forth in the Plan of Arrangement;
- (e) that the NVG Meeting may be adjourned from time to time by management of NVG in accordance with the terms of the Agreement without the need for additional approval of the Court;
- (f) that the record date for NVG Shareholders entitled to notice of and to vote at the NVG Meeting will not change in respect of any adjournment(s) of the NVG Meeting; and
- (g) for the notice requirements with respect to the presentation of the application to the Court for the Final Order.

## 2.3 Information Circular and Meetings

As promptly as practical following the execution of this Agreement and in compliance with the Interim Order and Applicable Laws:

- (a) NVG shall:
  - (i) prepare the Information Circular and cause such circular to be mailed to the NVG Shareholders and filed with applicable regulatory authorities and other Governmental Entities in all jurisdictions where the same are required to be mailed and filed; and
  - (ii) convene the NVG Meeting.

## **2.4 Effective Date**

The Arrangement shall become effective in accordance with the terms of the Plan of Arrangement on the Effective Date.

## **ARTICLE 3 COVENANTS**

### **3.1 Covenants Regarding the Arrangement**

From the date hereof until the Effective Date, NVG and KPM will use all reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to complete the Arrangement, including using reasonable efforts:

- (a) to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;
- (b) to obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby; and
- (c) to effect all necessary registrations and filings and submissions of information requested by governmental authorities required to be effected by it in connection with the Arrangement.

### **3.2 Covenants Regarding Execution of Documents**

NVG and KPM will perform all such acts and things, and execute and deliver all such agreements, notices and other documents and instruments as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.

### **3.3 Giving Effect to the Arrangement**

The Arrangement shall be effected in the following manner:

- (a) The Parties shall proceed forthwith to apply for the Interim Order providing for, among other things, the calling and holding of the NVG Meeting for the purpose of, among other things, considering and, if deemed advisable, approving and adopting the Arrangement;
- (b) The KPM Shareholder(s) shall approve the Arrangement by a consent resolution;
- (c) Upon obtaining the Interim Order, NVG shall call the NVG Meeting and mail the Information Circular and related Notice of Meeting and form of Proxy to the NVG Shareholders;
- (d) If the NVG Shareholders approve the Arrangement as set out in §2.2(b) hereof, NVG shall thereafter (subject to the exercise of any discretionary authority granted to NVG's

directors by the NVG Shareholders) take the necessary actions to submit the Arrangement to the Court for approval and grant of the Final Order; and

- (e) Upon receipt of the Final Order, NVG shall, subject to compliance with any of the other conditions provided for in §5.1 hereof and to the rights of termination contained in §7.1 hereof, file the material described in §5.1 hereof with the Registrar in accordance with the terms of the Plan of Arrangement.

### **3.4 NVG Stock Options and Warrants**

KPM covenants and agrees to issue, upon the exercise after the Effective Date of any NVG Share Commitments, to the holder of the NVG Share Commitments, that number of KPM Shares that is equal to the number of NVG Shares acquired upon the exercise of the NVG Share Commitments multiplied by the Conversion Factor, and NVG covenants and agrees to act as agent for KPM to collect and pay to KPM, a portion of the proceeds received for each NVG Share Commitment so exercised, with the balance of the exercise price to be retained by NVG as determined in accordance with the following formula:

$$A = B \times C/D$$

Where:

- A is the portion of the proceeds to be received by KPM for each NVG Share Commitment exercised after the Effective Date;
- B is the exercise price of the NVG Share Commitment;
- C is the fair market value of the Assets to be transferred to KPM under the Arrangement, such fair market to be determined as at the Effective Date by resolution of the board of directors of NVG; and
- D is the total fair market value of all of the assets of NVG immediately prior to completion of the Arrangement on the Effective Date, which total fair market value shall include, for greater certainty, the Assets.

Fractions of KPM Shares resulting from such calculation shall be cancelled as provided for in the Plan of Arrangement.

## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES**

### **4.1 Representations and Warranties of NVG**

NVG hereby represents and warrants to KPM, and acknowledges that KPM is relying thereon, as follows:

- (a) NVG is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of existence, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;



- (b) NVG has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by it;
- (c) neither the execution and delivery of this Agreement nor the performance of any of NVG's covenants and obligations hereunder, including the transfer of the Assets to KPM, will constitute a material default under, or be in any material contravention or breach of:
  - (i) any provision of its constituting or governing corporate documents, (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it or (iii) any agreement or instrument to which it is a party or by which it is bound;
- (d) no dissolution, winding up, bankruptcy, liquidation or similar proceedings have been commenced or are pending or proposed in respect of NVG;
- (e) the authorized capital of NVG consists of an unlimited number of common shares without par value, of which, as at August 22, 2012, 24,383,750 NVG Shares were issued and outstanding as fully paid and non-assessable and 4,181.653 NVG Shares were issuable on exercise of all outstanding convertible securities of NVG;
- (f) no person has any agreement, option, right, understanding or commitment (including convertible securities, warrants or convertible obligations of any nature) for the purchase of any of the Assets or any of the material assets of NVG, or issue of or conversion into any of the unissued shares of NVG or any unissued securities of NVG other than as set out in §4.1(e) above and except pursuant to this Agreement;
- (g) the financial statements of NVG appearing on the SEDAR website and to be contained in the Information Circular present fairly the consolidated financial position of NVG at the relevant dates and the results of its operations and the changes in its financial position for the periods indicated in the said statements, and have been prepared using IFRS;
- (h) there are no agreements, covenants, undertakings or other commitments of NVG and its subsidiaries or any partnership or joint venture in which it is a partner or participant or any instruments binding on it or any of them or their respective assets:
  - (i) under which the consummation of the Arrangement would have the effect of imposing restrictions or obligations on NVG subsequent to the Effective Time;
  - (ii) which would give a third party, as a result of the Arrangement, a claim against NVG or KPM; or
  - (iii) which would give a third party, as a result of the Arrangement, a right to terminate any material agreement, or a right to acquire NVG's interest in any material agreement, to which NVG or any such partnership or joint venture is a party or to purchase any of their respective assets;
- (i) NVG has not incurred any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or the Arrangement, except a fee to be paid for a fairness opinion regarding the transactions contemplated herein;

- (j) the audited consolidated financial statements of NVG for the year ended December 31, 2011, together with the auditors' report thereon and the notes thereto, and the unaudited interim consolidated financial statements of NVG for the six months ended June 30, 2012 and the notes thereto have been prepared using accounting policies consistent with IFRS, and are true, correct and complete in all material respects and present fairly the financial condition of NVG as at the dates thereof;
- (k) there are no known or anticipated material liabilities of NVG of any kind whatsoever (including absolute, accrued or contingent liabilities) nor any commitments whether or not determined or determinable, in respect of which NVG is or may become liable;
- (l) NVG has filed in a timely manner all necessary tax returns and notices and has paid all applicable taxes of whatsoever nature for all tax years prior to the date hereof to the extent that such taxes have become due or have been alleged to be due and NVG is not aware of any tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it might reasonably be expected to result in any material adverse change in the condition (financial or otherwise), or in the earnings, business, affairs or prospects of NVG and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by NVG or the payment of any material tax, governmental charge, penalty, interest or fine against NVG. There are no material actions, suits, proceedings, investigations or claims now threatened or pending against NVG which could result in a material liability in respect of taxes, charges or levies of any governmental authority, penalties, interest, fines, assessments or reassessments or any matters under discussion with any governmental authority relating to taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority;
- (m) NVG has no outstanding indebtedness or liabilities and is not party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any person, other than those specifically identified in the most recent financial statements of NVG filed on SEDAR or incurred in the ordinary course of business since the date of the most recent financial statements of NVG filed on SEDAR;
- (n) the corporate records and minute books of NVG as required to be maintained by it under the BCBCA are, in all material respects, up to date and contain complete and accurate minutes of all meetings of its directors and shareholders and all resolutions consented to in writing;
- (o) all work carried out on the material properties of NVG has been carried out in compliance with all Applicable Laws, including environmental laws, and neither NVG nor, to the knowledge of NVG, any person has received any notice of any breach of any such law and it has no knowledge of any facts that would lead a well-informed operator in the mining industry to believe there are any environmental liabilities associated with such material properties and there are no environmental audits, evaluations, assessments or studies relating to the material properties;

- (p) the NVG Shares are at present listed and posted for trading on the CNSX and on no other stock exchange and NVG is in material compliance with all rules, regulations and policies of the CNSX;
- (q) NVG is a reporting issuer in British Columbia and Ontario and is not the subject of a cease trade order or, to the knowledge of NVG, an investigation under the securities legislation in British Columbia and Ontario, is not the subject of any investigation by the CNSX or any other regulatory or administrative authority or body, is current with all filings required to be made under the securities legislation in those provinces and is not aware of any deficiencies in the filing of any documents or reports with the securities commissions or similar authorities in each of those jurisdictions that would cause it to be placed on the defaulting reporting issuers list or would cause any such filing to be materially misleading;
- (r) at the time of the transfer of the Assets by NVG to KPM, NVG will own, directly or indirectly, good and marketable title to its interests in the Assets free and clear of any and all mortgages, liens, pledges, charges, security interests, encumbrances, actions, claims or demands of any nature whatsoever or howsoever arising which would have a materially adverse effect on the Assets;
- (s) no consents, permits, orders or approvals of any persons or Governmental Entities are required in order for NVG to effect the transfer of the Assets to KPM pursuant to the Plan of Arrangement or to otherwise consummate the transactions contemplated in this Agreement; and
- (t) there has not been any default in any obligation or liability in respect of the material contracts, whether oral or written, of NVG relating to the Assets, and there has not been any default in any obligation or liability in respect of said material contracts, and each of said contracts, engagements and commitments are in good standing and in full force and effect.

#### **4.2 Representations and Warranties of KPM**

KPM hereby represents and warrants to NVG, and acknowledges that NVG is relying thereon, as follows:

- (a) KPM is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of existence, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;
- (b) KPM has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by it;
- (c) neither the execution and delivery of this Agreement nor the performance of any of KPM's covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of: (i) any provision of its constating or governing corporate documents, (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it or (iii) any agreement or instrument to which it is a party or by which it is bound;

- (d) no dissolution, winding up, bankruptcy, liquidation or similar proceedings have been commenced or are pending or proposed in respect of KPM;
- (e) the authorized capital of KPM consists of an unlimited number of common shares without par value, of which, as at August 22, 2012, 100 KPM Shares were issued and outstanding as fully paid and non-assessable and nil KPM Shares were issuable on exercise of all outstanding convertible securities of KPM;
- (f) no person has any agreement, option, right, understanding or commitment (including convertible securities, warrants or convertible obligations of any nature) for the purchase of any of the material assets of KPM, or issue of or conversion into any of the unissued shares of KPM or any unissued securities of KPM other than as set out in §4.2(e) above and except pursuant to this Agreement;
- (g) there are no agreements, covenants, undertakings or other commitments of KPM or any partnership or joint venture in which it is a partner or participant or any instruments binding on it or its assets:
  - (i) under which the consummation of the Arrangement would have the effect of imposing restrictions or obligations on KPM subsequent to the Effective Time;
  - (ii) which would give a third party, as a result of the Arrangement, a claim against KPM or NVG; or
  - (iii) which would give a third party, as a result of the Arrangement, a right to terminate any material agreement, or a right to acquire KPM's interest in any material agreement, to which KPM or any such partnership or joint venture is a party or to purchase any of its assets;
- (h) KPM has not incurred any liability for brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or the Arrangement;
- (i) there are no known or anticipated material liabilities of KPM of any kind whatsoever (including absolute, accrued or contingent liabilities) nor any commitments whether or not determined or determinable, in respect of which KPM is or may become liable;
- (j) KPM has filed in a timely manner all necessary tax returns and notices and has paid all applicable taxes of whatsoever nature for all tax years prior to the date hereof to the extent that such taxes have become due or have been alleged to be due and KPM is not aware of any tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it might reasonably be expected to result in any material adverse change in the condition (financial or otherwise), or in the earnings, business, affairs or prospects of KPM and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by KPM or the payment of any material tax, governmental charge, penalty, interest or fine against KPM. There are no material actions, suits, proceedings, investigations or claims now threatened or pending against KPM which could result in a material liability in respect of taxes, charges or levies of any

governmental authority, penalties, interest, fines, assessments or reassessments or any matters under discussion with any governmental authority relating to taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority;

- (k) KPM has no subsidiaries and is not a party to any agreement to acquire or lease any other businesses or business operations;
- (l) KPM has no outstanding indebtedness or liabilities and are not party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any person; and
- (m) the corporate records and minute books of KPM as required to be maintained by it under the BCBCA are, in all material respects, up to date and contain complete and accurate minutes of all meetings of its directors and shareholders and all resolutions consented to in writing.

## **ARTICLE 5 CONDITIONS PRECEDENT**

### **5.1 Mutual Conditions Precedent**

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions, any of which may be waived by the mutual written consent of such Parties without prejudice to their right to rely on any other of such conditions:

- (a) the Interim Order shall have been granted in form and substance satisfactory to NVG and KPM, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to NVG or KPM, acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution shall have been passed by the NVG Shareholders at the NVG Meeting in accordance with the Arrangement Provisions, the constating documents of NVG, the Interim Order and the requirements of any applicable regulatory authorities;
- (c) the Arrangement and this Agreement, with or without amendment, shall have been approved by the KPM Shareholder(s) to the extent required by, and in accordance with, the Arrangement Provisions and the constating documents of KPM.
- (d) the Final Order shall have been granted in form and substance satisfactory to NVG and KPM, acting reasonably;
- (e) the CNSX shall have conditionally approved the Arrangement, subject to compliance with the requirements of the CNSX;
- (f) the notice(s) of alteration and such other documents as may be required to be filed with the Registrar in accordance with the Arrangement shall be in form and substance satisfactory to NVG and KPM, acting reasonably;

- (g) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, each in form acceptable to NVG and KPM;
- (h) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Arrangement; and
- (i) this Agreement shall not have been terminated under Article 7.

Except for the conditions set forth in this §5.1 which, by their nature, may not be waived, any of the other conditions in this §5.1 may be waived, either in whole or in part, by either NVG or KPM, as the case may be, at its discretion.

## **5.2 Closing**

Unless this Agreement is terminated earlier pursuant to the provisions hereof, the parties shall meet at the offices of NVG, Suite 575-1111 West Hastings Street, Vancouver, British Columbia V6E 2J3, at 10:00 a.m. (Vancouver time) on such date as they may mutually agree (the “**Closing Date**”), and each of them shall deliver to the other of them:

- (a) the documents required to be delivered by it hereunder to complete the transactions contemplated hereby, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the occurrence of the Effective Date; and
- (b) written confirmation as to the satisfaction or waiver by it of the conditions in its favour contained in this Agreement.

## **5.3 Merger of Conditions**

The conditions set out in §5.1 hereof shall be conclusively deemed to have been satisfied, waived or released upon the occurrence of the Effective Date.

## **5.4 Status of Representations and Warranties Upon Completion of Arrangement**

Except for the representations and warranties of NVG in § 4.1(c), (f), (r), (s) and (t) in respect of the Assets, which representations and warranties will survive for a period of two years following the Closing Date, the representations and warranties in §4.1 and §4.2 shall be conclusively deemed to be correct as of the Effective Date and shall accordingly not survive the completion of the Arrangement.

## **ARTICLE 6 AMENDMENT**

### **6.1 Amendment**

This Agreement may at any time and from time to time before or after the holding of the NVG Meeting be amended by written agreement of the Parties hereto without, subject to Applicable Laws, further notice to or authorization on the part of their respective securityholders 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 or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; or
- (d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment reduces or materially adversely affects the consideration to be received by an NVG Shareholder without approval by the NVG Shareholders, given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

## **ARTICLE 7 TERMINATION**

### **7.1 Termination**

Subject to §7.2, this Agreement may at any time before or after the holding of the NVG Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by direction of the board of directors of NVG without further action on the part of the NVG Shareholders, or by the board of directors of KPM without further action on the part of the KPM Shareholder(s), and nothing expressed or implied herein or in the Plan of Arrangement shall be construed as fettering the absolute discretion by the board of directors of NVG or KPM, respectively, to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

### **7.2 Cessation of Right**

The right of NVG or KPM or any other party to amend or terminate the Plan of Arrangement pursuant to §6.1 and §7.1 shall be extinguished upon the occurrence of the Effective Date.

**ARTICLE 8  
NOTICES**

**1.2 Notices**

All notices which may or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally or sent by telecopy and in the case of:

**NVG**, addressed to:  
Suite 575, 1111 West Hastings Street  
Vancouver, British Columbia V6E 2J3

Attention: Chief Executive Officer  
Telecopier: (604) 685-4170

**Kirkland Precious Metals Corp.**, addressed to:  
Suite 575, 1111 West Hastings Street  
Vancouver, British Columbia V6E 2J3

Attention: Chief Executive Officer  
Telecopier: (604) 685-4170

or such other address as the Parties may, from time to time, advise to the other Parties hereto by notice in writing. The date or time of receipt of any such notice will be deemed to be the date of delivery or the time such telecopy is received.

**ARTICLE 9  
GENERAL**

**9.1 Assignment and Enurement**

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns. This Agreement may not be assigned by any party hereto without the prior consent of the other Parties hereto.

**9.2 Disclosure**

Each Party shall receive the prior consent, not to be unreasonably withheld, of the other Parties prior to issuing or permitting any director, officer, employee or agent to issue, any press release or other written statement with respect to this Agreement or the transactions contemplated hereby. Notwithstanding the foregoing, if any Party is required by law or administrative regulation to make any disclosure relating to the transactions contemplated herein, such disclosure may be made, but that Party will consult with the other Parties as to the wording of such disclosure prior to its being made.



### **9.3 Costs**

Except as contemplated in the Arrangement and herein, each Party hereto covenants and agrees to bear its own costs and expenses in connection with the transactions contemplated hereby.

### **9.4 Severability**

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

### **9.5 Further Assurances**

Each Party hereto shall, from time to time and at all times hereafter, at the request of any other Party hereto, but without further consideration, do all such further acts, and execute and deliver all such further documents and instruments as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

### **9.6 Time of Essence**

Time shall be of the essence of this Agreement.

### **9.7 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of British Columbia. Each of the Parties hereto hereby irrevocably and unconditionally consents to and submits to the jurisdiction of the courts of the Province of British Columbia in respect of all actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agrees not to commence any action, suit or proceeding relating thereto except in such courts) and further agrees that service of any process, summons, notice or document by single registered mail to the addresses of the parties set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought against any Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of British Columbia and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

**9.8 Waiver**

No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

**9.9 Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

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

**NASS VALLEY GATEWAY LTD.**

**KIRKLAND PRECIOUS METALS CORP.**

By: "Dieter Peter"  
Name: Dieter Peter  
Title: Chairman and CEO

By: "David Jackson"  
Name: David Jackson  
Title: Director

**SCHEDULE "A" TO THE AMENDED AND RESTATED ARRANGEMENT AGREEMENT**

**PLAN OF ARRANGEMENT UNDER DIVISION 5 OF PART 9**

**OF THE**

***BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)***

**S.B.C. 2002, c. 57**

**ARTICLE 1  
INTERPRETATION**

1.1 In this Plan of Arrangement, the following terms have the following meanings:

**“Arrangement”, “herein”, “hereof”, “hereto”, “hereunder”** and similar expressions mean and refer to the proposed arrangement involving NVG, KPM and the NVG Shareholders pursuant to the Arrangement Provisions on the terms and conditions set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;

**“Arrangement Agreement”** means the arrangement agreement dated effective August 22, 2012, between NVG and KPM with respect to the Arrangement, and all amendments thereto;

**“Arrangement Provisions”** means Division 5 of Part 9 of the BCBCA;

**“Asset Consideration KPM Shares”** has the meaning ascribed thereto in §3.1(b);

**“Assets”** means the assets of NVG described in Schedule B to the Arrangement Agreement;

**“BCBCA”** means the *Business Corporations Act* (British Columbia), S.B.C. 2002, c. 57, as may be amended or replaced from time to time;

**“Business Day”** means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Vancouver, in the Province of British Columbia, for the transaction of banking business;

**“Conversion Factor”** means the number arrived at by dividing the number of issued NVG Shares minus the issued KPM Shares as of the close of business on the Share Distribution Record Date by 24,383,650;

**“CNSX”** means the Canadian National Stock Exchange;

**“Court”** means the Supreme Court of British Columbia;

**“Depository”** means Computershare Trust Company of Canada;

**“Effective Date”** means the date the Arrangement becomes effective under the BCBCA;

**“Final Order”** means the final order of the Court approving the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

**“Information Circular”** means the management information circular to be sent to the NVG Shareholders in connection with the NVG Meeting;

**“Interim Order”** means the interim order of the Court concerning the Arrangement under the BCBCA in respect of the Parties, containing declarations and directions with respect to the Arrangement and the holding of the Meetings, as such order may be affirmed, amended or modified by any court of competent jurisdiction;

**“KPM”** means Kirkland Precious Metals Corp., a private company incorporated under the BCBCA;

**“KPM Class A Preferred Shares”** means the Class “A” preferred shares without par value which KPM will create and issue pursuant to §3.1 of this Plan of Arrangement;

**“KPM Commitment”** means the covenant of KPM to issue KPM Shares to the holders of NVG Share Commitments who exercise their rights there under after the Effective Date, and are entitled pursuant to the corporate reorganization and adjustment provisions thereof to receive NVG Shares and KPM Shares upon such exercise;

**“KPM Converted Share”** has the meaning ascribed thereto in §3.1(c);

**“KPM Shares”** means the common shares without par value in the authorized share structure of KPM;

**“KPM Stock Option Plan”** means the proposed common share purchase option plan of KPM, which is subject to NVG Shareholder approval;

**“NVG”** means Nass Valley Gateway Ltd., a company existing under the BCBCA;

**“NVG Class A Shares”** means the renamed and re-designated NVG Shares, as described in §3.1 of this Plan of Arrangement;

**“NVG Meeting”** means the special meeting of NVG Shareholders to be held to consider the Arrangement Resolution and related matters, and any adjournments thereof;

**“NVG Options”** means share purchase options issued pursuant to the NVG Stock Option Plan;

**“NVG Share Commitments”** means an obligation of NVG to issue NVG Shares and to deliver KPM Shares to the holders of NVG Options and NVG Warrants which are outstanding on the Effective Date upon the exercise of such options and warrants;

**“NVG Shares”** means the common shares of NVG and **“NVG Shareholders”** means the holders from time to time of NVG Shares;

**“NVG Stock Option Plan”** means the stock option plan of NVG dated July 15, 2006;

**“NVG Warrants”** means share purchase warrants of NVG that are outstanding on the Effective Date;

**“Paid-Up Capital”** means “paid-up capital” as that term is defined in the *Income Tax Act* of Canada;

**“Parties”** means, collectively, NVG and KPM, and **“Party”** means any one of them;

**“Plan”** or **“Plan of Arrangement”** means this plan of arrangement as amended or supplemented from time to time in accordance with the terms hereof and Article 7 of the Arrangement Agreement;

“**Registrar**” means the Registrar of Companies duly appointed under the BCBCA;

“**Share Distribution Record Date**” means the close of business on the day which is ten Business Days after the date of the NVG Meeting or such other date as agreed to by NVG and KPM, which date will be used to establish the NVG Shareholders who will be entitled to receive KPM Shares pursuant to this Plan of Arrangement;

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

“**Transfer Agent**” means Computershare Trust Company of Canada at its principal office in Vancouver, British Columbia.

- 1.2 The division of this Plan of Arrangement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement.
- 1.3 Unless reference is specifically made to some other document or instrument, all references herein to articles and sections are to articles and sections of this Plan of Arrangement.
- 1.4 Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.
- 1.5 In the event that the date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day in such place.
- 1.6 References in this Plan of Arrangement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

## ARTICLE 2 ARRANGEMENT AGREEMENT

- 2.1 This Plan of Arrangement is made pursuant and subject to the provisions of, and forms part of, the Arrangement Agreement.
- 2.2 This Plan of Arrangement will become effective in accordance with its terms and be binding on the Effective Date on the NVG Shareholders.

## ARTICLE 3 ARRANGEMENT

- 3.1 On the Effective Date, the following shall occur and be deemed to occur in the following chronological order without further act or formality (subject to the provisions of Article 6):
  - (a) The authorized share structure of KPM will be changed by creating a new class of shares consisting of an unlimited number of class “A” preferred shares without par value (the “**KPM Class A Preferred Shares**”), having the rights and restrictions described in Schedule A to the Plan of Arrangement;

- (b) NVG will transfer the Assets to KPM in consideration for 24,383,650 KPM Class A Preferred Shares (the “**Asset Consideration KPM Shares**”), such Asset Consideration KPM Shares to be multiplied by the Conversion Factor so that NVG shall receive from KPM, in consideration for the Assets, the number of KPM Class A Preferred Shares equal to the issued and outstanding NVG Shares, less the number of KPM Shares held by NVG, as of the Share Distribution Record Date. Thereafter, NVG will be added to the central securities register of KPM in respect of such KPM Class A Preferred Shares;
- (c) NVG will convert the Asset Consideration KPM Shares received as consideration for the Assets into common shares of KPM (the “**KPM Converted Shares**”) at a ratio of one (1) KPM Class A Preferred Share for one (1) KPM Converted Share. Thereafter, NVG will be added to the central securities register of KPM in respect of such KPM Converted Shares. As a result of the conversion, the number of outstanding KPM Shares (being all of the KPM Converted Shares plus the KPM Shares already held by NVG prior to the step in §3.1(b) above, all of which will be held by NVG) will be equal to the number of outstanding NVG Shares immediately prior to the Effective Date;
- (d) NVG will be removed from the central securities register of KPM as the only holder of the KPM Class A Preferred Shares and all of the issued KPM Class A Preferred Shares will be cancelled, with the appropriate entries being made in the central securities register of KPM;
- (e) NVG will distribute to the NVG Shareholders all of the KPM Shares by way of a reduction of the Paid-Up Capital of NVG, in accordance with the terms hereof (for greater certainty, any reference hereinafter to “KPM Shares” includes the KPM Converted Shares and the KPM Shares held by NVG prior to the step in §3.1(b) above);
- (f) Upon completion of the transactions set forth above, each NVG Shareholder at the Share Distribution Record Date will be entitled to receive one (1) KPM Share for every one (1) NVG Share held by the NVG Shareholder;
- (g) The KPM Shares transferred to the holders of the NVG Shares pursuant to §3.1(e) above will be registered in the names of the holders of NVG Shares and appropriate entries will be made in the central securities register of KPM;
- (h) The KPM Class A Preferred Shares, none of which will be issued or outstanding once the steps referred to in §3.1(c) and §3.1(d) above are completed, will be cancelled and the authorized share structure of KPM will be changed by eliminating the KPM Class A Preferred Shares therefrom;
- (i) The Notice of Articles and Articles of KPM will be amended to reflect the changes to its authorized share structure made pursuant to this Plan of Arrangement; and
- (j) After the Effective Date:
  - (i) All NVG Share Commitments will be exercisable for NVG Shares and KPM Shares in accordance with the corporate reorganization and adjustment provisions of such commitments, whereby the exercise of an NVG Share Commitment will result in the holder of the NVG Share Commitment receiving one NVG Share and one KPM Share;

- (ii) Pursuant to the KPM Commitment, KPM will issue the required number of KPM Shares upon the exercise of NVG Share Commitments as is directed by NVG; and
  - (iii) NVG will, as agent for KPM, collect and pay to KPM a portion of the proceeds received for each NVG Share Commitment so exercised, with the balance of the exercise price to be retained by NVG, as determined in accordance with §3.4 of the Arrangement Agreement.
- 3.2 Notwithstanding §3.1(e) and §3.1(j), no fractional KPM Shares shall be distributed to the NVG Shareholders or the holders of NVG Share Commitments and as a result all fractional share amounts arising under such sections shall be rounded down to the nearest whole number. Any KPM Shares not distributed as a result of this rounding down shall be dealt with as determined by the board of directors of NVG in its absolute discretion.
- 3.3 The transactions and events set out in §3.1 shall occur and shall be deemed to occur at the Effective Time on the Effective Date in the chronological order in which they are set out in §3.1.
- 3.4 All KPM Class A Preferred Shares and KPM Shares issued pursuant to this Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of the BCBCA.
- 3.5 The Arrangement shall become final and conclusively binding on the NVG Shareholders, the KPM Shareholders and NVG and KPM on the Effective Date.
- 3.6 Notwithstanding that the transactions and events set out in §3.1 shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of NVG and KPM shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in §3.1, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor, and any necessary additions to or deletions from share registers.

#### **ARTICLE 4**

#### **PROCEDURES FOR EXCHANGE OF CERTIFICATES**

- 4.1 Recognizing that the KPM Class A Preferred Shares shall be converted and transferred to the NVG Shareholders pursuant to §3.1(c), KPM shall issue one share certificate representing all of the KPM Converted Shares registered in the name of NVG, which share certificate shall be held by the Depositary until the KPM Shares are transferred to the NVG Shareholders and such certificate shall then be cancelled by the Depositary.
- 4.2 NVG shall deposit with the Depositary a direction to distribute the KPM Shares to the NVG Shareholders and the Depositary will forward, in accordance with §3.1 hereof and the direction, to each registered NVG Shareholder of record on the Share Distribution Record Date who has not validly dissented to the Arrangement, certificates representing the KPM Shares to which they are entitled under the Arrangement.

**ARTICLE 5  
DISSENTING SHAREHOLDERS**

- 5.1 Notwithstanding §3.1 hereof, holders of NVG Shares may exercise rights of dissent (the “**Dissent Right**”) in connection with the Arrangement pursuant to the Interim Order and in the manner set forth in sections 237 – 247 of the BCBCA (collectively, the “**Dissent Procedures**”).
- 5.2 NVG Shareholders who duly exercise Dissent Rights with respect to their NVG Shares (“**Dissenting Shares**”) and who:
- (a) are ultimately entitled to be paid fair value for their Dissenting Shares, shall be deemed to have transferred their Dissenting Shares to NVG for cancellation immediately before the Effective Date; or
  - (b) for any reason are ultimately not entitled to be paid fair value for their Dissenting Shares, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting NVG Shareholder and shall receive NVG Shares and KPM Shares on the same basis as every other non-dissenting NVG Shareholder, and in no case shall NVG be required to recognize such person as holding NVG Shares on or after the Effective Date.
- 5.3 If an NVG Shareholder exercises the Dissent Right, NVG shall on the Effective Date set aside and not distribute that portion of the KPM Shares that is attributable to the NVG Shares for which the Dissent Right has been exercised. If the dissenting NVG Shareholder is ultimately not entitled to be paid for their Dissenting Shares, NVG shall distribute to such NVG Shareholder his, her or its pro-rata portion of the KPM Shares. If an NVG Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then NVG shall retain the portion of the KPM Shares attributable to such NVG Shareholder (the “**Non-Distributed KPM Shares**”), and the Non-Distributed KPM Shares shall be dealt with as determined by the board of directors of NVG in its absolute discretion.

**ARTICLE 6  
AMENDMENTS**

- 6.1 NVG and KPM may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be:
- (i) set out in writing;
  - (ii) filed with the Court and, if made following the NVG Meeting, approved by the Court; and
  - (iii) communicated to holders of NVG Shares and KPM Shares, as the case may be, if and as required by the Court.
- 6.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by NVG at any time prior to the NVG Meeting with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the NVG Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.



- 6.3 NVG, with the consent of the other parties, may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the NVG Meeting and prior to the Effective Date with the approval of the Court.
- 6.4 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 NVG and KPM, provided that such amendment, modification or supplement concerns a matter which, in the reasonable opinion of NVG and KPM, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of NVG and KPM or any former holder of NVG Shares and KPM Shares, as the case may be.

**ARTICLE 7**  
**REFERENCE DATE**

- 7.1 This plan of arrangement is dated for reference the 27<sup>th</sup> day of August, 2012.

**SCHEDULE "A" TO THE PLAN OF ARRANGEMENT****SPECIAL RIGHTS AND RESTRICTIONS FOR KPM CLASS A PREFERRED SHARES**

The class A preferred shares as a class shall have attached to them the following special rights and restrictions:

**Definitions**

- (1) In these Special Rights and Restrictions,
  - (a) "**Arrangement**" means the arrangement pursuant to Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) S.B.C 2002, c.57 as contemplated by the Arrangement Agreement,
  - (b) "**Arrangement Agreement**" means the Arrangement Agreement dated as of August 22, 2012, between Nass Valley Gateway Ltd. and Kirkland Precious Metals Corp. (the "**Company**"),
  - (c) "**KPM Converted Shares**" means the common shares without par value in the authorized share structure of the Company,
  - (d) "**Effective Date**" means the date upon which the Arrangement becomes effective, and
  - (e) "**Plan of Arrangement**" means the Plan of Arrangement attached as Schedule "A" to the Arrangement Agreement.
- (2) The holders of the class A preferred shares are not as such entitled to receive notice of, nor to attend or vote at, any general meeting of the shareholders of the Company.
- (3) The holders of the class A preferred shares shall be entitled to convert class A preferred shares into KPM Converted Shares, on a one-for-one basis, pursuant to and in accordance with the Plan of Arrangement.
- (4) The capital to be allocated to the class A preferred shares shall be the amount determined in accordance with §3.1(e) of the Plan of Arrangement.
- (5) The class A preferred shares shall be convertible at the option of the class A preferred shareholder pursuant to and in accordance with the Plan of Arrangement.
- (6) Any class A preferred share that is or is deemed to be converted pursuant to and in accordance with the Plan of Arrangement shall be cancelled and may not be reissued.

**SCHEDULE "B"****NVG ASSETS TO BE TRANSFERRED TO KPM**

NVG's rights to the following claims pursuant to the acquisition agreement between NVG and Golden Dawn Minerals Inc. dated February 1, 2010:

**Kirkland Lake Mining Division, Ontario**

<b>Property Name</b>	<b>County</b>	<b>Tenure Number ID</b>	<b>Expiry Date</b>
<i>80 Foot Fall</i>	ON/ Chamberlain	4225477	<b>October 4, 2012</b>
<i>Central Catharine</i>	ON/ Catharine	4225470	<b>November 13, 2012</b>
<i>80 Foot Fall</i>	ON/ Marter	4225480	<b>January 4, 2013</b>
<i>Central Catharine</i>	ON/ Catharine	4225479	<b>January 4, 2013</b>
<i>Central Catharine</i>	ON/ Catharine	4225468	<b>January 4, 2013</b>
<i>80 Foot Fall</i>	ON/ Marter	4225467	<b>December 3, 2013</b>
<i>80 Foot Fall</i>	ON/ Marter	4225612	<b>January 4, 2014</b>
<i>80 Foot Fall</i>	ON/ Marter	4225613	<b>January 4, 2014</b>
<i>80 Foot Fall</i>	ON/ Marter	4225614	<b>January 4, 2014</b>
<i>Central Catharine</i>	ON/ Catharine	4225476	<b>January 4, 2014</b>
<i>Link Catharine</i>	ON/ Catharine	1226957	<b>June 2, 2014</b>
<i>Link Catharine</i>	ON/ Catharine	1222663	<b>May 25, 2015</b>
<i>Link Catharine</i>	ON/ Catharine	1226954	<b>May 25, 2015</b>
<i>Link Catharine</i>	ON/ Catharine	1226955	<b>May 25, 2015</b>
<i>Link Catharine</i>	ON/ Catharine	1226956	<b>May 25, 2015</b>
<i>Central Catharine</i>	ON/ Catharine	4225469	<b>November 13, 2015</b>

**SCHEDULE "C"**

**SPECIAL RESOLUTION TO APPROVE THE PLAN OF ARRANGEMENT**

"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. the Arrangement Agreement dated August 27, 2012, between Nass Valley Gateway Ltd. (the "**Company**") and Kirkland Precious Metals Corp., is hereby approved, ratified and affirmed;
2. the Arrangement under Division 5 of Part 9 of the Act, substantially as set forth in the Plan of Arrangement attached as Schedule "A" to the Arrangement Agreement, is hereby approved and authorized;
3. notwithstanding that this special resolution has been passed by the shareholders of the Company or that the Arrangement has received the approval of the Court, the Board may amend the Arrangement Agreement and/or decide not to proceed with the Arrangement or revoke this special resolution at any time prior to the filing of a certified copy of the court order approving the Arrangement with the Registrar without further approval of the shareholders of the Company; and
4. any director or officer of the Company be and is hereby authorized and directed, for and on behalf of the Company, to execute and deliver all such documents and to do all such other acts and things as such director or officer may determine to be necessary or advisable to give effect to this special resolution, the execution and delivery of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

**SCHEDULE "D"**

**ORDINARY RESOLUTION TO APPROVE THE STOCK OPTION PLAN  
OF KIRKLAND PRECIOUS METALS CORP.**

"BE IT RESOLVED THAT:

1. the stock option plan of KPM, as described in this management information circular of the Company dated August 27, 2012, be and is hereby ratified and approved for the ensuing year; and
2. any one (1) director or officer of KPM be authorized to make all such arrangements, to do all acts and things and to sign and execute all documents and instruments in writing, whether under the corporate seal of KPM or otherwise, as may be considered necessary or advisable to give full force and effect to the foregoing."