

AMALGAMATION AGREEMENT

among

TRUECLAIM EXPLORATION INC.

and

NORTHERN SKYE RESOURCES LTD.

and

2501318 ONTARIO INC.

Dated effective as of January 28, 2016

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT (this “**Agreement**”) is made as of the 28th day of January, 2016.

AMONG:

TRUECLAIM EXPLORATION INC., a corporation existing under the laws of the Province of British Columbia

(“**Trueclaim**”)

AND:

NORTHERN SKYE RESOURCES LTD., a corporation existing under the laws of the Province of Ontario

(“**Northern Skye**”)

AND:

2501318 ONTARIO INC., a corporation existing under the laws of the Province of Ontario

(“**Newco**”)

WHEREAS:

A. Trueclaim wishes to acquire all of the outstanding Northern Skye Shares (as defined herein) (the “**Acquisition**”) from the Northern Skye Shareholders (as defined herein) in consideration for the issuance of one Trueclaim Share (as defined herein) for each three outstanding Northern Skye Shares (other than the Excluded Shares (as defined herein)) to the Northern Skye Shareholders; and

B. In order to effect the foregoing, Trueclaim and Northern Skye propose to complete a business combination by way of the Amalgamation (as defined herein), following which Amalco (as defined herein) will become a wholly owned subsidiary of Trueclaim;

C. The Trueclaim Board (as defined herein) has determined that the Amalgamation is in the best interest of the Trueclaim Shareholders (as defined herein);

D. The Northern Skye Board (as defined herein) has determined that the Amalgamation is in the best interest of the Northern Skye Shareholders and is recommending that the Northern Skye Shareholders vote in favour of the Northern Skye Resolution (as defined herein) at the Northern Skye Meeting (as defined herein), and pursuant to the requirements of the OBCA (as defined herein), will submit this Agreement for approval at the Northern Skye Meeting; and

E. Upon the Amalgamation becoming effective, among other things, the Northern Skye Shares will be exchanged for Trueclaim Shares in accordance with the provisions of this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), Trueclaim, Northern Skye and Newco (each, a **"Party"** and, together, the **"Parties"**) covenant and agree as follows:

ARTICLE 1 DEFINITIONS, INTERPRETATION AND SCHEDULES

1.1 Definitions

In this Agreement, unless the context otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the meanings ascribed to them below:

"1933 Act" means the United States Securities Act of 1933, as amended;

"Agreement" means this amalgamation agreement, as provided for in Section 176 of the OBCA, together with the schedules attached hereto, as amended, amended and restated or supplemented from time to time;

"Amalco" means the corporation resulting from the Amalgamation on the Effective Date;

"Amalco Shares" means common shares in the capital of Amalco;

"Amalgamation" means the amalgamation of Northern Skye and Newco pursuant to Section 174 of the OBCA on the terms and conditions set forth in this Agreement;

"Articles of Amalgamation" means the articles of amalgamation in respect of the Amalgamation, in the form required by the OBCA, to be sent to the Director following the approval of the Northern Skye Resolution by the Northern Skye Shareholders, the approval of the Newco Resolution by Trueclaim, and the satisfaction or waiver of all other conditions contemplated in this Agreement;

"Business Day" means a day other than a Saturday or Sunday on which the principal commercial banks located in Vancouver, British Columbia or Toronto, Ontario are open for business;

"Contract" means any note, mortgage, indenture, permit, license, franchise, lease or other contract, agreement, commitment or arrangement binding upon Northern Skye or Trueclaim, as the case may be, whether written or oral;

"Director" means the Director appointed under Section 278 of the OBCA;

"Dissent Rights" has the meaning ascribed thereto in Section 3.1(a);

“Dissenting Shareholder” means a Northern Skye Shareholder who exercises the Dissent Rights;

“Effective Date” means the date shown on the certificate of amalgamation issued by the Director pursuant to Section 273 of the OBCA giving effect to the Amalgamation;

“Effective Time” means the time on the Effective Date at which the Director has endorsed on the Articles of Amalgamation the certificate of amalgamation;

“Encumbrance” means any mortgage, pledge, assignment, charge, lien, claim, security interest, adverse interest, other third person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;

“Environmental Laws” means all applicable Laws, including applicable common law, relating to the protection of the environment and employee and public health and safety;

“Exchange Ratio” has the meaning ascribed thereto in Section 2.2(b)(ii);

“Excluded Shares” means the 3,000,000 Northern Skye Shares held by Trueclaim;

“Governmental Entity” means any applicable: (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (b) subdivision, agent, commission, board or authority of any of the foregoing, (c) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or (d) stock exchange, including the TSXV;

“Laws” means all statutes, regulations, statutory rules, orders, judgments, decrees and terms and conditions of any grant of approval, permission, authority, permit or license of any Governmental Entity;

“Material Adverse Change” means any one or more changes, effects, events, occurrences or states of facts that, either individually or in the aggregate, have, or would reasonably be expected to have, a Material Adverse Effect on the applicable Party on a consolidated basis;

“Material Adverse Effect” means any change, effect, event, occurrence or state of facts that, individually or in the aggregate, with other such changes, effects, events, occurrences or states of facts, is or would reasonably be expected to be material and adverse to the business, properties, operations, results of operations or financial condition of the applicable Party on a consolidated basis;

“Newco Resolution” means the special resolution of Trueclaim, as the sole shareholder of Newco, approving the Amalgamation and this Agreement substantially in the form attached hereto as Schedule B;

“Newco Shares” means common shares in the capital of Newco;

“**Northern Skye Board**” means the board of directors of Northern Skye;

“**Northern Skye Meeting**” means the special meeting of the Northern Skye Shareholders called and to be held for the purpose of considering and, if deemed advisable, approving, the Northern Skye Resolution;

“**Northern Skye Optionholder**” means a Person who, immediately prior to the completion of the Amalgamation, holds one or more Northern Skye Options;

“**Northern Skye Options**” means the outstanding options of Northern Skye;

“**Northern Skye Properties and Assets**” has the meaning ascribed thereto in Section 3.1(n) of this Agreement;

“**Northern Skye Resolution**” means the special resolution of the Northern Skye Shareholders approving the Amalgamation and this Agreement substantially in the form attached hereto as Schedule A;

“**Northern Skye Shareholder Approval**” means the approval of the Northern Skye Shareholders in respect of the Northern Skye Resolution;

“**Northern Skye Shareholders**” means the holders of outstanding Northern Skye Shares;

“**Northern Skye Shares**” means common shares in the capital of Northern Skye, as presently constituted;

“**OBCA**” means the *Business Corporations Act* (Ontario), as it may be amended from time to time;

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

“**Regulation S**” means Regulation S adopted by the SEC under the 1933 Act;

“**SEC**” means the United States Securities and Exchange Commission;

“**Securities Authorities**” means the securities commissions and/or other securities regulatory authorities in the applicable provinces and territories of Canada;

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

“**Tax**” and “**Taxes**” means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes (including, without limitation, taxes relating to the transfer of interests in real property or entities holding interests therein),

franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, Canada Pension Plan contributions, excise, severance, social security, workers' compensation, employment insurance or compensation taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;

"Tax Act" means the *Income Tax Act* (Canada), as it may be amended from time to time;

"Tax Returns" means all returns, schedules, elections, declarations, reports, information returns, notices, forms, statements and other documents made, prepared or filed with any taxing

"Trueclaim Board" means the board of directors of Trueclaim;

"Trueclaim Options" means the outstanding options of Trueclaim;

"Trueclaim Public Documents" means the public documents filed by Trueclaim under Trueclaim's SEDAR profile;

"Trueclaim Shareholders" means the holders of Trueclaim Shares;

"Trueclaim Shares" means the common shares in the capital of Trueclaim as presently constituted;

"TSXV" means the TSX Venture Exchange; and

"United States" or **"U.S."** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

In addition, words and phrases used herein and defined in the OBCA shall have the same meaning herein as in the OBCA unless the context otherwise requires.

1.2 Number and Gender

In this Agreement, unless the context otherwise requires, words importing the singular only shall include the plural and vice versa and words importing the use of either gender shall include both genders and neuter.

1.3 Date for any Action

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

1.4 Currency

Unless otherwise stated, all references in this Agreement to dollar amounts are expressed in Canadian currency.

1.5 Invalidity of Provisions

Each of the provisions contained in this Agreement is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. To the extent permitted by applicable Laws, the Parties waive any provision of Law that renders any provision of this Agreement or any part thereof invalid or unenforceable in any respect. The Parties will engage in good faith negotiations to replace any provision hereof or any part thereof that is declared invalid or unenforceable with a valid and enforceable provision or part thereof, the economic effect of which approximates as much as possible the invalid or unenforceable provision or part thereof that it replaces.

1.6 Schedules

The following schedules are attached to, and are deemed to be incorporated into and form part of, this Agreement:

- Schedule A - Form of Northern Skye Resolution
- Schedule B - Form of Newco Resolution

ARTICLE 2 THE AMALGAMATION

2.1 Filing of Articles of Amalgamation

As soon as practicable following: (a) the approval by the Northern Skye Shareholders of the Northern Skye Resolution; (b) the approval by Trueclaim, as the sole shareholder of Newco, of the Newco Resolution; and (c) receipt of all applicable regulatory approvals, Northern Skye and Newco shall jointly file with the Director the Articles of Amalgamation and such other documents as are required to be filed under the OBCA for acceptance by the Director to give effect to the Amalgamation, pursuant to provisions of the OBCA.

2.2 Terms of Amalgamation

At the Effective Time, the following shall occur in the following order without any further act or formality:

- (a) Northern Skye and Newco shall amalgamate to form Amalco, which shall continue as one corporation under the OBCA and with the effect set out in Section 179 of the OBCA;
- (b) immediately upon the Amalgamation:
 - (i) the Excluded Shares shall be cancelled and Trueclaim shall not receive any repayment of capital in connection with same,
 - (ii) each 3 Northern Skye Shares issued and outstanding on the Effective Date (other than the Excluded Shares and the Northern Skye Shares held

- by Dissenting Shareholders, to whom Article 3 applies) shall be exchanged for 1 Trueclaim Share (the “Exchange Ratio”),
- (iii) the Northern Skye Options shall be exercisable for Trueclaim Shares on the basis of the Exchange Ratio,
 - (iv) each issued and outstanding Newco Share shall be converted into one Amalco Share, and
 - (v) Amalco shall become a wholly-owned subsidiary of Trueclaim;
- (c) with respect to each Northern Skye Share exchanged in accordance with Section 2.2(b)(ii):
- (i) the Northern Skye Shareholders shall cease to be Northern Skye Shareholders and the name of each such Northern Skye Shareholder shall be removed from the register of Northern Skye Shareholders, and
 - (ii) the certificates (if any) representing such Northern Skye Shares shall be deemed to have been cancelled as of the Effective Date; and
- (d) in consideration for the issuance of the Trueclaim Shares to effect the Amalgamation, Amalco will issue to Trueclaim one fully-paid and non-assessable Amalco Share for each Trueclaim Share so issued.
- (e) as a result of the foregoing:
- (i) in accordance with the provisions of the OBCA, among other things, the property, rights and interests of each of Northern Skye and Newco will continue to be the property, rights and interests of Amalco, and Amalco will continue to be liable for the obligations of each of Northern Skye and Newco; and
 - (ii) Amalco will be a wholly-owned subsidiary of Trueclaim; and
- (f) no fractional Trueclaim Shares will be issued under the Amalgamation. Where the aggregate number of Trueclaim Shares to be issued to any Northern Skye Shareholders under the Amalgamation would result in a fraction of a Trueclaim Share being issuable, the number of Trueclaim Shares to be issued to such holder shall be rounded down to the next whole number, and no cash or other consideration shall be paid or payable in lieu of such fraction of a Trueclaim Share.

2.3 Closing

Unless this Agreement is terminated pursuant to the provisions hereof, the Closing shall occur at the offices of Clark Wilson LLP, Suite 900 – 885 West Georgia Street, Vancouver, British Columbia at 10:00 a.m., Vancouver time, on the Business Day prior to the Effective Date, or at such other time, date or place as they may mutually agree upon, and each of them shall deliver to the other Parties:

- (a) the documents required or contemplated to be delivered by it hereunder in order to complete, or necessary or reasonably requested to be delivered by it by the other Parties in order to effect, the Amalgamation, 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 Amalgamation becoming effective; and
- (b) written confirmation as to the satisfaction or waiver of all of the conditions in its favour contained in Article 6 hereof.

2.4 Amalco

Unless and until otherwise determined in the manner required by law, by Amalco or by its directors or shareholder(s), the following provisions shall apply:

(a) Amalco Name

The name of Amalco shall be "Northern Skye Resources Ltd", or such other name as may be agreed upon by the Parties.

(b) Registered Office of Amalco

The municipality where the registered office of Amalco shall be located is 73 Raymar Place, Oakville, Ontario L6J 6M1. The address of the registered office of Amalco shall be 73 Raymar Place, Oakville, Ontario L6J 6M1.

(c) Business and Powers

There shall be no restrictions on the business that Amalco may carry on or on the powers it may exercise.

(d) Authorized Share Capital

Amalco shall be authorized to issue an unlimited number of Amalco Shares and an unlimited number of preferred shares. At the Effective Time, the capital account in the records of Amalco for the Amalco Shares shall be equal to the capital attributed to the Northern Skye Shares (other than the Excluded Shares) and the Newco Shares.

(e) Restrictions on Amalco Share Transfer

No securities of Amalco, other than non-convertible debt securities, shall be transferred without either: (i) the approval of the directors of Amalco expressed by a resolution passed at a meeting of the board of directors or by a resolution in writing signed by all of the directors entitled to vote on that resolution at a meeting of directors, or (ii) the approval of the holders of Amalco Shares carrying at least a majority of the votes entitled to be cast at a meeting of shareholders of Amalco, expressed by a resolution passed at a meeting of the holders of Amalco Shares or by an instrument or instruments in writing signed by the holders of a majority of such Amalco Shares.

(f) Number of Shareholders

The number of beneficial owners of Amalco Shares, exclusive of persons who are employees and former employees of Amalco, is limited to not more than 50 Persons, provided that each person is counted as one beneficial owner unless the person is created or used solely to purchase or hold securities of Amalco in which case each beneficial owner or each beneficiary of the Person, as the case may be, must be counted as a separate beneficial owner.

(g) Number of Directors

The number of directors of Amalco shall be not less than one (1) and not more than ten (10) as the shareholders of Amalco may from time to time determine by special resolution or, if empowered to do so by special resolution, as the directors of Amalco may from time to time determine.

(h) Initial Directors of Amalco

The initial director of Amalco shall be Terry Loney of 326 Penman Avenue, Carson, ON P3L 1H8.

(i) Bylaws of Amalco

The bylaws of Amalco, until repealed, amended or altered, shall be the same as the by-laws of Northern Skye, with such amendments thereto as may be necessary to give effect to this Agreement and shall be available for examination at the registered office of Amalco.

(j) Auditors

The auditors of Amalco, until the first annual general meeting of shareholders of Amalco, shall be A Chan and Company LLP, unless and until such auditors resign or are removed in accordance with the provisions of the OBCA

2.5 Treatment of Restricted Securities under the 1933 Act

The Trueclaim Shares issued to the Northern Skye Shareholders resident in or subject to the laws of the United States in connection with the Amalgamation will be "restricted securities" within the meaning of Rule 144 of the 1933 Act. Each certificate representing the Trueclaim Shares issued to holders resident in or subject to the laws of the United States will bear a legend reflecting that such Trueclaim Shares are "restricted securities".

**ARTICLE 3
RIGHTS OF DISSENT**

3.1 Dissent Rights

(a) A registered holder of Northern Skye Shares may exercise rights of dissent with respect to such Northern Skye Shares pursuant to and in the manner set forth in

Section 185 of the OBCA (the “**Dissent Rights**”) in connection with the Amalgamation. A holder of Northern Skye Shares who duly exercises such Dissent Rights (including the sending of a notice of dissent to Northern Skye) ceases to have any rights as a holder of Northern Skye Shares other than the right to be paid the fair value of such holder’s Northern Skye Shares pursuant to Section 185 of the OBCA, except in certain circumstances, including where:

- (i) such Northern Skye Shareholder withdraws the notice of dissent before Northern Skye makes an offer to such Northern Skye Shareholder pursuant to Section 185(15) of the OBCA, or
 - (ii) Northern Skye fails to make an offer to such Northern Skye Shareholder in accordance with Section 185(15) of the OBCA and such Northern Skye Shareholder withdraws the notice of dissent.
- (b) In either of the circumstances described in Section 3.1(a)(i) or (ii), or if a Dissenting Shareholder is ultimately determined not to be entitled, for any reason, to be paid fair value for their Northern Skye Shares, a holder of Northern Skye Shares shall be deemed to have participated in the Amalgamation, as of the Amalgamation Effective Time, on the same basis as a non-Dissenting Shareholder.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of Northern Skye

Northern Skye hereby represents and warrants to Trueclaim and hereby acknowledges that Trueclaim is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Amalgamation, as follows:

- (a) Organization. Northern Skye has been incorporated and, validly exists under the laws of the jurisdiction of its incorporation and is in good standing under applicable corporate laws and has full corporate and legal power and authority to own its property and assets and to conduct its business as currently owned and conducted. Northern Skye is registered, licensed or otherwise qualified as a foreign corporation in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on Northern Skye.
- (b) Capitalization. Northern Skye is authorized to issue an unlimited number of Northern Skye Shares. As of the date of this Agreement, there were outstanding:
 - (i) 23,163,239 Northern Skye Shares (including the Excluded Shares); and

- (ii) Northern Skye Options to acquire an aggregate of up to 4,000,000 Northern Skye Shares.

Except for the Northern Skye Options and except pursuant to this Agreement and the transactions contemplated hereby, as of the date hereof, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating Northern Skye to issue or sell any shares of Northern Skye or any securities or obligations of any kind convertible into or exchangeable for any shares of Northern Skye. All outstanding Northern Skye Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. As of the date hereof, there are no outstanding bonds, debentures or other evidences of indebtedness of Northern Skye. There are no outstanding contractual obligations of Northern Skye to repurchase, redeem or otherwise acquire any outstanding Northern Skye Shares or with respect to the voting or disposition of any outstanding Northern Skye Shares.

- (c) Authority. Northern Skye has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Northern Skye as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Northern Skye and the completion by Northern Skye of the transactions contemplated by this Agreement have been authorized by the Northern Skye Board and, subject to obtaining the Northern Skye Shareholder Approval in the manner contemplated herein, no other corporate proceedings on the part of Northern Skye are necessary to authorize this Agreement or the completion by Northern Skye of the transactions contemplated hereby other than the filing of the Articles of Amalgamation with the Director. This Agreement has been executed and delivered by Northern Skye and constitutes a legal, valid and binding obligation of Northern Skye, enforceable against Northern Skye in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery by Northern Skye of this Agreement and the performance by Northern Skye of its obligations hereunder and the completion of the transactions contemplated hereby, do not and will not:

- (i) result in a violation, contravention or breach or constitute a default under, or entitle any party to terminate, accelerate, modify or call any obligations or rights under, require any consent to be obtained under or give rise to any termination rights under any provision of: (A) the articles or bylaws of Northern Skye; (B) any applicable Law, or (C) any Contract to which Northern Skye is bound or is subject to or of which Northern Skye is the beneficiary, in each case, which would, individually or in the aggregate, have a Material Adverse Effect on Northern Skye;

- (ii) cause any indebtedness owing by Northern Skye to come due before its stated maturity or cause any available credit to cease to be available which would, individually or in the aggregate, have a Material Adverse Effect on Northern Skye;
- (iii) result in the imposition of any Encumbrance upon any of the property or assets of Northern Skye or give any Person the right to acquire any of Northern Skye's assets, or restrict, hinder, impair or limit the ability of Northern Skye to conduct the business of Northern Skye as and where it is now being conducted which would, individually or in the aggregate, have a Material Adverse Effect on Northern Skye;
- (iv) result in or accelerate the time for payment or vesting of, or increase the amount of any severance, unemployment compensation, "golden parachute", change of control provision, bonus, termination payments, retention bonus or otherwise, becoming due to any director or officer of Northern Skye or increase any benefits otherwise payable under any pension or benefits plan of Northern Skye or result in the acceleration of the time of payment or vesting of any such benefits; or
- (v) result in the revocation, suspension, cancellation, variation or non-renewal of any mining claims, concessions, licenses, leases or other instruments, conferring mineral rights in respect of the material properties in which Northern Skye has an interest.

No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by Northern Skye in connection with the execution and delivery of this Agreement or the consummation by Northern Skye of the transactions contemplated hereby other than:

- (A) filings required under the OBCA;
 - (B) filings with and approvals by the Securities Authorities; and
 - (C) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect on Northern Skye.
- (d) Directors' Approvals. The Northern Skye Board has unanimously:
- (i) determined that the Amalgamation is in the best interests of Northern Skye;
 - (ii) determined to recommend that the Northern Skye Shareholders vote in favour of the Northern Skye Resolution; and
 - (iii) authorized the entering into of this Agreement, and the performance of Northern Skye's obligations hereunder.

- (e) Contracts. Each of the material Contracts to which Northern Skye is a party constitutes a valid and legally binding obligation of Northern Skye, enforceable in accordance with its terms (except as enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, fraudulent transfer and similar laws of general applicability relating to or affecting creditors' rights or by general equity principles).
- (f) Waivers, Consents. There are no waivers, consents, notices or approvals required to complete the transactions contemplated under this Agreement from any other Person.
- (g) No Defaults. Northern Skye is not in default under, and, there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by Northern Skye under any Contract that is material to the conduct of the business of Northern Skye to which Northern Skye is a party or by which it is bound or subject to that would, individually or in the aggregate, have a Material Adverse Effect on Northern Skye. No party to any Contract of Northern Skye has given written notice to Northern Skye of or made a claim against Northern Skye with respect to any breach or default thereunder, in any such case in which such breach or default constitutes a Material Adverse Effect on Northern Skye.
- (h) Absence of Changes. Except as disclosed to Trueclaim in writing prior to the date hereof:
 - (i) Northern Skye has conducted its business only in the ordinary and regular course of business consistent with past practice;
 - (ii) Northern Skye has not incurred or suffered a Material Adverse Change;
 - (iii) there has not been any acquisition or sale by Northern Skye of any material property or assets thereof;
 - (iv) other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Northern Skye of any debt for borrowed money, any creation or assumption by Northern Skye of any Encumbrance, any making by Northern Skye of any loan, advance or capital contribution to or investment in any other Person or any entering into, amendment of, relinquishment, termination or non-renewal by Northern Skye of any Contract that would, individually or in the aggregate, have a Material Adverse Effect on Northern Skye;
 - (v) Northern Skye has not declared or paid any dividends or made any other distribution in respect of any of the Northern Skye Shares;

- (vi) Northern Skye has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Northern Skye Shares;
 - (vii) other than in the ordinary and regular course of business consistent with past practice, there has not been any material increase in or modification of the compensation payable by Northern Skye to any of their respective directors, officers, employees or consultants 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 (including, without limitation, the granting of Northern Skye Options) made to, for or with any of such directors, officers, employees or consultants;
 - (viii) Northern Skye has not effected any material change in its accounting methods, principles or practices; and
 - (ix) Northern Skye has not adopted any, or amended any, collective bargaining agreement, bonus, pension, profit sharing, stock purchase, stock option or other benefit plan or shareholder rights plan.
- (i) Employment and Consulting Agreements. Northern Skye:
- (i) is not a party to any written or oral policy, agreement, obligation or understanding providing for retention bonuses, severance or termination payments to, or any employment or consulting agreement with, any director or officer of Northern Skye that would be triggered by Northern Skye's entering into this Agreement or the completion of the Amalgamation;
 - (ii) does not have any employee or consultant whose Contract with Northern Skye cannot be terminated by Northern Skye in accordance with the provisions of such Contract following the completion of the Amalgamation; and
 - (iii) (A) is not a party to any collective bargaining agreement;
(B) is not subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement; or
(C) is not subject to any current or pending or threatened strike or lockout.
- (j) Books and Records. The corporate records and minute books of Northern Skye have been maintained in accordance with all applicable Laws and are complete and accurate in all material respects, except where such incompleteness or inaccuracy would not have a Material Adverse Effect on Northern Skye,

Financial books and records and accounts of Northern Skye in all material respects:

- (i) have been maintained in accordance with good business practices on a basis consistent with prior years and past practice; and
 - (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Northern Skye.
- (k) Litigation. There is no claim, action, proceeding or investigation pending or in progress or, to the knowledge of Northern Skye, threatened against or relating to Northern Skye or affecting any of their respective properties or assets before any Governmental Entity which individually or in the aggregate has, or could reasonably be expected to have, a Material Adverse Effect on Northern Skye and Northern Skye is not aware of any existing ground on which any such claim, action, proceeding or investigation might be commenced with any reasonable likelihood of success. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Northern Skye, threatened against or relating to Northern Skye before any Governmental Entity. Neither Northern Skye nor any of its properties or assets are 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 Northern Skye to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would materially impede the consummation of the transactions contemplated by this Agreement, except to the extent any such matter would not, individually or in the aggregate, have a Material Adverse Effect on Northern Skye.
- (l) Title to Properties and Operational Matters. Northern Skye is the legal and beneficial owner of and has good title to the exploitation permits, mining claims, concessions, licenses, leases, options or other instruments conferring mineral rights to Northern Skye in respect of the properties in which Northern Skye has an interest (collectively, for the purposes of this Section 4.1(l), the “**Northern Skye Properties and Assets**”). All agreements by which Northern Skye holds an interest in the Northern Skye Properties and Assets are in good standing according to their respective terms and, to the knowledge of Northern Skye, the Northern Skye Properties and Assets are in good standing under applicable Laws and all filings and work commitments required by Northern Skye to maintain the Northern Skye Properties and Assets in good standing have been properly recorded and filed in a timely manner with the appropriate Governmental Entity and there are no material Encumbrances or any other material interests in or on such Northern Skye Properties and Assets except as disclosed by Northern Skye to Trueclaim in writing prior to the date hereof. To Northern Skye’s knowledge, there are no material adverse claims against or challenges to the title or ownership of any of the Northern Skye Properties and Assets. Northern Skye has conducted and is conducting its business in material compliance with all applicable Laws, including all applicable Laws and all

Governmental Entity authorizations and instructions, whether in writing or oral, relating to the Northern Skye Properties and Assets. Northern Skye has not received any notice of the revocation or cancellation of, or any intention to revoke or cancel, any of the exploitation permits, mining claims, concessions, licenses, leases or other instruments conferring mineral rights in respect of the Northern Skye Properties and Assets that would, individually or in the aggregate, result in a Material Adverse Effect on Northern Skye. Without limiting the generality of the foregoing, Northern Skye has obtained all material licences and permits necessary for the operation of the business of Northern Skye as presently conducted, and has not taken any action which would impair the ability of Northern Skye to obtain necessary licences or permits in the future for the continued operation of such business, in accordance with applicable Laws and requirements of all Governmental Entities.

- (m) Royalty Payments and Other Interests. Except as disclosed to Trueclaim in writing prior to the date hereof, there are no landowner's royalties, overriding royalties, net profits interests or similar interests or any other rights or interests whatsoever of third parties by which Northern Skye is bound on or in relation to the Northern Skye Properties and Assets.
- (n) Assets. Northern Skye has good and marketable title to its assets free and clear of any security interests, liens, charges, mortgages, pledges, Encumbrances, adverse claims and demands of any nature or kind whatsoever recorded or unrecorded, except as disclosed to Trueclaim in writing prior to the date hereof.
- (o) Insurance. Northern Skye maintains policies of insurance in amounts and in respect of such risks as are normal and usual for companies of a similar size and business and such policies are in full force and effect as of the date hereof.
- (p) Environmental. To the knowledge of Northern Skye:
 - (i) Northern Skye is in compliance in all material respects with Environmental Laws;
 - (ii) Northern Skye has operated its business at all times and have received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
 - (iii) there is no material claim or judicial or administrative proceeding which may affect Northern Skye or any of the properties or assets of Northern Skye relating to or alleging any violation of Environmental Laws; and
 - (iv) Northern Skye holds all licences, permits and approvals required under any Environmental Laws in connection with the operation of their respective businesses as presently conducted and the ownership and use of their respective assets, other than those which the failure to hold would not reasonably be expected to have a Material Adverse Effect on Northern Skye, and neither Northern Skye nor any of its assets is the

subject of any investigation, evaluation, audit or review not in the ordinary and regular course of business by any Governmental Entity to determine whether any violation of Environmental Laws has occurred or is occurring, and Northern Skye is not subject to any known environmental liabilities.

- (q) Tax Matters. Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Northern Skye:
- (i) Northern Skye has duly and timely made or prepared all Tax Returns required to be made or prepared by it, has duly and timely filed all Tax Returns required to be filed by it with the appropriate Governmental Entity and has, in all material respects, completely and correctly reported all income and all other amounts or information required to be reported thereon;
 - (ii) Northern Skye has:
 - (A) duly and timely paid all Taxes due and payable by it;
 - (B) duly and timely withheld all Taxes and other amounts required by applicable Laws to be withheld by it and has duly and timely remitted to the appropriate Governmental Entity such Taxes and other amounts required by applicable Laws to be remitted by it; and
 - (C) duly and timely collected all amounts on account of sales or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by applicable Laws to be collected by it and has duly and timely remitted to the appropriate Governmental Entity any such amounts required by applicable Laws to be remitted by it;
 - (iii) there are no proceedings, investigations, audits, assessments, reassessments or claims now pending or, to the knowledge of Northern Skye, threatened against Northern Skye that propose to assess Taxes in addition to those reported in the Tax Returns; and
 - (iv) no waiver of any statutory limitation period with respect to Taxes has been given or requested with respect to Northern Skye.
- (r) Pension and Employee Benefits. Northern Skye has complied, in all material respects, with all of the terms of the pension and other employee compensation and benefit obligations of Northern Skye arising under or relating to each of the pension or retirement income plans or other employee compensation or benefit plans, agreements, policies, programs, arrangements or practices, whether written or oral, which are maintained by or binding upon Northern Skye, other

than such non-compliance that would not reasonably be expected to have a Material Adverse Effect on Northern Skye.

- (s) Compliance with Laws. Northern Skye has complied with and are not in violation of any applicable Laws other than such non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Northern Skye.
- (t) No Option on Assets. Except as disclosed to Trueclaim in writing prior to the date hereof, no Person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from Northern Skye any of the material assets of Northern Skye.
- (u) Certain Contracts. Northern Skye is not a party to or bound by any Contract that purports to:
 - (i) limit the manner or the localities in which all or any material portion of the business of Northern Skye is conducted;
 - (ii) limit any business practice of Northern Skye in any material respect; or
 - (iii) restrict any acquisition or disposition of any property by Northern Skye in any material respect.
- (v) No Broker's Commission. Northern Skye has not entered into any agreement that would entitle any Person to any valid claim against them for a broker's commission, finder's fee or any like payment in respect of the Amalgamation or any other matter contemplated by this Agreement.
- (w) Restrictions on Business Activities. There is no agreement, judgment, injunction, order or decree binding upon Northern Skye that has or could be reasonably expected to have the effect of prohibiting, restricting or materially impairing: (i) any business practice of Northern Skye, (ii) except as disclosed to Trueclaim in writing prior to the date hereof, any acquisition of property by Northern Skye, or (iii) the conduct of business by Northern Skye as currently conducted.
- (x) Solvency of Northern Skye. There are reasonable grounds for believing that Northern Skye is able to pay its liabilities as they become due and, at the time of the consummation of the Amalgamation, will be able to pay its liabilities as they become due.
- (y) Creditors of Northern Skye. Northern Skye has reasonable grounds for believing that no creditor of Northern Skye will be materially prejudiced by the Amalgamation.
- (z) Expropriation. No property or asset of Northern Skye has been taken or expropriated by any Governmental Entity and no notice or proceeding in respect of any such expropriation has been given or commenced or, to the knowledge of

Northern Skye, is there any intent or proposal to give any such notice or commence any such proceeding.

4.2 Representations and Warranties of Trueclaim

Trueclaim hereby represents and warrants to Northern Skye, and hereby acknowledges that Northern Skye is relying upon such representations and warranties in connection with entering into this Agreement and agreeing to complete the Amalgamation, as follows:

- (a) Organization. Trueclaim has been incorporated and validly exists under the laws of the jurisdiction of its incorporation and is in good standing under applicable corporate laws and has full corporate and legal power and authority to own its property and assets and to conduct its business as currently owned and conducted. Trueclaim is registered, licensed or otherwise qualified in each jurisdiction where the nature of the business or the location or character of the property and assets owned or leased by it requires it to be so registered, licensed or otherwise qualified, other than those jurisdictions where the failure to be so registered, licensed or otherwise qualified would not have a Material Adverse Effect on Trueclaim.
- (b) Capitalization. Trueclaim is authorized to issue an unlimited number of Trueclaim Shares. All outstanding Trueclaim Shares have been authorized and are validly issued and outstanding as fully paid and non-assessable shares, free of pre-emptive rights. As of the date hereof, there are no outstanding bonds, debentures or other evidences of indebtedness of Trueclaim. There are no outstanding contractual obligations of Trueclaim to repurchase, redeem or otherwise acquire any outstanding Trueclaim Shares or with respect to the voting or disposition of any outstanding Trueclaim Shares.
- (c) Authority. Trueclaim has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Trueclaim as contemplated by this Agreement, and to perform its obligations hereunder and under such other agreements and instruments. The execution and delivery of this Agreement by Trueclaim and the completion by Trueclaim of the transactions contemplated by this Agreement have been authorized by the Trueclaim Board, no other corporate proceedings on the part of Trueclaim are necessary to authorize this Agreement or the completion by Trueclaim of the transactions contemplated hereby other than approval by the TSXV and the filing of the Articles of Amalgamation with the Director. This Agreement has been executed and delivered by Trueclaim and constitutes a legal, valid and binding obligation of Trueclaim, enforceable against Trueclaim in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other applicable Laws relating to or affecting creditors' rights generally, and to general principles of equity. The execution and delivery by Trueclaim of this Agreement and the performance by it of its obligations hereunder and the completion of the transactions contemplated hereby, do not and will not:

- (i) result in a violation, contravention or breach or constitute a default under, or entitle any party to terminate, accelerate, modify or call any obligations or rights under, require any consent to be obtained under or give rise to any termination rights under any provision of:
 - (A) the articles or notice of articles of Trueclaim;
 - (B) any applicable Law or rule or policy of the TSXV (except that the approval of the TSXV, which is required for the completion by Trueclaim of the transactions contemplated hereby, will be applied for by Trueclaim but has not been obtained as of the date hereof); or
 - (C) any Contract to which Trueclaim is bound or is subject to or of which Trueclaim is the beneficiary;

in each case, which would, individually or in the aggregate, have a Material Adverse Effect on Trueclaim;

- (ii) cause any indebtedness owing by Trueclaim to come due before its stated maturity or cause any available credit to cease to be available which would, individually or in the aggregate, have a Material Adverse Effect on Trueclaim;
- (iii) result in the imposition of any Encumbrance upon any of the property or assets of Trueclaim or give any Person the right to acquire any of Trueclaim' assets, or restrict, hinder, impair or limit the ability of Trueclaim to conduct the business of Trueclaim as and where it is now being conducted which would, individually or in the aggregate, have a Material Adverse Effect on Trueclaim;
- (iv) result in or accelerate the time for payment or vesting of, or increase the amount of any severance, unemployment compensation, "golden parachute", change of control provision, bonus, termination payments, retention bonus or otherwise, becoming due to any director or officer of Trueclaim or increase any benefits otherwise payable under any pension or benefits plan of Trueclaim or result in the acceleration of the time of payment or vesting of any such benefits; or
- (v) result in the revocation, suspension, cancellation, variation or non-renewal of any mining claims, concessions, licenses, leases or other instruments, conferring mineral rights in respect of the material properties in which Trueclaim has an interest.

No consent, approval, order or authorization of, or declaration or filing with, any Governmental Entity or other Person is required to be obtained by Trueclaim in connection with the execution and delivery of this Agreement or the consummation by Trueclaim of the transactions contemplated hereby other than:

- (i) filings required under the OBCA;
 - (ii) filings with and approvals required by the Securities Authorities and stock exchanges (including the approval referred to in Section 4.2(c)(i)(B)); and
 - (iii) any other consents, approvals, orders, authorizations, declarations or filings which, if not obtained, would not, individually or in the aggregate, have a Material Adverse Effect on Trueclaim.
- (d) Directors' Approvals. The Trueclaim Board has unanimously:
- (i) determined that the Amalgamation is in the best interests of Trueclaim; and
 - (ii) authorized the entering into of this Agreement, and the performance of Trueclaim' obligations hereunder.
- (e) Waivers, Consents. There are no waivers, consents, notices or approvals required to complete the transactions contemplated under this Agreement from any other Person, other than the TSXV.
- (f) No Defaults. Trueclaim is not in default under, and, there exists no event, condition or occurrence which, after notice or lapse of time or both, would constitute a default by Trueclaim under any Contract that is material to the conduct of the business of Trueclaim to which it is a party or by which it is bound or subject to that would, individually or in the aggregate, have a Material Adverse Effect on Trueclaim. No party to any Contract of Trueclaim has given written notice to Trueclaim of or made a claim against Trueclaim with respect to any breach or default thereunder, in any such case in which such breach or default constitutes a Material Adverse Effect on Trueclaim.
- (g) Absence of Changes. Except as disclosed in the Trueclaim Public Documents:
- (i) Trueclaim has conducted its business only in the ordinary and regular course of business consistent with past practice;
 - (ii) Trueclaim has not incurred or suffered a Material Adverse Change;
 - (iii) there has not been any acquisition or sale by Trueclaim of any material property or assets thereof;
 - (iv) other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Trueclaim of any debt for borrowed money, any creation or assumption by Trueclaim of any Encumbrance, any making by Trueclaim of any loan, advance or capital contribution to or investment in any other Person or any entering into, amendment of, relinquishment, termination

or non-renewal by Trueclaim of any Contract that would, individually or in the aggregate, have a Material Adverse Effect on Trueclaim;

- (v) Trueclaim has not declared or paid any dividends or made any other distribution in respect of any of the Trueclaim Shares;
 - (vi) Trueclaim has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Trueclaim Shares;
 - (vii) other than in the ordinary and regular course of business consistent with past practice, there has not been any material increase in or modification of the compensation payable by Trueclaim to any of its directors, officers, employees or consultants 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 (including, without limitation, the granting of Trueclaim Options) made to, for or with any of such directors, officers, employees or consultants; and
 - (viii) Trueclaim has not adopted any, or amended any, collective bargaining agreement, bonus, pension, profit-sharing, stock purchase, stock option or other benefit plan or shareholder rights plan.
- (h) Books and Records. The corporate records and minute books of Trueclaim have been maintained in accordance with all applicable Laws and are complete and accurate in all material respects, except where such incompleteness or inaccuracy would not have a Material Adverse Effect on Trueclaim. Financial books and records and accounts of Trueclaim, in all material respects:
- (i) have been maintained in accordance with good business practices on a basis consistent with prior years and past practice; and
 - (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Trueclaim.
- (i) Litigation. There is no claim, action, proceeding or investigation pending or in progress or, to the knowledge of Trueclaim threatened against or relating to Trueclaim or affecting any of their respective properties or assets before any Governmental Entity which individually or in the aggregate has, or could reasonably be expected to have, a Material Adverse Effect on Trueclaim, and Trueclaim is not aware of any existing ground on which any such claim, action, proceeding or investigation might be commenced with any reasonable likelihood of success. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Trueclaim, threatened against or relating to Trueclaim before any Governmental Entity. Neither Trueclaim nor any of its properties or assets are 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 Trueclaim to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would materially impede the consummation of the transactions contemplated by this Agreement, except to the extent any such matter would not, individually or in the aggregate, have a Material Adverse Effect on Trueclaim.

- (j) Reports. To the knowledge of Trueclaim, Trueclaim has filed with the Securities Authorities, all applicable self-regulatory authorities and the TSXV, a true and complete copy of all forms, reports, schedules, statements, certifications, material change reports and other documents required to be filed by it, including the Trueclaim Public Documents. The Trueclaim Public Documents, at the time filed or, if amended, as of the date of such amendment:
- (i) did not contain any misrepresentation and did not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading; and
 - (ii) complied in all material respects with the requirements of applicable securities Laws and the rules, policies and instruments of all Securities Authorities or stock exchange or other self-regulatory authority having jurisdiction over Trueclaim except where such non-compliance has not had or would not reasonably be expected to have a Material Adverse Effect on Trueclaim.

Trueclaim has not filed any confidential material change or other report or other document with any Securities Authorities or stock exchange or other self-regulatory authority which at the date hereof remains confidential.

- (k) Compliance with Laws. Trueclaim has complied with and is not in violation of any applicable Laws other than such non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Trueclaim.
- (l) No Cease Trade. Trueclaim is not subject to any cease trade or other order of any applicable stock exchange or Securities Authority and, to the knowledge of Trueclaim, no investigation or other proceedings involving Trueclaim that may operate to prevent or restrict trading of any securities of Trueclaim are currently in progress or pending before any applicable stock exchange or Securities Authority.
- (m) Certain Contracts. Trueclaim is not a party to or bound by any Contract that purports to:
- (i) limit the manner or the localities in which all or any material portion of the business of Trueclaim is conducted;

- (ii) limit any business practice of Trueclaim in any material respect; or
- (iii) restrict any acquisition or disposition of any property by Trueclaim in any material respect.
- (n) No Broker's Commission. Trueclaim has not entered into any agreement that would entitle any Person to any valid claim against Trueclaim for a broker's commission, finder's fee or any like payment in respect of the Amalgamation or any other matter contemplated by this Agreement.
- (o) Shares. The Trueclaim Shares to be issued pursuant to the Amalgamation will, upon issue, be issued as fully paid and non-assessable shares and, subject to the approval of the TSXV, listed for trading on the TSXV.
- (p) Restrictions on Business Activities. There is no agreement, judgment, injunction, order or decree binding upon Trueclaim that has or could be reasonably expected to have the effect of prohibiting, restricting or materially impairing any business practice of Trueclaim, any acquisition of property by Trueclaim, or the conduct of business by Trueclaim as currently conducted.

4.3 Survival of Representations and Warranties

The representations and warranties contained in this Agreement shall survive the execution and delivery of this Agreement and shall expire and be terminated and extinguished upon completion of the Amalgamation.

ARTICLE 5 COVENANTS

5.1 Covenants of Northern Skye

Northern Skye hereby covenants and agrees with Trueclaim as follows:

- (a) Northern Skye Shareholder Approval. Northern Skye shall use its commercially reasonable efforts to obtain, in a timely manner prior to the Closing Date, all necessary shareholder approvals required to complete the transactions contemplated hereunder.
- (b) Copy of Documents. Northern Skye shall furnish promptly to Trueclaim a copy of any dealings or communications with any Governmental Entity or Securities Authority in connection with, or in any way affecting, the transactions contemplated by this Agreement.
- (c) Certain Actions Prohibited. Other than in contemplation of or as required to give effect to the transactions contemplated by this Agreement or as otherwise permitted pursuant to this Agreement, Northern Skye shall not, without the prior written consent of Trueclaim, which consent shall not be unreasonably withheld or delayed, directly or indirectly do or permit to occur any of the following prior to the Effective Date:

- (i) issue, sell, grant, pledge, lease, dispose of, encumber or create any Encumbrance on or agree to issue, sell, grant, pledge, lease, dispose of, or encumber or create any Encumbrance on any shares of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any shares of Northern Skye, other than the issue of Northern Skye Shares upon the exercise of Northern Skye Options;
 - (ii) incur or commit to incur in any debt, except in the ordinary and regular course of business, or to finance its working capital requirements, or as otherwise contemplated in connection with the transactions contemplated in this Agreement;
 - (iii) declare or pay any dividends or distribute any of its property or assets to shareholders with respect to the Northern Skye Shares;
 - (iv) enter into any material Contracts, other than in the ordinary and regular course of business, in connection with the Amalgamation or as otherwise contemplated herein;
 - (v) alter or amend its notice of articles or articles, other than as may be required in connection with the transactions contemplated herein;
 - (vi) engage in any business enterprise or other activity different from that carried on or contemplated as of the date hereof;
 - (vii) other than pursuant to the terms of property acquisitions or in the ordinary and regular course of business, sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any of its assets, except where to do so would not have a Material Adverse Effect on Northern Skye;
 - (viii) redeem, purchase or offer to purchase any of Northern Skye Shares, Northern Skye Options or other securities; or
 - (ix) acquire, directly or indirectly, any assets, including but not limited to securities of other companies, other than in the ordinary and regular course of business.
- (d) Certain Actions. Northern Skye shall
- (i) not take any action, or refrain from taking any action or permit any action to be taken or not taken (subject to a commercially reasonable efforts qualification), inconsistent with the provisions of this Agreement or that would reasonably be expected to materially impede the completion of the transactions contemplated hereby or would render, or that could reasonably be expected to render, any representation or warranty made by Northern Skye in this Agreement untrue or inaccurate in any material

respect at any time on or before the Effective Date if then made or that would or could have a Material Adverse Effect on Northern Skye; and

- (ii) promptly notify Trueclaim of:
 - (A) any Material Adverse Change or Material Adverse Effect, or any change, event, occurrence or state of facts that could reasonably be expected to become a Material Adverse Change or to have a Material Adverse Effect, in respect of the business or in the conduct of the business of Northern Skye;
 - (B) any material Governmental Entity or third person complaints, investigations or hearings (or communications indicating that the same may be contemplated);
 - (C) any breach by Northern Skye of any covenant or agreement contained in this Agreement; and
 - (D) any event occurring subsequent to the date hereof that would render any representation or warranty of Northern Skye contained in this Agreement, if made on or as of the date of such event or the Effective Date, to be untrue or inaccurate in any material respect.
- (e) Keep Fully Informed. Subject to applicable Laws, Northern Skye shall use commercially reasonable efforts to conduct itself so as to keep Trueclaim fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business.
- (f) Co-operation. Northern Skye shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.
- (g) Representations. Northern Skye shall use its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of Northern Skye contained herein shall be true and correct on and as of the Effective Date as if made on and as of such date.
- (h) Closing Documents. Northern Skye shall execute and deliver, or cause to be executed and delivered, at the closing of the transactions contemplated hereby such customary agreements, certificates, resolutions, opinions and other closing documents as may be required by Trueclaim, all in form satisfactory to Trueclaim, acting reasonably.

5.2 Covenants of Trueclaim

Trueclaim hereby covenants and agrees with Northern Skye as follows:

- (a) Copy of Documents. Trueclaim shall furnish promptly to Northern Skye a copy of any filing under any applicable Laws and any dealings or communications with any Governmental Entity, Securities Authority or stock exchange in connection with, or in any way affecting, the transactions contemplated by this Agreement.
- (b) Co-operation. Trueclaim shall make, or cooperate as necessary in the making of, all necessary filings and applications under all applicable Laws required in connection with the transactions contemplated hereby and take all reasonable action necessary to be in compliance with such Laws.
- (c) Closing Documents. Trueclaim shall execute and deliver, or cause to be executed and delivered, at the closing of the transactions contemplated hereby such customary agreements, certificates, opinions, resolutions and other closing documents as may be required by Northern Skye, all in form satisfactory to Northern Skye, acting reasonably.
- (d) Newco. In its capacity as the sole shareholder of Newco, Trueclaim shall:
 - (i) take all such action as is necessary or desirable to cause Newco to satisfy its obligations hereunder, including without limitation, passing a resolution in the form attached hereto as Schedule B, on or prior to the Effective Date, or such other date as may be agreed to by Northern Skye and Trueclaim, acting reasonably; and
 - (ii) prior to the Effective Date, not cause or permit Newco to issue any securities or enter into any agreements to issue or grant options, warrants or rights to purchase any of its securities except for the issuance of a nominal number of Newco Shares to Trueclaim, or carry on any business, enter into any transaction or effect any corporate act whatsoever, other than as contemplated herein or as reasonably necessary to carry out the Amalgamation, unless previously consented to in writing by Northern Skye.

5.3 Mutual Covenants of Trueclaim and Northern Skye

- (a) Completion of Amalgamation. Each of the Parties agrees that, it shall complete the Amalgamation on such date as the Parties may mutually agree to.
- (b) Confidential Information. Each of the Parties agrees that any information as to the other Party's financial condition, business, properties, title, assets and affairs received from the other Party as part of its due diligence investigations in connection with the transactions contemplated in this Agreement, including information which, at the time of receipt had not become generally available to the public, was not available to a Party or its representatives on a non-confidential basis before the date of this Agreement, or does not become available to a Party or its representatives on a non-confidential basis from a person who is not, to the knowledge of the Party or its representatives, otherwise

bound by confidentiality obligations to the provider of such information or otherwise prohibited from transmitting the information to the Party or its representatives (“**confidential information**”) will be kept confidential by such Party for a period of two (2) years from the date hereof. Prior to releasing any confidential information, Trueclaim or Northern Skye, as applicable, may require the recipient of the confidential information to enter into a mutually acceptable confidentiality agreement. No confidential information may be released to third parties without the consent of the provider thereof, except that the Parties agree that they will not unreasonably withhold such consent to the extent that such confidential information is compelled to be released by legal process or must be released to regulatory bodies and/or included in public documents. The provisions of this Section 5.3(b) shall survive the termination of this Agreement.

- (c) Public Statements. Each of the Parties will advise the other Party, in advance of any public statement which they propose to make in respect of the Amalgamation, provided that no Party shall be prevented from making any disclosure statement which is required to be made by law or any rule of a stock exchange or a similar organization to which it is bound.

ARTICLE 6 CONDITIONS

6.1 Mutual Conditions in Favour of Trueclaim and Northern Skye

The respective obligations of Northern Skye and Trueclaim to complete the transactions contemplated herein are subject to the fulfillment of the following conditions at or before the Effective Time or such other time as is specified below:

- (a) the Northern Skye Shareholder Approval shall have been obtained in accordance with the provisions of the OBCA and the requirements of any applicable regulatory authority;
- (b) each of the Northern Skye Board and the Trueclaim Board shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by Northern Skye and Trueclaim to permit the consummation of the Amalgamation and all other matters contemplated in this Agreement;
- (c) the TSXV shall have conditionally approved the listing on the TSXV of the Trueclaim Shares to be issued pursuant to the Amalgamation and the Northern Skye Options, on terms and conditions acceptable to each of the Parties, acting reasonably;
- (d) the Trueclaim Shares to be issued to persons in the United States pursuant to the Amalgamation and the Northern Skye Options shall be exempt from registration requirements under the 1933 Act pursuant to Rule 506 of Regulation D under the 1933 Act and

- (e) the distribution of the Trueclaim Shares pursuant to the Amalgamation and the Northern Skye Options shall be exempt from prospectus and registration requirements under applicable securities Laws of Canada and, except with respect to persons deemed to be “control persons” of Trueclaim under such securities Laws, such Trueclaim Shares shall not be subject to any resale restrictions in Canada under such securities Laws.

The foregoing conditions are for the mutual benefit of the Parties and may be waived by mutual consent of Trueclaim and Northern Skye in writing at any time. No such waiver shall be of any effect unless it is in writing signed by both Parties.

6.2 Northern Skye Conditions

The obligation of Northern Skye to complete the transactions contemplated herein is subject to the fulfillment of the following additional conditions at or before the Effective Time or such other time as is specified below:

- (a) the Trueclaim Board shall have procured duly executed resignations and releases in favour of Trueclaim effective at the Effective Time from each director and executive officer of Trueclaim who will no longer be serving in such capacity or capacities following completion of the Amalgamation;
- (b) the representations and warranties made by Trueclaim shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties made by Trueclaim in this Agreement shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), in either case, except where any failures or breaches of representations and warranties would not either individually or in the aggregate, in the reasonable judgment of Northern Skye, have a Material Adverse Effect on Trueclaim, and Trueclaim shall have provided to Northern Skye a certificate of two officers thereof certifying such accuracy or lack of Material Adverse Effect on the Effective Date. No representation or warranty made by Trueclaim hereunder shall be deemed not to be true and correct if the facts or circumstances which make such representation or warranty untrue or incorrect are disclosed or referred to, or provided for, or stated to be exceptions under this Agreement;
- (c) from the date of this Agreement to the Effective Date, there shall not have occurred a Material Adverse Change in respect of Trueclaim;
- (d) Trueclaim shall have complied in all material respects with its covenants herein and Trueclaim shall have provided to Northern Skye a certificate of two officers thereof, certifying that, as of the Effective Date, it has so complied with their covenants herein; and

- (e) the Trueclaim Board shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by Trueclaim and Northern Skye to permit the consummation of the Amalgamation and the transactions to be completed by Trueclaim pursuant to the terms of this Agreement.

The foregoing conditions are for the benefit of Northern Skye and may be waived, in whole or in part, by Northern Skye in writing at any time. No such waiver shall be of any effect unless it is in writing signed by Northern Skye.

6.3 Trueclaim Conditions

The obligation of Trueclaim to complete the transactions contemplated herein is subject to the fulfillment of the following additional conditions at or before the Effective Time or such other time as is specified below:

- (a) the representations and warranties made by Northern Skye in this Agreement shall be true and correct as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), and all other representations and warranties made by Northern Skye in this Agreement that are not so qualified shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except to the extent that such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date), in either case, except where any failures or breaches of representations and warranties would not either, individually or in the aggregate, in the reasonable judgment of Trueclaim, have a Material Adverse Effect on Northern Skye, and Northern Skye shall have provided to Trueclaim a certificate of two officers thereof certifying such accuracy or lack of Material Adverse Effect on the Effective Date. No representation or warranty made by Northern Skye hereunder shall be deemed not to be true and correct if the facts or circumstances that make such representation or warranty untrue or incorrect are disclosed or referred to, or provided for, or stated to be exceptions under this Agreement;
- (b) from the date of this Agreement to the Effective Date, there shall not have occurred a Material Adverse Change in respect of Northern Skye;
- (c) Northern Skye shall have complied in all material respects with its covenants herein and Northern Skye shall have provided to Trueclaim a certificate of two officers thereof certifying that, as of the Effective Date, Northern Skye has so complied with its covenants herein; and
- (d) the Northern Skye Board shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by Northern Skye to permit the consummation of the Amalgamation and the transactions to be completed by Northern Skye pursuant to the terms of this Agreement.

The foregoing conditions are for the benefit of Trueclaim and may be waived, in whole or in part, by Trueclaim in writing at any time. No such waiver shall be of any effect unless it is in writing signed by Trueclaim.

6.4 Notice and Cure Provisions

Each Party hereto shall give prompt notice to the other Party of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, would be likely to or could:

- (a) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any respect on the date hereof or on the Effective Date;
- (b) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by such Party on or before the Effective Date; or
- (c) result in the failure to satisfy any of the conditions precedent in favour of the other Party contained in Section 6.1, 6.2 or 6.3, as the case may be.

Subject as herein provided, a Party may:

- (a) elect not to complete the transactions contemplated hereby by virtue of any of the conditions for its benefit contained in Section 6.1, 6.2 or 6.3 not being satisfied or waived; or
- (b) exercise any termination right arising therefrom; provided, however, that:
 - (i) promptly and in any event prior to the Effective Date, the Party hereto intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail the breaches of covenants or untruthfulness or inaccuracy of representations and warranties or other matters that the Party delivering such notice is asserting as the basis for the exercise of the termination right, as the case may be; and
 - (ii) if any such notice is delivered, and a Party proceeds diligently, at its own expense, to cure such matter, if such matter is susceptible to being cured, the Party that has delivered such notice may not terminate this Agreement until the lesser of ten (10) days from the date of delivery of such notice and the number of days remaining before the Effective Date.

6.5 Merger of Conditions

If no notice has been sent by either Party pursuant to Section 6.4 prior to the Effective Date, the conditions set out in Section 6.1, 6.2 or 6.3 shall be conclusively deemed to have been satisfied, fulfilled or waived as of the Effective Time.

ARTICLE 7 AMENDMENT AND TERMINATION

7.1 Amendment

This Agreement may, at any time and from time to time before or after the receipt of the Northern Skye Shareholder Approval, be amended by mutual written agreement of the Parties without, subject to applicable Laws, further notice to or authorization on the part of the Northern Skye Shareholders, provided, however, that notwithstanding the foregoing, following the receipt of the Northern Skye Shareholder Approval, the Exchange Ratio shall not be amended without the approval of the Northern Skye Shareholders given in the same manner as required for the approval of the Amalgamation.

7.2 Termination

This Agreement may be terminated at any time prior to the Effective Time:

- (a) by mutual written agreement by Northern Skye, Trueclaim and Newco;
- (b) subject to Section 6.4:
 - (i) by Northern Skye, if any condition in Section 6.2 is not satisfied or waived in accordance with such section;
 - (ii) by Trueclaim, if any condition in Section 6.3 is not satisfied or waived in accordance with such section; or
 - (iii) by Northern Skye or by Trueclaim, if any of the conditions in Section 6.1 for the benefit of the terminating party is not satisfied or waived in accordance with such Section 6.1;
- (c) by Trueclaim if there is an intentional breach of the covenants of Northern Skye contained herein by Northern Skye or any of its directors, officers, employees, agents, consultants or other representatives, in each case, on or before the Effective Date; or
- (d) by Northern Skye if there is an intentional breach of the covenants of Trueclaim contained herein by Trueclaim or any of its directors, officers, employees, agents, consultants or other representatives, in each case, on or before the Effective Date,

provided that any termination by a Party in accordance with the paragraphs above shall be made by such Party delivering written notice thereof to each other Party prior to the Effective Date and specifying therein in reasonable detail the matter or matters giving rise to such termination right.

ARTICLE 8 GENERAL

8.1 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party shall be in writing and shall be delivered by hand to the Party to which the notice is to be given at the following address or sent by email to the following address or to such other address as shall be specified by a Party by like notice. Any notice, consent, waiver, direction or other communication aforesaid shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day or, if not, then the next succeeding Business Day) and if sent by email be deemed to have been given and received at the time of receipt (if a Business Day or, if not, then the next succeeding Business Day) unless actually received after 5:00 p.m. (local time) at the point of delivery in which case it shall be deemed to have been given and received on the next Business Day.

The address for service of each of the Parties shall be as follows:

- (a) if to Northern Skye:

Northern Skye Resources Ltd.
365 Bay Street, Suite 400
Toronto, ON M5A 2T4
Attention: Terry Loney
Email: kyalex@sympatico.ca

- (b) if to Trueclaim or Newco:

Trueclaim Exploration Inc.
575 – 510 Burrard Street
Vancouver, BC V6C 3A8
Attention: Byron Coulthard
Email: byron@shawcable.com

8.2 Time of the Essence

Time shall be of the essence in this Agreement.

8.3 Entire Agreement

This Agreement, together with the agreements and other documents herein or therein referred to, constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect to the subject matter hereof. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained herein.

8.4 Further Assurances

Each Party shall, from time to time, and at all times hereafter, at the request of the other of them, but without further consideration, do, or cause to be done, all such other acts and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as shall be reasonably required in order to fully perform and carry out the terms and intent hereof including, without limitation, the Amalgamation.

8.5 Governing Law

This Agreement shall be governed by, and be construed in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of British Columbia. The Parties irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

8.6 Execution in Counterparts

This Agreement may be executed by the Parties in one or more counterparts, each of which shall conclusively be deemed to be an original and all such counterparts collectively shall be conclusively deemed to be one and the same. Delivery of an executed counterpart of the signature page to this Agreement by email or other functionally equivalent electronic means of transmission shall be effective as delivery of a manually executed counterpart of this Agreement.

8.7 Independent Legal Advice

Each Party has obtained independent legal advice in connection with this Agreement and the transactions contemplated hereby.

8.8 Waiver

No waiver or release by any Party shall be effective unless in writing and executed by the Party granting such waiver or release and any waiver or release shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence. Waivers may only be granted upon compliance with the provisions governing amendments set forth in Section 7.1.

8.9 No Personal Liability

- (a) No director or officer of Northern Skye shall have any personal liability whatsoever (other than in the case of fraud, negligence or wilful misconduct) to Trueclaim under this Agreement or any other document delivered in connection with this Agreement or the Amalgamation by or on behalf of Northern Skye.
- (b) No director or officer of Trueclaim shall have any personal liability whatsoever (other than in the case of fraud, negligence or wilful misconduct) to Northern Skye under this Agreement or any other document delivered in connection with this Agreement or the Amalgamation by or on behalf of Trueclaim.

8.10 Enurement and Assignment

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

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK]

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

TRUECLAIM EXPLORATION INC.

Per: "Byron Coulthard"
President and CEO

NORTHERN SKYE RESOURCES LTD.

Per: "Terry Loney"
President and CEO

2501318 ONTARIO INC.

Per: "Byron Coulthard"
President and CEO

SCHEDULE A

FORM OF NORTHERN SKYE RESOLUTION

BE IT RESOLVED as a special resolution that:

1. The amalgamation (the "**Amalgamation**") under the *Business Corporations Act* (Ontario) (the "**OBCA**") of Northern Skye Resources Ltd. (the "**Company**") and 2501318 Ontario Inc. (the "**Trueclaim Subsidiary**"), a wholly owned subsidiary of Trueclaim Exploration Inc. ("**Trueclaim**"), pursuant to the terms and conditions contained in the amalgamation agreement dated January 28, 2016 (the "**Amalgamation Agreement**") among the Company, the Trueclaim Subsidiary and Trueclaim (as the same may be or has been modified or amended), be and is hereby authorized and approved;
2. The execution and delivery by the Company of the Amalgamation Agreement, and the performance by the Company of its obligations thereunder, be and is hereby authorized and approved, and the Amalgamation is hereby adopted;
3. Any officer or director of the Company be and is hereby authorized and directed, on behalf of the Company, to execute and deliver articles of amalgamation and such other documents as may be required under the OBCA to the Director under the OBCA with respect to the Amalgamation;
4. Notwithstanding that this special resolution has been passed (and the Amalgamation Agreement adopted) by the shareholders of the Company, the board of directors of the Company be and is hereby authorized and empowered without further approval of the shareholders of the Company at any time prior to the effective time of the Amalgamation: (a) to amend the Amalgamation Agreement to the extent permitted by the Amalgamation Agreement, and (b) not to proceed with Amalgamation to the extent permitted by the Amalgamation Agreement or otherwise give effect to these resolutions; and
5. Any officer or director of the Company is hereby authorized and directed for and on behalf of and in the name of the Company to execute, under the seal of the Company or otherwise, and to deliver, all documents, agreements and instruments and to do all such other acts and things as such officer or director, in his absolute discretion, determines to be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or doing of any such act or thing.

SCHEDULE B

FORM OF NEWCO RESOLUTION

BE IT RESOLVED as a special resolution that:

1. The amalgamation (the "**Amalgamation**") under the *Business Corporations Act* (Ontario) (the "**OBCA**") of Northern Skye Resources Ltd. ("**Northern Skye**") and 2501318 Ontario Inc. (the "**Company**"), a wholly owned subsidiary of Trueclaim Exploration Inc. ("**Trueclaim**"), pursuant to the terms and conditions of the amalgamation agreement dated January 28, 2016 (the "**Amalgamation Agreement**") among the Company, Northern Skye and Trueclaim (as the same may be or has been modified or amended), be and is hereby authorized and approved;
2. The execution and delivery by the Company of the Amalgamation Agreement, and the performance by the Company of its obligations thereunder, be and is hereby authorized and approved, and the Amalgamation is hereby adopted;
3. Any officer or director of the Company be and is hereby authorized and directed, on behalf of the Company, to execute and deliver articles of amalgamation and such other documents as may be required under the OBCA to the Director under the OBCA with respect to the Amalgamation;
4. Notwithstanding that this special resolution has been passed (and the Amalgamation Agreement adopted) by the shareholders of the Company, the board of directors of the Company be and is hereby authorized and empowered without further approval of the shareholders of the Company at any time prior to the effective time of the Amalgamation (a) to amend the Amalgamation Agreement to the extent permitted by the Amalgamation Agreement, and (b) not to proceed with Amalgamation to the extent permitted by the Amalgamation Agreement or otherwise give effect to these resolutions; and
5. Any officer or director of the Company is hereby authorized and directed for and on behalf of and in the name of the Company to execute, under the seal of the Company or otherwise, and to deliver all documents, agreements and instruments and to do all such other acts and things as such officer or director, in his absolute discretion, determines to be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such documents, agreements or instruments or doing of any such act or thing.