

55 NORTH MINING INC.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON

MAY 16, 2019

DATED AS OF APRIL 15, 2019

55 NORTH MINING INC.
401 Bay Street, Suite 2702
Toronto, Ontario, M5H 2Y4

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 16, 2019**

NOTICE is hereby given that the annual and special meeting (“**Meeting**”) of the holders of common shares (the “**Common Shares**”) of 55 North Mining Inc. (the “**Company**”) will be held in Toronto Ontario, at 401 Bay Street, Suite 2702, on the 16th day of May 2019, at 11:00 a.m. (Toronto time) for the following purposes:

- 1) to receive the audited financial statements of the Company for the financial year ending December 31, 2018 and the auditors reply thereon;
- 2) to elect the directors of the Company to hold office until the next annual meeting of the shareholders (“**Shareholders**”) of the Company or until their successors are elected or appointed;
- 3) to re-appoint Scarrow & Donald LLP, as auditor of the Company for the ensuing year and authorize the directors to fix the auditor's remuneration;
- 4) to consider, and if thought appropriate, to pass, with or without variation, a resolution to approve a non-brokered private placement financing as more particularly described in the Circular (the “**Transaction Resolution**”);
- 5) to consider, and if thought appropriate, to pass, with or without variation, a special resolution to approve the sale of the Company’s interest in the Tully Property, as more particularly described in the Circular;
- 6) to consider, and, if thought appropriate, to pass, with or without variation, a resolution, to approve the proposed delisting of common shares of the Company from the TSX Venture Exchange (the “**TSXV**”) and concurrent relisting of the common shares of the Company on the Canadian Securities Exchange (the “**CSE**”) as more particularly described in the Circular;
- 7) to consider, and if thought appropriate, to pass, with or without variation, a resolution to re-approve the Company’s stock option plan;
- 8) to consider, and if thought appropriate, pass a special resolution, with or without variation, amending the articles of incorporation of the Company to change the Company’s name to such name as the directors may determine and may be acceptable to applicable regulatory authorities as more particularly described in the Circular; and
- 9) to transact such other business as may properly come before the Meeting or any adjournment thereof.

A copy of the Management Information Circular dated April 15, 2019 (the “**Circular**”) and a form of proxy (“**proxy**”) for the Meeting accompany this Notice.

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is April 16, 2019 (the “Record Date”). Shareholders of the Company whose names have been entered in the register of Shareholders at the close of business on that date will be entitled to receive notice of and to vote at the Meeting.

A registered shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, execute and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with TSX Trust Company 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1 or by email to tmxproxysupport@tmx.com, by 11:00 a.m. on May 14, 2019 or not later than forty-

eight (48) hours (excluding Saturdays, Sundays and holidays in the Province of Ontario) preceding the time of the Meeting in the event of any adjournment or postponement thereof.

Shareholders may beneficially own common shares that are registered in the name of a broker, another intermediary or an agent of that broker or intermediary (“**Non-Registered Shareholders**”). Without specific instructions, intermediaries are prohibited from voting shares for their clients. If you are a Non-Registered Shareholder, it is vital that the voting instruction form provided to you by your broker, intermediary or its agent is returned according to their instructions sufficiently in advance of deadline specified by the broker, intermediary or its agent to ensure they are able to provide voting instructions on your behalf.

The persons named in the enclosed form of proxy are each a director and/or officer of the Company. Every shareholder has the right to appoint a person or company (who need not be a shareholder) to represent the shareholder at the Meeting other than the persons designated in the enclosed form of proxy. If the shareholder wishes to appoint a person or company other than the persons whose names are designated in the form of proxy, they may do so by inserting the name of the shareholder’s chosen proxyholder in the space provided in the form of proxy.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

DATED at Toronto, Ontario this 15th day of April, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

“Bruce Reid”

Bruce Reid

Chief Executive Officer

55 NORTH MINING INC.
401 Bay Street, Suite 2702
Toronto, Ontario, M5H 2Y4

MANAGEMENT INFORMATION CIRCULAR

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF

TO BE HELD ON MAY 16, 2019

This management information circular (this “**Circular**”) is being furnished in connection with the solicitation, by management of 55 North Mining Inc. (“**55 North**” or the “**Company**”), of proxies for the annual and special meeting (the “**Meeting**”) of shareholders (the “**Shareholders**”) of the Company to be held on Thursday, May 16, 2019 at the registered office of the Company located at 401 Bay Street, Suite 2702, Toronto, Ontario, M5H 2Y4 at 11:00 a.m. (Toronto time) and at any adjournment thereof for the purposes set forth in the enclosed notice of meeting (the “**Notice**”).

Unless otherwise indicated, the information contained in this Circular is given as at April 15, 2019.

Unless otherwise indicated, all references to “dollars” or “\$” means Canadian dollars.

SOLICITATION OF PROXIES

Although, it is expected that management’s solicitation of proxies for the Meeting will be made primarily by mail, proxies may be solicited by directors, officers and employees of the Company personally or by telephone, fax, email or other similar means of communication. **This solicitation of proxies for the Meeting is being made by or on behalf of the directors and management of the Company and the Company will bear the costs of this solicitation of proxies for the Meeting.**

In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with the transfer agent, investment dealers, intermediaries, custodians, depositories and depository participants and other nominees to forward solicitation materials to the beneficial owners of the common shares (the “**Common Shares**”) of the Company. The Company will provide, without any cost to such person, upon request to the Chief Executive Officer of the Company, additional copies of the foregoing documents for this purpose.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the form of proxy accompanying this Proxy Circular are Bruce Reid or, failing him, Julio DiGirolamo.

A Shareholder has the right to appoint a person (who need not be a Shareholder) other than the persons named in the form of proxy accompanying this Proxy Circular to represent him or her at the Meeting. Such right may be exercised by inserting in the space provided for that purpose on the enclosed form of proxy the name of the person to be designated and striking out the names of the persons named in the form of proxy and inserting the name of the person to be appointed as proxyholder in the blank space provided on the form of proxy, or by completing another proper form of proxy. Such Shareholder should notify the nominee of the appointment, obtain his consent to act as proxy and should provide instructions on how the Shareholder's Common Shares are to be voted. In any case, the form of proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization attached where an attorney has executed the form of proxy.

A form of proxy will not be valid for the Meeting or any adjournment thereof unless it is completed and deposited with TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1, or by email to tmxproxysupport@tmx.com or by facsimile to 416-595-9593 on or before 11:00 a.m. on May 14, 2019 or not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment thereof.

A Proxy given by a Shareholder for use at the Meeting may be revoked at any time prior to its use. In accordance with section 148(4) of the Act, in addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by the Shareholder or by his attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized, and deposited either at TSX Trust Company, 301-100 Adelaide Street West Toronto, Ontario, M5H 4H1 at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment thereof.

ADVICE TO BENEFICIAL SHAREHOLDERS

The information in this section is of significant importance to public shareholders of the Company since most public shareholders do not hold shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to herein as “Beneficial Shareholders”) are advised that only Proxies from shareholders of record can be recognized and voted upon at the Meeting. If shares are listed in the account statement provided to the shareholder by a broker, then in almost all cases those shares will not be registered in the shareholder’s name. Such shares are more likely held under the name of the broker or a broker’s agent clearing house. Applicable corporate law provides that Beneficial Shareholders may request that the Beneficial Shareholder or the Beneficial Shareholder’s nominee be appointed as the proxyholder for such shares. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their nominees can only be voted (for or against or withheld, as applicable) upon the instructions of the Beneficial Shareholder. Without specific instructions, the brokers/nominees are prohibited from voting shares for their clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person in advance of the Meeting.**

The Requisitioner does not know whom the shares registered to CDS & Co. are held for. Therefore, Beneficial Shareholders cannot be recognized by the Company at the Meeting. In order to ensure that their shares are voted at the Meeting, Beneficial Shareholders should carefully follow the return instructions. Often, the form of proxy supplied to Beneficial Shareholders by their brokers is identical to that provided to registered Shareholders, however, its purpose is limited to instructing the brokers/registered shareholder how to vote on behalf of the Beneficial Shareholder. The majority of the brokers now delegate the job of obtaining instructions from clients and voting shares according to their client’s instructions to a corporation named Broadridge Financial Solutions, Inc. (“**Broadridge**”) in Canada. Broadridge typically mails proxy instruction forms to the Beneficial Shareholders and asks Beneficial Shareholders to return these proxy instruction forms to Broadridge, which may be by mail, by internet or by telephone. Broadridge then tabulates the results of all instructions received and then votes the shares to be voted at the Meeting according to the instructions received. **A Beneficial Shareholder receiving a voting instruction form from Broadridge cannot use that voting instruction form to vote shares at the Meeting. The voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the shares voted.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered Shareholder, should enter their own names in the blank space on the voting instruction form provided to them and return the same in accordance with the instructions provided, well in advance of the Meeting.

All references to shareholders in this Proxy Circular and the accompanying proxy and Notice are to shareholders of record unless specifically stated otherwise. Where documents are stated to be available for review or inspection, such items will be shown upon request to registered shareholders that produce proof of their identity.

DISTRIBUTION OF SECURITYHOLDER MATERIALS TO NON-OBJECTING BENEFICIAL OWNERS
These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

PROVISIONS RELATING TO VOTING OF PROXIES

The Common Shares represented by proxy in the enclosed form will be voted or withheld from voting by the designated proxy holder in accordance with the instructions of the Shareholder appointing him. If there is no direction by the Shareholder, those Common Shares will be voted for all proposals set out in the form of proxy. The form of proxy gives the person named in it the discretion to vote as they see fit on any amendments or variations to matters identified in the Notice, or any other matters, which may properly come before the Meeting. At the time of the printing of this Proxy Circular, the management of the Company knows of no other matters which may come before the Meeting other than those referred to in the Notice.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Except as disclosed herein, no Director or Senior Officer of the Company nor proposed nominee for election of Director, nor each of their respective associates or affiliates, are aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

VOTING SECURITIES, RECORD DATE AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of Common Shares. Each Share entitles the holder of record to notice of and one vote on all matters to come before the Meeting. No group of Shareholders has the right to elect a specified number of directors nor are there cumulative or similar voting rights attached to the Common Shares of the Company.

The directors of the Company have fixed April 16, 2019 as the record date (the “**Record Date**”) for determination of the persons entitled to receive notice of the Meeting. Shareholders of record as of the Record Date are entitled to vote their Common Shares except to the extent that they have transferred the ownership of any of their Common Shares after the Record Date, and the transferees of those Common Shares produce properly endorsed share certificates or otherwise establish that they own the Common Shares, and demand, not later than ten (10) days before the Meeting, that their name be included in the shareholder list before the Meeting, in which case the transferees are entitled to vote their Common Shares at the Meeting.

As of the date of this Circular, 52,964,717 Common Shares are issued and outstanding.

To the knowledge of the management of the Company, based on publicly available information, as at the Record Date, no person had ownership or control over more than 10% of the outstanding common shares of the Company, other than the Havilah Mining Company, (formerly Klondex Canada Ltd.), which owns or controls 14,349,085 common shares, which represents 27.09% of the issued common shares of the Company.

STATEMENT OF EXECUTIVE COMPENSATION

Interpretation

National Instrument 51-102 - *Continuous Disclosure Obligations* (“**NI 51-102**”) defines “Executive Officer” to mean, for a reporting issuer, an individual who is,

- (a) the chair, vice-chair, or president;
- (b) a chief executive officer or chief financial officer;
- (c) a vice-president in charge of a principal business unit, division or function including sales, finance or production, or
- (d) performing a policy-making function in respect of the issuer.

Form 51-102F6 - *Statement of Executive Compensation* (in respect of financial years ending on or after December 31, 2008) (“**Form 51-102F6**”) further provides the following:

- (a) “CEO” means each individual who acted as chief executive officer of the Company or acted in a similar capacity, for any part of the most recently completed financial year;
- (b) “CFO” means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;
- (c) “Named Executive Officers” or “NEOs” means the following individuals:
 - (i) CEO;
 - (ii) CFO;
 - (iii) each of the Company’s three most highly compensated executive officers, other than the CEO and CFO at the end of the most recently completed financial year whose total compensation, individually, exceeds \$150,000; and
 - (iv) each individual who would be a NEO under (iii) except that the individual was neither an executive officer of the Company nor acting in a similar capacity at the end of that financial year.

COMPENSATION DISCUSSION AND ANALYSIS

The purpose of this Compensation Discussion and Analysis is to provide information about our executive compensation objectives and processes and to discuss compensation decisions relating to 55 North’s NEOs listed in the Summary Compensation Table that follows.

During our fiscal year ended December 31, 2018, the following individuals were 55 North’s NEOs:

- Bruce Reid, Chairman, President and Chief Executive Officer (since January 10, 2017); and
- Julio DiGirolamo, Chief Financial Officer (since January 10, 2017).

55 North is a mineral exploration and development company engaged in the acquisition, exploration and evaluation of mineral properties. 55 North has no significant revenues from operations and has, since its incorporation, operated administratively with limited financial resources to ensure that funds are available to complete scheduled exploration and drilling programs. As a result, our Board of Directors has to consider not only the financial situation of 55 North at the time of determination of executive compensation, but also the estimated financial situation of 55 North in the mid- and long-term. An important element of executive compensation is that of incentive stock options, which do not require cash disbursement by 55 North.

Additional information about 55 North and its operations is available in our audited financial statements and Management’s Discussion & Analysis for the year ended December 31, 2018, which have been electronically filed with regulators and are available for viewing under 55 North’s Issuer Profile at the Canadian System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Compensation Objectives and Principles

The primary goal of our executive compensation process is to attract and retain the key executives necessary for our long term success, to encourage executives to further the development of 55 North and our operations, and to motivate qualified and experienced executives. The key elements of executive compensation awarded by 55 North are: (i) base salary; (ii) potential annual incentive award; and (iii) incentive stock options. Our directors are of the view that all of these elements should be considered when determining executive compensation, rather than any single element.

Compensation Process

55 North’s Board of Directors, as a whole, is responsible for determining all forms of compensation, including long-term incentives in the form of stock options to be granted to our Named Executive Officers, as well as to our directors, and for reviewing the recommendations respecting compensation for any other officers of 55 North from time to time,

to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining compensation, the Board of Directors considers: (i) recruiting and retaining executives critical to 55 North's success and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and our Shareholders; and (iv) rewarding performance, both on an individual basis and with respect to our operations in general.

Base Salary and/or Consulting Fees

55 North is an exploratory stage mining company and does not anticipate generating revenues from operations for a significant period of time. As a result, the use of traditional performance standards, such as corporate profitability, is not considered by our Board of Directors to be appropriate in the evaluation of corporate or Named Executive Officer performance. The compensation of our executive officers is based, in substantial part, on industry compensation practices, trends in the mining industry, as well as achievement in raising capital and follow through on 55 North's business plans and objectives.

55 North provides Named Executive Officers with base salaries and/or consulting fees, which represent their minimum compensation for services rendered during the fiscal year. Named Executive Officers' base salaries or consulting fees depend on the scope of their experience, responsibilities, leadership skills and performance. Base salaries and/or consulting fees are reviewed annually by our Board of Directors. In addition to the above factors, decisions regarding salary or consulting fee amounts are impacted by each Named Executive Officers' current salary or fee, general industry trends and practices competitiveness, and 55 North's existing financial resources.

Option Based Awards

Options to purchase common shares of 55 North are intended to align the interests of our directors and executive officers with those of our Shareholders, to provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value, and to reduce the cash compensation 55 North would otherwise have to pay. 55 North's Stock Option Plan is administered by our Board of Directors. In establishing the number of the incentive stock options to be granted to our Named Executive Officers, our Board of Directors considers the level of effort, time, responsibility, ability, experience and level of commitment of the executive officer in determining the level of incentive stock option compensation. Further, the Board of Directors also takes into account previous grants of options, the overall number of options that are outstanding relative to the number of outstanding common shares and the amount and term of any such grants.

See "Incentive Plan Awards – Outstanding Option-Based and Share-Based Awards" below, as well – Business of the Meeting – Annual Approval of Stock Option Plan and Securities Authorized for Issuance Under Equity Compensation Plans.

Benefits and Perquisites

55 North does not, as of the date of this Circular, offer any benefits or perquisites to its Named Executive Officers other than entitlement to incentive stock options as otherwise disclosed and discussed herein.

Risks Associated with 55 North's Compensation Practises

55 North's Board of Directors has not considered the implications of any risks to 55 North associated with decisions regarding compensation of 55 North's executive officers.

Hedging by Named Executive Officers or Directors

55 North has not, as yet, adopted a policy restricting its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted or awarded as compensation or held, directly or indirectly, by executive officers or directors.

SUMMARY COMPENSATION TABLE

The following table provides a summary of the compensation earned by, paid to, or accrued and payable to, our Named Executive Officers during the fiscal years ended December 31, 2018, 2017 and 2016. Amounts reported in the table below are in Canadian dollars.

Name and principal position	Fiscal Year ended Dec 31	Salary/ Fee (\$)	Share - based awards (\$)	Option- based awards (\$)	Non-equity incentive plan compensation (\$)			All other compensation (\$)	Total Compensation (\$)
					Annual incentive plans	Long-term incentive plans	Pension value (\$)		
Bruce Reid ⁽¹⁾	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
President & Chief Executive Officer	2017	Nil	N/A	N/A	N/A	N/A	N/A	N/A	Nil
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Julio DiGirolamo ⁽²⁾	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Chief Financial Officer	2017	50,000	Nil	Nil	Nil	Nil	Nil	Nil	50,000
	2016	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

⁽¹⁾ Mr. Reid served as Chief Executive Officer and has served as a director from January 10, 2017.

⁽²⁾ Mr. DiGirolamo served as Chief Financial Officer from January 10, 2017.

Incentive Plan Awards – Outstanding Option-Based Awards and Share-Based Awards

The following table sets out details of option-based awards granted to the Named Executive Officers by 55 North that were outstanding as at the fiscal year ended December 31, 2018.

Named Executive Officer	Option-based Awards outstanding at December 31, 2018				Share-based Awards outstanding at December 31, 2018		
	Number of shares underlying unexercised options (#)	Option exercise price per common share (\$)	Option expiry date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
Bruce Reid	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Julio DiGirolamo	N/A	N/A	N/A	N/A	N/A	N/A	N/A

No other share-based or non-equity incentive plan compensation has been awarded to the NEOs by 55 North.

Incentive Plan Awards – Value Vested or Earned During the Year

The value of options vested is represented by the aggregate dollar value that would have been realized if options had been exercised on the vesting date – that is, the difference between the market price of the underlying shares and the

option exercise price on the vesting date. The value of options exercised is the difference between the option exercise price and the market price of the underlying security on the date of exercise.

No options have been granted to the Company's Named Executive Officers or anyone else. There are currently no option-based awards outstanding.

Named Executive Officer	Option-based awards – Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Bruce Reid	Nil	N/A	N/A
Julio DiGirolamo	Nil	N/A	N/A

TERMINATION AND CHANGE OF CONTROL BENEFITS

As of the date of this Circular, 55 North is not a party to any contract, agreement, plan or arrangement with its Named Executive Officers that provide for payments to NEOs at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation or retirement, or as a result of a change in control of 55 North or a change in a NEO's responsibilities.

DIRECTOR COMPENSATION

The following table sets forth information concerning the compensation in respect of the directors of the Company, other than the Named Executive Officers who may also serve as directors, during the financial year ended December 31, 2018. For details of the compensation for Bruce Reid, see the disclosure above in the "Summary Compensation Table".

Name of Director ⁽¹⁾	Director Fees earned⁽¹⁾ (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
William Ferreira	Nil	N/A	Nil	Nil	Nil	Nil	Nil
K. Sethu Raman	Nil	N/A	Nil	Nil	Nil	Nil	Nil
Brien Sirola	Nil	N/A	Nil	Nil	Nil	Nil	Nil

Incentive Plan Awards - Outstanding Option-Based Awards

The following table sets out details of option-based awards granted to non-executive directors by 55 North that were outstanding at the fiscal year ended December 31, 2018.

Name	Option-based Awards outstanding at December 31, 2018				Share-based Awards outstanding at December 31, 2018		
	Number of common shares underlying unexercised options (#)	Option exercise price per common share (\$)	Option expiry date	Value of unexercised in-the- money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share- based awards that have not vested (\$)	Market or payout value of vested share- based awards not paid out or distributed (\$)
William Ferreira	Nil	N/A	N/A	Nil	N/A	N/A	N/A
K. Sethu Raman	Nil	N/A	N/A	Nil	N/A	N/A	N/A
Brien Sirola	Nil	N/A	N/A	Nil	N/A	N/A	N/A

Incentive Plan Awards – Value Vested or Earned During the Year

The value of options vested is represented by the aggregate dollar value that would have been realized if options had been exercised on the vesting date – that is, the difference between the market price of the underlying shares and the option exercise price on the vesting date. The value of options exercised is the difference between the option exercise price and the market price of the underlying security on the date of exercise.

No value vested or was earned by 55 North’s executive officers or directors during 55 North’s year ended December 31, 2018, as a result of stock options vesting or being exercised.

Name	Option-based awards – Value vested during the year (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
William Ferreira	Nil	N/A	N/A
K. Sethu Raman	Nil	N/A	N/A
Brien Sirola	Nil	N/A	N/A

BUSINESS OF THE MEETING

Audited Financial Statements

The Company’s audited financial statements for the fiscal year ended December 31, 2018, and the report of the auditors thereon, have been filed on www.sedar.com and have been sent to registered and beneficial shareholders who have requested copies thereof using the request form accompanying this Circular and will be submitted to the meeting of Shareholders. Receipt at the Meeting of the auditors’ report and the Company’s financial statements for this fiscal period will not constitute approval or disapproval of any matters referred to therein, and no action is required to be taken by Shareholders thereon.

Election of Directors

Shareholders will be asked to elect five (5) directors at the Meeting. Each director elected will hold office until the close of the next annual meeting of the Shareholders or until his successor is appointed or elected.

The following table and the notes thereto set out the names of each nominee for election as a director of the Company as well as their province of residence, principal occupation, business or employment, the year they first became a director of the Company and the approximate number of voting securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date hereof.

Name, Position, Province of Residence	Director Since	Principal Occupation during the Past Five Years	# of Common Shares Beneficially Owned, Directly or Indirectly, or Over Which Control or Direction is Exercised
William Ferreira Winnipeg, MB, Canada	11/2011	President of W. S. Ferreira Ltd., an exploration company	230,116
Dan Hrushewsky Toronto, ON, Canada	03/2019	Consultant to 55 North Mining Inc., Satori Resources Inc. (since 2019), Executive Vice President of Bunker Hill Mining Corp. (2017-2018), Consultant to various mining companies, funds, and private investors (2013-2016)	Nil
K. Sethu Raman Toronto, ON, Canada ⁽¹⁾	08/2012	Independent mining consultant to corporations, equity funds and private investors	300,000
Bruce Reid Toronto, ON, Canada ⁽¹⁾	01/2018 Also 8/2015 to 5/2016	Chairman of Idaho Champion Gold Mines Canada Inc (since 2018), President, CEO and Chairman of Bunker Hill Mining Corp. (2017-2018); President and CEO/Chairman of Carlisle Goldfields Limited (2009-2016); President and CEO of Satori Resources Inc. (2015-2016); Executive Chairman of Satori (2016 – current)	Nil
Brien Sirola Barrie, ON, Canada ⁽¹⁾	01/2018	President and Director, SAE Inc. (1990 – current); President and Director Shoreacres Explorations Ltd. (1980 – current)	850,000

(1) Member of Audit Committee

Director Profiles

Further biographical information with respect to each nominee for election as a director is set forth below:

William Ferreira

Mr. Ferreira is a current director of the Company and an exploration geologist with over 30 years experience in gold, base-metal and diamond exploration in Canada. Mr. Ferreira holds a Master of Science degree from the University of Manitoba and a bachelor of science degree from the University of Minnesota, Duluth. Mr. Ferreira's employment experience includes work for Noranda Exploration Canada, Esso Minerals Canada, Getty Mines, Falconbridge Ltd., Granges Exploration, Canmine Resources Corp. and San Gold Corp. Mr. Ferreira is past president of the Manitoba Prospectors and Developers Association. Mr. Ferreira is currently a member of the Association of Professional Engineers and Geoscientists of the Province of Manitoba, and is a director of another publicly listed company. William served on the audit committee of 55 North Mining Inc.

Dan Hrushewsky

Mr. Hrushewsky is a Mechanical Engineer (University of Toronto), MBA, and is a Chartered Financial Analyst (CFA). He has more than 30 years of experience in the mining industry, including M&A/corporate development with several multinational gold and base metal producers. His experience in mining finance includes mining project finance for a Canadian bank; and mining equity finance for a precious metals fund, a private equity fund, and two investment dealers.

K. Sethu Raman

Dr. K. Sethu Raman is a serial mine finder and a successful entrepreneur with more than 46 years of international experience in all phases of exploration, mine development, acquisitions and operations as well as experience in financial and legal areas. He has pioneered many new exploration concepts and strategies which have led to the discovery of eleven significant gold, silver, copper, zinc, phosphate and uranium deposits located near established mining camps, seven of which went on to become producing gold mines in Canada. As President and CEO of Holmer Gold Mines Ltd (1985-2004) and Director and Advisor to Lake Shore Gold Corp (2004-2016), Dr. Raman has been the driving force behind the discovery and development of the Timmins West Gold Mine Trend in a previously unknown faulted extension of the Timmins Mining Camp. This Trend hosts several gold deposits and profitable mines operated by Lake Shore Gold with an annual production of 180,000 ounces of gold in 2015. On April 1, 2016 Lake Shore accepted a friendly \$945M takeover offer by Tahoe Resources Inc.

Dr. Raman previously spent 13 years with Campbell Chibougamau Mines/Campbell Resources, Royex Gold Mining and International Corona Resources Group of companies controlled by Ned Goodman. He joined as a Research Geologist and held various management positions including Vice President from 1980 to 1986. Here he played a key role in the discovery and development of six gold mines in Quebec, Ontario and the Canadian Arctic. Subsequently these companies were sold to Home Stake Mining (now Barrick Gold) and Patino Mining Corp. He holds a Ph.D. in Geology from Carleton University and a UNESCO Post-Graduate Diploma from the University of Vienna, Austria.

Bruce Reid

Mr. Reid is the President and Chief Executive Officer of 55 North Mining Inc., as well as a Director. Mr. Reid was previously the Chairman, President and Chief Executive Officer of Carlisle Goldfields from January 2010 until January 2016 when the Company was purchased by Alamos Gold Inc. Mr. Reid is also currently a Director of Satori Mining Inc. and several other public mining companies. Mr. Reid was also the Founder, President and Chief Executive Officer of U.S. Silver Corp. from June 2005 to November 2008. Previous to this Mr. Reid was intimately involved in the start-up and successful build and sale of numerous Mining Companies such as Western Goldfields, Patricia Mining and High Plains Uranium. Mr. Reid also has extensive experience in Corporate Finance and Mining Investment Research with a twenty year career in the investment Business with such firms as Nesbitt Thomson, Loewen Ondaatje McCutcheon and Yorkton Securities. Mr. Reid combines all this with direct practice as an Exploration Geologist working on numerous projects in the Canadian North during the 1970s and early 1980s. His background of more than 35 years of direct and indirect experience in the mining and mineral exploration industry follows graduation with a B.Sc. in Geology from the University of Toronto in 1979 and a finance degree from the University of Windsor in 1982.

Brien Sirola

Brien Sirola, P. Eng. is the President and a board member of SAE Inc. an Ontario based engineering and manufacturing corporation specializing in the design and material supply of custom electrical grounding and corrosion control systems for use in industrial, mining and pipeline applications. The corporation functions worldwide and has been active since 1990. In addition, Mr. Sirola is President and a board member of Shoreacres Explorations Ltd. a private Ontario based mineral exploration corporation, which was founded in 1980. Mr. Sirola holds an engineering degree from Michigan Technological University 1970 and P. Eng. status in Ontario and Alberta.

Additional Information Regarding the Directors

Each of the Directors has consented to being named as a nominee in this Circular. It is not contemplated that any of the nominees will be unable to stand for election to the Board of Directors of the Company or to serve as a director, if elected. If for any reason, any of the nominees do not stand for election or are unable to serve as such, proxies in favour of the nominees will be voted for another nominee in the discretion of the persons named in the enclosed form of proxy or VIF unless the Shareholder has specified in his proxy that his Common Shares are to be withheld from voting in the election of the directors.

Other Boards of Reporting Issuers

The following directors of the Company presently serve as directors of other reporting issuers as follows:

Director	Reporting Issuer
William Ferreira	Arctic Star Exploration Corp.
Dan Hrushewsky	XAU Resources Inc.
K. Sethu Raman	CBD Med Research Corp., Northern Graphite Corporation
Bruce Reid	Idaho Champion Gold Mines Canada Inc., Canuc Resources Corp., KWG Resources Inc.
Brien Sirola	N/A

Cease Trade Orders and Bankruptcies

Other than as disclosed below, to the knowledge of the Company, no director is, as at the date of this Proxy Circular, or has been, within 10 years before the date of this Circular:

- a) a director, chief executive officer or chief financial officer of any corporation that:
 - i) was subject to an order that was issued while a director was acting in the capacity as director, chief executive officer or chief financial officer; or
 - ii) was subject to an order that was issued after a director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- b) a director or executive officer of any corporation that, while such person was acting in that capacity, or within a year of such person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- c) someone who became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such shareholder nominee.

For the purposes of section (a) above, the term “order” means a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days, except as otherwise noted below:

William Ferreira

Mr. Ferreira is a director the Company. The Company did not file its annual financial statements and annual MD&A for the fourth quarter ended December 31, 2015 on time. On May 9, 2016 the Manitoba Securities Commission (“MSC”) issued a Cease Trade Order for failing to file the documents within the required time period. Upon revocation

of the Cease Trade Order, the Company's shares will remain suspended until the Company meets TSX Venture Exchange requirements. Members are prohibited from trading in the securities of the companies during the period of the suspension or until further notice.

K. Sethu Raman

Mr. Raman is a director the Company. The Company did not file its annual financial statements and annual MD&A for the fourth quarter ended December 31, 2015 on time. On May 9, 2016 the Manitoba Securities Commission ("MSC") issued a Cease Trade Order for failing to file the documents within the required time period. Upon revocation of the Cease Trade Order, the Company's shares will remain suspended until the Company meets TSX Venture Exchange requirements. Members are prohibited from trading in the securities of the companies during the period of the suspension or until further notice.

Mr. Raman was a director of Zara Resources Inc. ("**Zara**"), a company listed on the CSE, between June 24 2013, and May 27, 2016. On September 13, 2013, issuer take-over bids initiated by Zara was subject to a cease trade order ("**CTO**") issued by the Bureau de Decision et de Revision (Quebec). The cease trade order was issued pending correction and translation of all offer documents into French and review by staff of the Autorité des marchés financiers ("**AMF**"). On May 14, 2014, Zara issued a press release stating that it had terminated its take-over bids, but the CTO was not lifted.

Mr. Raman was a director of Red Crescent Resources Limited (formerly Nico Mining Limited) ("**Red Crescent**") between August 21, 2009 and March 31, 2014. On April 8, 2014, Red Crescent was subject to a temporary CTO issued by the BCSC and reciprocated by the ASC and the OSC. The CTO was issued in connection with failure to file its (i) audited annual financial statements for the year ended December 31, 2013; (ii) management's discussion and analysis relating to the audited annual financial statements for the year ended December 31, 2013; (iii) annual information form for the year ended December 31, 2013; and (iv) certification of the foregoing filings as required by National Instrument 52-109 – *Certification of Disclosure in Issuers' Annual and Interim Filings*. On April 21, 2014 the CTO became permanent.

Mr. Raman was a director of Visa Gold Explorations Inc., an issuer that was subject to a temporary cease trade order from the Ontario Securities Commission in May 2003, for the failure to file financial statements for the year ended December 31, 2002. On June 20, 2003, Mr. Raman resigned as a director of Visa Gold. Similar cease trade orders were issued by the British Columbia and Alberta Securities Commissions subsequent to Mr. Raman's resignation.

Bruce Reid

Mr. Reid is a director the Company. The Company did not file its annual financial statements and annual MD&A for the fourth quarter ended December 31, 2015 on time. On May 9, 2016 the Manitoba Securities Commission ("MSC") issued a Cease Trade Order for failing to file the documents within the required time period. Upon revocation of the Cease Trade Order, the Company's shares will remain suspended until the Company meets TSX Venture Exchange requirements. Members are prohibited from trading in the securities of the companies during the period of the suspension or until further notice.

Penalties and Sanctions

To the knowledge of the Company, as of the date of this Circular, no proposed director has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE ELECTION OF THE ABOVE-NAMED NOMINEES, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT THE SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF. Management does not contemplate that any of the nominees will be unable to serve as a director of the Company for the ensuing year, however, **IF A NOMINEE IS FOR ANY REASON UNAVAILABLE TO SERVE AS A DIRECTOR OF**

THE COMPANY FOR ANY REASON AT OR PRIOR TO THE MEETING OR ANY ADJOURNMENT THEREOF, PROXIES IN FAVOUR OF MANAGEMENT WILL BE VOTED IN FAVOUR OF THE REMAINING NOMINEES AND MAY BE VOTED FOR THE ELECTION OF ANY PERSON OR PERSONS IN PLACE OF ANY NOMINEES UNABLE TO SERVE AT THE DISCRETION OF THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.

Appointment of Auditors

Shareholders are being asked to re-appoint Scarrow & Donald LLP to act as auditors of the Company until the next annual meeting of Shareholders and to authorize the Board to fix their remuneration. **PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPOINTMENT OF SCARROW & DONALD LLP, AS AUDITORS OF THE COMPANY TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF SHAREHOLDERS AND THE AUTHORIZATION OF THE DIRECTORS TO FIX THE AUDITORS' REMUNERATION UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF THE APPOINTMENT OF SCARROW & DONALD LLP.** Scarrow & Donald LLP were first appointed as auditors for the Company in 2010.

SPECIAL BUSINESS

Approval of Sale of Interest in Tully Property

General Terms of the Transaction and the Asset Purchase Agreement

The Company has entered into an asset purchase agreement dated August 3, 2018 (the “**Agreement**”) between the Company and Havilah Mining Canada Ltd. (“**Havilah**”, a subsidiary of Havilah Mining Corporation), whereby the Company has agreed to sell to Havilah the remaining 50% interest in the Tully mining claims and mining lease located in Timmins, Ontario (the “**Tully Property**”) (the “**Transaction**”).

Since the Transaction is a related-party transaction under the rules of the TSXV and *Multilateral Instrument 61-101 – Protection of Minority Security holders in Special Transactions* (“**MI 61-101**”) by virtue of Havilah’s approximate 27% ownership interest in the Company, the Transaction Resolution will need to be approved by at least a majority of the votes cast by Shareholders in person or by proxy after excluding votes cast by persons whose votes may not be included in determining minority approval, which means a majority of disinterested shareholders.

Further, because the Transaction engages MI 61-101 due to the fact that it constitutes a “related party transaction”, the Transaction Resolution also requires approval of a simple majority of the votes cast at the Meeting in person or by proxy of the disinterested Shareholders, which Shareholders are all Shareholders other than Havilah, who is considered a “related party” under MI 61-101. For more information on MI 61-101 considerations, see “The Transaction – Related Party Considerations” below.

The Transaction, if approved by the Shareholders and if all other conditions to closing and actions to be taken at closing set forth in the Agreement are met, completed or where applicable, waived, is expected to close on such date as may be agreed upon between the Company and Havilah. Closing is conditional on the Transaction being approved by the Shareholders and receipt of TSXV approval.

Accordingly, Shareholders will be asked at the Meeting to consider and, if thought fit, authorize the Transaction Resolution substantially in the form below to approve the Transaction.

BE IT RESOLVED THAT:

1. The execution and delivery of the Agreement between the Company and Havilah as same may be amended is hereby authorized, ratified, confirmed and approved;
2. The sale of the Tully Property by the Company to Havilah pursuant to the Agreement and the related transactions described therein are hereby authorized, ratified, confirmed and approved;

3. Any director or officer of the Company be and is hereby authorized to sign on behalf of the Company, under corporate seal or otherwise, and deliver, on behalf of the Company and as a corporate act of the Company, the Agreement with such additions, deletions and amendments thereto as such director or officer may deem necessary or advisable, execution as aforesaid to be conclusive evidence of this and such director's or officer's approval;
4. Any one officer or director be and is hereby authorized for, on and in the name of the Company and as a corporate act of the Company to execute and deliver, under corporate seal or otherwise, all such other agreements, instruments, certificates, documents, directions, acknowledgements and receipts contemplated in the Agreement, and to perform and to do all such other acts and things as such director or officer in his discretion may consider to be necessary or advisable for the purposes of giving effect to these resolutions and to the Agreement;
5. Any act or thing done or performed prior to the date of these resolutions by any officer or director of the Company to give effect or to implement any of the foregoing resolutions is hereby ratified, approved and confirmed; and
6. Notwithstanding that this special resolution has been duly passed by the Shareholders, the Board be and is hereby authorized and empowered to defer acting on this special resolution to revoke this special resolution at any time before it is acted upon without further notice to or approval, ratification or confirmation by the shareholders, if it determines that the Sale is no longer in the best interests of the Company.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE SALE OF INTEREST IN THE TULLY PROPERTY, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.

Approval of Non-Brokered Private Placement

At the Meeting, the Shareholders will be asked to approve a non-brokered private placement financing (the "**Private Placement**") for gross proceeds up to \$1,500,000. The Company intends to issue units and flow through units at a price of \$0.05 per unit and \$0.06 flow-through per unit. Each unit to include one common share purchase warrant exercisable for 3 years at \$0.08 per share.

The Company requires the Private Placement to fund the Company's exploration efforts at the Edelston property located approximately 60 km to the south of Timmins, Ontario., to repay an advance payable in the amount of \$332,912 (for settlement of various liabilities), and for general working capital and general corporate purposes. In order to complete this financing and related matters the Company requires approval by a simple majority (50% plus one) of all shareholders votes cast for approval of the Private Placement.

At the Meeting, shareholders will be asked to consider, and if thought appropriate, to pass with or without variation, the following resolution approving the proposed private placement financing:

- (1) the offering by the Company of a combination of units and flow through units as described in the Circular of the Company dated April 15, 2019 or at such higher prices as the Company may determine so as to raise up to \$1,500,000 be and is hereby approved;
- (2) any director and/or officer of the Company be and such director and/or officer of the Company is hereby, authorized and empowered, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered any and all such documents and instruments and to do or to cause to be done all such other acts and things as, in the opinion of such director and/or officer, may be necessary or desirable in order to fulfil the intent of the foregoing paragraphs of this resolution; and
- (3) notwithstanding that this resolution has been duly passed by the shareholders of the Company (the "**Shareholders**"), the directors of the Company be, and they are hereby, authorized and empowered, without further approval of the Shareholders, to revoke this resolution at any time.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE PRIVATE PLACEMENT, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS

OR HER SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION. In the event shareholder approval is not given, the Company will reduce the size of a potential non-brokered private placement financing that will not require shareholder approval. In order to approve the non-brokered private placement, at least a majority of the votes cast at the meeting by holders of Common Shares must be voted in favour of the resolution.

Approval of Delisting from TSX Venture Exchange and listing on CSE

The Board have determined it is in the best interests of the Company to delist the shares from the TSXV to enable the Company to re-list on the Canadian Securities Exchange in order to reduce the ongoing costs of a TSXV listing.

Shareholders' Approval

The policies of the TSXV require that to be effective, the resolution approving the transaction must be approved by at least a majority of the votes cast by Shareholders in person or by proxy after excluding votes cast by persons whose votes may not be included in determining minority approval, which means a majority of disinterested shareholders. Votes cast by Shareholders who are also promoters, directors, officers or other insiders of the issuer and their associates and affiliates will not be counted on this resolution. The Company requests the shareholders to consider and if thought advisable, to approve the following ordinary resolution:

BE IT RESOLVED THAT:

1. the Board of Directors of the Company is hereby authorized to conduct an evaluation of the business opportunities which may be available to it in the event that a listing of the common shares of the Company on the CSE is undertaken;
2. if the Board of Directors determines that the delisting of the common shares of the Company from the TSX-Venture Exchange and concurrent relisting of the shares on the CSE is advisable and should be completed, the Board of Directors is hereby authorized to proceed with such delisting and relisting activity;
3. notwithstanding that this resolution has been passed by the Shareholders, the directors of the Company are hereby authorized and empowered without further notice to or approval of the Shareholders to not proceed with the said delisting or, at their option, as they may see fit; and
4. any one (or more) director(s) or officer(s) of the Company be and is hereby authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this resolution.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE DELISTING FROM THE TSX VENTURE EXCHANGE, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION. In the event shareholder approval is not given, the Company will remain on the TSXV. In order to approve the delisting from the TSXV, at least a majority of the votes cast by the holders of equity shares who vote at the meeting, other than promoters, directors, officers or other insiders of the issuer and their associates and affiliates, must be voted in favour of the resolution.

Re-approval of Stock Option Plan

At the Meeting, the Shareholders will be asked to re-approve the Stock Option Plan. The following is a summary of the material terms of the Stock Option Plan. A copy of the Stock Option Plan is attached hereto as Schedule "B".

The Stock Option Plan is administered by the Board and all option issuances are approved by the Board. The purpose of the Stock Option Plan is to advance the interests of the Company by encouraging participants in the Stock Option Plan ("Participants") to acquire Common Shares thereby increasing their proprietary interest in the Company,

encouraging them to remain associated with the Company and providing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

Pursuant to the Stock Option Plan, the Company may grant options to purchase Common Shares to a Director or a director of a subsidiary of the Company, a senior officer of the Company or a subsidiary of the Company, an employee of the Company or a subsidiary of the Company, management company employees of the Company or a subsidiary of the Company and consultants retained by the Company, including investor relations consultants. The Directors will set the exercise price at the time that an option is granted under the Stock Option Plan. The options will have a maximum term of five years from the date of grant. 10% of the issued and outstanding Common Shares may be reserved for issuance pursuant to the Stock Option Plan.

The Stock Option Plan provides that the number of Common Shares reserved for issuance pursuant to the Stock Option Plan in respect of all options granted to any one Participant, other than a consultant or a person employed in investor relations, together with any other previously established or proposed security compensation arrangement of the Company, at any one time shall not exceed 5% of the issued and outstanding Common Shares in the capital of the Company from time to time. The number of Common Shares reserved for issuance pursuant to the Stock Option Plan in respect of all options granted to any one Participant that is a consultant or a person involved in investor relations at any one time shall not exceed 2% of the issued and outstanding Common Shares in the capital of the Company from time to time. The Stock Option Plan also provides that the number of Common Shares reserved for issuance pursuant to the Stock Option Plan together with any other previously established or proposed security compensation arrangement of the Company, at any one time shall not exceed 10% of the issued and outstanding Common Shares in the capital of the Company from time to time.

The exercise price of the Common Shares subject to each option shall be determined by the Board at the time that the option is granted. In no event shall such exercise price be lower than the last daily closing price of the Common Shares on the day before the grant of the options. Once the exercise price has been determined by the Board, the exercise price of an option may be reduced upon receipt of the approval of the Board, provided that in the case of options held by insiders of the Company, the exercise price of an option may be reduced only if disinterested Shareholder approval is obtained.

The number of Common Shares issuable to insiders of the Company, at any time, under the Stock Option Plan and all other security-based compensation arrangements of the Company, cannot exceed 10% of the issued and outstanding Common Shares (calculated on a non-diluted basis). The number of Common Shares issued to insiders of the Company within any one year period, under the Stock Option Plan and all other security-based compensation arrangements of the Company, cannot exceed 10% of the issued and outstanding Common Shares (calculated on a non-diluted basis).

If a Participant shall cease to be a Director, a director of a subsidiary of the Company, a senior officer of the Company or a subsidiary of the Company, an employee of the Company or a subsidiary of the Company, a management company employee of the Company or a subsidiary of the Company or a consultant for any reason (other than death), such Participant may then only exercise his or her option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to hold such office.

In the event of the death of a Participant, the options previously granted to him or her shall be exercisable only within the first year after such death and then only: (a) by the person or persons to whom the Participant's rights under the options shall pass by the Participant's will or the laws of descent and distribution; and (b) if and to the extent that such Participant was entitled to exercise the option at the date of his or her death.

Subject to any vesting restrictions imposed by the relevant exchange upon which the Common Shares are listed or applicable securities laws, the Board may, in its sole discretion, determine the time period(s) during which options shall vest and the method of vesting, or that no vesting restriction shall exist.

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Stock Option Plan shall not be transferable or assignable. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

The Board has the power to amend, modify, suspend or terminate the Stock Option Plan, subject to any necessary regulatory and Shareholder approvals. Subject to the receipt of any necessary regulatory or Shareholder approvals, the Board may also at any time amend or revise the terms of any options granted under the Stock Option Plan from time to time. The Board has the authority to make amendments to the Stock Option Plan without requiring Shareholder approval that: (i) are regarded as “housekeeping” in nature; (ii) change the vesting provisions of an option or the Plan; or (iii) change the termination provisions of an option or the Stock Option Plan so long as such change does not extend the expiry date of any option.

Notwithstanding the foregoing, the following amendments to the Stock Option Plan may not be made without the approval of the Shareholders: (i) an increase to the maximum number of options that may be granted or reserved for granting pursuant to the Stock Option Plan; (ii) a change to the amendment provisions of the Stock Option Plan; (iii) a reduction of the exercise price of options held by insiders of the Company; (iv) an extension to the term of options held by insiders of the Company; and (v) a change to the insider participation limits of the Stock Option Plan.

If approval of the Stock Option Plan or a modified version thereof is not obtained, the Company will not proceed to grant options under the Stock Option Plan. The Stock Option Plan will be available for inspection at the Meeting. As the Stock Option Plan is intended to align the interests of management, employees and the Directors with the interests of the Shareholders and to provide added incentive to the optionees, the Directors recommend that the Shareholders re-approve the Stock Option Plan.

PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE STOCK OPTION PLAN, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION. In the event shareholder approval is not given, the stock option plan will be terminated. In order to approve the stock option plan, at least a majority of the votes cast at the meeting by holders of Common Shares must be voted in favour of the resolution.

Change of Name

Shareholders of the Company are being asked to pass a special resolution authorizing the Company to amend its articles of incorporation changing the name of the Company to such other name as the directors of the Company may determine and may be acceptable to applicable regulatory authorities.

Management is requesting that shareholders authorize the change of the Company’s name. In the event that the directors decide that the amendment of the articles of incorporation is not necessary, the Company’s name will remain the same.

In the event the articles of incorporation of the Company are amended shareholders will be informed by mail and asked to deliver to the transfer agent, the share certificates they then hold, accompanied by an appropriately completed letter of transmittal, a copy of which will be concurrently delivered to shareholders. The Company will provide shareholders with a new share certificate reflecting the name change. The new share certificates will be mailed to shareholders as soon as possible, after the filing of articles of amendment, upon shareholders delivering to the transfer agent their share certificates and letter of transmittal. Shareholders whose shares are held otherwise than in their name will have to contact their broker or other representative in whose name the shares are held in order to ensure the certificates are appropriately exchanged.

The following is the text of the name change resolution which will be put forward at this Meeting for approval by Shareholders.

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

- (1) the change of the Company’s name to such name as the directors may determine, is hereby authorized and approved;
- (2) any director and/or officer of the Company be and such director and/or officer of the Company is hereby, authorized and empowered, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered any

and all such documents and instruments and to do or to cause to be done all such other acts and things as, in the opinion of such director and/or officer, may be necessary or desirable in order to fulfil the intent of the foregoing paragraphs of this resolution; and

(3) notwithstanding that this resolution has been duly passed by the Shareholders, the directors of the Company be, and they are hereby, authorized and empowered, without further approval of the Shareholders, to revoke this resolution at any time prior to the filing of articles of amendment to change Company's name and to determine not to proceed with name change."

If the resolution does not receive the requisite shareholder approval, the Company will continue with its present name.

In order to be effected, the name change resolution below must be approved by two-thirds of the votes cast at the Meeting in person or by proxy. If the resolution does not receive the requisite shareholder approval, the Company will continue with its present name. **PROXIES RECEIVED IN FAVOUR OF MANAGEMENT WILL BE VOTED FOR THE APPROVAL OF THE ABOVE AMENDMENT TO THE ARTICLES OF INCORPORATION TO CHANGE THE NAME OF THE COMPANY AS SET OUT ABOVE, UNLESS A SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS OR HER SHARES ARE TO BE VOTED AGAINST SUCH RESOLUTION.**

THE TRANSACTION

Background

In 2015, under previous management, the Company had insufficient working capital to fund ongoing operations and had reduced exploration activities and administrative overhead to conserve capital due to weak capital market conditions. On May 9, 2016, the Company, then known as SGX Resources Inc., was issued a cease trade order by the Manitoba Securities Commission for failure to file its annual financial statements and management's discussion and analysis ("MD&A") for the year ended December 31, 2015. On May 10, 2016, the Common Shares were suspended from trading on the TSXV on for failure to maintain minimum TSXV listing requirements, and as it did not meet the requirements of a TSXV Tier 1 company, it was subsequently classified as a Tier 2 company. On December 22, 2017, the Company successfully completed its application for the revocation of its cease trade order. As of the date of this Circular, the Company remains suspended from trading on the TSXV.

During 2018, the Company closed private placement offerings for gross proceeds of \$474,000, but as weak capital market conditions persist, management of the Company has decided to reduce expenditures and conserve capital. The Company will need to raise additional working capital going forward to fund its ongoing operations. The Company did not undertake any significant exploration activities during 2018.

Current Properties

The Company has a number of gold exploration properties, all located in the province of Ontario. The Company currently owns the property consisting of a 50% interest in sixteen patent claims and 2 claims comprising of 22 units in the Tully Township area located in Tully Township, Porcupine Mining Division, District of Cochrane, Ontario (the "Tully Property").

The Company also currently directly owns a 100% interest in a property consisting of two claims in the Township of Matheson, Ontario (the "Nighthawk Property") and a property consisting of 305 cell claims and a single leased claim totalling approximately 6200 hectares located in the townships of Sothman, Semple, Nursey, and Halliday in the Timmins, Ontario area (the "Edelston Property").

Overview

On August 8, 2018, the Company announced it had entered the Agreement with Havilah pursuant to which Havilah has agreed to acquire the Company's 50% interest in the Tully Property. The Agreement was subsequently amended by the parties with an amending agreement dated October 24, 2018 (the "Amending Agreement"). Under the

Agreement, as amended and supplemented by the Amending Agreement (the “**First Amended Agreement**”), the parties intended that, on closing of the Transaction, Havilah would own a 100% interest in the Tully Property.

The Transaction is subject to several closing conditions precedent, including: (i) approval from the TSXV; (ii) consent of the Ministry of Northern Development and Mines (Ontario) to the transfer of the Company's interests in the Tully Property; and (iii) certain shareholders' and/or directors' resolutions of the Company in connection with the Transaction. The full list of conditions precedent to which the Transaction is subject can be found below at “Summary of First Amended Agreement - Conditions for Closing”. The Company expects the Transaction to close immediately following the approval of the Shareholders of the Company in the form acceptable to the TSXV.

Summary of First Amended Agreement

Below is a summary of the material terms and conditions of the proposed Transaction.

Purchase Price

In consideration of the transfer of the Tully Property, free and clear of all encumbrances, by the Company to Havilah, Havilah has agreed to pay a purchase price satisfied by:

- a) the cancellation and deemed repayment of the \$870,552 exploration debt due to Havilah;
- b) the cancellation and deemed repayment of the \$100,000 promissory note due to Havilah along with accrued interest due thereon (\$24,463 at December 31, 2018); and
- c) a cash payment by Havilah of the Company to Gary McDonald, former Chief Financial Officer of the Company, in the amount of \$200,000 as full and final settlement of his claim against the Company.

The First Amended Agreement also contemplates the Private Placement, an offering of 3,333,333 common shares of the Company to Havilah at a price of \$0.06 per share for gross proceeds of up to \$200,000. This would form part of a larger private placement in which the Company would issue units and flow through units at \$0.05 and \$0.06 per unit respectively. Each unit is to include a warrant exercisable to acquire one common share of the Company for a period of 3 years at an exercise price of \$0.08 per share. The Private Placement is not a Condition Precedent (as herein defined) or a covenant of the Transaction.

Conditions to Closing

Closing of the Transaction is subject to the following conditions precedent to the obligations of the Company (collectively, the “**Conditions Precedent**”):

- a) approval from the TSXV for the full Transaction as contemplated in the First Amended Agreement and Second Amended Agreement, in the form and substance satisfactory to Havilah;
- b) receipt of approval of the Shareholders of the Company;
- c) the Company shall have obtained the consent of the Ministry of Northern Development and Mines (Ontario); and
- d) the exemption from the requirement to obtain a formal valuation pursuant to MI 61-101.

As of the date of hereof, all conditions have been satisfied or waived other than the receipt of approval of the Shareholders of the Company.

Representations and Warranties

The First Amended Agreement contains various representations and warranties of Havilah to the Company and of the Company to Havilah customary for a transaction of this nature. These representations and warranties relate to, among other things: incorporation and good standing, required consents, required authorizations, authorized and issued capital of the Company, title to assets, no liabilities, taxes, and execution and binding obligation.

Covenants

The First Amended Agreement contains various covenants of Havilah to the Transaction and of the Company to the Transaction customary for a transaction of this nature. These covenants relate to, among other things: (i) commercially reasonable efforts to satisfy all conditions precedent; (ii) obtain and maintain all third party or other consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are necessary or advisable in connection with the Transaction; (iii) not take any action, or refrain from taking any commercially reasonable action, or permitting any action to be taken or not taken, which is inconsistent with this First Amended Agreement; (iv) notification of any material adverse change; and (v) notification of communication from any person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such person is or may be required in connection with the Transaction.

TSXV Approval

The Company has received conditional approval from the TSXV for the Transaction. Conditions include disinterested Shareholder approval and certain other customary conditions. The TSXV views the Transaction as a disposition of more than 50% of the assets held by the Company, and the policies of the TSXV require the Company to present sufficient and satisfactory evidence of value in respect of the consideration for the Transaction. The Company has been unable to establish this value in a form acceptable to the TSXV and is seeking disinterested shareholder approval to meet the requirements of the TSXV Corporate Finance Manual.

Related Party Considerations

The Transaction constitutes a related party transaction under MI 61-101, which the Company is required to comply with pursuant to Policy 5.9 of the TSXV Corporate Finance Manual. Pursuant to MI 61-101, certain types of related party transactions to ensure equality of treatment among securityholders and may require enhanced disclosure, approval by a majority of security holders (excluding “interested parties” under applicable law), independent valuations and, in certain instances, approval and oversight of certain transactions by a special committee of independent directors.

Havilah currently owns approximately 14,349,085 shares of the Company representing 27% of the issued and outstanding shares of the Company. As such, Havilah is a “related party” of the Company under MI 61-101. The Transaction is therefore a “related party transaction” within the meaning of MI 61-101 due to the disposition of an asset to a related party and the subscription for securities by a related party pursuant to the Private Placement. The Company is seeking approval from the disinterested Shareholders, such Shareholders must exclude the votes attached to affected securities that, to the knowledge of the Company or any interested party or their respective directors or senior officers, after reasonable inquiry, are beneficially owned or over which control or direction is exercised by: (i) the Company (ii) an interested party; (iii) a related party of an interested party unless the related party meets that description solely in its capacity as a director or senior officer of one or more persons that are neither interested parties nor insiders of the issuer; or (iv) a joint actor with a person referred to in paragraph (ii) or (iii) in respect of the transaction.

Formal Valuation Exemption

The Company is not required to obtain a formal valuation for the Sale due to the fact that no securities of the Company are listed or quoted on the Toronto Stock Exchange, Aequitas NEO Exchange Inc., the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market, or a stock exchange outside of Canada and the United States other than the Alternative Investment Market of the London Stock Exchange or the PLUS markets operated by PLUS Markets Group plc.

Prior Valuations

As at the date hereof, no prior valuations relating to the Transaction have been made in the 24 months preceding the date of this Circular, the existence of which are known after reasonable inquiry to the Company or to any director or senior officer of the Company.

Use of Proceeds

If the Transaction is approved, the Company plans to use the proceeds to fund the Company's exploration efforts at the Edelston property, located approximately 60 km to the south of Timmins, Ontario; to repay various liabilities in the amount of \$332,912; and for general working capital and general corporate purposes.

The Company also intends to use the Transaction proceeds to reinstate the Company's corporate standing and complete all necessary steps to have the Company's equity securities validly listed on the CSE. The Company will use any remaining Transaction proceeds to seek further business and development opportunities.

Recommendation of the Board

The Board has unanimously approved the Transaction and the resulting disposition of the 50% interest in the Tully Property. The Board believes that the Transaction is in the best interests of the Company, have approved the Transaction, and, based on the factors set out below, the Transaction is fair to the Shareholders. Accordingly, the Board unanimously recommends that Shareholders allow for the completion of the Transaction.

The conclusions and recommendations of the Board are based upon the following non-exhaustive factors, amongst others:

1. **Shareholder Value:** The Board concluded that the value offered to Shareholders under the Amended Agreement is the most favourable option to maximize shareholder value, particularly given the Company's current and ongoing financial difficulties. The Board has come to this conclusion due to the Company's financial position and in light of the fact that if the Transaction does not complete, there is a strong possibility that Company's securities will be unable to resume trading on a recognized exchange.
2. **Proceeds from Transaction:** The Board considers that the proceeds from the Transaction coupled with the proceeds from the Private Placement would best position the Company for pursuing other strategic acquisitions, joint ventures or other transactions by allowing the Company to settle its debts and increase working capital.

Risk Factors

There are various risk factors and additional factors for consideration in connection with the Transaction. These risk factors should be considered in conjunction with the other information included in this Circular, and should not be regarded as exhaustive:

1. There is no assurance that the Transaction will close even if it is approved by the Shareholders. The Transaction is subject to normal commercial risk that the Transaction may not be completed on the terms negotiated or at all. In particular, the satisfaction of certain of the conditions precedent is contingent on the actions of third parties and the timing thereof.
2. The Company intends to use any proceeds from the Transaction to pursue exploration opportunities. There is no assurance that the Company will be successful in finding a new opportunity or that if a new opportunity is found that the Company will be successful in pursuing such opportunity. It is possible that the risks and uncertainties described in this Circular will arise and become material to such an extent that some or all of the anticipated benefits of the Transaction never materialize or are nullified.

3. Even if the Company is successful in completing the Transaction and bringing the Company back to trading on the CSE, a market for the Company's shares may not develop or, if a market does develop, the market price at which Shareholder may be able to sell their shares may not reflect the net asset value of the Company.
4. There may be unanticipated delays in completing the Transaction.
5. As of the date hereof, Havilah holds, directly or indirectly, over 27% of the Common Shares. Following completion of the Transaction and the Private Placement, Havilah may hold up to 31% of the Common Shares. For so long as Havilah holds more than 10% of the Common Shares, Havilah will be considered an insider and related party of the Company. Havilah, therefore, has the ability to exercise influence with respect to the affairs of the Company and significantly affect the outcome of Shareholder votes. Havilah's continuing business may lead to conflicts of interest between Havilah and the Company. The Company may not be able to resolve any such conflicts, and, even if it does, the resolution may be less favourable to the Company than if it were dealing with a party that was not a significant Shareholder.

Shareholders' Right to Dissent

Shareholders may dissent (the "**Dissent Right**") in respect of the Transaction Resolution under Section 190 of the *Canada Business Corporations Act* ("**CBCA**"). If the Transaction is completed, dissenting Shareholders ("**Dissenting Shareholders**") who comply with the procedures set forth in the CBCA will be entitled to be paid the fair value of their Common Shares. This Dissent Right is summarized in Schedule "C" hereto. Only registered shareholders are entitled to exercise their Dissent Right. Non-Registered Shareholders who wish to dissent should contact their intermediary for assistance with exercising their Dissent Right. Failure to comply strictly with the requirements set forth in Section 190 of the CBCA, a copy of which is attached hereto as Schedule "D", may result in the loss or unavailability of the Dissent Right.

AUDIT COMMITTEE

NI 52-110 requires that certain information regarding the audit committee of a "venture issuer" (as that term is defined in NI 52-110) be included in this Circular sent to shareholders in connection with this annual Meeting.

Audit Committee Charter

The full text of the Company's Audit Committee charter is attached hereto as Schedule "A" to this Circular.

Composition of the Audit Committee

The members of the Audit Committee are Brien Sirola, Bruce Reid and K. Sethu Raman, all of whom are considered financially literate pursuant to NI 52-110 – *Audit Committees* ("NI 52-110"). Mr. Reid has not been determined by the Board of Directors to be "independent" as such term is defined by NI 52-110. See Business of the Meeting- Election of Directors for a summary biography of each member of the Audit Committee.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation by the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

Subject to the requirements of NI 52-110, the engagement of non-audit services is considered by the Audit Committee and, where applicable, the Company's Board, on a case-by-case basis.

Auditor Service Fees

The following table provides detail in respect of audit, audit related, tax and other fees billed to the Company by the external auditors for professional services provided to the Company and its subsidiaries:

	2018	2017
<u>Audit fees</u>	13,500	28,000
<u>Audit-related fees</u>	Nil	Nil
<u>Tax fees</u>	1,500	2,000
<u>Other fees</u>	Nil	Nil
<u>Total</u>	15,000	30,000

Audit Fees: Audit fees were paid for professional services rendered by the auditors for the audit of the Company's annual financial statements as well as services provided in connection with statutory and regulatory filings.

Audit-Related Fees: Audit-related fees were paid for professional services rendered by the auditors and were comprised primarily of the reading of quarterly financial statements.

Tax Fees: Tax fees were paid for tax compliance, tax advice and tax planning professional services. These services included preparing and/or reviewing tax returns.

All Other Fees: Fees such as those payable for professional services which include bookkeeping, accounting advice, primarily relating to preparation of IFRS compliant financial statements, and preparation of management's discussion and analysis, and due diligence.

Exemption

The Company is relying on the exemption from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) as set out in section 6.1 of NI 52-110.

CORPORATE GOVERNANCE

The Company's disclosure of corporate governance practices pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") is set out below in the form required by Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)*.

Board of Directors

The Board of Directors is responsible for the stewardship of the Company and for the supervision of management to protect shareholder interests. The Board oversees the development of the Company's strategic plan and the ability of management to continue to deliver on the corporate objectives.

The board of directors is presently comprised of four (4) members: William Ferreira, K. Sethu Raman, Bruce Reid and Brien Sirola. All of the directors of the Company except Bruce Reid are considered to be independent directors of the Company. Bruce Reid is the Chief Executive Officer of the Company, therefore, Mr. Reid is not considered to be independent. NI 58-101 suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the board of directors, reasonably interfere with the exercise of a director's independent judgment. As disclosed above, the Board is comprised of a majority of independent directors. The independent judgment of the Board in carrying out its responsibilities is the responsibility of all directors. The Board facilitates independent supervision of management through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the Board has free access to the Company's external auditors, external legal counsel and to any of the Company's officers.

Directorships

The directors of the Company, other than Brien Sirola are also directors of other reporting issuers, see Business of Meeting- Election of Directors-Other Boards of Reporting Issuers above.

Orientation and Continuing Education

The Company is considering creating a Board Policy Manual in order to provide a comprehensive introduction to the Board and its committees. At present, each new director is given an outline of the nature of the Company's business, its strategy and present issues with the Company. New directors would also be expected to meet with management of the Company to discuss and better understand the Company's business and would be advised by the Company's legal counsel of their legal obligations as directors of the Company. The Board Policy Manual, if prepared, would be expected to be reviewed on an annual basis and an updated copy would be given to each member of the Board. The orientation and continuing education process would be reviewed on an annual basis by the Board and would be revised as necessary.

Ethical Business Conduct

The entire Board is responsible for developing the Company's approach to governance issues. The Board has reviewed this Corporate Governance disclosure and concurs that it accurately reflects the Company's activities.

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual director's participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

In addition, each nominee for director of the Company must disclose to the Company all interests and relationships of which the director is aware of at the time of consideration which will or may give rise to a conflict of interest. If such an interest or relationship should arise while the individual is a director, the individual shall make immediate disclosure of all relevant facts to the Company.

The Board is in the process of developing a written Code of Business Conduct and Ethics (the "Code") that applies to all directors, officers, employees and consultants of the Company.

Nomination of Directors

The entire Board is responsible for proposing new nominees to the Board. They select individuals with the desired background and qualifications, taking into account the needs of the Board at the time. A majority of directors must agree to any new nominees to encourage an objective nomination process.

Other Board Committees

The Company has no committees other than the Audit Committee and Compensation Committee.

Assessments

The Board does not feel it is necessary to establish a committee to assess the effectiveness of individual Board members. Each Board member has considerable experience in the guidance and management of public companies and this is sufficient to meet the current needs of the Company.

OTHER BUSINESS

As at the date hereof, management of the Company knows of no amendments, variations or other matters to be presented for action at the Meeting. If, however, any amendments, variations or other matters properly come before the Meeting or any postponement(s) or adjournment(s) thereof, or if any other matters, which are not now known to management of the Company should properly come before the Meeting or any postponement(s) or adjournment(s) thereof, the form of proxy or VIF confers discretionary authority on the person voting the proxy to vote on such amendments or variations or such other matters in the discretion of such person, whether or not the amendments, variations or other matters that come before the Meeting are or are not routine, and whether or not the amendments, variations or other matters that come before the Meeting are contested, the Company reserves the right to amend or supplement this Proxy Circular, form of proxy and VIF, as the case may be, as it sees fit in order to solicit proxies for any business to be transacted at the Meeting which is in addition to or a variation of the resolutions set out in the

Circular.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders of the Company may contact the Company at 55 North Mining Inc., 401 Bay Street, Suite 2702, Toronto, Ontario, M5H 4Y2 to request copies of the Company's financial statements and management's discussion and analysis. Financial information regarding the Company is provided in the Company's financial statements and management discussion and analysis for the most recently completed financial year.

APPROVAL

The contents of this Circular and the sending thereof to each director of the Company, the auditor of the Company and to the Shareholders of the Company have been approved by the Board.

DATED at Toronto, Ontario this 15th day of April, 2019.

"Bruce Reid"

Bruce Reid
Chief Executive Officer

**SCHEDULE “A”
55 NORTH MINING INC.
AUDIT COMMITTEE CHARTER**

The Audit Committee (the “Committee”) of the board of directors (the “Board”) of 55 North Mining Inc. (the “Company”) will carry out the procedures, responsibilities and duties set out below, to ensure that the Company maintains financial controls in strict adherence with applicable regulatory standards.

Role and Objective

The Committee is a committee of the Board to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for Board approval, the audited financial statements and other mandatory disclosure releases containing financial information. The objectives of the Committee are as follows:

1. To assist directors in meeting their responsibilities (especially for accountability) in respect of the preparation and disclosure of the financial statements of the Company and related matters;
2. To provide better communication between directors and external auditors appointed by the Company;
3. To enhance the external auditors' independence; and
4. To increase the credibility and objectivity of financial reports.

Membership of Committee

1. The Committee shall be comprised of at least three (3) directors of the Company.
2. The Board shall have the power to appoint the Committee Chairman.
3. All of the members of the Committee shall be "financially literate". The Board of the Company has adopted the definition for "financial literacy" used in National Instrument 52-110 – Audit Committees.

Meetings

1. At all meetings of the Committee every question shall be decided by a majority of the votes cast. In case of an equality of votes, the Chairman of the meeting shall not be entitled to a second or casting vote.
2. A quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing the Board.
3. Meetings of the Committee should be scheduled to take place at least four times per year. Minutes of all meetings of the Committee shall be taken.
4. The Committee shall forthwith report the results of meetings and reviews undertaken and any associated recommendations to the Board.
5. The Committee shall meet with the external auditors at least once per year (in connection with the preparation of the year end financial statements) and at such other times as the external auditors and the Committee consider appropriate.

Mandate and Responsibilities of Committee

1. It is the responsibility of the Committee to oversee the work of the external auditors, including resolution of disagreements between management and the external auditors regarding financial reporting and

the external auditors shall report directly to the Committee and shall at any time have direct access to the Committee.

2. It is the responsibility of the Committee to satisfy itself on behalf of the Board with respect to the Company's internal control system to:
 - a. identify, monitor and mitigate business risks; and
 - b. ensure compliance with legal, ethical and regulatory requirements.
3. It is a responsibility of the Committee to review the annual financial statements of the Company prior to their submission to the Board for approval. The process should include but not be limited to:
 - a. reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;
 - b. reviewing significant accruals or other estimates such as the ceiling test calculation;
 - c. reviewing accounting treatment of unusual or non-recurring transactions;
 - d. ascertaining compliance with covenants under loan agreements;
 - e. reviewing disclosure requirements for commitments and contingencies;
 - f. reviewing adjustments raised by the external auditors, whether or not included in the financial statements;
 - g. reviewing unresolved differences between management and the external auditors; and
 - h. obtaining explanations of significant variances within comparative reporting periods.
4. The Committee is to review the financial statements (and make a recommendation to the Board with respect to their approval), prospectuses, management discussion and analysis and all public disclosure containing audited or unaudited financial information before release and prior to Board approval. The Committee must be satisfied that adequate procedures are in place for the review of the Company's disclosure of all other financial information and shall periodically assess the accuracy of those procedures.
5. With respect to the appointment of external auditors by the Board, the Committee shall:
 - a. recommend to the Board the appointment of the external auditors;
 - b. recommend to the Board the terms of engagement of the external auditors, including the compensation of the external auditors and a confirmation that the external auditors shall report directly to the Committee; and
 - c. when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change.
6. The Committee shall review with external auditors (and the internal auditor if one is appointed by the Company) their assessment of the internal controls of the Company, their written reports containing recommendations for improvement, and management's response and follow-up to any identified weaknesses. The Committee shall also review annually with the external auditors their plan for their audit and upon completion of the audit, their reports on the financial statements of the Company and its subsidiaries.
7. The Committee must pre-approve all non-audit services to be provided to the Company or its subsidiaries by the external auditors. The Committee may delegate to one or more independent members the authority

to pre-approve non-audit services, provided that the member(s) report to the Committee at the next scheduled meeting such pre-approval and the member(s) complies with such other procedures as may be established by the Committee from time to time.

8. The Committee shall review risk management policies and procedures of the Company (i.e. hedging, litigation and insurance).
9. The Committee shall be responsible generally for administering the Whistleblower Policy of the Company and for generally establishing procedures for:
 - a. the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and
 - b. the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
10. The Committee shall review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
11. The Committee shall have the authority to investigate any financial activity of the Company. All employees of the Company are to cooperate as requested by the Committee.

The Committee may retain persons having special expertise and/or obtain independent professional advise to assist in filling their responsibilities at the expense of the Company without any further approval of the Board.

SCHEDULE "B"
STOCK OPTION PLAN

SGX RESOURCES INC.
(the "Corporation")

STOCK OPTION PLAN

1. The Plan

A stock option plan (the "**Plan**") pursuant to which options (hereinafter, an "**Option**" or "**Options**") to purchase Common Shares or such other shares or other securities as may be substituted therefor or may be acquired by a Participant (as defined in Section 6 hereof) upon the exercise of an Option the terms of which may have been modified in accordance with section 15 below (collectively, the "**Shares**") in the capital of the Corporation may be granted to the Participants, is hereby established on the terms and conditions herein set forth.

2. Purpose

The purpose of this Plan is to advance the interests of the Corporation by encouraging the directors, officers and key employees of the Corporation (including any subsidiaries) and certain others retained by the Corporation to acquire Shares, thereby:

- (a) increasing the proprietary interests of such persons in the Corporation;
- (b) aligning the interests of such persons with the interests of the Corporation's shareholders generally;
- (c) encouraging such persons to remain associated with the Corporation; and
- (d) furnishing such persons with an additional incentive in their efforts on behalf of the Corporation.

3. Administration

- (a) This Plan shall be administered by the board of directors of the Corporation (the "**Board**").
- (b) Subject to the terms and conditions set forth herein, the Board is authorized to provide for the granting, exercise and method of exercise of Options, all on such terms as it shall determine in its sole discretion. In addition, the Board shall have the authority to:
 - (i) construe and interpret this Plan and all option agreements entered into hereunder;
 - (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and
 - (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board shall be binding on all Participants (as hereinafter defined) and on their legal, personal representatives and beneficiaries.
- (c) Notwithstanding the foregoing or any other provision contained herein, the Board shall have the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board or to the CEO or any other officer of the Corporation. Whenever used herein, the term "Board" shall be deemed to include any committee or officer to which the Board has, fully or partially,

delegated responsibilities and/or authority relating to the Plan or the administration and operation of the Plan pursuant to this section 3.

- (d) Options to purchase the Shares granted hereunder shall be evidenced by an agreement, signed on behalf of the Corporation and by the person to whom an Option is granted, which agreement shall be substantially in such form as the Board shall approve, as amended from time to time by the Board.

4. Shares Subject to Plan

- (a) Subject to section 15 below, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Shares.
- (b) The aggregate number of Shares reserved for issuance under this Plan, or any other plan or agreement of the Corporation, shall not exceed ten percent (10%) of the total number of issued and outstanding Shares (calculated on a non-diluted basis).
- (c) If any Option granted under this Plan shall expire or terminate for any reason without having been exercised in full, any unpurchased Shares to which such Option relates shall be available for the purposes of the granting of Options under this Plan.

5. Maintenance of Sufficient Capital

The Corporation shall at all times during the term of this Plan ensure that the number of Shares it is authorized to issue shall be sufficient to satisfy the requirements of this Plan.

6. Eligibility and Participation

- (a) The Board may from time to time, in its sole discretion, grant an Option to any Participant, upon such terms, conditions and limitations as the Board may determine, including the terms, conditions and limitations set forth herein and pursuant to the terms and conditions of an individual option agreement set forth as Schedule "A", provided that Options granted to any Participant or a reduction in the exercise price of a previously granted Option shall be approved by the applicable shareholders of the Corporation if the rules of the TSX Venture Exchange or such other exchange upon which the Shares are listed from time to time (the "**Exchange**") require such approval.
- (b) The Board may, in its discretion, select any of the following Persons to participate in this Plan, provided that any such Person, at the time of issuance, was:
 - (i) a member of the Board or the board of directors of any subsidiary of the Corporation;
 - (ii) a senior officer of the Corporation or any subsidiary of the Corporation;
 - (iii) an Employee (as hereinafter defined) of the Corporation or any subsidiary of the Corporation;
 - (iv) a Management Company Employee (as hereinafter defined) of the Corporation or any subsidiary of the Corporation; or

- (v) a Consultant (as hereinafter defined) retained by the Corporation or any subsidiary of the Corporation for any purpose including Investor Relations Activities (as hereinafter defined).

Any such person having been selected for participation in this Plan by the Board is herein referred to as a "**Participant**".

- (c) Where used herein:

"**Consultant**" means an individual (or a company controlled by such individual) who:

- (i) provides ongoing consulting services to the Corporation or any subsidiary of the Corporation under a written contract;
- (ii) possesses technical, business or management expertise of value to the Corporation or any subsidiary of the Corporation;
- (iii) spends a significant amount of time and attention on the business and affairs of the Corporation or any subsidiary of the Corporation; and
- (iv) has a relationship with the Corporation or any subsidiary of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.

"**Employee**" means:

- (i) an individual who is considered an employee under the *Income Tax Act* (Canada) (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
- (ii) an individual who works full time for the Corporation or a subsidiary of the Corporation, as applicable, providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or a subsidiary of the Corporation, as applicable, over the details and methods of work as an employee of the Corporation or a subsidiary of the Corporation, as applicable, but for whom income tax deductions are not made at source; or
- (iii) an individual who works for the Corporation or a subsidiary of the Corporation, as applicable, on a continuing and regular basis providing services normally provided by an employee and who is subject to the same control and direction of the Corporation or a subsidiary of the Corporation, as applicable, over the details and methods of work as an employee of the Corporation or a subsidiary of the Corporation, as applicable, but for whom income tax deductions are not made at source.

"**Insider**" means:

- (i) a director or senior officer of the Corporation;
- (ii) a director or senior officer of a company that is an Insider or subsidiary of the Corporation;

- (iii) a Person that beneficially owns or controls, directly or indirectly, securities carrying more than 10% of the voting rights attached to all outstanding securities of the Corporation; or
- (iv) the Corporation itself if it holds any of its own securities.

"Investor Relations Activities" means activities or oral or written communications, by or on behalf of the Corporation that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:

- (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - to promote the sale of products or services of the Corporation; or
 - to raise public awareness of the Corporation;that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
- (ii) activities or communications necessary to comply with the requirements of:
 - any and all securities laws applicable to the Corporation; or
 - requirements of the Exchange or the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;
- (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
 - the communication is only through the newspaper, magazine or publication; and
 - the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
- (iv) activities or communications that may be otherwise specified by the Exchange.

"Management Company Employees" means individuals employed by a Person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities;

"Person" means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual, or an individual.

- (d) The granting of an Option to an Employee, Consultant or Management Company Employee constitutes a representation by the Corporation that such Participant is a *bona fide* Employee, Consultant or Management Company Employee, as the case may be.

7. **Exercise Price**

The Board shall, at the time an Option is granted under this Plan, fix the exercise price at which Shares may be acquired upon the exercise of such Option provided that the minimum exercise price shall not be less than the Discounted Market Price (as hereinafter defined). The "**Discounted Market Price**" is the Market Price (as hereinafter defined) of the Shares, less a discount which shall not exceed 25% if the Market Price is \$0.50 or less, 20% if the Market Price is from \$0.51 to \$2.00 and 15% if the Market Price is above \$2.00. Where used herein, "**Market Price**" means, subject to certain exceptions required by the rules of the Exchange, the last daily closing price of the Shares before the issuance of the news release required to fix the price at which the securities are issued or deemed to be issued.

Any reduction in the exercise price of an Option held by an Insider at the time of the proposed amendment shall be subject to disinterested shareholder approval.

8. **Number of Optioned Shares**

The number of Shares that may be acquired under an Option granted to a Participant shall be determined by the Board as at the time the Option is granted, provided that the aggregate number of Shares reserved for issuance to:

- (a) any one Participant (other than a Consultant or a person employed in Investor Relations Activities, as defined herein) together with such Participant's participation in any other plan of the Corporation, shall not exceed five percent (5%) of the total number of issued and outstanding Shares on a yearly basis (calculated on a non-diluted basis);
- (b) any one Consultant in a 12 month period shall not exceed two percent (2%) of the total number of issued and outstanding Shares (calculated at the date the option was granted on a non-diluted basis); and
- (c) all persons employed to perform Investor Relations Activities shall not exceed 2% of the total number of issued and outstanding Shares (calculated at the date the option was granted on a non-diluted basis).

9. **Term**

The period during which an Option may be exercised (the "**Option Period**") shall be determined by the Board at the time the Option is granted, subject to any vesting limitations which may be imposed by the Board in its sole and unfettered discretion at the time such Option is granted, provided that:

- (a) for a Participant other than a person employed in Investor Relations Activities, no Option shall be exercisable for a period exceeding ten (10) years from the date the Option is granted;
- (b) for a Participant employed in Investor Relations Activities, no Option shall be exercisable for a period exceeding twelve (12) months from the date the Option is granted, with no more than one-quarter ($\frac{1}{4}$) of the Options vesting in any three (3) month period;
- (c) the Option Period shall be automatically reduced in accordance with Sections 11 and 12 below upon the occurrence of any of the events referred to therein; and
- (d) no Option in respect of which shareholder approval is required under the rules of the Exchange shall be exercisable until such time as the Option has been approved by the shareholders of the Corporation.

In the event that the expiry date of an Option falls during a Blackout Period (as hereinafter defined) or within 10 business days following the lifting of the Blackout Period and the holder of the Option is subject to the Blackout Period, then the term of the Option shall be extended for a period of 10 business days following the lifting of the Blackout Period. This extension to the term of the Option is fixed and is not subject to the discretion of the Board. Where used herein "**Blackout Period**" means any blackout period self-imposed by the Corporation that restricts the purchase and sale of the Corporation's securities by designated persons for a period of time and for greater certainty a "Blackout Period" includes any quarterly or special blackout period self-imposed by the Corporation but excludes any cease trade order imposed against the Corporation or an Insider.

10. **Method of Exercise of Option**

- (a) Except as set forth in Sections 11 and 12 below or as otherwise determined by the Board, no Option may be exercised unless the holder of such Option is, at the time the Option is exercised, a Participant.
- (b) Options may be exercised in whole or in part and may be exercised on a cumulative basis where a vesting limitation has been imposed at the time of grant.
- (c) Any Participant (or his legal, personal representative) wishing to exercise an Option shall deliver to the Corporation, at its principal office in the City of, Winnipeg, Manitoba:
 - (i) a written notice expressing the intention of such Participant (or his or her legal, personal representative) to exercise his or her Option and specifying the number of Shares in respect of which the Option is exercised; and
 - (ii) a cash payment, cheque or bank draft, representing the full purchase price of the Shares in respect of which the Option is exercised.
- (d) Upon the exercise of an Option as aforesaid, the Corporation shall use its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the relevant Participant (or his or her legal, personal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares as the Participant (or his or her legal, personal representative) shall have then paid for.

11. **Ceasing to be a Director, Officer, Employee or Consultant**

If any Participant shall cease to be a member of the Board, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation for any reason other than death, permanent disability or normal retirement, his or her Option will terminate at 5:00 p.m. (Winnipeg time) on the earlier of the date of the expiration of the Option Period and:

- (a) for Participants other than those employed in Investor Relations Activities, 90 days after the date such Participant ceases to be a member of the Board, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation; and

- (b) for Participants employed in Investor Relations Activities, 30 days after the date such Participant ceases to be employed in Investor Relations Activities.

If such cessation or termination is by reason of substantial breach or cause on the part of the Participant, the Options shall be automatically terminated forthwith and shall be of no further force or effect.

Neither the selection of any person as a Participant nor the granting of an Option to any Participant under this Plan shall:

- (a) confer upon such Participant any right to continue as a director, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation, as the case may be, or
- (b) be construed as a guarantee that the Participant will continue as a member of the Board, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation, as the case may be.

12. **Death, Permanent Disability or Normal Retirement of a Participant**

In the event of the death, permanent disability or normal retirement of a Participant, any Option previously granted to such Participant shall be exercisable until the end of the Option Period or until the expiration of 12 months or a period determined by the board, after the date of death, permanent disability or normal retirement of such Participant, whichever is earlier, and then, in the event of death or permanent disability, only:

- (a) by the Participant or person or persons to whom the Participant's rights under the Option shall pass by the Participant's Will or by applicable law; and
- (b) to the extent that the Participant was entitled to exercise the Option as at the date of his death or permanent disability.

13. **Rights of Participants**

No person entitled to exercise any Option granted under this Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such Option until such Shares have been paid for in full and issued to such person.

14. **Proceeds from Exercise of Options**

The proceeds from any sale of Shares issued upon the exercise of Options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine and direct.

15. **Adjustments**

- (a) The number of shares subject to the Plan shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Shares of the Corporation, and in any such event a corresponding adjustment shall be made changing the number of Shares deliverable upon the exercise of any Option granted prior to such event without any change in the total price applicable to the unexercised portion of the Option, but with a corresponding adjustment in the price for each Share covered by the Option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of

the Options outstanding under this Plan and to prevent their dilution or enlargement.

- (b) Adjustments under this section 15 shall be made by the Board, whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Shares shall be issued under this Plan on any such adjustment.

16. Transferability

All benefits, rights and Options accruing to any Participant in accordance with the terms and conditions of this Plan shall not be transferable or assignable. During the lifetime of a Participant, any Options granted hereunder may only be exercised at the direction of the Participant and in the event of the death or permanent disability of a Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or by applicable law.

17. Amendment and Termination of Plan

- (a) The Board may amend the Plan at any time, provided however, that no such amendment may materially and adversely affect any Option previously granted to a Participant without the consent of the Participant, except to the extent required by law. Any such amendment shall, if required, be subjected to the prior approval of, or acceptance by, the Exchange.

- (b) Notwithstanding anything contained to the contrary in this Plan or in any resolution of the Board in implementation thereof:

- (i) in the event the Corporation accepts an offer to amalgamate, merge or consolidate with any other corporation (other than a wholly-owned subsidiary) or in the event that holders of greater than 50% of the Corporation's outstanding Shares accept an offer made to all or substantially all of the holders of the Shares to purchase in excess of 50.1% of the current issued and outstanding Shares, then all of the outstanding Options shall, without any further action on behalf of the Corporation, immediately vest. Each Participant shall thereafter be entitled to exercise all of such Options within the twenty (20) day period next following the date of acceptance by the Corporation and to determine that upon the expiration of such twenty (20) day period, all rights of the Participant to such Options or to the exercise of same (to the extent not theretofore exercised) shall *ipso facto* terminate and have no further force or effect whatsoever;

- (ii) in the event of the sale by the Corporation of all or substantially all of the assets of the Corporation as an entirety or substantially as an entirety so that the Corporation shall cease to operate as an active business, any outstanding Option may be exercised as to all or any part of the Optioned Shares in respect of which the Participant would have been entitled to exercise the Option in accordance with the provisions of the Plan at the date of the Plan of any such sale at any time up to and including, but not after the earlier of: (A) the close of business on that date which is thirty (30) days following the date of completion of such sale; and (B) the close of business on the expiration date of the Option; but the Participant shall not be entitled to exercise the Option with respect to any other Optioned Shares;

- (c) Notwithstanding the provisions of this Article 17, should changes be required to the Plan by any securities commission, stock exchange or other government or regulatory body of any jurisdiction to which the Plan or the Corporation now is or hereafter becomes subject, such changes shall be made to the Plan as are necessary to conform with such requirements and, if such changes are approved by the Board, the Plan, as amended, shall be filed with the records of the Corporation and shall remain in full force and effect in its amended form as of and from the date of its adoption by the Board.
- (d) Notwithstanding any other provisions of this Plan, the Board may at any time by resolution terminate this Plan. In such event, all Options then outstanding and granted to a Participant may be exercised by the Participant for a period of thirty (30) days after the date on which the Corporation shall have notified all Participants of the termination of this Plan, but only to the same extent as the Participants could have exercised such Options immediately prior to the date of such notification.

18. **Necessary Approvals**

The obligation of the Corporation to issue and deliver Shares in accordance with this Plan is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority to stock exchange having jurisdiction over the securities of the Corporation. If Shares cannot be issued to a Participant upon the exercise of an Option (for any reason whatsoever) the obligation of the corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of such Option will be returned to the relevant Participant as soon as practicable.

19. **Stock Exchange Rules**

This Plan and any option agreements entered into hereunder shall comply with the requirements from time to time of the Exchange or any other exchange on which the securities of the Corporation are listed.

20. **Right to Issue Other Shares**

The Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, issuing further shares of any class of the Corporation, including, without limitation, Shares, varying or amending its share capital or corporate structure or conducting its business in any way whatsoever.

21. **Notice**

Any notice required to be given by this Plan shall be in writing and shall be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission addressed, if to the Corporation, at its principal address in Winnipeg, Manitoba, currently being Suite 212, 1661 Portage Avenue, Winnipeg, Manitoba, R3J 3T7, Attention: Chief Executive Officer, Facsimile: (204) 772-9217; or if to a Participant, to such Participant at his or her address as it appears on the books of the Corporation or in the event of the address of any such Participant not so appearing then to the last known address of such Participant; or if to any other person, to the last known address of such person.

22. **Gender**

Whenever used herein, words importing the masculine gender shall include the feminine and neuter genders and vice versa.

23. **Interpretation**

This Plan will be governed by and construed in accordance with the laws of the Province of Manitoba.

DATED this 25th day of January, 2010.

SGX RESOURCES INC.

Per: 

Schedule "A"

OPTION AGREEMENT

This Agreement dated as of the • day of •, •.

BETWEEN:

SGX RESOURCES INC.
(hereinafter called the "Corporation"),

OF THE FIRST PART,

- and -

•,
(hereinafter called the "Participant"),

OF THE SECOND PART.

WHEREAS the Corporation has entered into a stock option plan dated •, 2010 (the "**Plan**");

AND WHEREAS terms not otherwise defined herein shall have the meaning set forth in the Plan;

WHEREAS the Participant is a *bona fide* senior officer, director, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation;

AND WHEREAS the Corporation desires to grant to the Participant an option to purchase common shares of the Corporation (the "**Shares**") on the terms and conditions hereinafter set forth;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto agree as follows:

1. The Corporation hereby grants to the Participant an irrevocable, non-assignable and non-transferable option (the "**Option**") to purchase all or any part of • Shares at a price of \$• per Share subject to the terms and conditions set forth herein.
2. The Option expires and terminates at 5:00 p.m. (Winnipeg time) on the day (the "**Expiry Date**") that is the earlier of (i) the • anniversary of the date hereof and (ii) the dates determined by Sections 6 and 7 below.
3. The Shares optioned under this Agreement shall vest immediately as of the date of issuance [or insert vesting provisions].
4. Except as provided in Sections 6 and 7 below, the Option may only be exercised while the Participant is a director, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation. The Participant (or his legal representative) may exercise the Option by delivering to the Corporation, at its principal office in Winnipeg, Manitoba:
 - (a) a written notice expressing the intention to exercise the Option and specifying the number of Shares in respect of which the Option is exercised;
 - (b) a cash payment, cheque or bank draft, representing the full purchase price of the Shares in respect of which the Option is exercised; and

- (c) in the event the Option is exercised in accordance with this Agreement by person(s) other than the Participant, proof satisfactory to the Corporation of the right of such person(s) to exercise the Option.
5. Upon the exercise of the Option as aforesaid, the Corporation shall employ its reasonable efforts to forthwith deliver, or cause the registrar and transfer agent of the Shares to deliver, to the Participant (or his legal representative) or to the order thereof, a certificate representing the aggregate number of fully paid and non-assessable Shares as the Participant (or his legal representative) shall have then paid for.
6. (a) Subject to Subsection 6(b) hereof, if the Participant shall cease to be a director, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation for any reason other than death or permanent disability, the Option granted herein will terminate at 5:00 p.m. (Winnipeg time) on the earlier of the (i) ninetieth (90th) day after the date the Participant ceases to be a director, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation and (ii) the • anniversary of the date hereof.
- (b) If the Participant is engaged in Investor Relations Activities on behalf of the Corporation or any subsidiary of the Corporation and ceases to be retained as a Consultant engaged in Investor Relations Activities for the Corporation or any subsidiary of the Corporation for any reason other than death or permanent disability, his Option will terminate at 5:00 p.m. (Winnipeg time) on the earlier of the (i) thirtieth day after the date the Participant ceases to be a Consultant engaged in Investor Relations Activities on behalf of the Corporation or any subsidiary of the Corporation and (ii) the • anniversary of the date hereof.
7. In the event of the death or permanent disability of the participant, the Option shall be exercisable until 5:00 p.m. (Winnipeg time) on the day that is the earlier of (i) 12 months after the date of death or permanent disability of the Participant and (ii) the • anniversary of the date hereof, and then, in the event of death or permanent disability, only:
- (a) by the person or persons to whom the Participant's rights under the Option shall pass by the Participant's will or applicable law; and
- (b) to the extent that the Participant was entitled to exercise the Option as at the date of the Participant's death or permanent disability.
8. The Participant acknowledges and agrees that neither the selection of the Participant as a Participant under the Plan nor the granting of the Option hereunder shall confer upon the Participant any right to continue as a director, senior officer, Employee, Management Company Employee or Consultant of the Corporation or any subsidiary of the Corporation, as the case may be. The Participant further acknowledges and agrees that this Agreement and the Option granted hereby shall in no way constitute the basis for a claim for damages by the Participant against the Corporation or any subsidiary of the Corporation in the event of the termination of the employment (or other contractual relationship) of the Participant with the Corporation or any subsidiary of the Corporation for any reason whatsoever, including the Participant's wrongful dismissal, and the Participant hereby releases and forever discharges the Corporation or any subsidiary of the Corporation from all claims and rights of action for damages whatsoever based upon or arising out of this Agreement and the Option.
9. The Participant shall not have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of the Option until such

Shares have been paid for in full and issued to the Participant in accordance with the terms of this Agreement.

10. The number of Shares deliverable upon the exercise of the Option shall be increased or decreased proportionately in the event of the subdivision or consolidation of the outstanding Shares of the Corporation prior to the Expiry Date, without any change in the total price applicable to the unexercised portion of the Option. In case the Corporation is reorganized or merged or consolidated or amalgamated with another corporation, appropriate provisions shall be made for the continuance of the Option and to prevent its dilution or enlargement. Adjustments under this Section 10 shall be made by the Board (or by such committee or persons as may be delegated such authority by the Board), whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Shares shall be issued on any such adjustment.
11. The Option and all benefits and rights accruing to the Participant hereunder shall not be transferable or assignable unless specifically provided herein. During the lifetime of the Participant the Option granted hereunder may only be exercised by the Participant as herein provided and in the event of death of the Participant, by the person or persons to whom the Participant's rights under the Option pass by the Participant's will or applicable law in accordance with Section 7 above.
12. The Corporation shall at all times ensure that the number of Shares it is authorized to issue shall be sufficient to satisfy the requirements of this Agreement.
13. The obligation of the Corporation to issue and deliver Shares on the exercise of the Option in accordance with the terms and conditions of this Agreement is subject to applicable securities legislation and to the receipt of any approvals that may be required from any regulatory authority including any stock exchange having jurisdiction over the securities of the Corporation. If Shares cannot be issued to the Participant upon the exercise of the Option for any reason whatsoever, the obligation of the Corporation to issue such Shares shall terminate and any funds paid to the Corporation in connection with the exercise of the Option will be returned to the Participant as soon as practicable.
14. All Shares issued upon the exercise of the Option, if the Option is exercised prior to ● must be legended with a four month hold period from the date that the options are granted. The legend must state the following:

"Unless permitted under applicable securities legislation, the holder of the securities shall not trade the securities until ●."

The Shares may also have the following legend, if required by the Exchange:

"Without prior written approval of the TSX Venture Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the TSX Venture Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ●."

15. The Participant acknowledges that the Participant has read and understands this Agreement.
16. Time shall be of the essence of this Agreement.
17. Any notice required to be given by this Agreement shall be in writing and shall be given by registered mail, postage prepaid or delivered by courier or by facsimile transmission

addressed, if to the Corporation, at its principal address in Winnipeg, Manitoba, currently being Suite 212, 1661 Portage Avenue, Winnipeg, Manitoba, R3J 3T7, Attention: Chief Executive Officer, Facsimile: (204) ●; or if to the Participant at the last known address of the Participant as set forth in the records of the Corporation.

18. This Agreement shall be governed by and construed in accordance with the laws of the Province of Manitoba.
19. This Agreement may be executed in several parts in the same form and the parts as so executed shall together constitute one original agreement, and the parts, if more than one, shall be read together and construed as if all the signing parties hereto had executed one copy of this agreement.

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

SGX RESOURCES INC.

Per: _____

SIGNED, SEALED AND DELIVERED
in the presence of:

Witness

•

SCHEDULE “C” RIGHTS OF DISSENT

Dissent Rights under the CBCA

Any holder of Common Shares is entitled to be paid fair value of all, but not less than all, of such holder’s Common Shares in accordance with section 190 of the CBCA if the Shareholder dissents to the Transaction Resolution.

A Shareholder is not entitled to dissent with respect to the Transaction Resolution if the Shareholder votes any of the Shareholder’s Common Shares in favour of the Transaction Resolution. To dissent, a Shareholder must send a written objection to us at or before the Meeting. The execution or exercise of a proxy does not constitute a written objection for purposes of the CBCA.

A dissenting Shareholder may only make a claim under section 190 of the CBCA with respect to all the Common Shares held on behalf of any one beneficial owner and registered in the name of the dissenting Shareholder. Hence, as a Non-Registered Shareholder you will need to contact your broker or other intermediary who holds your Common Shares on your behalf and make arrangements to send a written objection to us for all Common Shares held on your behalf.

Procedure for Dissent under the CBCA

The following summary does not purport to provide comprehensive statements of the procedures to be followed by a dissenting Shareholder under the CBCA. However, the CBCA requires adherence to the procedures established therein and failure to do so may result in the loss of all dissenter’s rights. **Accordingly, each Shareholder who might desire to exercise dissenting rights under the CBCA should carefully consider and comply with the provisions of section 190 of the CBCA, and consult his legal adviser.**

A dissenting Shareholder who seeks payment of the fair value of his Preferred Shares is required to send to us a written objection to the Transaction Resolution that sets out the dissenting Shareholder’s intention to exercise his dissent rights, which must be received by us at or before the Meeting. Our address for such purpose is 401 Bay Street, Suite 2702, Toronto, ON, M5H 2Y4, Attention: Corporate Secretary. **A vote against the Transaction Resolution or withholding votes does not constitute a written objection.** Within 10 days after the Transaction Resolution is approved by Shareholders, we must notify the dissenting Shareholder that sent us a written objection in accordance with section 190 of the CBCA and that has not voted for the Transaction Resolution or withdrawn his objection. Such dissenting shareholder is then required, within 20 days after receipt of our notice (or if he does not receive such notice, within 20 days after he learns of the approval of the Transaction Resolution), to send us a written notice containing his name and address, the number of Common Shares in respect of which he dissents (which must be all of his Common Shares) and a demand for payment of the fair value of such Common Shares (the “Demand for Payment Notice”) and, within 30 days after sending such written notice, to send to us the appropriate certificate or certificates representing such Common Shares. If the proposal contemplated in the Transaction Resolution becomes effective, we are required to determine the fair value of the Common Shares and to make a written offer to pay such amount to the dissenting Shareholder. If such offer is not made to, or not accepted by, the Shareholder within 50 days after the proposal in the Transaction Resolution becomes effective or such further period as a court may order, we may apply to the court to fix the fair value of such Common Shares. There is no obligation on us to apply to the court. If we fail to make such an application to the court, a dissenting Shareholder has the right to so apply to the court within a further 20 days or such further period as a court may order. If an application is made by either party, the dissenting Shareholder will be entitled to be paid the amount fixed by the court. The fair value of the Common Shares as determined for such purpose by a court will not necessarily be the same as and could vary significantly from the market value of such Common Shares on the date of the Transaction Resolution.

Effect of Dissent

A Shareholder who dissents and gives the Demand for Payment Notice will as of the sending of such notice cease to have any rights as a Shareholder of the Corporation other than the right to be paid the fair value of the Shareholder’s Common Shares as of the close of business on the day before the Transaction Resolution was adopted by the Shareholders, unless such Shareholder withdraws his dissent in accordance with section 190 of the CBCA or the amendment to the articles is not proceeded with.

**SCHEDULE “D”
SECTION 190 OF CBCA**

Right to dissent

- **190 (1)** Subject to sections 191 and 241, a holder of shares of any class of a corporation may dissent if the corporation is subject to an order under paragraph 192(4)(d) that affects the holder or if the corporation resolves to
 - **(a)** amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue, transfer or ownership of shares of that class;
 - **(b)** amend its articles under section 173 to add, change or remove any restriction on the business or businesses that the corporation may carry on;
 - **(c)** amalgamate otherwise than under section 184;
 - **(d)** be continued under section 188;
 - **(e)** sell, lease or exchange all or substantially all its property under subsection 189(3); or
 - **(f)** carry out a going-private transaction or a squeeze-out transaction.

- *Further right*

(2) A holder of shares of any class or series of shares entitled to vote under section 176 may dissent if the corporation resolves to amend its articles in a manner described in that section.

- *If one class of shares*

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

- *Payment for shares*

(3) In addition to any other right the shareholder may have, but subject to subsection (26), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents or an order made under subsection 192(4) becomes effective, to be paid by the corporation the fair value of the shares in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted or the order was made.

- *No partial dissent*

(4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

- *Objection*

(5) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting and of their right to dissent.

- *Notice of resolution*

(6) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (5) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn their objection.

- *Demand for payment*

(7) A dissenting shareholder shall, within twenty days after receiving a notice under subsection (6) or, if the shareholder does not receive such notice, within twenty days after learning that the resolution has been adopted, send to the corporation a written notice containing

- (a) the shareholder's name and address;
- (b) the number and class of shares in respect of which the shareholder dissents; and
- (c) a demand for payment of the fair value of such shares.

- *Share certificate*

(8) A dissenting shareholder shall, within thirty days after sending a notice under subsection (7), send the certificates representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

- *Forfeiture*

(9) A dissenting shareholder who fails to comply with subsection (8) has no right to make a claim under this section.

- *Endorsing certificate*

(10) A corporation or its transfer agent shall endorse on any share certificate received under subsection (8) a notice that the holder is a dissenting shareholder under this section and shall forthwith return the share certificates to the dissenting shareholder.

- *Suspension of rights*

(11) On sending a notice under subsection (7), a dissenting shareholder ceases to have any rights as a shareholder other than to be paid the fair value of their shares as determined under this section except where

- (a) the shareholder withdraws that notice before the corporation makes an offer under subsection (12),
- (b) the corporation fails to make an offer in accordance with subsection (12) and the shareholder withdraws the notice, or
- (c) the directors revoke a resolution to amend the articles under subsection 173(2) or 174(5), terminate an amalgamation agreement under subsection 183(6) or an application for continuance under subsection 188(6), or abandon a sale, lease or exchange under subsection 189(9),

in which case the shareholder's rights are reinstated as of the date the notice was sent.

- *Offer to pay*

(12) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (7), send to each dissenting shareholder who has sent such notice

- (a) a written offer to pay for their shares in an amount considered by the directors of the corporation to be the fair value, accompanied by a statement showing how the fair value was determined; or
- (b) if subsection (26) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

- *Same terms*

(13) Every offer made under subsection (12) for shares of the same class or series shall be on the same terms.
- *Payment*

(14) Subject to subsection (26), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (12) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.
- *Corporation may apply to court*

(15) Where a corporation fails to make an offer under subsection (12), or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as a court may allow, apply to a court to fix a fair value for the shares of any dissenting shareholder.
- *Shareholder application to court*

(16) If a corporation fails to apply to a court under subsection (15), a dissenting shareholder may apply to a court for the same purpose within a further period of twenty days or within such further period as a court may allow.
- *Venue*

(17) An application under subsection (15) or (16) shall be made to a court having jurisdiction in the place where the corporation has its registered office or in the province where the dissenting shareholder resides if the corporation carries on business in that province.
- *No security for costs*

(18) A dissenting shareholder is not required to give security for costs in an application made under subsection (15) or (16).
- *Parties*

(19) On an application to a court under subsection (15) or (16),

 - (a) all dissenting shareholders whose shares have not been purchased by the corporation shall be joined as parties and are bound by the decision of the court; and
 - (b) the corporation shall notify each affected dissenting shareholder of the date, place and consequences of the application and of their right to appear and be heard in person or by counsel.
- *Powers of court*

(20) On an application to a court under subsection (15) or (16), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall then fix a fair value for the shares of all dissenting shareholders.
- *Appraisers*

(21) A court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

- *Final order*

(22) The final order of a court shall be rendered against the corporation in favour of each dissenting shareholder and for the amount of the shares as fixed by the court.
- *Interest*

(23) A court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.
- *Notice that subsection (26) applies*

(24) If subsection (26) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (22), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.
- *Effect where subsection (26) applies*

(25) If subsection (26) applies, a dissenting shareholder, by written notice delivered to the corporation within thirty days after receiving a notice under subsection (24), may

 - **(a)** withdraw their notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to their full rights as a shareholder; or
 - **(b)** retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.
- *Limitation*

(26) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

 - **(a)** the corporation is or would after the payment be unable to pay its liabilities as they become due; or
 - **(b)** the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

55 North Mining Inc.
(Formerly SGX Resources Inc.)

Financial Statements

December 31, 2018 and 2017

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards ("IFRS"). This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of the financial statements.

The Board of Directors exercises its responsibilities for financial controls and is responsible for overseeing management in the performance of its financial reporting responsibilities. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the internal controls over the financial reporting process, auditing matters and financial reporting issues. The Audit Committee is also responsible for recommending the appointment of the Company's external auditors.

Scarrow & Donald LLP, an independent firm of Chartered Professional Accountants, is appointed by the shareholders to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Audit Committee and management to discuss their audit findings.



Bruce Reid
President & CEO, Director



Julio DiGirolamo CPA, CA
Chief Financial Officer

March 27, 2019



CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of 55 North Mining Inc.:

Opinion

We have audited the financial statements of 55 North Mining Inc. (the Company), which comprise the statements of financial position as at December 31, 2018 and 2017 and the statements of net loss and comprehensive loss, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the financial statements, which indicates that the Company incurred a net loss of \$227,216 (2017 - \$285,604) during the year ended December 31, 2018, the Company's current liabilities exceeded its total assets by \$2,495,385 (2017 - \$2,591,076), and as of that date, the Company had a deficit of \$30,381,573 (2017 - \$30,154,357). As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management is responsible for the other information. The other information comprises the Management's Discussion & Analysis.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS's, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Scott Smith.

Scarrow & Donald LLP

Chartered Professional Accountants
Winnipeg, Manitoba
March 27, 2019

55 North Mining Inc.
(Formerly SGX Resources Inc.)
Statements of Financial Position

Expressed in Canadian dollars

	December 31, 2018	December 31, 2017
ASSETS		
Current assets		
Cash	\$ 246,034	\$ 5,140
GST/HST recoverable	3,908	4,494
Prepays	1,800	1,800
	251,742	11,434
Fixed assets (Note 4)	2,428	3,884
	\$ 254,170	\$ 15,318
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 302,656	\$ 107,033
Advances payable (Note 9)	357,165	532,188
Due to related parties (Note 9)	1,844,865	1,844,865
Promissory note payable (Note 9)	124,463	118,424
Flow-through share premium liability (Note 13)	117,978	---
	2,747,127	2,602,510
Shareholders' equity		
Share capital (Note 5)	27,814,616	27,567,165
Contributed surplus	74,000	---
Deficit	(30,381,573)	(30,154,357)
	(2,492,957)	(2,587,192)
	\$ 254,170	\$ 15,318

Contingency (Note 12)

The accompanying notes are an integral part of these financial statements.

The accompanying notes are an integral part of these financial statements.

On behalf of the Board:

"Bruce Reid"

Bruce Reid
Director

"Sethu Raman"

Sethu Raman
Director

55 North Mining Inc.
(Formerly SGX Resources Inc.)
Statements of Loss and Comprehensive Loss
For the years ended December 31, 2018 and 2017

Expressed in Canadian dollars

	2018	2017
Expenditures		
General and administration	\$ 196,941	\$ 214,002
Depreciation	1,456	1,942
Interest expense	6,046	11,416
Exploration costs	30,405	58,244
Loss before taxes	234,848	285,604
Deferred tax recovery	(7,632)	---
Loss and comprehensive loss for the period	\$ 227,216	\$ 285,604
Basic and diluted loss per share	\$ (0.00)	\$ (0.01)
Weighted average number of shares outstanding during the period – basic and diluted	46,952,665	45,064,723

The accompanying notes are an integral part of these financial statements.

55 North Mining Inc.
(Formerly SGX Resources Inc.)
Statements of Changes in Equity

For the years ended December 31, 2018 and 2017

Expressed in Canadian dollars

	Share Capital	Contributed Surplus	Deficit	Total
Balance at December 31, 2016	\$27,567,165	\$270,510	\$(30,139,263)	\$(2,301,588)
Loss for the period	---	---	(285,604)	(285,604)
Expired/forfeited options <i>(Note 6)</i>	---	(270,510)	270,510	---
Balance at December 31, 2017	\$27,567,165	\$ ---	\$(30,154,357)	\$(2,587,192)
Loss for the period	---	---	(227,216)	(227,216)
Shares issued <i>(Note 5)</i>	247,451	74,000	---	321,451
Balance at December 31, 2018	\$27,814,616	\$ 74,000	\$(30,381,573)	\$(2,492,957)

The accompanying notes are an integral part of these financial statements.

55 North Mining Inc.
(Formerly SGX Resources Inc.)
Statements of Cash Flows

For the years ended December 31, 2018 and 2017

Expressed in Canadian dollars

	2018	2017
Cash provided by (used in):		
OPERATING ACTIVITIES		
Net loss for the year	\$(227,216)	\$ (285,604)
Depreciation expense	1,456	1,942
Future tax recovery	(7,632)	---
Net change in non-cash working capital items:		
GST/HST recoverable	586	25,820
Prepays	---	(1,800)
Accounts payable and accrued liabilities	195,623	(190,548)
Due to related parties	---	17,780
Promissory note payable	6,039	5,764
	(31,144)	(426,646)
INVESTING ACTIVITIES		
Purchase of fixed assets	---	(5,826)
	---	(5,826)
FINANCING ACTIVITIES		
Advances received (reimbursed)	(175,023)	437,188
Subscribed shares	474,000	---
Payment for share issue costs	(26,939)	---
	272,038	437,188
Net change in cash	240,894	4,716
Cash, beginning of year	5,140	424
Cash, end of year	\$ 246,037	\$ 5,140

The accompanying notes are an integral part of these financial statements.

55 North Mining Inc.

(Formerly SGX Resources Inc.)

Notes to financial statements

December 31, 2018 and 2017

Expressed in Canadian dollars, unless otherwise indicated

1. CORPORATE INFORMATION

55 North Mining Inc. ("55 North" or the "Company") was incorporated under the Canada Business Corporations Act on December 5, 2008 as SGX Resources Inc. The Company acquires, explores, and develops mineral properties in the Timmins region of Ontario, Canada.

The Company's corporate head office is located at 401 Bay Street, Suite 2702, Toronto ON M5H 2Y4. The registered office of the Company is MLT Aikins LLP, 30th Floor, 360 Main Street, Winnipeg, MB R3C 4G1. The Company's shares were listed on the TSX Venture Exchange ("TSXV") and traded under the symbol "SXR". Trading was suspended on May 9, 2016.

At the shareholder meeting held on June 6, 2018, shareholders approved a name change to 55 North Mining Inc. and its ticker symbol was subsequently changed to "FFF".

Going Concern

For the year ended December 31, 2018, the Company had a loss of \$227,216 (2017 - \$285,604) and, as of that date, the Company's current liabilities exceeded its current assets by \$2,495,385 (2017 - \$2,591,076) and the Company had a deficit of \$30,381,573 (2017 - \$30,154,357). In addition to ongoing working capital requirements, the Company may be required to secure sufficient funding for exploration and development programs, general and administration costs. Although management may have been successful in the past in undertaking financing, there can be no assurance that management will be able to do so in the future on terms acceptable to the Company.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to realize assets and discharge liabilities in the normal course of operations for the foreseeable future. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and statement of financial position classifications that might be necessary if the Company was unable to continue as a going concern. These adjustments could be material.

These financial statements of the Company for the twelve months ended December 31, 2018 were approved and authorized for issue by the Board of Directors of the Company on March 27, 2019.

2. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES

a) Basis of presentation:

The Company prepares its consolidated financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee ("IFRIC") which the Canadian Accounting Standards Board has approved for incorporation into Part I of the Chartered Professional Accountants Canada Handbook. These financial statements have been prepared under the historical cost method, except for certain financial instruments measured at fair value. The Company has consistently applied the accounting policies used in preparation of these financial statements throughout all the periods presented. Critical accounting judgments and estimates used by management in the preparation of these financial statements are presented in Note 3.

These financial statements are presented in Canadian dollars, which is also the Company's functional currency. All reference to dollars (\$) are to Canadian dollars unless otherwise noted.

b) Cash

Cash consists of funds on deposit.

c) Fixed Assets

Fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. The application of this policy requires an estimate of the useful life of the asset and its residual value. The Company provides for depreciation of computer equipment so as to apply the cost of the assets over the estimated useful lives on a straight-line basis over 3 years.

55 North Mining Inc.

(Formerly SGX Resources Inc.)

Notes to financial statements

December 31, 2018 and 2017

Expressed in Canadian dollars, unless otherwise indicated

2. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (CONT'D)

d) Financial instruments

Financial assets must be classified and measured based on three categories: amortized cost, fair value through other comprehensive income ("FVTOCI") and fair value through profit or loss ("FVTPL"). Financial liabilities are classified and measured based on two categories: amortized cost and FVTPL. Initially, all financial assets and financial liabilities are recorded in the consolidated balance sheets at fair value. After initial recognition, the effective interest related to financial assets and liabilities measured at amortized cost and the gain or loss arising from the change in the fair value of financial assets or liabilities classified as FVTPL are included in net income (loss) for the year in which they arise. Financial assets measured at amortized cost or those measured at FVTOCI, except for investment in equity instruments, at each balance sheet date requires an impairment analysis using the expected credit loss model ("ECL") to determine the expected credit losses using judgment determined on a probability weighting basis.

The Company has designated its cash as amortized cost, measured at amortized cost and has designated its accounts payable and accrued liabilities, advances payable, due to related parties and promissory note payable as amortized cost measured at amortized cost, which is reflected on the statement of financial position as amortized cost using the effective interest method of measurement.

Transaction costs are expensed as incurred for financial instruments classified or designated at fair value through profit or loss. For other financial instruments, transaction costs are added to the related financial asset or liability on initial recognition and are measured at amortized cost using the effective interest method. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

The Company assesses impairment of all its financial assets, except those classified at fair value through profit or loss. Management considers whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. Impairment is measured as the difference between the asset's carrying value and its fair value. Impairment is included in current net loss.

e) Fair Value

The fair value of a financial instrument is the amount of consideration that could be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no obligation to act. In certain circumstances, however, the initial fair value may be based on other observable current market transactions in the same instrument, without modification or on a valuation technique using market-based inputs.

e) Fair Value

Fair value measurements recognized in the statement of financial position are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobserved inputs) (Level 3).

Each type of fair value is categorized based on the lowest level input that is significant to the fair value measurement in its entirety.

55 North Mining Inc.

(Formerly SGX Resources Inc.)

Notes to financial statements

December 31, 2018 and 2017

Expressed in Canadian dollars, unless otherwise indicated

SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (CONT'D)

f) Income taxes

Current tax is based on the local taxable income at the local statutory tax rate enacted or substantively enacted at the statement of financial position date and includes adjustments to tax payable or recoverable in respect of previous periods.

Deferred tax is recognized using the statement of financial position method in respect of all temporary differences between the tax bases of assets and liabilities, and their carrying amounts for financial reporting purposes, except as indicated below.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilized, except where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in an acquisition that is not a business combination and, at the time of the acquisition, affects neither the accounting profit nor taxable profit or loss and in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred income tax liabilities are recognized for all taxable temporary differences, except where the deferred income tax liability arises from the initial recognition of goodwill, or the initial recognition of an asset or liability in an acquisition that is not a business combination and, at the time of the acquisition, affects neither the accounting profit nor taxable profit or loss and in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. To the extent that an asset not previously recognized fulfils the criteria for recognition, a deferred income tax asset is recorded.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the asset is realized or the liability is settled, based on tax rates and tax laws enacted or substantively enacted at the statement of financial position date.

Current and deferred taxes relating to items recognized directly in equity are recognized in equity and not in the income statement.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entities or in different taxable entities, and, where there is the intent to settle the balance on a net basis.

Mining taxes

Income tax expense includes the mining taxes payable to governments that are calculated based on a percentage of taxable profit whereby taxable profit represents net income adjusted for certain items defined in the applicable legislation.

55 North Mining Inc.
(Formerly SGX Resources Inc.)
Notes to financial statements

December 31, 2018 and 2017

Expressed in Canadian dollars, unless otherwise indicated

2. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (CONT'D)

f) Income taxes (cont'd)

Flow-through shares

The Company will, from time to time, issue flow-through shares to finance a portion of its exploration program. Pursuant to the terms of the flow-through share agreements, these shares transfer the tax deductibility of qualifying resource expenditures to investors. On issuance, the Company bifurcates the flow-through share into i) the flow-through share premium liability measured at fair value, which is recognized as a liability representing the sale of tax deductions, and ii) the residual proceeds are allocated as the value of the common shares issued. On issuance of a flow-through unit (consisting of a flow-through share and a warrant to purchase a common share), the Company allocates the flow-through unit into i) the flow-through share premium liability measured at fair value, which is recognized as a liability representing the sale of tax deductions, ii), and the estimated fair value of a warrant and common share using the relative fair value method. Upon qualifying expenses being incurred the Company derecognizes the flow-through share premium liability and recognizes a credit to deferred tax expense.

The Company may also be subject to a Part XII.6 tax on flow-through proceeds renounced under the Lookback Rule, in accordance with Government of Canada flow-through regulations. When applicable, this tax is accrued as a liability until paid.

g) Revenue recognition

Interest income is recognized using the effective interest rate method.

h) Exploration expenditures and mining claims

Exploration expenditures relate to activities that are directed towards less than proven and probable ore reserves and are expensed as incurred. The costs to acquire mining claims are capitalized.

i) Impairment of non-financial assets

Mining claims are tested for impairment when events or changes in circumstances indicate that the carrying amount may not be recoverable. For the purpose of measuring recoverable amounts, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units or CGUs). The recoverable amount is the higher of an asset's fair value less costs to sell and value in use (being the present value of the expected future cash flows of the relevant asset or CGU). Value in use is determined as the present value of the future cash flows expected to be derived from an asset or CGU. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted. Fair value less cost to sell is the amount obtainable from the sale of an asset or CGU in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount and is recorded as an expense.

Non-financial assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in the prior periods. A reversal of an impairment loss is recognized in the statement of loss and comprehensive loss.

55 North Mining Inc.

(Formerly SGX Resources Inc.)

Notes to financial statements

December 31, 2018 and 2017

Expressed in Canadian dollars, unless otherwise indicated

2. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (CONT'D)

j) Provisions

Provisions are recognized in other liabilities when the Company has a present legal or constructive obligation because of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period and are discounted to present value where the effect is material, such as closure costs.

k) Share-based compensation plan and warrants

The fair value-based method of accounting is applied to all share-based compensation. The fair value of the share options granted is estimated on the date of grant using the Black-Scholes option-pricing model and is recorded as an expense over the applicable vesting period based on the number of awards expected to vest. Each tranche of an award is considered a separate award with its own vesting period and grant date fair value. Any consideration paid by the directors on exercise of the share option is credited to share capital. Awards of options and warrants related to private placements or public offerings of shares are treated as share issue costs.

l) Net loss per share

Basic net loss per share is calculated using the daily weighted average number of shares outstanding.

Diluted net loss per share is calculated using the daily weighted average number of shares that would have been outstanding during the year had all dilutive potential common shares been issued at the beginning of the year, or when the underlying options, warrants or convertible securities were granted or issued, if later. The treasury share method is employed to determine the incremental number of shares that would have been outstanding had the Company used proceeds from the exercise of options or warrants to acquire shares.

m) Recent accounting pronouncements

New accounting standards effective in 2018

IFRS 9 - Financial Instruments - In July 2014, the IASB issued the final version of IFRS 9 - Financial Instruments ("IFRS 9") to replace IAS 39 - Financial Instruments: Recognition and Measurement. IFRS 9 provides a revised model for recognition and measurement of financial instruments and a single, forward-looking "expected loss" impairment model. IFRS 9 also includes a substantially reformed approach to hedge accounting. The Company's financial statements were not affected by IFRS 9. The standard has a mandatory effective date for annual periods beginning on or after January 1, 2018. The Company adopted the standard on January 1, 2018 and applied the requirements of the standard retrospectively with no restatement of comparative periods. As a result of the adoption of IFRS 9 there were no impact to the Company's financial statements.

IFRS 15 - Revenue from Contracts with Customers - In May 2014, the IASB issued IFRS 15, a single comprehensive model to account for revenue arising from contracts with customers. The objective of IFRS 15 is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The core principle of the standard is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects consideration to which the entity expects to be entitled in exchange for those goods and services. The standard has a mandatory effective date for annual periods beginning on or after January 1, 2018. The Company adopted the standard on January 1, 2018 and applied the requirements of the standard retrospectively.

As the Company currently has no revenue streams there was no impact to the financial statements as a result of adopting IFRS 15.

55 North Mining Inc.

(Formerly SGX Resources Inc.)
Notes to financial statements

December 31, 2018 and 2017

Expressed in Canadian dollars, unless otherwise indicated

2. SIGNIFICANT ACCOUNTING POLICIES, JUDGMENTS AND ESTIMATES (CONT'D)

m) Recent accounting pronouncements (cont'd)

Future changes to significant accounting policies

IFRS 16 – Leases - In January 2016, the IASB issued IFRS 16. The new standard requires that for most leases, lessees must initially recognize a lease liability for the obligation to make lease payments and a corresponding right-of-use asset for the right to use the underlying asset for the lease term. Lessor accounting under IFRS 16 is substantially unchanged, lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between an operating or finance lease. This standard will be effective for annual periods beginning on or after January 1, 2019.

At the commencement date of a lease, a lessee will recognize a liability to make lease payments and an asset representing the right-of-use to use the underlying asset during the lease term. Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense or fair value gain (loss) on the right-of-use asset, depending on the balance sheet classification of the asset. The standard includes two recognition exemptions for leases; leases of 'low-value' assets and short-term leases. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events. The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Company does not expect any impact from the adoption of IFRS 16 to the financial statements.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to use estimates and judgments that affect the reported amounts of assets and liabilities, as well as revenues and expenses. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in net loss in the period in which they become known.

The recoverability of deferred expenditures is dependent upon the discovery of economically recoverable reserves and resources, securing and maintaining title and beneficial interest in the properties, the ability to obtain necessary financing to complete exploration, development and construction of processing facilities, obtaining certain government approvals and attaining profitable production.

The likelihood that tax positions taken will be sustained upon examination by applicable tax authorities is assessed based on individual facts and circumstances of the relevant tax position evaluated in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax provision. At the end of each reporting period, the Company reassesses unrecognized income tax assets.

The Company is also required to spend proceeds received from the issuance of flow-through shares on qualifying resource expenditures. Management's judgment is applied in determining whether qualified expenditures have been incurred. Differences in judgment between management and regulatory authorities could materially increase the flow-through premium liability and flow-through expenditure commitment.

The Company makes estimates as to the market value and inputs related to the valuation of share capital, flow-through share premium liability and the value associated with warrants issued at the time of issuance with respect to the volatility on the underlying common shares, risk free interest rate and forfeiture rates and market premiums paid for flow-through common shares. In establishing fair value management considers historical performance.

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Notes to financial statements

December 31, 2018 and 2017

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4. FIXED ASSETS

	2018		2017	
	Cost	Accumulated depreciation	Cost	Accumulated depreciation
Computer equipment	\$ 5,826	\$ (3,398)	\$ 5,826	\$(1,942)
Balance, end of year		\$ 2,428		\$ 3,884

During the year ended December 31, 2017, \$5,826 of computer equipment was purchased.

5. SHARE CAPITAL

a) Authorized:

The Company is authorized to issue an unlimited number of common shares with each common share entitled to one vote.

b) Common shares issued:

	Number of Shares	Stated Capital
Balance, December 31, 2016 and 2017	45,064,723	\$27,567,165
Shares issued in private placement	7,899,994	474,000
Share issue costs	---	(26,939)
Flow-through share premium liability	---	(125,610)
Value of associated warrants	---	(74,000)
Balance, December 31, 2018	52,964,717	\$27,814,616

At the shareholder meeting held on June 6, 2018, shareholders approved the consolidation of the number of shares outstanding at a ratio of 3:1, with fractional shares being cancelled. The shares listed above are presented on a post-consolidation basis. The number of common shares, common shares issuable upon exercise of the outstanding options of the Company, and per common share amounts, were also proportionally adjusted to reflect the share consolidation for the year ended December 31, 2017.

On July 4, 2018, the Company closed a private placement offering for gross proceeds of \$222,000 by the issuance of 3,699,994 Units at a price of \$0.06 per Unit. Each Unit is comprised of one flow through common share and one non-flow-through purchase warrant entitling the holder to acquire one additional common share at a price of \$0.07 per share for 24 months.

On December 24, 2018, the Company closed a private placement offering for gross proceeds of \$102,000 by the issuance of 1,700,000 flow-through shares at a price of \$0.06 per share.

On December 28, 2018, the Company closed a private placement offering for gross proceeds of \$150,000 by the issuance of 2,500,000 flow-through shares at a price of \$0.06 per share.

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6. SHARE OPTIONS

The Company may grant options to directors, officers, employees, and technical consultants of the Company. The maximum number of shares reserved for issuance under all securities compensation arrangements is limited to 10% of the total number of issued and outstanding shares exercisable for a period of up to 10 years. The maximum number of shares that may be issued to any officer, director or employee shall not exceed 5% of the total number of issued and outstanding shares. The maximum number of shares that may be issued to technical consultants, including investor relation consultants, shall not exceed 2% of the total number of issued and outstanding shares.

During the year ended December 31, 2017, 383,333 options expired unexercised, while no options were granted, cancelled or exercised in either 2018 or 2017. At December 31, 2018 and 2017, the Company had no stock options outstanding.

A summary of the status of the Company's outstanding options as at December 31, 2018 and December 31, 2017 and changes during the periods then ended are as follows:

	2018		2017	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Balance, beginning	---	\$ ---	383,333	\$ 0.09
Expired/forfeited	---	---	(383,333)	0.09
Balance, ending	---	\$ ---	---	\$ ---

7. WARRANTS

During the year ended December 31, 2018, the fair value of each warrant grant is initially estimated on the date of the grant using the Black-Scholes option-pricing model with the following weighted average assumptions used for grants: dividend yield of 0%, expected volatility of 100%, risk free interest rate of 1.91% and expected life of 2 years. The Company then uses the relative fair value method to value the warrants together with the value of the share capital issued.

A summary of the status of the Company's outstanding warrants as of December 31, 2018 and changes during the years then ended are as follows:

	2018		2017	
	Number	Weighted average exercise price	Number	Weighted average exercise price
Balance, beginning	---	\$ ---	---	\$ ---
Granted	3,699,994	0.07	---	---
Balance, ending	3,699,994	\$ 0.07	---	\$ ---
Weighted average remaining life (years)		1.51		---

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8. INCOME TAXES

Income tax provision

The provision for income taxes reflects an effective rate that differs from the combined federal and provincial tax rates for the following reasons:

	2018	2017
Loss before income taxes	\$ (227,216)	\$ (285,604)
Combined statutory income tax rate	26.50%	26.50%
Income tax recovery using statutory income tax rates	(60,200)	(75,700)
Flow through share premium	7,632	---
Share issue costs and other	(7,100)	500
Valuation allowance	52,036	75,200
Deferred tax recovery	\$ (7,632)	\$ ---

Deferred income taxes

Significant components of the Company's deferred income tax asset (liability) are as follows:

	2018	2017
Non-capital losses	\$ 2,472,000	\$ 2,433,300
Canadian exploration and development expense pools	2,740,100	2,724,200
Share issuance costs	5,700	500
Deferred income tax asset	5,217,800	5,158,000
Valuation allowance	(5,217,800)	(5,158,000)
Deferred tax asset	\$ ---	\$ ---

The Company has non-capital loss carry forward amounts available for income tax purposes of \$9,327,000 that expire \$9,000 in 2028, \$116,000 in 2029, \$593,000 in 2030, \$1,890,000 in 2031, \$1,007,000 in 2032, \$2,451,000 in 2033, \$1,665,000 in 2034, \$743,000 in 2035, \$418,000 in 2036, \$290,300 in 2037 and \$204,000 in 2038. The Company has \$10,340,000 (December 31, 2017 - \$10,280,000) of unused cumulative Canadian exploration and development costs available to offset future taxable income. The tax benefits pertaining to these expenses are available for carry forward indefinitely.

9. RELATED PARTY TRANSACTIONS

Due to related parties includes \$870,552 (December 31, 2017 - \$870,552) due to Havilah Mining Corporation (formerly Klondex Canada Ltd. and formerly San Gold Corporation) ("Havilah") for exploration expenditures incurred on behalf of the Company. The amount is unsecured, non-interest bearing and due on demand. Havilah also holds a \$100,000 promissory note from the Company. The promissory note bears interest at 5% and is due on demand. The promissory note is secured against the Companies 50% interest in certain mining claims. The promissory note payable includes \$24,463 (December 31, 2017 - \$18,424) of accrued interest due to Havilah. During the year \$6,039 of interest was recorded (2017 - \$5,764). Havilah owns and exercises control over approximately 27% of the issued and outstanding Common Shares and exerts significant influence over the Company.

Included in due to related parties is \$20,000 (December 31, 2017 - \$20,000) due to Wynnex Ltd. for advances to the Company that are unsecured, non-interest bearing and have no set terms of repayment. Wynnex is related as the owner is a former director of the Company. Also, included in due to related parties is \$946,139 (December 31, 2017 - \$946,139) payable to former officers and directors or companies controlled by former officers and directors for services and director's fees and \$8,174 (December 31, 2017 - \$8,174) payable to directors for expenses incurred on behalf of the Company.

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9. RELATED PARTY TRANSACTIONS

Advances payable of \$357,165 is made up of \$115,298 due to directors of the Company and \$241,867 due to a company in which directors of the Company are shareholders (2017 - \$532,188 is made up of \$95,000 due to directors of the Company and \$437,188 due to a company in which directors of the Company are shareholders). Amounts were advanced to the Company for settlement of various liabilities as well as for general working capital purposes. The advances are unsecured, non-interest bearing and due on demand.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly and indirectly, include any director (whether executive or otherwise) of the Company. Total fees for the year ended December 31, 2018 is \$NIL (2017 - \$50,000). Included in general and administrative expenses is \$NIL (2017 - \$54,515) in fees for administrative services paid to a company in which directors of the Company are shareholders.

10. CAPITAL MANAGEMENT

The Company's total negative capital balance of \$2,492,957 (December 31, 2017 - negative capital balance of \$2,587,192) consists of \$27,814,616 (December 31, 2017 - \$27,567,165) of share capital, contributed surplus of \$74,000 (December 31, 2017 - \$NIL) and a deficit of \$30,381,573 (December 31, 2017 - \$30,154,357).

The Company's objectives when managing capital, which consists of shareholders' equity, are to safeguard its ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, and to provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Company sets the amount of capital in proportion to risk. The Company manages the capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The Company monitors capital from time-to-time using a variety of measures. Monitoring procedures are typically performed as a part of the overall management of the Company's operations. The Company's strategy during the period, which was unchanged from the prior period, was to maintain its ability to secure access to financing at a reasonable cost. The requirements and terms of sources of capital cannot be predicted and change in ways the Company cannot predict.

11. RISK MANAGEMENT AND FAIR VALUES

Management's risk management policies are typically performed as a part of the overall management of the Company's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Company is exposed to a number of risks that can affect its operating performance. Management's close involvement in operations helps identify risks and variations from expectations. The Company has not designated transactions as hedging transactions to manage risk. As a part of the overall operation of the Company, management considers the avoidance of undue concentrations of risk. The risks and the actions taken to manage them include the following:

Liquidity risk

Liquidity risk is the risk that the Company cannot meet its financial obligations associated with financial liabilities in full. The Company's main sources of liquidity are external sources of debt and equity. The funds are primarily used to finance working capital and capital expenditure requirements. The Company's current liabilities exceed its current assets by \$2,495,385 (December 31, 2017 - \$2,591,076).

Accounts payable and accrued liabilities, advances payable, due to related parties and promissory note payable are due within one year.

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11. RISK MANAGEMENT AND FAIR VALUES

Credit risk

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Company has credit policies to address credit risk on accounts receivable, which may include the analysis of the financial position of the debtor and review of credit limits. The Company also may review credit history before establishing credit and review credit performance. An allowance for doubtful accounts or other impairment provisions are established based upon factors surrounding credit risk, historical trends and other information.

A financial asset is past due when a debtor has failed to make a payment when contractually due. The Company has no financial assets that are past due and does not have an allowance for doubtful accounts receivable.

Currency risk

Currency risk is the risk that changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. Changes in the applicable exchange rate may result in a decrease or increase in foreign exchange income or expense. The Company only enters into transactions in Canadian dollars and is not exposed to currency risk.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk. Obtaining a promissory note with a fixed interest rate minimizes cash flow risk.

Other price risk

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. Mineral prices are affected by numerous factors such as the sale or purchase by various central banks and financial institutions, interest rates, exchange rates, inflation or deflation, fluctuations in the value of the US dollar and other foreign currencies, global and regional supply and demand, and the political and economic conditions of major gold-producing countries throughout the world.

Fair values

The fair values of the Company's financial assets and liabilities consisting of cash, accounts payable, advances payable, due to related parties and promissory note payable approximate their recorded values as at December 31, 2018 and December 31, 2017 due to their short-term nature.

Fair value is an estimate of the amount at which items might be exchanged in an arm's length transaction between knowledgeable willing parties who are under no compulsion to act. Fair value should not be interpreted as an amount that could be realized in immediate settlement of the instruments. The estimate of fair value at the end of the periods may not represent fair values at any other date. The determination of fair value is also affected by the use of judgment and by uncertainty.

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12. CONTINGENCY

In connection with an independent contractor agreement, a claim has been made against the Company for outstanding monies owing and severance (the "Claim"). The likelihood of loss and amounts are dependent upon the outcome of future contingent events, the nature and likelihood of which cannot be determined at this time. In the opinion of the Company, potential liabilities that may result from this legal action has been adequately provided for and is not expected to have a material adverse effect on the Company's financial position.

An August 8, 2018, the Company announced that it had entered into an agreement (the "Agreement") with Havilah Mining Canada Ltd. ("Havilah", a subsidiary of Havilah Mining Corporation), whereby Havilah has agreed to acquire the remaining 50% interest in the Tully mining claims and mining lease located in Timmins, Ontario (the "Tully Property"), an exploration property in Ontario (the "Acquisition").

Under the terms of the Agreement, Havilah will acquire the Company's legal and beneficial right, title and interest in and to all of the Company's 50% in the Tully Property in exchange for consideration which includes payment of \$200,000 in cash for the settlement of the Claim, and the waiver of outstanding liabilities owing to Havilah by the Company in the amount of approximately \$970,552.

Additionally, pursuant to the terms of the Agreement, concurrent with the closing of the Acquisition, the Company is required to complete a non-brokered private placement (the "Placement") offering of 3,333,333 post-consolidation common shares of the Company to Havilah, at a price of \$0.06 per common share, for aggregate gross proceeds of \$200,000. Havilah currently owns 14,349,085 common shares of the Company representing approximately 27% of the issued and outstanding common shares.

Completion of the Acquisition and the Placement is subject to the satisfaction of certain conditions precedent as well as the approval of the TSX Venture Exchange. The Acquisition was expected to close on September 30, 2018, or such other date as the parties may agree upon. The closing has been delayed as the TSX Venture Exchange has not yet provided final approval.

13. FLOW-THROUGH SHARE PREMIUM LIABILITY

Balance, December 31, 2016 and 2017	\$ ---
Flow-through share premium liability incurred on July 4, 2018	58,830
Flow-through share premium liability incurred on December 24, 2018	27,030
Flow-through share premium liability incurred on December 28, 2018	39,750
Settlement of flow-through share liability on incurring expenditures	(7,632)
Balance, December 31, 2018	\$117,978

During the year ended December 31, 2018, the Company incurred \$28,800 of qualified flow-through funded exploration expenditures, partially fulfilling its commitment under the flow-through financing on July 4, 2018. As at December 31, 2018, approximately \$425,200 remains to be incurred on qualifying expenditures during fiscal 2019. The Company intends to fulfill its flow-through commitments within the given time constraints.

14. COMPARATIVE INFORMATION

Certain prior year expense figures were reclassified to conform to current period classifications.



(Formerly SGX Resources Inc.)

MANAGEMENT'S DISCUSSION AND ANALYSIS

OF THE COMPANY'S FINANCIAL CONDITION

AND RESULTS OF OPERATIONS

FOR THE YEAR ENDED

DECEMBER 31, 2018

The following management discussion and analysis of the financial condition and results of operations of 55 North Mining Inc. (formerly SGX Resources Inc.) (“55 North” or the “Company”) is prepared and reported as at December 31, 2018 and should be read in conjunction with the Company’s audited financial statements and notes thereto for the year ending December 31, 2018. Additional information about the Company has been filed with applicable Canadian securities regulatory authorities and is available at www.sedar.com.

The information provided herein is given as of March 27, 2019 unless otherwise indicated.

FORWARD LOOKING STATEMENT

This management discussion and analysis contains “forward-looking statements” which reflect management’s expectations regarding the Company’s future growth, results of operations, performance and business prospects and opportunities. Such forward-looking statements may include, but are not limited to, statements with respect to the future financial or operating performance of the Company and its projects, the future price of gold or other metal prices, capital, operating and exploration expenditures, costs and timing of the development of new deposits, costs and timing of future exploration, requirements for additional capital, government regulation of mining operations, environmental risks, reclamation expenses, title disputes or claims, limitations of insurance coverage and the timing and possible outcome of regulatory matters. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others: general business, economic, competitive, political and social uncertainties; the actual results of current exploration activities; conclusions of economic evaluations; fluctuations in currency exchange rates; changes in project parameters as plans continue to be refined; changes in labour costs; future prices of gold or other metal prices; possible variations of mineral grade; accidents, hazards, cave-ins, pit-wall failures, flooding, rock bursts and other acts of God or unfavourable operating conditions and losses, insurrection or war; delays in obtaining governmental approvals or financing or in the completion of development or construction activities; and actual results of reclamation activities. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this management discussion and analysis and the Company disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

BUSINESS ENVIRONMENT and OUTLOOK

Due to weak capital markets for junior mineral exploration companies, Management with the support of the Board of Directors has reduced operations to conserve capital. This involves the curtailment of exploration activities and the reduction of administrative overheads to an absolute minimum until such time that the capital markets are more supportive of junior exploration projects.

The Company will need to raise additional working capital, as it does not have sufficient working capital to fund its ongoing operations. In the current financial environment, there is a risk that the Company will be unable to raise sufficient funds, thus jeopardizing the Company’s ability to continue as a going-concern.

Management believes that going forward, subject to economic conditions, finances and the availability of equity financing, the longer-term prospects for the Corporation should remain positive. It is the intention of the Company to continue exploration activities on certain of its mineral properties going forward, as set forth in the technical report with respect to the Properties entitled “Technical Report on the Timmins Area Properties for SGX Resources Inc.” dated January 15, 2010 prepared by John R. Boissoneault, B.Sc, P.Eng. and available on SEDAR at www.sedar.com. The Company also intends to undertake exploration of its other properties not covered by this report. When opportunities present themselves, the Company will seriously evaluate the acquisition of additional mineral properties in the Timmins, Ontario area.

55 North Mining Inc. - Management Discussion & Analysis

OVERVIEW OF THE BUSINESS

The Company was incorporated under the Canada Business Corporations Act on December 5, 2008. The Company did not commence active business operations until it acquired an interest in certain option agreements from San Gold Corporation ("San Gold") on December 4, 2009. The current business of the Company is exploration and development of its mineral properties.

On January 10, 2017, at an annual and special meeting of shareholders requisitioned by Havilah Mining Corporation (formerly Klondex Canada Ltd.) ("Havilah"), a significant shareholder in the Company, a new Board of Directors was elected, and new management was subsequently appointed (see press release dated January 11, 2017). At the shareholder meeting held on June 6, 2018, shareholders approved a name change to 55 North Mining Inc. and its ticker symbol was subsequently changed to "FFF".

An August 8, 2018, the Company announced that it had entered into an agreement (the "Agreement") with Havilah Mining Canada Ltd. ("Havilah", a subsidiary of Havilah Mining Corporation), whereby Havilah has agreed to acquire the remaining 50% interest in the Tully mining claims and mining lease located in Timmins, Ontario (the "Tully Property"), an exploration property in Ontario (the "Acquisition").

Under the terms of the Agreement, Havilah will acquire the Company's legal and beneficial right, title and interest in and to all of the Company's 50% in the Tully Property in exchange for consideration which includes payment of \$200,000 in cash for the settlement of the Claim), and the waiver of outstanding liabilities owing to Havilah by the Company in the amount of approximately \$970,552.

Additionally, pursuant to the terms of the Agreement, concurrent with the closing of the Acquisition, the Company is required to complete a non-brokered private placement (the "Placement") offering of 3,333,333 post-consolidation common shares of the Company to Havilah, at a price of \$0.06 per common share, for aggregate gross proceeds of \$200,000. Havilah currently owns 14,349,085 common shares of the Company representing approximately 27% of the issued and outstanding common shares.

Completion of the Acquisition and the Placement is subject to the satisfaction of certain conditions precedent as well as the approval of the TSX Venture Exchange. The Acquisition was expected to close on September 30, 2018, or such other date as the parties may agree upon. The closing has been delayed as the TSX Venture Exchange has not yet provided final approval.

MINERAL RESOURCES and MINERAL RESERVES

The Corporation has no known mineral reserves as defined by and compliant with the requirements of National Instrument 43-101.

MINING OPERATIONS

The Corporation has no mining operations.

OVERALL PERFORMANCE

Timmins South:

55 North has undertaken an extensive diamond drilling program on the Timmins South or Sothman property since September of 2011 as a follow-up to geophysical targets with the objective of locating near surface gold deposits. This land package is located approximately 60 km to the south of Timmins, Ontario, between the Young-Davidson mine to the east and the Cote Lake deposit to the west. Geophysical anomaly drilling for vein-style gold targets intersected what is now known as the Edleston Zone with drill holes #SL-11-14 and #SL-11-16 in late 2011. This discovery is located in the north-west quadrant of 55 North's claim group within the Sothman Township and has road access via Pine Street extending south from Timmins. The deposit dips moderately steeply to the south and strikes roughly at an azimuth of 100 degrees or east-southeast. More than 75 drill holes have been completed to date along 50 metre spaced sections, outlining a mineralized zone approximately 100 metres wide and over 600 metres long, drilled to a maximum depth of 250 metres while the zone continues to remain open in all directions. The favorable geological host rock package extends southwest and east for many kilometers in a horseshoe shape yielding many classic structural targets. 55 North has recently discovered a new high grade surface zone parallel and to the south of the Edleston Deposit as drilling moves eastward along strike including 6 metres of 68 grams per tonne. 55 North plans to continue to build on the size of the Edleston Deposit and to extend and explore the newly discovered high grade zone, as well as to continue determining mineral potential in the remainder of this property package.

Recent geophysical and geological work conducted by 55 North has demonstrated that the Edleston Zone sits within the north limb of the host unit/horizon that stretches over 10 km to the east. This unit is broadly folded

55 North Mining Inc. - Management Discussion & Analysis

back toward the south and east immediately to the west of the deposit continuing under and near the contact with shallow sedimentary cover. Pronounced axial planes extend across the folded host unit. Regionally, this property appears to lie along the potential western extension of the Cadillac- Larder fault zone along which a number of major gold deposits are located. The host rock is an altered and sheared ultramafic that exhibits extensive silicification and contains quartz-carbonate in veins, veinlets and fracture fills. Mineralization is broadly distributed throughout the unit as pyrite in amounts of 3 to 5 per cent with trace chalcopyrite and occasional visible gold observed as well. Additional intercalated volcanic and meta sediment units lie to the north and south of the deposit, large felsic and mafic intrusive units are in contact with the northern volcanic rocks to the east beyond the 55 North property boundaries. Along strike to the east of the Edleston zone by approximately 1.5 km lies the Sirola Zone, which exhibits similar geology and mineralization and contains some of the only outcropping in the region. The outcropping portion of this property consists of an altered reddish feldspar porphyry which lies in contact with mineralized ultramafic volcanic. These formations have a general strike of 100 degrees azimuth with a steep dip and are generally sheared and highly altered by carbonatization and silicification. Numerous trenches and test pits, believed to be from the early 1980's are also located on the property.

Timmins North: Joint Venture with Shoreline Gold Inc. (formerly San Gold Corporation)

Activities at the Timmins North or Tully property, located approximately 25 km to the north of Timmins are focused on diamond drilling in order to expand on and further define the Tully gold deposit, first discovered in 1969 by McIntyre Mines. The Tully property has year round road access and is located immediately to the east of the Kidd Creek mine, and to the north of the Bell Creek milling facility. During the latter part of 2012 an internal study was undertaken focusing on the structural and geological setting in order to fully appreciate the potential for additional mineralization and its controls. What resulted is a different interpretation of vein geometry than past operators giving rise to a new exploration program consisting of steeply oriented drilling in order to intersect veining at perpendicular angles and to utilize drill footage more efficiently by intersecting numerous vein sets. In general terms, the Tully deposit is now interpreted to be a series of shallow dipping (extensional or ladder) stacked vein sets within a subvertical competent mafic tuff host that is bounded by ultramafic volcanic rocks to the south and sediments to the north. This host sequence of rocks all lie within the regional east-west Pipestone Fault corridor, a northern splay from the Porcupine-Destor Fault. Movement along this fault corridor gave rise to competence contrast in the tuff unit, allowing for dilation and the formation of extension fractures which became repositories for gold bearing hydrothermal fluids. The Tully deposit has been drilled over a 600 metre strike length to date, and to depths of over 200 metres, remaining open along strike and to depth. 55 North intends to continue its program of definition and exploration drilling along strike and to depth, focusing on high grade, near surface potential.

Other Properties:

Other strategic land positions are held in the west Timmins area and immediately west of Kirkland Lake, all near current and past production. The Company has also signed an exploration agreement with Mattagami First Nation. The Agreement recognizes the rights, obligations, and responsibilities held by each party in relation to ongoing exploration activities on claims held by the Company that are located in Mattagami traditional territory. The Agreement also identifies potential opportunities which may arise from exploration activities in these areas and provides methods for the Mattagami community to participate in these opportunities. This property was sold subsequent to the year end as described further below and the Company no longer has an interest in this property.

On December 21, 2011, the Company had completed the acquisition of five mineral claims (the "Salo Mineral Claims") located in the Porcupine Mining Division, District of Cochrane, Ontario from Randall Salo ("Salo"). The consideration paid by 55 North to Salo for the Salo Mineral Claims was 100,000 common shares of 55 North and \$10,000 in cash. The Salo Mineral Claims were subject to a 2% net smelter royalty in favor of Salo. The Company let these claims lapse in 2015 and no longer has an interest in this property.

On December 21, 2011, the Company completed the acquisition of four mineral claims (the "Bremner Mineral Claims") located in Sothman Township in the Porcupine Mining Division, District of Cochrane, Ontario from Daryl Bremner ("Bremner"). The consideration paid by 55 North to Bremner for the Bremner Mineral Claims was 120,000 common shares of 55 North and \$2,000 in cash. The Bremner Mineral Claims were also subject to a 2% net smelter royalty in favor of Bremner. The Company let these claims lapse in 2015 and no longer has an interest in this property.

In April 2012, the Company completed the acquisition of three mineral claims (the "Mineral Claims") located in Hutt Township and Halliday Township in the Porcupine Mining Division, District of Cochrane, Ontario from

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Yvan Verroneau ("Verroneau"). Consideration paid by 55 North to Verroneau for the Mineral Claims consisted of 17,778 common shares of 55 North. The Company let these claims lapse in 2015 and no longer has an interest in this property.

On April 18, 2012, the Company announced that San Gold and 55 North completed their previously announced sale by San Gold to 55 North of all of the interests of San Gold in its mineral properties in Tisdale Township, in the Timmins, Ontario mining camp (the "Transaction"). The consideration paid by 55 North to San Gold was 8,060,000 common shares of 55 North ("55 North Shares") at a deemed price of \$0.50 per 55 North Share. These shares represented approximately 7.26% of the current issued and outstanding 55 North Shares. The Transaction was completed pursuant to a purchase agreement between San Gold and 55 North dated as of the date hereof. The Tisdale Township properties consist of a 31.5% ownership in 12 mineral claims known as the "Davidson-Tisdale Property" and a 100% interest in 13 mineral claims known as the "North Tisdale Property" as well as certain surface rights (collectively, the "Properties"). The remaining 68.5% of the Davidson-Tisdale Property is owned by Lexam VG Gold Inc. Laurion Mineral Exploration Inc. retains a 2% net smelter return royalty on the North Tisdale Property, which is now an obligation of 55 North. This property was sold subsequent to the year end as described further below and the Company no longer has an interest in this property.

The Company has entered into an option agreement (the "Option Agreement") with James E. Croxall (the "Optionor") dated as of June 1, 2012 (the "Effective Date"). Pursuant to the Option Agreement, the Optionor has provided 55 North with an option to acquire a 100% undivided interest in seven mineral claims (the "Properties") held by the Optionor in Zavitz Township, Porcupine Mining District in the Timmins, Ontario area. Pursuant to the terms of the Option Agreement, 55 North has the option to earn a 100% undivided interest in the Properties by making the following aggregate cash payments and issuing the following aggregate numbers of common shares of 55 North ("Common Shares") to the Optionor: (i) \$10,000 cash and 30,000 Common Shares on the date of execution of the Option Agreement, which has been done; (ii) \$15,000 cash and 30,000 common shares on or before the date that is one year following the Effective Date; (iii) \$25,000 cash and 40,000 Common Shares on or before the second anniversary of the Effective Date; and (iv) \$50,000 cash and 150,000 Common Shares on or before the third anniversary of the Effective Date. In addition, 55 North must incur at least \$200,000 in exploration expenditures on the Properties on or before the third anniversary of the Effective Date. Upon transfer of a 100% undivided interest in the Properties from the Optionor to 55 North, the Optionor shall be entitled to an aggregate 2% net smelter returns royalty on the Properties. 55 North shall be entitled to purchase half of such royalty (1%) from the Optionor for \$1,000,000 in cash, subject to an adjustment based on the change in the Consumer Price Index from the Effective Date until the time of such purchase. The Company ended further work and returned the property to the Optionor.

On July 9, 2012 the Company entered into an option agreement with each of Randall Salo, Michael Tremblay and Jacques Robert. Pursuant to the Option Agreement, the Optionors provided 55 North with an option to acquire a 100% undivided interest in eight mineral claims held by the Optionors in Zavitz Township and Hincks Township in the Porcupine and Larder Lake Mining Districts in the Timmins, Ontario area. The Company no longer has an interest in this property.

On August 21, 2012, 55 North entered into an option agreement (the "Option Agreement") with each of Shoreacres Explorations Ltd., 2090720 Ontario Inc. and 2229667 Ontario Inc. (collectively, the "Optionors"). Pursuant to the Option Agreement, the Optionors provided 55 North with an option to acquire a 100% undivided interest in eight leased mineral claims (the "Properties") held by the Optionors in Grenfell Township in the Larder Lake Mining District in the Kirkland Lake, Ontario area. Pursuant to the terms of the Option Agreement, 55 North has the option to earn a 100% undivided interest in the Properties by making the following aggregate cash payments and issuing the following aggregate numbers of common shares of 55 North ("Common Shares") to the Optionors: (i) \$25,000 cash and 100,000 Common Shares on or about the date that the TSX Venture Exchange accepts the terms of the Option Agreement (the "Effective Date"); (ii) \$25,000 cash and 100,000 common shares on or before the first anniversary of the Effective Date; (iii) \$25,000 cash and 100,000 Common Shares on or before the second anniversary of the Effective Date; (iv) \$37,500 cash and 150,000 Common Shares on or before the third anniversary of the Effective Date; and (v) \$62,500 cash and 250,000 Common Shares on or before the fourth anniversary of the Effective Date. There was no specific work commitment required by 55 North pursuant to the Option Agreement. Upon transfer of a 100% undivided interest in the Properties from the Optionors to 55 North, the Optionors shall be entitled to an aggregate 1% net smelter returns royalty on the Properties. This is in addition to the existing 2% net smelter returns royalty on the Property. 55 North shall be entitled to purchase half of such royalty (1%) from the holder for \$1,000,000 in cash. The Company ended work on these Properties and no longer has an interest in this property.

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On May 31, 2013, the Company completed the acquisition of one mining claim (the Clayton Larche Claim) located in the Porcupine Division in the District of Cochrane, Ontario from Clayton Larche. The consideration paid by 55 North to Clayton Larche for the Clayton Larche claim was \$10,000 in cash, for outright ownership of claim. The Clayton Larche claim is also subject to a 2% net smelter royalty in favor of Larche. 55 North shall be entitled to purchase half of such royalty (1%) from the holder for \$1,000,000 in cash. The Company ended work on this claim no longer has an interest in this property.

On May 29, 2014, the Company completed all cash payments and share issuances required pursuant to the option agreement (the "Option Agreement") dated May 17, 2010 between the Company and Shoreacres Exploration Limited ("Shoreacres") to earn its 100% interest in leased claim CLM 114 (the "Mineral Property") located in Sothman Township in the Timmins, Ontario area. In accordance with the terms of the Option Agreement, Shoreacres will transfer ownership of the Mineral Property to the Company within 30 days. Shoreacres shall retain a 2% net smelter returns royalty on the Mineral Property in accordance with the terms of the Option Agreement.

During the year ended December 31, 2016, the Company did not undertake any exploration work on its properties. During the year ended December 31, 2017, some exploration work took place on its properties. All of the properties of the Company are located in and around the Timmins, Ontario area. A summary of the properties of the Company and the exploration activities of the Company on such properties during the year is set forth below.

THE BIG MARSH PROPERTY (Bristol - Carscallen) – Under Option

The Big Marsh Property consists of ten claims consisting of 90 units in the east central part of Carscallen Township extending from Big Marsh Lake to the eastern boundary of the Carscallen Township, the total area being 1,440 hectares. All of the claims are contiguous, forming a relatively equidimensional block approximately 4.0 kilometres wide. The Big Marsh Property is located approximately 25km to the west-southwest of the core of Timmins, Ontario.

Claim Status

CLAIM#	UNITS	HECTARES	RECORDING DATE	DUE DATE
4212529	12	192	Oct. 11, 2006	Oct. 11, 2019
4211013	16	256	Jun. 19, 2006	Jun. 19, 2019
4213856	4	64	Feb. 7, 2007	Feb. 7, 2020
4202663	16	256	Oct. 10, 2006	Oct. 10, 2019
4210999	4	64	Oct. 16, 2006	Oct. 16, 2019
4204384	14	224	Aug. 11, 2006	Aug. 11, 2019
3019638	6	96	May 7, 2007	May 7, 2019
4202665	4	64	Oct. 11, 2006	Oct. 11, 2019
Total 10 Claims	76	1,216		

All of the above claims are registered in the names of Larry Noel Gervais, John Der Weduwen and 1571925 Ontario Ltd., and are currently under option to the Company and subject to a Net Smelter Royalty with Havilah which came into effect February 9, 2016. Claims 4213854 and 4213855 were transferred to Melkior Resources November 3 2017.

THE GUNTHER LAKE PROPERTY – Under Option

The Gunther Lake Property consists of a single claim consisting of 12 units or 192 hectares in the central part of Carscallen Township to the west of Big Marsh Lake. The Gunther Lake Property forms a rectangular block 1.6 kilometres from north to south and 1.2 kilometres from east to west which is detached from the claim block of the Big Marsh Property by 800 metres and touches the eastern edge of Gunther Lake.

Claim Status

CLAIM#	UNITS	HECTARES	RECORDING DATE	DUE DATE
4213799	12	192	Feb. 20, 2007	Feb. 20, 2020

The above claim is registered in the names of Larry Noel Gervais and John Der Weduwen and currently under option to the Company. There is a net smelter royalty which came into effect February 9, 2016. Pursuant to the Agreement, the option on this property was transferred to Havilah effective February 9, 2019.

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THE BRISTOL WEST PROPERTY – Under Option

The Bristol West Property contains four claims consisting of 25 units (400 hectares) along the western edge of Bristol Township. It is contiguous with the Big Marsh Property to the west but has been given a different name to facilitate reference and description. The Bristol West Property's dimensions are 3.0 kilometres from north to south and 1.6 kilometres from east to west.

Claim Status

CLAIM#	UNITS	HECTARES	RECORDING DATE	DUE DATE
3019639	11	176	7-May-07	7-May-20
3019640	2	32	7-May-07	7-May-20
4202662	9	144	10-Oct-06	10-Oct-20
Total 3 Claims	22	352		

The Company had sufficient assessment work to cover the requirements for the 2015 Assessment. The above claims are registered in the names of 1571925 Ontario Ltd., Larry Noel Gervais, John Der Weduwen, and are under option to the Company. There is a net smelter royalty between 1571925 Ontario Ltd., Larry Noel Gervais and Havilah) which came into effect February 9, 2016 for 3019639 and 3019640. There is a net smelter royalty between 1571925 Ontario Ltd., Larry Noel Gervais John Der Weduwen and Havilah which came into effect February 9, 2016 for 4202662. Pursuant to the Agreement, the option on this property was transferred to Havilah effective February 9, 2019.

THE WEST OGDEN PROPERTY – Under Option

The West Ogden Property consists of two large irregular claims consisting of 24 units or 384 hectares in the northwest corner of Ogden Township. The aforesaid claims are contiguous forming a rough square approximately 2.5 kilometres across interrupted in the west and center by patented claims which are not part of the West Ogden Property. The West Ogden Property is located approximately 10km southwest of Timmins, Ontario.

Claim Status

CLAIM#	UNITS	HECTARES	RECORDING DATE	DUE DATE
4218023	13	208	15-Jun-07	15-Jun-19
4218028	11	176	15-Jun-07	15-Jun-19
Total 2 Claims	24	384		

The above claims are registered in the name of Odyssey Explorations Ltd. and are under option to the Company. Pursuant to the Agreement, the option on this property was transferred to Havilah effective February 9, 2019.

THE SHOREACRES PROPERTY - Own Outright

The Shoreacres Property consists of a single leased claim consisting of 14 units located in Sothman Township in the Timmins, Ontario area.

Claim Status

LEASE#	UNITS	HECTARES	RECORDING DATE	Expiry Date	TOWNSHIP/AREA
CLM114	14	278.448	29-May-14	31-Dec-28	Sothman
Total Lease	14 Units	278.448 Hectares			

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THE TIMMINS SOUTH PROPERTY (Croxall) – Under Option

The Timmins South Property consists of Thirty-Six claims consisting of 333 units located in Sothman, Semple Halliday, and Nursey Township in Ontario.

Claim Status

CLAIM#	UNITS	RECORDING DATE	DUE DATE	TOWNSHIP/AREA
1149934	9	30-May-03	30-May-19	Sothman
1149935	8	9-Jul-03	9-Jul-19	Semple
1149936	4	20-May-03	20-May-19	Sothman
1149937	16	7-May-03	7-May-19	Sothman
1149938	10	7-May-03	7-May-19	Sothman
1149939	2	20-May-03	20-May-19	Sothman
1191895	16	18-Feb-02	18-Feb-20	Semple
1227898	15	31-May-05	31-May-19	Semple
1247541	9	15-Apr-03	15-Apr-19	Sothman
1247542	8	15-Apr-03	15-Apr-19	Sothman
1247543	2	15-Apr-03	15-Apr-19	Sothman
3005882	6	4-Mar-04	4-Mar-20	Semple
3005884	16	4-Mar-04	4-Mar-20	Sothman
3005885	6	4-Mar-04	4-Mar-20	Sothman
3005886	3	4-Mar-04	4-Mar-20	Sothman
3005887	11	4-Mar-04	4-Mar-20	Sothman
3005888	1	4-Mar-04	4-Mar-20	Sothman
3016396	8	3-Jul-03	3-Jul-19	Sothman
3016397	8	3-Jul-03	3-Jul-19	Sothman
4202189	9	2-Mar-09	2-Mar-20	Halliday
4203285	8	4-Jul-05	4-Jul-19	Semple
4210938	6	2-Mar-09	2-Mar-20	Halliday
4212409	6	23-Feb-07	23-Feb-20	Nursey
4212410	1	23-Feb-07	23-Feb-20	Sothman
4212411	16	23-Feb-07	23-Feb-20	Sothman
4224481	16	28-Aug-07	28-Aug-19	Sothman
4224482	12	28-Aug-07	28-Aug-19	Sothman
4224483	16	28-Aug-07	28-Aug-19	Sothman
4224484	4	28-Aug-07	28-Aug-19	Sothman
4224485	16	28-Aug-07	28-Aug-19	Sothman
4224486	13	28-Aug-07	28-Aug-19	Sothman
4224487	10	28-Aug-07	28-Aug-19	Halliday
4250777	8	29-Apr-10	29-Apr-20	Sothman
30001053	9	18-Feb-03	18-Feb-20	Semple
34 claims	308			

The above claims are registered in the names of Croxall, Kangas, Miller and Bryant and are under option with the Company.

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THE TULLY CENTRAL PROPERTY - Own Outright

The Tully Property consists of three claims consisting of 23 units designated as P4243871; P4243872; P4243873 in the Tully Township. This project will hence forth be referred to as the Timmins North Project in Company documents and reports and in press releases.

Claim Status

CLAIM#	UNITS	RECORDING DATE	DUE DATE	TOWNSHIP/AREA
4243871	12	29-Jan-09	29-Jan-20	Tully
4243872	6	29-Jan-09	29-Jan-20	Tully
4243873	5	29-Jan-09	29-Jan-20	Tully
3 Claims	23			

The above claims are registered in the name of 55 North Mining Inc. located in Tully Township, Porcupine Mining Division, and District of Cochrane, Ontario. Pursuant to the Agreement, these claims were transferred to Havilah effective February 9, 2019.

THE NIGHTHAWK PROPERTY - Own Outright

The Nighthawk Property consists of two claims consisting of 4 units located in the Township of Matheson.

Claim Status

CLAIM#	UNITS	RECORDING DATE	DUE DATE	TOWNSHIP/AREA
4255976	4	14-Sept-10	14-Sept-19	Matheson

The above claim is registered in the name of 55 North Mining Inc. Pursuant to the Agreement, these claims were transferred to Havilah effective February 9, 2019.

THE TULLY TOWNSHIP PROPERTY/TIMMINS NORTH

The Tully Mineral Claims consists of 50% interest in sixteen patent claims and two claims comprising of 22 units in the Tully Township area located in Tully Township, Porcupine Mining Division, District of Cochrane, Ontario.

Claim Status

CLAIM#	UNITS	RECORDING DATE	Expiry Date	TOWNSHIP/AREA
57468	1	Patent	31-May-34	Tully
57463	1	Patent	31-May-34	Tully
57464	1	Patent	31-May-34	Tully
57467	1	Patent	31-May-34	Tully
57471	1	Patent	31-May-34	Tully
57472	1	Patent	31-May-34	Tully
57473	1	Patent	31-May-34	Tully
57474	1	Patent	31-May-34	Tully
57475	1	Patent	31-May-34	Tully
57476	1	Patent	31-May-34	Tully
57479	1	Patent	31-May-34	Tully
57480	1	Patent	31-May-34	Tully
57485	1	Patent	31-May-34	Tully
57486	1	Patent	31-May-34	Tully
102250	1	Patent	31-May-34	Tully
102251	1	Patent	31-May-34	Tully
3010236	4	14-Jun-03	14-Jun-19	Tully
3010237	2	14-Jun-03	14-Jun-19	Tully
Total 18 Claims	22			

The above claims are registered in the names of 55 North Mining Inc. and Havilah Mining Corporation, each holding a 50% share in the claims. Pursuant to the Agreement, these claims were transferred to Havilah effective February 9, 2019.

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RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2018

Analysis of the year ended December 31, 2018 compared to the year ended December 31, 2017

The Company reported a loss of \$227,216 for the year ended December 31, 2018 compared to a loss of \$285,604 for the year ended December 31, 2017. For the years ended December 31, 2018 and 2017 the Company did not write down the carrying values of its mining claims.

During 2016, the Company's Board was unable to convene a properly called meeting with quorum. With nothing being approved by the Board, no official business could take place. Ultimately, this meant that the Company was not in compliance with its regulatory filing requirements and the Company's shares were suspended from trading on the TSX Venture Exchange ("TSXV") on May 9, 2016.

On January 10, 2017, at an annual and special meeting of shareholders requisitioned by Havilah Mining Corporation (formerly Klondex Canada Ltd.), a significant shareholder in the Company, a new Board of Directors was elected and new Management was subsequently appointed. This resulted in significant administrative activity beginning in January 2017, where Management began work to ensure that the Company again was in compliance with the rules and regulations of the TSXV, the provincial securities regulators and the Canada Revenue Agency. As of the date of this report, this activity is essentially complete with the cease-trade being lifted by the Manitoba Securities Commission. Management continues to work with legal counsel towards getting the Company's stock trading

As the Company is in the exploration phase and its properties are in the early stage of exploration, none of its properties are in production. Therefore, mineral exploration expenditures are not capitalized and losses are incurred as a result of exploration expenditures and administrative expenses relating to the operation of the Company's business. Consequently, the Company's net income is not a meaningful indicator of its performance or potential. The key performance driver for the Company is the acquisition, exploration, and development of prospective mineral properties. By acquiring and exploring projects of superior technical merit, the Company increases the probability of finding and developing economic mineral deposits.

At this time the Company is not anticipating profit from operations in the near future. Until such time as the Company is able to realize profits from the production and marketing of commodities from its properties, the Company will report a deficit and will rely on its ability to obtain equity or debt financing to fund ongoing operations. Additional financing is required for new exploration and promotional initiatives. Due to the nature of the junior mineral exploration industry, the Company will have a continuous need to secure additional funds through the issuance of equity or debt in order to support its corporate and exploration activities, as well as its obligations relating to its properties.

The Company incurred \$30,405 in exploration-related activities in 2018 (2017 - \$58,244). During 2018, with much of the administrative and organization "clean up" completed, much of the corporate activities were curtailed, reflected in lower payroll and consulting costs of \$5,240 in 2018 compared to \$110,515 in 2017. This was partially offset by a \$63,897 increase in legal and other professional costs over the same period, which work is ongoing to get the Company's shares traded on a Canadian stock exchange. Also increasing year-over-year were promotion and shareholder communication costs to \$58,717 in 2018 from \$26,092 in 2017. These costs increased with Management beginning to prepare the Company's shares for trading and trying to reinstate operations.

A summary of the general administrative activity for the years ended December 31, 2018 and 2017 is as follows:

	2018	2017
Expenses:		
Professional fees	121,014	57,717
Promotion and shareholder communication	58,717	26,092
Payroll and consulting	5,240	110,515
Other general and administrative	11,970	19,678
Total general administrative expenses	\$ 196,941	\$ 214,002

In 2016 the Company effectively curtailed all activities, including exploration and supporting activities. During 2016, the Company's Board was unable to convene a properly called meeting with quorum. With nothing being approved by the Board, no official business could take place. Ultimately, this meant that the Company

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was not in compliance with its regulatory filing requirements and the Company's shares were suspended from trading on the TSX Venture Exchange ("TSXV") on May 9, 2016.

On January 10, 2017, at an annual and special meeting of shareholders requisitioned by Havilah Mining Corporation (formerly Klondex Canada Ltd.), a significant shareholder in the Company, a new Board of Directors was elected and new Management was subsequently appointed. This resulted in significant administrative activity beginning in January 2017, where Management began work to ensure that the Company again was in compliance with the rules and regulations of the TSXV, the provincial securities regulators and the Canada Revenue Agency. As of the date of this report, this activity is essentially complete. Management continues to work with legal counsel towards getting the Company's stock trading again on the TSXV.

During the first six months of 2018, investors subscribed and paid for \$222,000 of common shares. The Company was awaiting approval for these subscriptions, among other things, from the TSXV, which approval was received in July 2018. On July 4, 2018, the Company closed a private placement offering for gross proceeds of \$222,000 by the issuance of 3,699,996 million Units at a price of \$0.06 per Unit. Each Unit is comprised of one flow through common share and one non-flow-through purchase warrant entitling the holder to acquire one additional common share at a price of \$0.07 per share for 24 months.

On December 24, 2018, the Company closed a private placement offering for gross proceeds of \$102,000 by the issuance of 1,700,000 flow-through shares at a price of \$0.06 per share.

On December 28, 2018, the Company closed a private placement offering for gross proceeds of \$150,000 by the issuance of 2,500,000 flow-through shares at a price of \$0.06 per share.

As the Company is in the exploration phase and its properties are in the early stage of exploration, none of its properties are in production. Therefore, mineral exploration expenditures are not capitalized, and losses are incurred as a result of exploration expenditures and administrative expenses relating to the operation of the Company's business. Consequently, the Company's net income is not a meaningful indicator of its performance of potential. The key performance driver for the Company is the acquisition, exploration, and development of prospective mineral properties. By acquiring and exploring projects of superior technical merit, the Company increases the probability of finding and developing economic mineral deposits.

At this time the Company is not anticipating profit from operations in the near future. Until such time as the Company is able to realize profits from the production and marketing of commodities from its properties, the Company will report a deficit and will rely on its ability to obtain equity or debt financing to fund ongoing operations. Additional financing is required for new exploration and promotional initiatives. Due to the nature of the junior mineral exploration industry, the Company will have a continuous need to secure additional funds through the issuance of equity or debt in order to support its corporate and exploration activities, as well as its obligations relating to its properties.

SUMMARY OF QUARTERLY RESULTS

The following are the results for the below noted quarters:

	Q4 2018	Q3 2018	Q2 2018	Q1 2018
General administrative expenses	24,331	42,145	77,823	52,642
Net loss	(56,216)	(42,145)	(80,857)	(55,630)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

	Q4 2017	Q3 2017	Q2 2017	Q1 2017
General administrative expenses	(4,896)	33,215	108,279	139,138
Net loss	(443)	(33,215)	(112,808)	(139,138)
Loss per share	(0.00)	(0.00)	(0.00)	(0.00)

The Company is in the exploration stage and therefore has no regular cash inflows. As at December 31, 2018, the Company had a working capital deficiency of \$2,495,385 (December 31, 2017 – a working capital deficiency of \$2,591,076).

The pace of development of its properties will determine how quickly the Company expends its working capital and how long it will take before the Company requires additional working capital. The ability of the Company to access new working capital through additional financings could be adversely affected by many factors

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including a downturn in mineral prices, a general economic downturn, poor results from exploration programs on its properties and a variety of other factors.

FINANCIAL INSTRUMENTS

The Corporation's financial instruments consist of cash, accounts payable and accrued liabilities, advance payable, due to related party and promissory note payable.

(a) Risk management and hedging activities

In the normal course of operations the company is exposed to various financial risks. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The company does not meaningfully participate in the use of financial instruments to control these risks. The company has no designated hedging transactions. The financial risks and management's risk management objectives and policies are as follows:

(i) Currency risk

The company does not hold any assets or liabilities denominated in a foreign currency.

(ii) Price risk

The company is exposed to price risk with respect to commodity prices. As the company is not a producing entity, this risk does not currently affect earnings, however, the risk could affect the completion of future equity transactions. The company monitors commodity prices of precious metals and the stock market to determine the timing, nature and extent of equity transactions.

(iii) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the entity. The company is exposed to credit risk on cash, trade receivables and other receivables. Cash is held with an established Canadian financial institution and the company's other receivables are from Canadian government entities, from which management believes the risk of loss to be remote. The company does not have any derivatives or similar instruments that mitigate the maximum exposure to credit risk.

(iv) Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. Management monitors the company's liquidity by assessing forecast and actual cash flows and by maintaining adequate cash on hand. It is management's opinion that it is unlikely that the company will encounter difficulty in raising funds to meet commitments associated with financial instruments. As at December 31, 2018, the company had a working capital deficiency in the amount of \$2,495,385.

(v) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's promissory note agreement fixes interest at 5% per annum and accordingly is not subject to cash flow interest rate risk due to changes in the market rate of interest. Changes in future interest rates could however affect the carrying value of the debt and result in a non-cash adjustment to earnings.

(b) Fair values, carrying amounts and changes in fair value

The fair values of the company's financial instruments approximate their carrying value due to their short-term nature. Fair value amounts represent point-in-time estimates and may not reflect fair value in the future. The measurements are subjective in nature, involve uncertainties and are a matter of judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy in Canadian generally accepted accounting principles.

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level two includes inputs that are observable other than quoted prices included in level one.
- Level three includes inputs that are not based on observable market data.

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At December 31, 2018 and December 31, 2017, the Company's financial instruments were comprised solely of its cash, accounts payable and accrued liabilities, advances payable, due to related parties, and promissory note payable which was classified as Level 1.

(c) Collateral

The carrying value of financial assets the company has pledged as collateral as at December 31, 2018 and December 31, 2017 is \$Nil.

RISK FACTORS

The business of the Company is subject to a number of risks and uncertainties that may impact the business of the Company. A summary of the risk factors that may affect the Company is set forth below.

COMPETITION FOR MINERAL DEPOSITS

The mineral exploration and mining industry is competitive in all phases of exploration, development and production. The Company competes with a number of other entities and individuals in the exploration of search for and the acquisition of attractive mineral properties. As a result of this competition, much of which is with entities with greater financial resources than the Company, the Company may not be able to obtain funding for its exploration projects, obtain and maintain the necessary resources to carry out such exploration or acquire attractive properties in the future on terms it considers acceptable. The Company competes with other resource companies, many of whom have greater financial resources and/or more advanced properties that are better able to attract equity investment and other capital.

RESOURCE EXPLORATION AND DEVELOPMENT INVOLVES A HIGH DEGREE OF RISK

Resource exploration and development is a speculative business and involves a high degree of risk. There is no known body of commercial ore on any of the properties of the Company. There is no certainty that any expenditure made by the Company in the exploration of any of its properties or otherwise will result in discoveries of commercial quantities of minerals. The marketability of natural resources which may be acquired or discovered by the Company will be affected by numerous factors beyond the control of the Company.

LAG TIME BETWEEN DISCOVERY AND PRODUCTION OF MINERAL RESOURCES

The Company is unable to predict the amount of time which may elapse between the date when any new mineral resource may be discovered and the date when production, if any, will commence from any such discovery.

INFRASTRUCTURE REQUIREMENTS

Exploration and development of mineral properties depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial conditions and results of operations.

TITLE TO THE COMPANY'S PROPERTIES OR INTEREST MAY BE DISPUTED

Title to and the area of resource concessions may be disputed. There is no guarantee of title to any of the Company's properties. The properties may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects.

SURFACE ACCESS RIGHTS

The Company does not have surface access rights to all of its mineral properties and will be required to obtain all necessary permits prior to carrying out any exploration activities on certain of its properties. Accordingly, the Company may be unable to access certain of its properties and related mineral exploration claims to carry out its proposed exploration activities.

ABORIGINAL LAND CLAIMS AND ABORIGINAL RIGHTS

The mineral properties of the Company may in the future be the subject of aboriginal peoples' land claims or aboriginal rights claims. The legal basis of an aboriginal land claim and aboriginal rights is a matter of

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considerable legal complexity and the impact of the assertion of such a claim, or the possible effect of a settlement of such claim upon the Company cannot be predicted with any degree of certainty at this time.

ADDITIONAL FUNDS FOR FUTURE EXPLORATION AND DEVELOPMENT, DILUTION

As a mineral exploration company, the Company does not generate cash flow from its activities and it must rely primarily on issuances of its securities or the borrowing of funds to finance its operations. The exploration and development of its properties will require substantial funds beyond those it has and there is no assurance that such additional funds will be available to the Company on commercially reasonable terms or in sufficient amounts to allow the Company to continue to pursue its objectives. The inability of the Company to raise further funds whether through additional equity issuances or by other means, could result in delays or the indefinite postponement of planned exploration and/or development activities or, in certain circumstances, the loss of some or all of its property interests or cessation of all mineral exploration and/or development activities.

RISKS ASSOCIATED WITH THE COMPANY'S ACTIVITIES MAY NOT BE INSURABLE

The Company's business is subject to a number of risks and hazards and no assurance can be given that insurance will cover the risks to which the Company's activities will be subject or will be available at all or at commercially reasonable premiums.

THE COMPANY HAS NO HISTORY OF OPERATIONS, EARNINGS OR DIVIDENDS

The Company was incorporated on December 5, 2008 and has no history of earnings or of a return on investment, and there is no assurance that it will generate earnings, operate profitably or provide a return on investment in the future. The Company has no plans to pay dividends.

STATUTORY AND REGULATORY COMPLIANCE IS COMPLEX AND MAY RESULT IN DELAY OR CURTAILMENT OF THE COMPANY'S OPERATIONS

The current and future operations of the Company and any parties which may carry out exploration, development and mining activities on properties in which the Company holds an interest will be governed by laws and regulations governing mineral concession acquisition, prospecting, development, mining, production, exports, taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters. Companies engaged in exploration activities often experience increased costs and delays in production and other schedules as a result of the need to comply with applicable laws, regulations and permits. The Company will apply for all necessary permits for the exploration work it intends to conduct, however such permits are, as a practical matter, subject to the discretion of government authorities and there can be no assurance that the Company will be successful in obtaining or maintaining such permits.

THE COMPANY DEPENDS ON KEY MANAGEMENT AND EMPLOYEES

Recruiting and retaining qualified personnel is critical to the Company's success. The number of persons skilled in acquisition, exploration and development of mining properties is limited and competition for such persons is intense. As the Company's business activity grows, the Company will require additional key financial, administrative and mining personnel as well as additional operations staff. There can be no assurance that the Company will be successful in attracting, training and retaining qualified personnel.

SHORTAGE OF SUPPLIES

The Company may be adversely affected by shortages of critical supplies or equipment required to operate the business of the Company. Any shortage of critical supplies or equipment will affect the timeliness of the development of the Company and its business.

ESTIMATES OF MINERAL RESOURCES

There are numerous uncertainties inherent in estimating ore reserves and mineral resources. The accuracy of any reserve or resource estimate is a function of the quantity and quality of available data and of the assumptions made and judgments used in engineering and geological interpretation. Fluctuations in precious or base metal prices, results of drilling or metallurgical testing, subsequent to the date of any estimate may require revision of such estimate. In addition, there can be no assurance that precious or base metal recoveries

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in small scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

ENVIRONMENTAL FACTORS

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. The Company's operations are subject to environmental regulations promulgated by various government agencies from time to time. Violation of existing or future environmental rules may result in various fines and penalties.

CONFLICT OF INTEREST

Certain directors and officers of the Company were also directors, officers or shareholders of other companies that are similarly engaged in the business of acquiring, developing, and exploiting natural resource properties. Such associations may give rise to conflicts of interest from time to time, including with respect to the obligations of the Company and Klondex pursuant to the Option Purchase Agreement. The directors of the Company are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interest which they may have in any project or opportunity of the Company.

OFF BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements to which the Company is committed.

RELATED PARTY TRANSACTIONS

Due to related parties includes \$870,552 (December 31, 2017 - \$870,552) due to Havilah Mining Corporation (formerly Klondex Canada Ltd. and formerly San Gold Corporation) ("Havilah") for exploration expenditures incurred on behalf of the Company. The amount is unsecured, non-interest bearing and due on demand. Havilah also holds a \$100,000 promissory note from the Company. The promissory note bears interest at 5% and is due on demand. The promissory note is secured against the Companies 50% interest in certain mining claims. The promissory note payable includes \$24,463 (December 31, 2017 - \$18,424) of accrued interest due to Havilah. During the year \$6,039 of interest was recorded (2017 - \$5,764). Havilah owns and exercises control over approximately 27% of the issued and outstanding Common Shares and exerts significant influence over the Company.

Included in due to related parties is \$20,000 (December 31, 2017 - \$20,000) due to Wynnex Ltd. for advances to the Company that are unsecured, non-interest bearing and have no set terms of repayment. Wynnex is related as the owner is a former director of the Company. Also, included in due to related parties is \$946,139 (December 31, 2017 - \$946,139) payable to former officers and directors or companies controlled by former officers and directors for services and director's fees and \$8,174 (December 31, 2017 - \$8,174) payable to directors for expenses incurred on behalf of the Company.

Advances payable of \$357,165 is made up of \$115,298 due to directors of the Company and \$241,867 due to a company in which directors of the Company are shareholders (2017 - \$532,188 is made up of \$95,000 due to directors of the Company and \$437,188 due to a company in which directors of the Company are shareholders). Amounts were advanced to the Company for settlement of various liabilities as well as for general working capital purposes. The advances are unsecured, non-interest bearing and due on demand.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group, directly and indirectly, include any director (whether executive or otherwise) of the Company. Total fees for the year ended December 31, 2018 is \$NIL (2017 - \$50,000). Included in general and administrative expenses is \$NIL (2017 - \$54,515) in fees for administrative services paid to a company in which directors of the Company are shareholders.

FUTURE CHANGES in ACCOUNTING POLICIES

New accounting pronouncements

In fiscal 2018, there have been no new or amended accounting pronouncements that have had a material impact on the Company's financial statements.

IFRS 16 – Leases - In January 2016, the IASB issued IFRS 16. The new standard requires that for most leases,

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lessees must initially recognize a lease liability for the obligation to make lease payments and a corresponding right-of-use asset for the right to use the underlying asset for the lease term. Lessor accounting under IFRS 16 is substantially unchanged, lessors will continue to classify all leases using the same classification principle as in IAS 17 and distinguish between an operating or finance lease. This standard will be effective for annual periods beginning on or after January 1, 2019.

At the commencement date of a lease, a lessee will recognize a liability to make lease payments and an asset representing the right-of-use to use the underlying asset during the lease term. Lessees will be required to separately recognize the interest expense on the lease liability and the depreciation expense or fair value gain (loss) on the right-of-use asset, depending on the balance sheet classification of the asset. The standard includes two recognition exemptions for leases; leases of 'low-value' assets and short-term leases. Lessees will also be required to remeasure the lease liability upon the occurrence of certain events. The lessee will generally recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

The Company does not expect any impact from the adoption of IFRS 16 to the financial statements.

ADDITIONAL DISCLOSURE FOR VENTURE ISSUERS WITHOUT SIGNIFICANT REVENUE

As the Company has had no significant revenue from operations since inception (December 5, 2008), the following is a breakdown of the material costs incurred by the Company:

	Year Ended December 31, 2018	Year Ended December 31, 2017
Exploration and Development Costs	\$ 30,405	\$ 58,244
General and Administrative Expenses	\$ 196,941	\$ 214,002

DISCLOSURE OF OUTSTANDING SHARE DATA

a) Authorized:

The Company is authorized to issue an unlimited number of common shares with each common share entitled to one vote.

b) Common shares issued:

	Number of Shares	Stated Capital
Balance, December 31, 2016 and 2017	45,064,723	\$27,567,165
Shares issued in private placement	7,899,994	474,000
Share issue costs	---	(26,939)
Future tax liability	---	(125,610)
Value of associated warrants	---	(74,000)
Balance, December 31, 2018	52,964,717	\$27,814,616

At the shareholder meeting held on June 6, 2018, shareholders approved the consolidation of the number of shares outstanding at a ratio of 3:1, with fractional shares being cancelled. The shares listed above are presented on a post-consolidation basis.

During the first six months of 2018, investors subscribed and paid for \$222,000 of common shares. The Company was awaiting approval for these subscriptions, among other things, from the TSXV, which approval was received in July 2018. On July 4, 2018, the Company closed a private placement offering for gross proceeds of \$222,000 by the issuance of 3,699,994 Units at a price of \$0.06 per Unit. Each Unit is comprised of one flow through common share and one non-flow-through purchase warrant entitling the holder to acquire one additional common share at a price of \$0.07 per share for 24 months.

On December 24, 2018, the Company closed a private placement offering for gross proceeds of \$102,000 by the issuance of 1,700,000 flow-through shares at a price of \$0.06 per share.

On December 28, 2018, the Company closed a private placement offering for gross proceeds of \$150,000 by the issuance of 2,500,000 flow-through shares at a price of \$0.06 per share.

OTHER REQUIREMENTS:

Additional information relating to the Company is available on SEDAR at www.sedar.com.

APPROVAL

Management is responsible for all information contained in this report. The audited consolidated financial statements for the year ended December 31, 2018 have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this report is consistent with that contained in the financial statements for year ended December 31, 2018 in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Board of Directors has approved the audited consolidated financial statements on the recommendation of the Audit Committee.

Bruce Reid
President & CEO
March 27, 2019