

## AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT made as of the 5<sup>th</sup>. day of July 2020

**AMONG:**

**55 NORTH MINING INC.**, a corporation incorporated under the laws of Canada (“**55 North**”);

-and-

**55 NORTH MINING OPERATIONS INC.**, a corporation incorporated under the laws of Ontario (“**Subco**”);

-and-

**2552883 ONTARIO INC.**, a corporation incorporated under the laws of Ontario (“**2552883**”);

**WITNESSES THAT:**

**WHEREAS** 55 North and 2552883 signed a letter agreement dated June 20, 2020 in respect of a business combination transaction, which letter agreement contemplated completion of a three-cornered amalgamation to be described in a definitive agreement;

**AND WHEREAS** Subco is a wholly-owned subsidiary of 55 North;

**AND WHEREAS** 2552883 and Subco have agreed to amalgamate pursuant to section 175 of the *Business Corporations Act* (Ontario) and, for such purpose, 55 North has agreed to issue certain of its securities to the securityholders of 2552883;

**NOW THEREFORE** in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree with each other as follows:

### ARTICLE I DEFINITIONS

1.1 **Definitions.** In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following words and terms set forth in this Article I shall have the following meanings:

- (a) “**Acquisition Proposal**” means any merger, amalgamation, arrangement, business combination, recapitalization, take-over bid, sale of material assets, material sale of treasury shares or rights or interests therein or thereto (other than the Current Financing or the Proposed Financing) or similar transactions involving GoldTrain, or a proposal to do so, excluding the transactions contemplated hereby;
- (b) “**Act**” means the *Business Corporations Act* (Ontario);
- (c) “**Affiliate**” means an affiliated body corporate within the meaning of the Act;
- (d) “**Agreement**” means this Agreement and all instruments supplemental hereto or in amendment or confirmation hereof; “**herein**”, “**hereof**” and similar expressions mean and refer to this Agreement and not to any particular article, section, clause or subclause; and “**Article**”, “**Section**”, “**clause**” or “**subclause**” means and refers to the specified article, section, clause or subclause of this Agreement;

- (e) **“Amalco”** has the meaning specified in Section 2.2;
- (f) **“Amalgamating Corporations”** means 2552883 and Subco;
- (g) **“Amalgamation”** means the amalgamation of 2552883 and Subco pursuant to this Agreement and in accordance with the Act;
- (h) **“Arm's Length”** has the same meaning ascribed thereto in the Tax Act;
- (i) **“Business Day”** means a day other than a Saturday, Sunday or holiday on which the principal commercial banks located in Toronto, Ontario, are open for business during normal banking hours;
- (j) **“Closing”** means the completion of the Amalgamation set forth herein, including the issuance of Exchange Shares, which shall take place on the Effective Date at the offices of William Harvey Jones, Barrister & Solicitor 401 Bay Street, Suite 2702, Toronto, Ontario, M5L 1G4;
- (k) **“Consolidation”** means the proposed consolidation of the issued and outstanding common shares of the Corporation on the basis of one (1) post-consolidation common share for TEN AND 13/100 pre-consolidation common shares;
- (l) **“Edelston Transaction”** means the sale of the operational assets of 55 North to European Cobalt Ltd, pursuant to an agreement dated July 3, 2020, contemplated to occur before the effective Date to completion of which is a condition precedent to the amalgamation contemplated under the Agreement;
- (m) **“Effective Date”** means the date of the Amalgamation as set forth in the certificate of amalgamation for Amalco;
- (n) **“Exchange”** means the Canadian Securities Exchange, Toronto Stock Exchange or TSX Venture Exchange, as applicable;
- (o) **“Exchange Shares”** means Post-Consolidation 55 North Shares which are to be issued from the treasury of 55 North in exchange for the issued and outstanding shares of 2552883 pursuant to the Amalgamation in accordance with Section 3.1 hereof;
- (p) **“Generally Accepted Accounting Principles”** means the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation is made or required to be made in accordance with such principles;
- (q) **“55 North”** means 55 North Mining Inc., a corporation existing under the laws of Canada;
- (r) **“55 North Shares”** means the fully paid and non-assessable common shares in the capital of GoldTrain as constituted on the date hereof;
- (s) **“55 North Auditors”** means Scarrow & Donald LLP., Chartered Accountants, whose principal office is located at 439 University Ave, Winnipeg, Manitoba N5G 1Y8;
- (t) **“55 North's Business”** means 55 North's operations as a mineral exploration company;
- (u) **“55 North's Financial Statements”** mean the audited financial statements of 55 North as at and for the fiscal year ended December 31, 2019 and the unaudited interim financial statements of 55 North as at and for the period ended March 31, 2020, respectively, consisting, in each case, of the

balance sheet and the statement of operations, comprehensive loss and deficit, statement of cash flows and all notes thereto;

- (v) **"2552883"** means 2552883 Ontario Inc., a corporation existing under the laws of Ontario;
- (w) **"2552883 Assets"** means all of 2552883's material assets including: (i) the rights, privileges and benefits arising under 2552883's contracts; (ii) those assets set out in 2552883's Financial Statements and (iii) those assets acquired by 2552883 subsequent to the date of the 2552883 Financial Statements;
- (x) **"2552883 Business"** means the business previously and heretofore carried on by 2552883 relating to 2552883's mineral exploration activities;
- (y) **"2552883 Financial Statement"** means the balance sheet of 2552883 as at June 30, 2020 a true copy of which is annexed as Schedule "A";
- (z) **"2552883 Properties"** means those properties used or to be used in the 2552883 Business and listed in Schedule "A" attached hereto;
- (aa) **"2552883 Shareholders"** means all of the shareholders of record registered as such on the books and records of 2552883;
- (bb) **"2552883 Shares"** means the fully paid and non-assessable common shares in the capital of 2552883 as constituted on the date hereof;
- (cc) **"2552883 Warrants"** means any outstanding and unexercised warrants issued by 2552883 for this acquisition of its common shares as described in paragraph hereof;
- (dd) **"Material Fact"** in relation to any party hereto includes, without limitation, any fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the shares of such party;
- (ee) **"Merger Proposal"** means any merger, amalgamation, arrangement, business combination, recapitalization, take-over bid, sale of material assets, material sale of treasury shares or rights or interests therein or thereto or similar transactions involving 2552883, or a proposal to do so, excluding the transactions contemplated hereby;
- (ff) **"Outside Date"** means October 30, 2020 or such other date as 55 North and 2552883 may from time to time agree upon;
- (gg) **"Person"** means any individual, corporation, partnership, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;
- (hh) **"Post-Consolidation 55 North Shares"** means the common shares in the capital of 55 North after implementation of the Proposed Consolidation;
- (ii) **"Proposed Consolidation"** means the proposed consolidation of the shares of 55 North on the basis of one (1) new common share for every ten and 13/100 (10.13) of the existing common shares;
- (jj) **"Securities Act"** means collectively the *Securities Act* (Ontario) as may be amended from time to time, and any successor thereto;
- (kk) **"Subco"** means 55 North Mining Operations Inc., a corporation existing under the laws of Ontario;

- (ll) “**Superior Proposal**” has the meaning ascribed thereto in Section 5.2 hereof;
- (mm) “**Superior Merger Proposal**” has the meaning ascribed thereto in Section 5.4 hereof;
- (nn) “**Subco Shares**” means the fully paid and non-assessable common shares in the capital of Subco;
- (oo) “**Tax Act**” means the *Income Tax Act* (Canada), as it may be amended from time to time, and any successor thereto; any reference herein to a specific section or sections of the Tax Act, or regulations promulgated thereunder, shall be deemed to include a reference to all corresponding provision of future law;
- (pp) “**Tax Laws**” shall mean the Tax Act and any applicable provincial, or foreign income taxation statute(s), as from time to time amended, and any successors thereto; and
- (qq) “**Third Party**” means any Person other than the parties to this Agreement.

1.2 **Currency.** Where indicated, “US\$” means United States dollars, the lawful currency of the United States. Unless otherwise indicated, all dollar amounts referred to in this Agreement as “\$” mean Canadian dollars, the lawful currency of Canada.

1.3 **Tender.** Any tender of documents or money hereunder may be made upon the parties or their respective counsel and money may be tendered by bank draft or by certified cheque.

1.4 **Number and Gender.** Where the context requires, words imparting the singular shall include the plural and *vice versa*, and words imparting gender shall include all genders.

1.5 **Headings.** Article and Section headings contained in this Agreement are included solely for convenience, are not intended to be full or accurate descriptions of the content thereof and shall not be considered part of this Agreement or affect the construction or interpretation of any provision hereof.

1.6 **Schedules.** The Schedules to this Agreement shall be construed with and be considered an integral part of this Agreement to the same extent as if the same had been set forth *verbatim* herein. The following Schedules are attached hereto:

Schedule “A”	2552883 Financial Statement
Schedule “B”	2552883 Properties

1.7 **Accounting Terms.** All accounting terms not specifically defined herein shall be construed in accordance with Generally Accepted Accounting Principles.

## Article II AMALGAMATION

2.1 **Agreement to Amalgamate.** The Amalgamating Corporations do hereby agree to amalgamate pursuant to the provisions of Section 175 of the Act as of the Effective Date and to continue as one corporation on the terms and conditions set out in this Agreement.

2.2 **Name.** The name of the amalgamated corporation, Amalco, shall be 55 North Mining Operations Inc. (“Amalco”).

2.3 **Registered Office.** The registered office of Amalco shall be Suite 2702, 401 Bay Street, Toronto, Ontario M5H 2Y4.

2.4 **Authorized Capital.** Amalco shall be authorized to issue one class of shares consisting of an unlimited number of shares to be designated as "common shares".

2.5 **Number of Directors.** The board of directors of Amalco shall, until otherwise changed in accordance with the Act, consist of a minimum number of one (1) and a maximum number of nine (9) directors.

2.6 **Business.** There shall be no restrictions on the business which Amalco is authorized to carry on.

2.7 **Initial Director.** The first directors of Amalco shall be the person whose name and address appears below:

Name	Address	Resident Canadian
William Jones	Suite 2702, 401 Bay Street Toronto, ON M5H 2Y4	Yes
Bruce Reid	Suite 2702, 401 Bay Street Toronto, ON M5H 2Y4	Yes

Such directors shall hold office until the next annual meeting of shareholders of Amalco or until his successor is elected or appointed.

2.8 **Issuance of Exchange Shares.** On the Effective Date, subject to Article III, the issued 2552883 Shares held by securityholders thereof shall be acquired by 55 North and immediately cancelled and such securityholders of 2552883 shall receive, and 55 North shall issue, securities of 55 North as set forth in Article III.

2.9 **By-Laws.** The by-laws of Amalco, until repealed, amended or altered, shall be the by-laws of Subco and a copy of such by-laws may be examined at Suite 2702, 401 Bay Street, Toronto, Ontario M5H 2Y4.

2.10 **Filing of Documents.** Upon the shareholders of each of the Amalgamating Corporations approving this Agreement by special resolution in accordance with the Act, and upon the other conditions precedent to the Amalgamation having been satisfied or waived, the Amalgamating Corporations shall jointly file with the Director, under the Act, articles of amalgamation and such other documents as may be required by the Act.

2.11 **Stated Capital.** The stated capital of Amalco, immediately after the Amalgamation becomes effective, shall be equal to the aggregate stated capital of each of the Amalgamating Corporations.

2.12 **Conversion of Subco Shares.** Upon the Amalgamation, the issued and outstanding shares in the capital of Subco shall be converted into issued and outstanding shares in the capital of Amalco, on a one for one basis.

2.13 **Initial Officers of Amalco.** The initial officers of Amalco shall, until such officers resign or are replaced by Amalco, be the officers of 2552883.

2.14 **Termination of Agreement by Amalgamating Corporations.** At any time before the endorsement of the Certificate of Amalgamation, this Agreement may be terminated by the directors of an Amalgamating Corporation or by the directors of 55 North in accordance with the terms hereof, despite the approval of this Agreement by the shareholders of the Amalgamating Corporations and the shareholders of 55 North.

### ARTICLE III ISSUANCE OF 55 NORTH SECURITIES

3.1 **Issuance of Shares.** In consideration of the agreement of the parties and their respective shareholders to the actions set forth herein and the Amalgamation of Subco and 2552883, on the Effective Date:

- (a) 55 North shall issue one (1) fully paid Exchange Share to 2552883 Shareholders for each one (1) 2552883 Share issued and outstanding as of the Effective Date; and
- (b) Amalco shall issue to 55 North one common share of Amalco:
  - (i) for each common share of Subco issued and outstanding immediately prior to the Amalgamation; and
  - (ii) for each Exchange Share issued by 55 North.

**3.2 Fractional Shares.** No fractional securities shall be issued by 55 North pursuant to this Agreement. Any exchange that results in less than a whole number of securities shall be rounded up to the next whole number.

**3.3 2552883 Share Purchase Warrants.** From and after the Effective Date, upon the presentation to 55 North at its registered office in Canada of a validly issued 2552883 Share Purchase Warrant certificate and compliance with the terms thereof, 55 North shall issue one (1) Fully Paid Post Consolidation 55 North Share for each 2552883 Common Share authorized for acquisition under such 2552883 Share Purchase Warrant subject to compliance with the provisions of such 2552883 Share Purchase Warrants *mutatis mutandis*.

#### **ARTICLE IV REPRESENTATIONS AND WARRANTIES**

**4.1 Representations and Warranties of 55 North.** 55 North hereby represents and warrants to 2552883 that:

- (a) 55 North and Subco are corporations incorporated and subsisting under the laws of Canada and the Province of Ontario, respectively, have all requisite corporate power to own their respective properties and to conduct their respective business as it is presently being conducted and are registered or otherwise qualified to carry on business in all jurisdictions in which the nature of their assets or business makes such registration or qualification necessary or advisable;
- (b) subject to obtaining any required regulatory approvals, as applicable, 55 North and Subco have full legal capacity and corporate power to enter into this Agreement and to take, perform or execute all proceedings, acts and instruments necessary or advisable to consummate the actions and transactions contemplated in this Agreement;
- (c) all necessary corporate action has been taken, or will be taken on or before the Effective Date, by or on the part of 55 North and Subco to authorize the execution and delivery of this Agreement, including:
  - (i) in the case of Subco, approval of the Amalgamation by special resolution of its sole shareholder,
  - (ii) in the case of 2552883, approval of the Amalgamation by special resolution of the 2552883 Shareholders; and
  - (iii) in the case of 55 North, approval of the Proposed Consolidation, this Agreement and other matters related to the transactions between the parties, by the shareholders of 55 North,

the taking, performing or executing of such proceedings, acts and instruments as are necessary or advisable for consummating the actions and transactions contemplated in this Agreement and for fulfilling their respective obligations hereunder;

- (d) this Agreement has been duly executed and delivered on behalf of 55 North and Subco and constitutes a legal, valid and binding obligation of each of them, enforceable against each of them

in accordance with its terms, except as such terms may be limited by bankruptcy, insolvency, reorganization or other laws relating to the enforcement of creditors' rights generally and by principles of equity;

- (e) neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, nor compliance with and fulfillment of the terms and provisions of this Agreement will:
  - (i) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under:
    - (1) any of the constating documents or by-laws of 55 North or Subco; or
    - (2) any instrument, agreement, mortgage, judgment, order, award, decree or other instrument or restriction to which 55 North or Subco is a party of or by which either of them is bound; or
  - (ii) except as otherwise described herein, require any affirmative approval, consent, authorization or other order or action by any court, governmental authority or regulatory body or by any creditor of 55 North or Subco or any party to any agreement to which 55 North or Subco is a party or by which 55 North or Subco is bound, except as shall have been obtained prior to Closing;
- (f) the authorized capital of 55 North consists of an unlimited number of common shares and an unlimited number of preferred shares issuable in series, of which, prior to the issuance of any 55 North Shares in connection with the conversion of any 55 North debt, 79,348,050 common shares (and no preferred shares) are presently issued and outstanding. Each of the presently issued and outstanding 55 North Shares has been validly allotted and issued and is outstanding as a fully-paid and non-assessable share;
- (g) the authorized capital of Subco consists of an unlimited number of common shares, of which one share is presently issued and outstanding, of which 55 North is the legal and beneficial owner;
- (h) no Person has, or on the Effective Date will have, any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase from 55 North or Subco of any Post-Consolidation 55 North Shares or Subco Shares or for the subscription, allotment or issuance of any unissued shares in the capital of 55 North or Subco, except for the issuance of (i) options to purchase up to 3,000,000 55 North Shares (or up to 296,150 Post-Consolidation 55 North Shares, or a combination of 55 North Shares and Post-Consolidation 55 North Shares, as the case may be) at the exercise price of \$0.05 per 55 North Common Share (or \$0.565 per Post-Consolidation Common Share) up to and including October 7, 2024 and (ii) 2,200,000 share purchase warrants entitling the holders to purchase one 55 North Common share (or 0.0987 Post Consolidation 55 North Common Share at an exercise price of \$0.06 per 55 North Common Shares exercisable to and including December 18, 2022;
- (i) the books and records of 55 North fairly and correctly set out and disclose in all material respects, the financial position of 55 North as at the dates thereof and all material financial transactions of 55 North relating to 55 North's Business have been accurately recorded in such books and records;
- (j) 55 North does not have any of its records, systems, controls, data or information recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which (including all means of access thereto and therefrom) are not under the exclusive ownership and direct control of 55 North and, at Closing, 55 North will have originals or copies of all such records, systems, controls, data or information in its possession or control;

- (k) 55 North's Financial Statements fairly present the financial position of 55 North as at the dates indicated therein and fairly present the results of operations for the periods ended on such dates, all in accordance with Generally Accepted Accounting Principles consistently applied throughout the period covered thereby. 55 North's books of account reflect all items of income and expense and all assets and liabilities and accruals required to be reflected therein;
- (l) save and except for matters which are disclosed in 55 North's Financial Statements or otherwise expressly set out in this Agreement, 55 North has not and Subco has not (nor has either of them agreed to nor shall either of them agree to do any of the following on or before the Effective Date):
  - (i) incurred any debts, obligations or liabilities (absolute, accrued, contingent or otherwise and whether due or to become due), except debts, obligations and liabilities incurred in the ordinary course of its business and, more particularly, neither 55 North nor Subco shall incur any liabilities from June 30, 2019 up to the Effective Date in excess of \$250,000 in the aggregate and (ii) transactional costs related to the Amalgamation) without the express written consent of 2552883;
  - (ii) discharged or satisfied any liens or paid any obligation or liability other than liabilities shown on 55 North's Financial Statements, other than in the ordinary course of its business;
  - (iii) declared or made any payment, distribution or dividend based on its shares or purchased, redeemed or otherwise acquired any of the shares in its capital or other securities or obligated itself to do so;
  - (iv) mortgaged, pledged or subjected to lien or other security interest any of its assets, tangible or intangible;
  - (v) sold, assigned, leased, transferred or otherwise disposed of any of its assets whether or not in the ordinary course of business;
  - (vi) authorized or become liable for any compensation payable or to become payable to any of its officers, directors, consultants or employees, or in any bonus payment to or arrangement made with any officer, director, consultant or employee, or made any material changes in its personnel policies or employee benefits;
  - (vii) cancelled, waived, released or compromised any debt, claim or right resulting in a material adverse effect on its business, prospects or financial condition;
  - (viii) significantly altered or revised any of its accounting principles, procedures, methods or practices except as required under Generally Accepted Accounting Principles;
  - (ix) changed its credit policy as to provision of services or collection of accounts receivable;
  - (x) suffered any material damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting any of its properties, business or prospects;
  - (xi) entered into any transaction, contract or commitment other than in the ordinary course of its business except for the transactions set forth in this Agreement;
  - (xii) made or authorized any capital expenditures;
  - (xiii) issued or sold any shares in its capital stock or other securities, or granted any options with respect thereto; or



- (xiv) suffered or experienced any material adverse change in, or event or circumstance affecting, the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business, operations or prospects, and neither 55 North nor Subco has any knowledge, information or belief of any fact, event or circumstances which might reasonably be expected to affect materially and adversely the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business operations or prospects, and has not changed any shares of its capital stock, whether by way of reclassification, stock split or otherwise, save and except for the Proposed Consolidation;
- (m) the corporate records and minute books of 55 North and Subco as provided to 2552883 or its legal counsel contain complete and accurate minutes of all meetings of and corporate actions or written consents by the directors and shareholders of 55 North and Subco, respectively, including all by-laws and resolutions passed by the board of directors and shareholders of GoldTrain and Subco, respectively, since the incorporation of 55 North and Subco, respectively; and all such meetings were duly called and held. The shareholders' list maintained by 55 North's registrar and transfer agent is, to the best of 55 North's knowledge, complete and accurate in all respects and the sole shareholder of Subco is 55 North;
- (n) other than shares of Subco, 55 North will not on the Effective Date hold or own, beneficially or otherwise, any securities of any other corporation or other entity;
- (o) 55 North does not operate or engage in any business activities, operations or management of any nature or kind whatsoever other than 55 North Business, and Subco has no assets and no liabilities and has never operated or engaged in any business activities or operations of any nature or kind whatsoever;
- (p) except as expressly referred to in the 55 North Financial Statements,
  - (i) neither 55 North nor Subco has outstanding any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever or is bound under any agreement to create, issue or incur any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever, and
  - (ii) neither 55 North nor Subco is a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person.
- (q) since at least December 31, 2014, apart from the Edleston sales transition and the dividend contemplated thereunder, no payments have been made or authorized by 55 North or Subco to any of its respective officers, directors, employees, shareholders or former directors, officers, employees or shareholders or to any person not dealing at Arm's Length with any of the foregoing, except those expressly disclosed herein, reflected in the 55 North Financial Statements or, for 55 North only, made in the ordinary course of its business;
- (r) 55 North has filed all tax returns required to be filed by it prior to the date hereof in all applicable jurisdictions and has paid, collected and remitted all taxes, customs duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by it at present. All such tax returns properly reflect, and do not in any respect understate the income, taxable income or the liability for taxes of 55 North in the relevant period and the liability of 55 North for the collection, payment and remittance of tax under applicable Tax Laws. No waivers have been filed by 55 North with any taxing authority;
- (s) adequate provision has been made in the 55 North Financial Statements for all taxes, governmental charges and assessments, including interest and penalties thereon, payable by 55

North for all periods up to the date of the balance sheets comprising part of the 55 North Financial Statements;

- (t) 55 North has withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof up to and including the date hereof;
- (u) there are no actions, suits or other proceedings, investigations or claims in progress or pending and, to the best of 55 North's belief and knowledge, there are no actions, suits or other proceedings or investigations or claims threatened, against 55 North in respect of any taxes, governmental charges or assessments and no waivers have been filed by 55 North with any taxing authority;
- (v) 55 North is conducting and has always conducted 55 North's Business in substantial compliance with all applicable laws, rules and regulations of each jurisdiction in which 55 North's Business has been carried on, is not currently in material breach of any such laws, rules or regulations and is duly licensed, registered or qualified in each jurisdiction in which 55 North owns or leases property or carries on 55 North's Business, to enable 55 North's Business to be carried on as now conducted;
- (w) to the best of 55 North's knowledge and belief, all private placements and other issuances of 55 North Shares have been completed in accordance with all applicable securities laws and regulations;
- (x) other than the filing of articles of amalgamation and any required regulatory approvals in connection with the Amalgamation, no consent, licence, approval, order or authorization of, or registration, filing or declaration with any governmental authority that has not been obtained or made by 55 North and no consent of any Third Party is required to be obtained by 55 North or Subco in connection with the execution, delivery and performance by 55 North of this Agreement or the consummation of the transactions contemplated hereby;
- (y) there is no action, lawsuit, claim, proceeding or investigation pending or, to the best knowledge of 55 North, threatened against, relating to or affecting 55 North or Subco before any court, government agency, or any arbitrator of any kind, and 55 North is not aware of any existing ground on which any such proceeding might be commenced with any reasonable likelihood of success and there is not presently outstanding against 55 North or Subco any judgment, decree, injunction, rule or order of any court, governmental agency, or arbitrator relating to or affecting 55 North;
- (z) there is not now outstanding any arrangement (contractual or otherwise) between 55 North or Subco and any Person which will or may be, terminated or, to the best of the knowledge of 55 North or Subco, prejudicially affected as a result of the Amalgamation contemplated herein;
- (aa) 55 North has no employees, Subco has no employees and neither of them has ever had any employees and no individual claiming to be an employee has made any claim or, to the best of 55 North knowledge, has any basis for any action or proceeding against 55 North or Subco, arising out of any statute, ordinance or regulation relating to discrimination in employment or employment practices, harassment, occupational health and safety standards or worker's compensation;
- (bb) neither 55 North nor Subco has made any agreements with any labour union or employee association or made any commitments to or conducted any negotiations with any labour union or employee association with respect to any future agreements;

- (cc) no trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of 55 North's employees or any of Subco's employees by way of certification, interim certification, voluntary recognition, designation or successor rights;
- (dd) other than 55 North's lease of certain mineral exploration properties pursuant to standard lease agreements made with the government of Ontario pursuant to the *Mining Act* (Ontario), neither 55 North nor Subco is a party to any lease or agreement in the nature of a lease, whether as lessor or lessee;
- (ee) neither 55 North nor Subco currently owns any insurable assets or currently maintains any policies of insurance;
- (ff) there are no outstanding written or oral employment contracts, sales, services, management or consulting agreements, employee benefit or profit-sharing plans, or any bonus arrangements with any employee, officer, director, consultant, contractor or service provider of 55 North or Subco, nor is either of them a party to any outstanding oral contracts of employment or services which are not terminable on the giving of reasonable notice in accordance with applicable law, all of which will be terminated on or before the Effective Date. There are no pension or retirement plans established by or for 55 North for the employees, officers, directors or other service providers of 55 North's Business or by Subco;
- (gg) except as set out in 55 North's Financial Statements and this Agreement, there are no outstanding written or oral arrangements, commitments, agreements or contracts between either 55 North or Subco, on the one hand, and any Third Party, except for those with 55 North's registrar and transfer agent, 55 North's or Subco's legal counsel and 55 North's accountant and auditors;
- (hh) 55 North is a "reporting issuer" under the Securities Acts of Manitoba, Alberta and British Columbia and is not in default of any requirement of such Securities Act; and
- (ii) no representation or warranty made by 55 North or by Subco in this Agreement and no statement made in any schedule, exhibit, certificate or other document furnished pursuant to this Agreement, contains, or will contain on the Effective Date, any untrue statement of a Material Fact or omits, or will omit, to state any Material Fact necessary to make such representation or warranty or any such statement not misleading. Neither 55 North nor Subco knows of any fact which, if known to 2552883, would deter 2552883 from consummating the transactions contemplated herein.

4.2 No investigations made by or on behalf of 2552883 at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by 55 North or Subco herein or pursuant hereto and no waiver by 2552883 of any condition, in whole or in part, shall operate as a waiver of any other conditions.

4.3 **Representations and Warranties of 2552883.** 2552883 hereby represents and warrants to 55 North and Subco that:

- (a) 2552883 is a corporation incorporated and subsisting under the laws of the Province of Ontario, and has all legal capacity and requisite corporate power to own its properties and to conduct its business as it is presently being conducted, and is duly registered or otherwise qualified to carry on business in all jurisdictions in which the nature of its assets or business makes such registration or qualification necessary or advisable;
- (b) all necessary corporate action has been taken, or will be taken prior to the Closing, by or on the part of 2552883 to authorize the execution and delivery of this Agreement and the taking, performing or executing of such proceedings, acts and instruments as are necessary or advisable

for consummating the actions and transactions contemplated in this Agreement and for fulfilling its obligations hereunder, including approval of the Amalgamation by special resolution of its shareholders, and 2552883 will use its bests efforts to obtain approval by special resolution of its shareholders;

- (c) the 2552883 Shareholders are the registered and beneficial owners of all of the issued and outstanding 2552883 Shares, which 2552883 Shares constitute all of the issued and outstanding shares in the capital of 2552883, free and clear of all liens, charges, pledges, security interests, demands, adverse claims, rights or any other encumbrances whatsoever and no Person has any right, option, agreement or arrangement capable of becoming an agreement for the acquisition of any of the 2552883 Shares or any interest therein from 2552883 and no person has any right, option, agreement or arrangement capable of becoming an agreement for the acquisition of any shares or interests in any of the foregoing except 22,634,108 commo share purchase warrants (the "2552883 Share Purchase warrants" ) entitling the holders thereof to acquire up to 22,634,108 2552883 common shares as follows:

Number of warrants	exercise price	expiry date
9,000,000	\$0.05	December 28, 2020
5,275,000	\$ 0.05	December 31, 2020
7,924,108	\$ 0.18	September, 10, 2022
435,000	\$ 0.18	December 31, 2022

- (c) 2552883 has the full legal capacity and corporate power to enter into this Agreement and to take, perform or execute all proceedings, acts and instruments necessary or advisable to consummate the other actions and transactions contemplated in this Agreement and to fulfill its obligations under this Agreement;
- (d) this Agreement has been duly executed and delivered by 2552883 and this Agreement constitutes a legal, valid and binding obligation of 2552883 enforceable against 2552883 in accordance with its terms, except as such terms may be limited by bankruptcy, insolvency, re-organization or other laws relating to the enforcement of creditors' rights generally and by principles of equity;
- (e) neither the execution nor delivery of this Agreement, nor the consummation of the transactions contemplated hereby, nor compliance with and fulfillment of the terms and provisions of this Agreement will:
- (i) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under:
    - (1) any of the constating documents or by-laws of 2552883 or any of its subsidiaries; or
    - (2) any instrument, agreement, mortgage, judgment, order, award, decree or other instrument or restriction to which 2552883 or any of its subsidiaries is a party or by which 2552883 or any of its subsidiaries is bound; and
  - (ii) except as otherwise described herein, require any affirmative approval, consent, authorization or other order or action by any court, governmental authority or regulatory body or by any creditor of 2552883 or any party to any agreement to which 2552883 is a party or by which 2552883 is bound, except as shall have been obtained prior to Closing;

- (f) except for the 2552883 Material Contracts, no person, firm or corporation has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase of any unissued shares in the securities of Idaho Champion or any of its subsidiaries, save and except in respect of the Current Financing or the Proposed Financing;
- (g) the authorized capital of 2552883 is an unlimited number of common shares of which 60,000,000 shares are presently validly issued and outstanding as fully paid and non-assessable shares in the capital of 2552883;
- (h) the books and records of 2552883 and each of its subsidiaries fairly and correctly set out and disclose in all material respects, the financial position of 2552883 and each of its subsidiaries as at the dates thereof and all material financial transactions of 2552883 and each of its subsidiaries have been accurately recorded in such books and records;
- (i) 2552883 does not have, and none of its subsidiaries has, any of its records, systems, controls, data or information recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which (including all means of access thereto and therefrom) are not under the exclusive ownership and direct control of 2552883 ;
- (j) save and except for matters which are disclosed in the 2552883 Financial Statements or otherwise expressly set out in this Agreement, 2552883 has not (nor has it agreed to) and none of its subsidiaries has:
  - (i) incurred any debts, obligations or liabilities (absolute, accrued, contingent or otherwise and whether due or to become due), except debts, obligations and liabilities incurred in the ordinary course of business;
  - (ii) discharged or satisfied any liens or paid any obligation or liability other than liabilities shown on the 2552883 Financial Statement, other than in the ordinary course of business;
  - (iii) declared or made any payment, distribution or dividend based on its shares or purchased, redeemed or otherwise acquired any of the shares in its capital or other securities or obligated itself to do so;
  - (iv) mortgaged, pledged or subjected to lien or other security interest any of its assets, tangible or intangible other than royalty interests granted to vendors of mineral exploration properties in the ordinary course of business;
  - (v) sold, assigned, leased, transferred or otherwise disposed of any of its assets;
  - (vi) increased materially the compensation payable or to become payable to any of its officers, directors, consultants or employees, or in any bonus payment to or arrangement made with any officer, director, consultant or employee, or made any material changes in the personnel policies or employee benefits;
  - (vii) cancelled, waived, released or compromised any debt, claim or right resulting in a material adverse effect on its business, prospects or financial condition;
  - (viii) significantly altered or revised any of its accounting principles, procedures, methods or practices except as required under Generally Accepted Accounting Principles or other regulatory guidelines;

- (ix) changed its credit policy as to provision of services, sales of inventories or collection or accounts receivable;
  - (x) suffered any material damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting the properties, business or prospects of Idaho Champion;
  - (xi) entered into any transaction, contract or commitment other than in the ordinary course of business except for the transactions set forth in this Agreement;
  - (xii) made or authorized any capital expenditures in excess of \$100,000 in the aggregate except for commitments made in respect of the acquisition of or options to acquire 2552883 Properties or the acquisition of other exploration properties in accordance with 2552883 Material Contracts;
  - (xiii) except for the Current Financing and the Proposed Financing or as set out in the 2552883 Material Contracts, issued or sold any shares in its capital stock or other securities, or granted any options rights or warrants or entered into any agreements for the issuance of shares from the treasury of 2552883 in addition to the 60,000,000 2552883 Shares currently issued and outstanding; or
  - (xiv) suffered or experienced any material adverse change in, or event or circumstance affecting, the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business, operations or prospects and 2552883 has no knowledge, information or belief of any fact, event or circumstances which might reasonably be expected to affect materially and adversely the condition (financial or otherwise) of its properties, assets, liabilities, earnings, business operations or prospects and it has not changed any shares of its capital stock, whether by way of reclassification, stock split or otherwise;
- (k) the 2552883 Financial Statement fairly present the financial position of 2552883 as at the date thereof and fairly present the results of operations for the periods ended on such dates, all in accordance with Generally Accepted Accounting Principles consistently applied throughout the period covered thereby, save and except as stated therein. 2552883's books of account reflect items of income and expense and all assets and liabilities and accruals required to be reflected therein;
- (l) the corporate records and minute books of 2552883 as and each of its subsidiaries made available to 55 North or its legal counsel contain complete and accurate minutes of all meetings of and corporate actions or written consents by the directors and shareholders of 2552883 and each of its subsidiaries, including all by-laws and resolutions passed by the board of directors and shareholders of 2552883 and each of its subsidiaries, since the date of its incorporation and all such meetings were duly called and held; the shareholders' lists maintained by 2552883 and each of its subsidiaries (as made available to 55 North) is complete and accurate in all respects;
- (m) 2552883 does not operate or engage in any business activities, operations or management of any nature or kind whatsoever other than the 2552883 Business does not hold or own, beneficially or otherwise, any securities of any other corporation or entity;
- (n) except as expressly referred to in the 2552883 Financial Statement,
- (i) 2552883 does not have, and none of its subsidiaries has, outstanding any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever and 2552883 is not, and none of its subsidiaries is, bound under any agreement to create, issue or incur any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever; and

- (ii) 2552883 is not, and none of its subsidiaries is, a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;
- (o) since the date of its incorporation, no payments have been made or authorized by 2552883 or any of its subsidiaries to their respective officers, directors, employees, shareholders or former directors, officers, employees or shareholders or to any person not dealing at Arm's Length with any of the foregoing, except those expressly disclosed herein, contained in the 2552883 minute book, or reflected in the 2552883 Financial Statement, or otherwise made in the ordinary course of business;
- (p) 2552883 and each of its subsidiaries has filed all tax returns required to be filed prior to the date hereof in all applicable jurisdictions and has paid, collected and remitted all taxes, customs duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by 2552883 or any of its subsidiaries at present. All such tax returns properly reflect, and do not in any respect understate, the income, taxable income or the liability for taxes of 2552883 and each of its subsidiaries in the relevant period and the liability of 2552883 and each of its subsidiaries for the collection, payment and remittance of tax under applicable Tax Laws. No waivers have been filed by 2552883 or any of its subsidiaries with any taxing authority;
- (q) adequate provision has been made in the 2552883 Financial Statements for all taxes, governmental charges and assessments, including interest and penalties thereon, payable by 2552883 and each of its subsidiaries, for all periods up to the date of the balance sheets comprising part of the 2552883 Financial Statements;
- (r) 2552883 and each of its subsidiaries has withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof up to and including the date hereof;
- (s) 2552883 and each of its subsidiaries is conducting and has always conducted the 2552883 Business in substantial compliance with all applicable laws, rules and regulations of each jurisdiction in which the 2552883 Business is carried on, is not currently in material breach of any such laws, rules or regulations and is duly licensed, registered or qualified, in each jurisdiction in which 2552883 or any of its subsidiaries owns or leases property or carries on the 2552883 Business, to enable the 2552883 Business to be carried on as now conducted;
- (t) all private placements and other issuances of 2552883 Shares and each of its subsidiaries have been completed in accordance with all applicable securities laws and regulations;
- (u) 2552883 does not have, and none of its subsidiaries has, and none of them has never had any employees and no person claiming to be an employee has made any claim or has any basis for any action or proceeding against 2552883, arising out of any statute, ordinance or regulation relating to discrimination in employment or employment practices, harassment, occupational health and safety standards or worker's compensation;
- (v) 2552883 has not made any agreements with any labour union or employee association nor made any commitments to or conducted any negotiations with any labour union or employee association with respect to any future agreements;
- (w) no trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the employees or 2552883 by way of certification, interim certification, voluntary recognition, designation or successor rights;
- (x) there is no material (either alone or in the aggregate) action, lawsuit, claim, proceeding, or investigation pending or, to the best knowledge of 2552883, threatened against, relating to or

affecting 2552883 or any of its subsidiaries before any court, government agency, or any arbitrator of any kind. 2552883 is not aware of any existing ground on which any such proceeding might be commenced with any reasonable likelihood of success and there is not presently outstanding against 2552883 or any of its subsidiaries any judgment, decree, injunction, rule or order of any court, governmental agency, or arbitrator relating to or affecting 2552883 or any of its subsidiaries, the 2552883 Assets or the 2552883 Business.

- (y) there is not now outstanding any arrangement (contractual or otherwise) between 2552883 or any of its subsidiaries and any Person which will or may be terminated or, to the best knowledge of 2552883, prejudicially affected as a result of the Amalgamation contemplated herein;
- (z) 2552883 is not a "reporting issuer" (or the equivalent) under the securities legislation of any jurisdiction;
- (aa) all property (including the 2552883 Properties listed in Schedule "A") which is necessary or incidental to the conduct of the 2552883 Business as the same is presently being carried on is valid and subsisting and held by 2552883 and its subsidiaries, with good and marketable title to any mineral exploration claims which are patented and rights to explore for minerals in respect of any claims which are unpatented; all such claims are in good standing free and clear of all security interests, claims, liens, objections and infringements of every nature and kind (other than applicable royalty interests, assessment work obligations and taxes) and all registrations therefor have been kept renewed and are in full force and effect. No claim has been made that the conduct of the business of 2552883 infringes or breaches any property rights of any person, nor has 2552883 or any of its subsidiaries received any notice that the conduct of the business, including the use of the property owned or used by 2552883 or any of its subsidiaries, infringes upon or breaches any property rights of any person, and, to the best of the knowledge of 2552883, there has been no infringement or violation of any of the rights of 2552883 or any of its subsidiaries in any such property. 2552883 is not aware of any state of facts which casts doubt on the validity or enforceability of any of the property rights owned or used by 2552883 or any of its subsidiaries;
- (bb) 2552883 is not, and none of its subsidiaries is, in default or breach of any of its obligations under any one or more contracts, agreements (written or oral), commitments, indentures or other instruments to which it is a party or by which it is bound, and there exists no state of facts which, after notice or lapse of time or both, would constitute such to be a default or breach. All such contracts, agreements, commitments, indentures and other instruments are now in good standing and in full force and effect without amendment thereto, 2552883 and its subsidiaries are entitled to all benefits thereunder and, to the best of the knowledge of 2552883, the other parties to such contracts, agreements, commitments, indentures and other instruments are not in default or breach of any of their obligations thereunder. There are no contracts, agreements, commitments, indentures or other instruments under which the rights of 2552883 or any of its subsidiaries or the performance of its obligations are dependent upon or supported by the guarantee of, or any security provided by, any other Person. Set forth in Schedule "B" hereto is an accurate and complete list of all material written contracts, agreements, commitments, indentures and other instruments to which 2552883 or any of its subsidiaries is a party or by which 2552883 or any of its subsidiaries is bound;
- (cc) there are reasonable grounds for believing that (i) 2552883 is, and Amalco will be, able to pay its liabilities as they become due, (ii) the realizable value of Amalco's assets will not be less than the aggregate of its liabilities and stated capital of all classes and (iii) no creditor of 2552883 will be prejudiced by the Amalgamation; and
- (dd) no representation or warranty made by 2552883 in this Agreement and no statement made in any schedule, exhibit, certificate or other document furnished pursuant to this Agreement, contains, or will contain, any untrue statement of a Material Fact or omits, or will omit, to state any Material Fact necessary to make such representation or warranty or any such statement not misleading.



2552883 does not know of any fact which, if known to the other parties hereto, would deter them from consummating the transactions contemplated herein.

4.4 No investigations made by or on behalf of 55 North or Subco at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by Idaho Champion herein or pursuant hereto and no waiver by 55 North or Subco of any condition, in whole or in part, shall operate as a waiver of any other condition.

## ARTICLE V COVENANTS

5.1 **General Covenants of 55 North.** 55 North covenants and agrees that, unless otherwise contemplated herein, 55 North shall, and if applicable shall cause Subco to:

- (a) take all requisite action to:
  - (i) approve this Agreement;
  - (ii) duly call and hold a meeting of shareholders of 55 North to approve, among other things:
    - (1) the issuance of the Exchange Shares;
    - (2) the Proposed Consolidation;
    - (3) an increase in the number of directors currently comprising the board of directors of 55 North to a number of directors designated by 2552883 of not less than three (3) and up to six (6) directors, as at and from the Effective Date, and the delegation to the board of directors of 55 North of authority to set the number of directors of 55 North from time to time between the minimum of three and the maximum of eleven set out in the articles of 55 North provided the corporate laws of the governing jurisdiction so permit at the applicable time; and
    - (4) re-appoint its auditors Scarrow and Donald LLP as at or before the Effective Date.
  - (iii) approve the Amalgamation; and
  - (iv) approve such actions as 55 North may determine to be necessary or desirable for the purposes hereof;
- (b) assuming receipt of the required shareholder approval at the meeting contemplated in Section 5.1(a)(ii), to file, immediately following the meeting, and in any event prior to the Closing, Articles of Amendment under the *Canada Business Corporations Act* in the requisite form to effect the Proposed Consolidation, and any other matters approved by the 55 North shareholders for inclusion in its Articles;
- (c) co-operate fully and on a timely basis with 2552883 and its counsel in the preparation and filing with the Exchange and the securities commissions and the mailing to 55 North of a principal disclosure document for 55 North on a pre-Closing and post-Closing basis;
- (d) give its consent (and provide such other reasonable assurances as may be required) and use its best efforts to obtain (including the provision of such reasonable assurances as may be required), consents of all other Persons to the transactions contemplated by this Agreement, as may be

required pursuant to any statute, law or ordinance or by any governmental or other regulatory authority having jurisdiction;

- (e) upon 55 North receiving notification or other information from any regulatory authority or body concerning the transactions contemplated hereunder, such information shall be promptly disclosed in writing to 2552883;
- (f) in consultation with 2552883 and its counsel, forthwith use its best efforts to obtain all necessary regulatory approvals and to make application to an Exchange designated by 2552883 for listing of Post-Consolidation 55 North Shares following the Closing and assist in making all submissions, preparing all press releases and circulars and making all notifications required with respect to this transaction and the issuance of shares as contemplated hereunder;
- (g) take all steps necessary to make proper disclosure within such time as required by any regulatory authority and any other applicable statutes and laws concerning this Agreement and the transactions contemplated herein;
- (h) use its best efforts to maintain 55 North's status as a "reporting issuer" in Manitoba, Alberta and British Columbia;
- (i) cause each of the officers and directors of 55 North and Subco designated by 2552883 to tender their resignations as such to be effective on acceptance by the respective boards of directors of 55 North and Subco;
- (j) use all reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder set forth in Article VI to the extent the same is within its control and take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Amalgamation, including using its reasonable commercial efforts to:
  - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to agreements and other contracts;
  - (ii) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable laws;
  - (iii) effect all necessary registrations and filings and submissions of information requested by governmental entities and securities regulatory authorities required to be effected by it in connection with the Amalgamation and participate and appear in any proceedings of either party before governmental entities and securities regulatory authorities in connection with the Amalgamation;
  - (iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affect the ability of the parties to consummate the transactions contemplated hereby;
  - (v) fulfill all conditions and satisfy all provisions of this Agreement;
  - (vi) cooperate with the other parties to this Agreement in connection with the performance by 55 North and Subco of their respective obligations hereunder; and
  - (vii) not take any action, refrain from taking any action or permit any action to be taken or not taken that is inconsistent with this Agreement or that would reasonably be expected to significantly impede the consummation of the Amalgamation;

- (k) not incur any liabilities of any kind whatsoever, whether or not accrued and whether or not determined or determinable, in respect of which 55 North or Subco may become liable before, on or after the Closing, except as set out in the 55 North Financial Statements and except for up to \$250,000 plus public company and transactional costs incurred prior to Closing, all of which will be disclosed in writing to 2552883 on or before Closing;
- (l) validly issue the Exchange Shares hereunder as fully paid and non-assessable Post-Consolidation 55 North Shares in the capital of 55 North, free and clear of all mortgages, liens, charges, security deposits, adverse claims, pledges, encumbrances, options, warrants, rights, privileges and demands whatsoever;
- (m) file, duly and timely, all tax returns required to be filed by 55 North or by Subco and to pay promptly all taxes, assessments and governmental charges which are claimed by any governmental authority to be due and owing and not to enter into any agreement, waiver or other arrangement providing for an extension of time with respect to the filing of any tax return or the payment or assessment of any tax, governmental charge or deficiency; and
- (n) neither declare nor pay any dividends or other distributions or returns of capital on 55 North Shares or Post-Consolidation 55 North Shares from the date of this Agreement until the Closing without the prior consent of 2552883; and

**5.2 55 North's Covenant Regarding Non-Solicitation.** 55 North shall not, directly or indirectly, through any officer, director, employee, representative or agent, solicit, initiate, invite or knowingly encourage (including by way of furnishing confidential information or entering into any form of agreement, arrangement or understanding) the initiation of or participate in, any inquiries or proposals regarding an Acquisition Proposal, provided that nothing contained in this Section 5.2 or other provisions of this Agreement shall prevent the board of directors of 55 North from considering, negotiating, approving or recommending to its shareholders an agreement in respect of an unsolicited *bona fide* written Acquisition Proposal (i) in respect of which the board of directors of 55 North determines (having consulted outside counsel) that in the exercise of its fiduciary duty it would be necessary for such board of directors to take such action in order to avoid breaching its fiduciary duties, and (ii) in respect of which the board of directors of 55 North determines in good faith, after consultation with financial advisors, if consummated in accordance with its terms, would result in a transaction more favourable to its shareholders than the transaction contemplated hereby (any such Acquisition Proposal that satisfies clauses (i) and (ii) above being referred to herein as a "Superior Proposal").

55 North shall continue to refrain from participating in any discussions or negotiations with any parties (other than the parties hereto) with respect to any potential Acquisition Proposal.

55 North shall immediately notify the other parties hereto (both orally and in writing) of any future Acquisition Proposal of which 55 North's directors or senior officers become aware of or any amendments to the foregoing or any request for non-public information relating to 55 North in connection with an Acquisition Proposal or for access to the properties, books or records or for a list of the shareholders by any person or entity that informs 55 North that such person or entity is considering making an Acquisition Proposal. Such notice shall include a copy of all written communications and a description of the material terms and conditions of any proposal and provide such details of the proposal, inquiry or contact as the other parties hereto may reasonably request, including, without limitation, the identity of the person and controlling person, if any, making such proposal, inquiry or contact.

55 North shall not accept, approve, or recommend or enter into any agreement in respect of an Acquisition Proposal on the basis that it constitutes a Superior Proposal unless (i) 55 North has provided the other parties hereto with a copy of the Acquisition Proposal document which has been determined to be a Superior Proposal, with such deletions as are necessary to protect confidential portions of such Acquisition Proposal document, provided that the material terms, conditions and the identity of the person and controlling person, if any, making the Acquisition Proposal may not be deleted, and (ii) five (5) Business Days (the "Notice Period") shall have elapsed from the later of the date on which 2552883 received notice of 55 North's determination of its intention to accept, approve or recommend an agreement in respect of such Acquisition Proposal and the date on which 2552883 received a copy of the Acquisition Proposal document. During the Notice Period, 55 North shall provide a reasonable opportunity to

2552883 to consider, discuss and offer such adjustments to the terms and conditions of this Agreement as would enable 55 North to determine not to proceed with its recommendation to security holders with respect to the Acquisition Proposal, provided, however, that any such adjustment shall be at the discretion of the parties. The board of directors of 55 North will review in good faith any offer made by the other parties hereto to amend the terms of this Agreement in order to determine, in the board's discretion, as part of exercising its fiduciary duties, whether the proposed amendments would, upon acceptance, result in such Superior Proposal ceasing to be a Superior Proposal. If the board of directors of 55 North determines that the Superior Proposal would cease to be a Superior Proposal, it will so advise 2552883 and will accept the offer by 2552883 to amend the terms of this Agreement and the parties agree to take such actions and execute such documents as are necessary to give effect to the foregoing. Each successive material modification of any Acquisition Proposal or a Superior Proposal shall constitute a new Acquisition Proposal for the purposes of this Section 5.2 and shall require a five (5) Business Day Notice Period from the date such amendment is communicated to the other parties hereto, other than an amendment to improve upon a Superior Proposal in respect of which the other party has been provided with an opportunity to amend the terms of this Agreement and such Superior Proposal has not ceased to be a Superior Proposal prior to the proposed amendment.

**5.3 General Covenants of 2552883.** 2552883 covenants and agrees that, until Closing or the date on which this Agreement is terminated, and unless otherwise contemplated herein, it shall:

- (a) take all requisite action to:
  - (i) approve this Agreement;
  - (ii) duly call and hold a meeting of shareholders of 2552883 to approve the Amalgamation; and
  - (iii) approve such actions as 55 North may determine to be necessary or desirable for the purposes hereof;
- (b) in consultation with 55 North and its counsel, prepare and file with the Exchange a principal disclosure document for 55 North on a post-Closing basis;
- (c) use its reasonable commercial efforts to preserve intact as a going concern its business organization and goodwill, to keep available the services of its officers and management as a group and to maintain its business relationships;
- (d) give its consent (and provide such other reasonable assurances as may be required) and use its best efforts to obtain (including the provision of such reasonable assurances as may be required), consents of all other Persons to the transactions contemplated by this Agreement, as may be required pursuant to any statute, law or ordinance or by any governmental or other regulatory authority having jurisdiction;
- (e) upon 2552883 receiving notification or other information from any regulatory authority or body concerning the transactions contemplated hereunder, such information shall be promptly disclosed in writing to 55 North;
- (f) in consultation with 55 North and its counsel, forthwith use its best efforts to obtain all necessary regulatory approvals and to assist 55 North to make application to an Exchange designated by 2552883 for listing of Post-Consolidation 55 North Shares following the Closing and assist in making all submissions, preparing all press releases and circulars and making all notifications required with respect to this transaction and the issuance of shares as contemplated hereunder;
- (g) take all steps necessary to make proper disclosure within such time as required by any regulatory authority and any other applicable statutes and laws concerning this Agreement and the transactions contemplated herein;

- (h) use all reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder set forth in Article VI to the extent the same is within its control and take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Amalgamation, including using its reasonable commercial efforts to:
  - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to agreements and other contracts, including, without limitation, the 2552883 Material Contracts;
  - (ii) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable laws;
  - (iii) effect all necessary registrations and filings and submissions of information requested by governmental entities and securities regulatory authorities required to be effected by it in connection with the Amalgamation and participate and appear in any proceedings of either party before governmental entities and securities regulatory authorities in connection with the Amalgamation;
  - (iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affect the ability of the parties to consummate the transactions contemplated hereby;
  - (v) fulfill all conditions and satisfy all provisions of this Agreement;
  - (vi) cooperate with the other parties to this Agreement in connection with the performance by 2552883 of its obligations hereunder; and
  - (vii) not take any action, refrain from taking any action or permit any action to be taken or not taken that is inconsistent with this Agreement or that would reasonably be expected to significantly impede the consummation of the Amalgamation;
- (i) not incur, or permit any of its subsidiaries to incur, any material liabilities out of the ordinary course of business, whether or not accrued and whether or not determined or determinable, in respect of which 2552883 or any of its subsidiaries may become liable on or after the Closing, except as set out in the 2552883 Financial Statements and except for transactional costs incurred prior to Closing and property acquisition costs; and
- (j) file and cause its subsidiaries to file, duly and timely, all tax returns required to be filed by 2552883 or any of its subsidiaries and to pay promptly all taxes, assessments and governmental charges which are claimed by any governmental authority to be due and owing and not to enter into any agreement, waiver or other arrangement providing for an extension of time with respect to the filing of any tax return or the payment or assessment of any tax, governmental charge or deficiency.

**5.4 2552883's Covenant Regarding Non-Solicitation.** 2552883 shall not, directly or indirectly, through any officer, director, employee, representative or agent, solicit, initiate, invite or knowingly encourage (including by way of furnishing confidential information or entering into any form of agreement, arrangement or understanding) the initiation of or participate in, any inquiries or proposals regarding a Merger Proposal, provided that nothing contained in this Section 5.4 or other provisions of this Agreement shall prevent the board of directors of 2552883 from considering, negotiating, approving or recommending to its shareholders an agreement in respect of an unsolicited *bona fide* written Merger Proposal (i) in respect of which the board of directors of 2552883 determines (having consulted outside counsel) that in the exercise of its fiduciary duty it would be necessary for such board of directors to take such action in order to avoid breaching its fiduciary duties, and (ii) in respect of which the board of directors of 2552883 determines in good faith, after consultation with financial advisors, if consummated in

accordance with its terms, would result in a transaction more favourable to its shareholders than the transaction contemplated hereby (any such Merger Proposal that satisfies clauses (i) and (ii) above being referred to herein as a "Superior Merger Proposal").

2552883 shall continue to refrain from participating in any discussions or negotiations with any parties (other than the parties hereto) with respect to any potential Merger Proposal.

2552883 shall immediately notify 55 North (both orally and in writing) of any future Merger Proposal of which 2552883's directors or senior officers become aware of or any amendments to the foregoing or any request for non-public information relating to 2552883 in connection with a Merger Proposal or for access to the properties, books or records or for a list of the shareholders by any person or entity that informs 2552883 that such person or entity is considering making a Merger Proposal. Such notice shall include a copy of all written communications and a description of the material terms and conditions of any proposal and provide such details of the proposal, inquiry or contact as 55 North may reasonably request, including without limitation, the identity of the person and controlling person, if any, making such proposal, inquiry or contact.

2552883 shall not accept, approve or recommend or enter into any agreement in respect of a Merger Proposal on the basis that it constitutes a Superior Merger Proposal unless (i) it has provided 55 North with a copy of the Merger Proposal document which has been determined to be a Superior Merger Proposal, with such deletions as are necessary to protect confidential portions of such Merger Proposal document, provided that the material terms, conditions and the identity of the person and controlling person, if any, making the Merger Proposal may not be deleted, and (ii) five (5) Business Days (the "Notice Period") shall have elapsed from the later of the date on which 55 North received notice of 2552883's determination of its intention to accept, approve or recommend an agreement in respect of such Merger Proposal and the date on which 55 North received a copy of the Merger Proposal document. During the Notice Period, 2552883 shall provide a reasonable opportunity to 55 North to consider, discuss and offer such adjustments to the terms and conditions of this Agreement as would enable 2552883 to determine not to proceed with its recommendation to security holders with respect to the Merger Proposal, provided, however, that any such adjustment shall be at the discretion of the parties. The board of directors of 2552883 will review in good faith any offer made by 55 North to amend the terms of this Agreement in order to determine, in the board's discretion, as part of exercising its fiduciary duties, whether the proposed amendments would, upon acceptance, result in such Superior Merger Proposal ceasing to be a Superior Merger Proposal. If the board of directors of 2552883 determines that the Superior Merger Proposal would cease to be a Superior Merger Proposal, it will so advise 55 North and will accept the offer by 55 North to amend the terms of this Agreement and the parties agree to take such actions and execute such documents as are necessary to give effect to the foregoing. Each successive material modification of any Merger Proposal or a Superior Merger Proposal shall constitute a new Merger Proposal for the purposes of this Section 5.4 and shall require a five (5) Business Day Notice Period from the date such amendment is communicated to the other party hereto, other than an amendment to improve upon a Superior Merger Proposal in respect of which the other party has been provided with an opportunity to amend the terms of this Agreement and such Superior Merger Proposal has not ceased to be a Superior Merger Proposal prior to the proposed amendment.

## ARTICLE VI CONDITIONS TO CLOSING

6.1 **Conditions Precedent to Obligations of 2552883.** The obligations of 2552883 to complete the transactions contemplated hereunder shall be subject to the satisfaction of, or compliance with, at or before the Closing, each of the following conditions precedent (each of which is hereby acknowledged to be for the exclusive benefit of 2552883 and may be waived by 2552883 in whole or in part on or before the Closing):

- (a) 2552883 shall on or before the Closing have received from 55 North and Subco all documents and instruments as 2552883 may reasonably request for the purpose of effecting the Amalgamation in accordance with the terms of this Agreement;
- (b) all of the representations and warranties of 55 North and Subco made in or pursuant to this Agreement shall be true and correct in all material respects as at the Closing and with the same effect as if made at and as of the Closing (except as such representations and warranties may be

affected by the occurrence of events or transactions expressly contemplated and permitted hereby that are not materially adverse and arise in the ordinary course of business) and 2552883 shall have received certificates dated as at the Effective Date in form satisfactory to 2552883 and its solicitors, acting reasonably, signed by a senior officer or director of 55 North and Subco on behalf of 55 North and Subco, respectively, certifying (without personal liability) as at the Effective Date the truth and correctness in all material respects of the representations and warranties of 55 North and Subco set out in this Agreement;

- (c) 55 North and Subco will have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with by it on or before the Closing including without limitation the completion of the Edlesston Transaction and the payment of the dividend contemplated thereunder;
- (d) at the Closing, there shall have been no material adverse change in the condition (financial or otherwise), properties, assets, liabilities, earnings, or business operations or prospects of 55 North from that shown on or reflected in 55 North's Financial Statements;
- (e) all necessary corporate actions and proceedings shall have been taken by 55 North to permit the due and valid issuance by 55 North of the Exchange Shares at the Closing and upon the completion of the transactions contemplated hereunder such shares will be issued and outstanding as fully paid and non-assessable;
- (f) except as disclosed in this Agreement, neither 55 North nor Subco shall have any outstanding options, convertible securities, warrants or other convertible obligations, agreements or other commitments to allot, reserve, set aside, create, issue or sell any securities or any of its unissued share capital;
- (g) the authorized capital of 55 North shall consist of an unlimited number of common shares of which immediately prior to the issuance of the Exchange Shares not more than 7,832,580 Post-Consolidation 55 North Shares (fully diluted) shall be duly issued and outstanding as fully paid and non-assessable shares of 55 North, and the authorized capital of Subco consists of an unlimited number of common shares of which one common share of Subco shall be duly issued and outstanding;
- (h) except for the 3,000,000 55 Common share purchase options as disclosed in paragraph 4.1 (h) there are currently no options outstanding under the 55 North stock option plan; the new 55 North board of directors may from time to time grant, under 55 North's incentive stock option plan, to officers, directors, employees and consultants of 55 North, options to acquire an aggregate number of Post-Consolidation 55 North Shares as is equal to 10% of the issued and outstanding Post-Consolidation 55 North Shares, on a post-transaction basis, at a price to be determined in compliance with the requirements of the 55 North stock option plan and any Exchange having jurisdiction;
- (i) the distribution of the Exchange Shares to the shareholders of 2552883 shall be exempt from the registration and prospectus requirements of the *Securities Act* (Ontario) or other applicable securities legislation in Canada and the United States;
- (j) all consents, approvals, orders and authorizations of any Persons or governmental authorities in Canada or elsewhere (or registrations, declarations, filings or records with any such authorities), including, without limitation, all such registrations, recordings and filings with such securities regulatory and other public authorities as may be required to be obtained by 55 North in connection with the execution of this Agreement, the Closing or the performance of any of the terms and conditions hereof, shall have been obtained on or before the Effective Date;

- (k) 55 North shall be a "reporting issuer" in good standing in the Provinces of Manitoba, Alberta and British Columbia and neither 55 North nor its shares shall be the subject of any cease trade order or regulatory enquiry or investigation in any jurisdiction;
- (l) 55 North shall deliver, or cause to be delivered, to 2552883 on or before the Closing such other certificates, agreements or documents as may reasonably be required by 2552883 or its solicitors, acting reasonably, to give full effect to this Agreement;
- (m) at or prior to Closing, 55 North and Subco shall have filed all tax returns required to be filed by them prior to the date hereof in all applicable jurisdictions and shall have paid, collected and remitted all taxes, customs duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by them at such time, which tax returns shall properly reflect, and shall not in any respect understate the income, taxable income or the liability for taxes of GoldTrain or Subco in the relevant period and the liability of 55 North or Subco for the collection, payment and remittance of tax under applicable Tax Laws;
- (n) approval of this Agreement by the boards of directors of 2552883 and 55 North by ordinary resolution and of the Amalgamation by the shareholders of 2552883 and Subco by special resolution;
- (o) approval by the shareholders of 55 North of the matters set forth in paragraph 5.1(a)(ii) hereof;
- (p) issuance of a Certificate of Amendment of 55 North under the *Canada Business Corporations Act* prior to the Closing effecting the Proposed Consolidation;
- (q) upon Closing, 55 North and Subco shall have withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof up to and including the Effective Date; and
- (r) 55 North shall have delivered or caused to be delivered to 2552883 on or before the Closing such other certificates, agreements or documents as may reasonably be required by 2552883 or its solicitors, acting reasonably, to give full effect to this Agreement.

**6.2 Conditions Precedent to Obligations of 55 North.** The obligation of 55 North to complete the transactions contemplated hereunder shall be subject to the satisfaction of or compliance with, at or before the Closing, each of the following conditions precedent (each of which is hereby acknowledged to be for the exclusive benefit of 55 North and may be waived by 55 North in writing, in whole or in part, on or before the Closing):

- (a) 55 North shall, on or before the Closing, have received from 2552883 all other documents and instruments as 55 North may reasonably request for the purpose of effecting the Amalgamation in accordance with the terms of this Agreement;
- (b) 55 North shall have completed the Edelston Transaction;
- (c) the representations, warranties and covenants of 2552883 made in or pursuant to this Agreement shall be true and correct in all material respects as at the Closing and with the same effect as if made at and as of the Closing (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted hereby that are not materially adverse and arise in the ordinary course of business) and 55 North shall have received a certificate of a senior officer of 2552883 dated as at the Effective Date in form satisfactory to 55 North's solicitors, acting reasonably, certifying (without personal liability) the truth and correctness in all material respects of the representations, warranties and covenants of 2552883 set out in this Agreement;



- (d) 2552883 shall have performed and complied with all agreements and conditions required by this Agreement to be performed and complied with by it prior to or on the Closing;
- (e) at the Closing, there shall have been no material adverse change in the condition (financial or otherwise), properties, assets, liabilities, earnings or business operations or prospects of 2552883 and its subsidiaries from that shown on or reflected in the 2552883 Financial Statements;
- (f) except as disclosed herein, 2552883 and its subsidiaries shall have outstanding no options, convertible securities, warrants or other convertible obligations, agreements or other commitments to allot, reserve, set aside, create, issue or sell any securities or any of its unissued share capital;
- (g) all consents, approvals, orders and authorizations of any Persons or governmental authorities in Canada or elsewhere (or registrations, declarations, filings or records with any such authorities), including, without limitation, all such registrations, recordings and filings with such securities regulatory and other public authorities as may be required to be obtained by 2552883 in connection with the execution of this Agreement, the Closing or the performance of any of the terms and conditions hereof, shall have been obtained on or before the Closing;
- (h) upon Closing, all regulatory requirements shall have been or shall be capable of being satisfied, including satisfaction of the minimum listing requirements of an Exchange;
- (i) approval of this Agreement by the boards of directors of 2552883 and 55 North by ordinary resolution and of the Amalgamation by the shareholders of 2552883 and Subco by special resolution;
- (j) approval by the shareholders of 55 North of the matters set forth in paragraph 5.1(a)(ii) hereof; and
- (k) 2552883 shall have delivered or caused to be delivered to 55 North on or before the Closing such other certificates, agreements or documents as may reasonably be required by 55 North or its solicitors, acting reasonably, to give full effect to this Agreement.

## ARTICLE VII TERMINATION

### 7.1 Termination

- (a) This Agreement may be terminated prior to the Effective Date:
  - (i) by the agreement of 2552883 and 55 North; or
  - (ii) by 55 North or by 2552883 if any condition in Article VI is not satisfied in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by such terminating party; or
  - (iii) by 55 North or by 2552883 at any time after the Outside Date.
- (b) This Agreement shall be automatically terminated upon 55 North or 2552883, as the case may be, entering into an agreement or arrangement with respect to a Superior Proposal or a Superior Merger Proposal, as the case may be, where the party entering into the agreement or arrangement complied with its obligations under Section 5.2 or 5.4 as applicable.

7.2 **Effect of Termination.** If this Agreement is terminated in accordance with Section 7.1, no party shall have any further liability to perform its obligations hereunder except as provided in Section 8.1 and as otherwise expressly contemplated hereby provided that neither the termination of this Agreement nor anything contained in Section 7.1 shall relieve any Party from any liability for any breach by it of this Agreement,

including from any inaccuracy in its representations or warranties or any non-performance by it of its covenants made herein.

**ARTICLE VIII  
GENERAL**

**8.1 Confidentiality & Public Notices.** Except where compliance with this Section 8.1 would result in a breach of applicable law, all notices, releases, statements and communications to Third Parties, including employees of the parties and the press, relating to transactions contemplated by this Agreement will be made only in such manner as shall be authorized and approved by 2552883, 2552883 when required, shall use its best efforts to provide such authorization and approval to 55 North in a timely manner as shall permit compliance by 55 North with all continuous disclosure to any regulatory authority or obligations under any applicable securities regulations. 55 North and 2552883 shall maintain the confidentiality of any information received from each other in connection with the transactions contemplated by this Agreement. In the event that the Amalgamation and the issuance of the Exchange Shares provided for in this Agreement are not consummated, each party shall return any confidential schedules, documents or other written information to the party who provided same in connection with this Agreement. 2552883 agrees that it will not, directly or indirectly, make reciprocal use for its own purposes of any information or confidential data relating to 55 North or 55 North's Business discovered or acquired by it, its representatives or accountants as a result of 55 North making available to it, its representatives and accountants, any information, books, accounts, records or other data and information relating to 55 North or 55 North's Business and 2552883 agrees that it will not disclose, divulge or communicate orally, in writing or otherwise (directly or indirectly), any such information or confidential data so discovered or acquired by any other Person. 55 North agrees that it will not, directly or indirectly, make reciprocal use for its own purposes of any information or confidential data relating to 2552883 or the 2552883 Business discovered or acquired by it, its representatives or accountants as a result of 2552883 making available to it, its representatives or accountants, any information, books, accounts, records or other data and information relating to 2552883 or the 2552883 Business and 55 North agrees that it will not disclose, divulge or communicate orally, in writing or otherwise, any such information or confidential data so discovered or acquired to any other Person.

**8.2 Notices.** All notices or other communications required to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery, by registered mail or by transmittal by telecopier or other form of recorded communication addressed to the recipient as follows:

**(a) To 55 North and Subco:**

401 Bay Street  
Suite 2702  
Toronto, ON M5H 2Y4  
Attention: Bruce Reid, Chief Executive Officer  
Fax: 416-

**with a copy to:**

William Harvey Jones  
Barrister & Solicitor  
401 Bay Street, Suite 2702  
Toronto, ON M5H 2Y4  
Fax: 416-595-0907

**(b) To 2552883:**

401 Bay Street, Suite 2702  
Toronto, ON M5H 2Y4

Attention: Chief Executive Officer

Fax: 647-

**with a copy to:**

Dan Hrushewsky P.Eng.  
Suite 2702 – 401 Bay Street  
Toronto Ontario M5H 2Y2

Email: dh

or to such other address, telecopier number or individual as may be designated by notice given by either party to the other. Any such communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the fifth Business Day following the deposit thereof in the mail and, if given by telecopier or other form of recorded communication, shall be deemed given and received on the date of such transmission if received prior to 5:00 p.m. (local time at the offices of the recipient) and on the next Business Day if it is received after 5:00 p.m. (local time at the offices of the recipient) on the date of its transmission. If the party giving any such communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such communication shall not be mailed but shall be given by personal delivery or by telecopier transmittal or other form of recorded communication.

**8.3 Expenses.** Except as otherwise provided herein, all costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring such expenses.

**8.4 No Personal Liability.**

- (a) No officer or director of 55 North or Subco shall have any personal liability whatsoever to 2552883 under this Agreement or pursuant to any other document delivered on behalf of 55 North in connection with this Agreement or the Amalgamation in the absence of fraud, fraudulent misrepresentation or wilful misconduct.
- (b) No officer or director of 2552883 shall have any personal liability whatsoever to 55 North or Subco under this Agreement or pursuant to any other document delivered on behalf of 2552883 in connection with this Agreement or the Amalgamation in the absence of fraud, fraudulent misrepresentation or wilful misconduct.

**8.5 Time of the Essence.** Time shall be of the essence hereof.

**8.6 Further Assurances.** The parties hereto shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated hereby, and each party shall execute and deliver such further documents, instruments, papers and information as may be reasonably requested by another party hereto in order to carry out the purpose and intent of this Agreement.

**8.7 Law and Jurisdiction.** This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. The parties hereby attorn to the non-exclusive jurisdiction of the Courts of Ontario in any dispute that may arise hereunder.

**8.8 Counterparts.** For the convenience of the parties, this Agreement may be executed in several counterparts, each of which when so executed shall be, and be deemed to be, an original instrument and such counterparts together shall constitute one and the same instrument (and notwithstanding their date of execution shall be deemed to bear date as of the date of this Agreement). A signed facsimile or telecopied copy of this Agreement shall be effective and valid proof of execution and delivery.

**8.9 Entire Agreement.** This Agreement, including the Schedules attached hereto, together with the agreements and other documents to be delivered pursuant hereto, constitute the entire agreement between the parties pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein and therein. This Agreement may not be amended or modified in any respect except by written instrument signed by all parties.

**8.10 Severability.** The invalidity or unenforceability of any provision of this Agreement or any covenant herein contained shall not affect the validity or enforceability of any other provision or covenant hereof or herein contained, and this Agreement shall be construed as if such invalid or unenforceable provision or covenant were omitted.

**8.11 Enurement.** This Agreement shall be binding upon and shall inure to the benefit of and be enforceable by the successors and permitted assigns of the parties hereto.

**8.12 Waivers.** The parties hereto may, by written agreement:

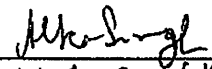
- (a) extend the time for the performance of any of the obligations or other Act of the parties hereto;
- (b) waive any inaccuracies in the warranties, representations, covenants or other undertakings contained in this Agreement or in any document or certificate delivered pursuant to this agreement; or
- (c) waive compliance with or modify any of the warranties, representations, covenants or other undertakings or obligations contained in this Agreement and waive or modify performance by any of the parties thereto.

**8.13 Form of Documents.** All documents to be executed by 55 North and Subco and delivered to 2552883 on the Closing shall be in form and substance satisfactory to 2552883 acting reasonably. All documents to be executed by 2552883 and delivered to 55 North on the Closing shall be in a form and substance satisfactory to 55 North, acting reasonably.

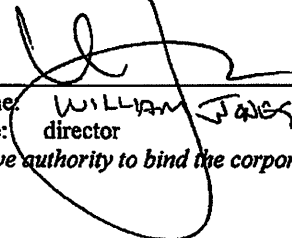
**8.14 Construction Clause.** This Agreement has been negotiated and approved by counsel on behalf of all parties hereto and, notwithstanding any rule or maxim of construction to the contrary, any ambiguity or uncertainty will not be construed against any party hereto by reason of the authorship of any of the provisions hereof.

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

**2552883 ONTARIO INC.**

Per:   
Name: ALEAT SINGH  
Title: DIRECTOR  
*I have authority to bind the corporation.*

**55 NORTH MINING OPERATIONS INC.**

Per:   
Name: WILLIAM JONES  
Title: director  
*I have authority to bind the corporation.*

**55 NORTH MINING INC.**

A handwritten signature in black ink, appearing to read "B. Reid", written over a horizontal line.

**Per:**

**Name:** Bruce Reid

**Title:** Chief Executive Officer

*I have authority to bind the corporation.*