



GOLD CANYON RESOURCES INC.

**NOTICE OF SPECIAL MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
OF
GOLD CANYON RESOURCES INC.**

For
**The Special Meeting of Shareholders and Warrantholders to be Held
on Friday, November 6, 2015**

October 5, 2015

(Unless otherwise stated, the information herein is given as at September 28, 2015)

These materials are important and require your immediate attention. They require securityholders of Gold Canyon Resources Inc. to make important decisions. If you are in doubt as to how to make such decisions, please contact your professional advisors. If you have any questions or require more information with regard to the procedures for voting or completing your documentation, please contact Laurel Hill Advisory Group, our proxy solicitation agent, toll free at 1-877-452-7184, collect at 416-304-0211 or email assistance@laurelhill.com.



GOLD CANYON RESOURCES INC.

LETTER TO SECURITY HOLDERS

October 5, 2015

Dear Shareholders:

You are invited to attend a special meeting (the “**Meeting**”) of holders of common shares and share purchase warrants (“**Gold Canyon Securityholders**”) of Gold Canyon Resources Inc. (“**Gold Canyon**”) to be held at the Vancouver Club, 915 West Hastings Street, Vancouver, British Columbia, Canada on Friday, November 6, 2015 at 10:00 a.m. (Vancouver time).

On August 31, 2015, Gold Canyon entered into an arrangement agreement (the “**Arrangement Agreement**”) with First Mining Finance Corp. (“**First Mining**”) and Irving Resources Inc. (formerly 1047431 B.C. Ltd., “**SpinCo**”) whereby, subject to the terms and conditions of the Arrangement Agreement, First Mining will acquire all of the outstanding common shares of Gold Canyon (the “**Gold Canyon Shares**”) by way of plan of arrangement (the “**Arrangement**”) under the provisions of the *Business Corporations Act* (British Columbia).

Upon completion of the Arrangement, each holder (a “**Gold Canyon Shareholder**”) of a Gold Canyon common share (a “**Gold Canyon Share**”) will receive one common share of First Mining (a “**First Mining Share**”) for each Gold Canyon Share held. First Mining will also issue an aggregate of approximately 11,735,000 replacement share purchase warrants to holders of unexercised Gold Canyon share purchase warrants (the “**First Mining Replacement Warrants**”) and approximately 6,032,500 replacement stock options to holders of unexercised Gold Canyon stock options (the “**First Mining Replacement Options**”), assuming no exercise of existing warrants or options. All other terms and conditions of the First Mining Replacement Warrants and First Mining Replacement Options will be the same as the warrant or option for which they were exchanged. First Mining Replacement Options will be governed by the terms of First Mining’s stock option plan, except that the terms and conditions of the First Mining stock option plan relating to accelerated expiry of options on account of early termination after ceasing to hold office or ceasing to be an employee or consultant will not apply to the First Mining Replacement Options and such First Mining Replacement Options will instead expire on the earlier of the expiry date of the original Gold Canyon options for which they were exchanged and the date that is 12 months after closing.

Under the Arrangement, Gold Canyon’s non-gold exploration business, together with a specified cash amount and related liabilities will be transferred to SpinCo, a newly incorporated exploration company. Upon completion of the Arrangement, each Gold Canyon Shareholder will receive 0.03333 of a common share of SpinCo (a “**SpinCo Share**”) for each Gold Canyon Share held. Holders of unexercised Gold Canyon share purchase warrants will receive SpinCo share purchase warrants to purchase a number of SpinCo Shares equal to the product of 0.03333 multiplied by the number of Gold Canyon Shares issuable on exercise of such Gold Canyon share purchase warrant immediately prior to the Effective Time for an exercise price per whole SpinCo Share equal to \$0.30, being the fair market portion, as adjusted by the applicable SpinCo exchange ratio and rounded to the nearest whole cent, of the exercise price per share of such Gold Canyon share purchase warrant assigned to a SpinCo share purchase warrant rounded up to the nearest whole cent.

At the Meeting, you will be asked to consider, and, if thought advisable, to approve a special resolution (the “**Arrangement Resolution**”) authorizing and approving the Arrangement. The Arrangement Resolution must be approved by at least 66⅔% of the votes cast by Gold Canyon Securityholders, voting either in person or by proxy at the Meeting, which holders are entitled to one vote for each Gold Canyon Share held or right to acquire a Gold Canyon Share held, as the case may be. In addition, the Arrangement Resolution must also be approved by a simple majority of the votes cast by the Gold Canyon Securityholders present in person or represented by proxy at the Meeting, after excluding the votes cast in respect of the securities over which the Excluded Securityholders (as defined in the Circular) exercise control or direction (whose votes may not be included in determining minority

approval pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*). The Arrangement is also, among other things, subject to the approval of the Supreme Court of British Columbia, at a hearing scheduled for November 10, 2015 (see “Schedule “D” - Notice of Application Final Order” attached to the Circular).

The board of directors of Gold Canyon has concluded that the Arrangement is in the best interests of Gold Canyon and recommends that the Gold Canyon Securityholders vote in favour of the Arrangement Resolution.

Assuming that the Gold Canyon Securityholders approve the Arrangement Resolution and all other conditions to the transaction are met or waived, it is expected that the Arrangement will become effective in mid-November, 2015.

The enclosed Circular contains a detailed description of the Arrangement, as well as detailed information regarding First Mining and SpinCo. Please give this material your careful consideration and consult your financial, tax or other professional advisors. If you are unable to attend the Meeting in person, please complete and deliver the enclosed form of Proxy or Voting Instruction Form in order to ensure your representation at the Meeting.

Yours truly,

GOLD CANYON RESOURCES INC.

“Akiko Levinson”

Akiko Levinson
Chief Executive Officer, President and Director



GOLD CANYON RESOURCES INC.

NOTICE OF SPECIAL MEETING OF SECURITYHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the “**Meeting**”) of holders of common shares (“**Gold Canyon Shares**”) and share purchase warrants (“**Gold Canyon Warrants**”) of Gold Canyon Resources Inc. (“**Gold Canyon**”) will be held at the Vancouver Club, 915 West Hastings Street, Vancouver, British Columbia, Canada on Friday, November 6, 2015 at the hour of 10:00 a.m. (PST) for the following purposes:

- (1) For the holders of Gold Canyon Shares and Gold Canyon Warrants (“**Gold Canyon Securityholders**”) to consider, pursuant to an order of the Supreme Court of British Columbia dated October 2, 2015 (the “**Interim Order**”), a copy of which is attached as Schedule “C” to the accompanying Information Circular (the “**Circular**”), and, if deemed advisable, to pass with or without variation, a special resolution (the “**Arrangement Resolution**”) authorizing and approving an arrangement (the “**Arrangement Transaction**”), by way of a plan of arrangement under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”), involving Gold Canyon, the Gold Canyon Securityholders, First Mining Finance Corp. (“**First Mining**”) and Irving Resources Inc. (formerly 1047431 B.C. Ltd., “**SpinCo**”), all as more particularly described in the Circular; and
- (2) To transact such further or other business as may properly come before the Meeting and any adjournment thereof.

The full text of the Arrangement Resolution is set out in Schedule “A” to the Circular. The Arrangement Resolution must be passed by at least 66⅔% of the votes cast on the Arrangement Resolution by the Gold Canyon Shareholders and the Gold Canyon Warrantholders present in person or represented by proxy at the Meeting and voting together as a single class such that each Gold Canyon Shareholder is entitled to one vote for each Gold Canyon Share held and each Gold Canyon Warrantholder is entitled to one vote for each Gold Canyon Common Share issuable upon exercise of such Gold Canyon Warrants. In addition, the Arrangement Resolution must also be approved by a simple majority of the votes cast by the Gold Canyon Securityholders present in person or represented by proxy at the Meeting, after excluding the votes cast in respect of the Gold Canyon Shares or Gold Canyon Warrants over which the Excluded Securityholders (as defined in the Circular) exercise control or direction (whose votes may not be included in determining minority approval pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*). Accompanying this Notice is the Circular in respect of the Meeting, which includes the full text of the Arrangement Resolution and detailed information relating to the matters to be addressed at the Meeting, and a form of Proxy or Voting Instruction Form.

The board of directors of Gold Canyon recommends that Gold Canyon Securityholders vote FOR the Arrangement Resolution.

If you are not able to be present at the Meeting, please exercise your right to vote by signing the enclosed form of Proxy and returning it by mail in the envelope provided for this purpose, or by facsimile to Gold Canyon’s transfer agent, Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1 Canada (facsimile numbers: Within North America 1-866-249-7775; Outside North America (416) 263-9524); or by following the procedures for telephone or Internet voting provided in the enclosed form of Proxy. To be valid, a completed form of Proxy must be received by Gold Canyon’s transfer agent, and telephone, facsimile or Internet voting must be completed, by **no later than 10:00 a.m. (Vancouver Time) on Wednesday, November 4, 2015** or, if the Meeting is adjourned, by no later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the adjourned meeting, in either case unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

The enclosed form of Proxy appoints nominees of management of Gold Canyon as proxyholder and you may amend the form of Proxy, if you wish, by inserting in the space provided the name of the person you wish to

represent you as proxyholder at the Meeting. If you are an Non- Registered holder of Gold Canyon Shares and received these materials through your broker or through another intermediary, please complete and return the enclosed Voting Instruction Form or other authorization form provided to you by your broker or intermediary in accordance with the instructions provided by such broker or other intermediary well in advance of the Meeting.

TAKE NOTICE that pursuant to the Interim Order of the Supreme Court of British Columbia dated October 2, 2015 (the “Interim Order”) and the BCBCA, registered holders of Gold Canyon Shares may until 5:00 p.m. (Vancouver time) on November 4, 2015 give a notice of dissent by registered mail addressed to Gold Canyon at its registered office at:

**Gold Canyon Resources Inc.
c/o Getz Prince Wells LLP
Suite 1810 - 1111 West Georgia Street
Vancouver, British Columbia
V6E 4M3
Facsimile: (604) 685-9798**

with respect to the Arrangement Resolution. As a result of giving a notice of dissent a Gold Canyon Shareholder may, on receiving a notice of intention to act from Gold Canyon, require Gold Canyon to purchase all of the Gold Canyon Shares held by such shareholder in respect of which the notice of dissent was given and be paid the fair value of those Gold Canyon Shares in accordance with the BCBCA. These dissent rights are described in the Circular under “Rights of Dissenting Shareholders” and Schedule “M” attached to the Circular. Gold Canyon Warrantholders are not entitled to exercise dissent rights. Failure to comply strictly with such dissent procedures may result in the loss or unavailability of any right of dissent.

DATED: October 5, 2015

**By order of the Board of Directors
of Gold Canyon Resources Inc.**

“Akiko Levinson”

Akiko Levinson
Chief Executive Officer, President and Director

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GOLD CANYON RESOURCES INC.

QUESTIONS AND ANSWERS ABOUT THE ARRANGEMENT AND MEETING

The information contained below is of a summary nature and therefore is not complete. This summary information is qualified in its entirety by the more detailed information contained elsewhere in or incorporated by reference into this Circular, including the Appendices hereto, the form of proxy and the Letter of Transmittal, all of which are important and should be reviewed carefully. Capitalized terms used in these questions and answers but not otherwise defined herein have the meanings set forth in the “Glossary of Defined Terms” in the Circular.

If you have any questions regarding the information described in this joint information circular or require assistance with voting your shares, please contact Laurel Hill Advisory Group, our proxy solicitation agent, at 1-877-452-7184, collect at 416-304-0211 or email assistance@laurelhill.com.

Q&A ABOUT THE ARRANGEMENT

Q: What are Gold Canyon Shareholders being asked to vote on?

A: Gold Canyon Shareholders are being asked to vote on a special resolution to approve the plan of arrangement involving Gold Canyon, First Mining and SpinCo under the BCBCA pursuant to which First Mining will acquire all of the outstanding Gold Canyon Shares.

See “The Arrangement – Conduct of Meeting and Other Approvals – *Shareholder Approval*” in the Circular.

Q: What will I receive for my Gold Canyon Shares under the Arrangement?

A: Under the Arrangement, each Gold Canyon Shareholder will receive, subject to the terms of the Plan of Arrangement, one First Mining Share for each Gold Canyon Share held. Gold Canyon Shareholders will also receive 0.03333 of a common share of SpinCo, a company newly incorporated by Gold Canyon for purposes of the Arrangement.

See “The Arrangement – Details of the Arrangement” and “The Arrangement – Exchange of Certificates” in the Circular.

Q: Does the Consideration reflect a premium for the Gold Canyon Shares?

A: The First Mining Consideration implied a share price premium for Gold Canyon Shareholders as of the date of the Arrangement Agreement. The amount of the premium will vary according to the relative market prices of First Mining Shares and Gold Canyon Shares at the time of closing. Based on the 30 day volume-weighted average price (“**VWAP**”) of Gold Canyon on the TSX-V for the period ending August 31, 2015, the First Mining Consideration represents a premium of approximately 204% to Gold Canyon’s VWAP.

Q: Does the Gold Canyon Board support the Arrangement?

A: Yes. The Gold Canyon Board has unanimously determined that the First Mining Consideration is fair to Gold Canyon Shareholders and the Gold Canyon Warranholders and that the Arrangement is in the best interests of Gold Canyon.

Further, the Gold Canyon Board has unanimously approved the Arrangement Agreement and unanimously recommends that Gold Canyon Shareholders and Gold Canyon Warranholders vote **FOR** the Arrangement Resolution.

The recommendation of the Gold Canyon Board is based on various factors, as more particularly set out in the accompanying Circular, including the fairness opinion of Maxit Capital.

See “The Arrangement – Reasons for the Arrangement” and “The Arrangement – Recommendation of the Gold Canyon Board” in the Circular and a copy of the Maxit Capital Fairness Opinion which is attached as Schedule “E” to the Circular.

Q: What approvals are required of Gold Canyon Securityholders at the Gold Canyon Meeting?

A: To be effective, the Arrangement Resolution must be approved by:

- (a) at least 66⅔% of the votes cast on the Arrangement Resolution by the Gold Canyon Shareholders and the Gold Canyon Warranholders present in person or represented by proxy at the Meeting and voting together as a single class such that each Gold Canyon Shareholder is entitled to one vote for each Gold Canyon Share held and each Gold Canyon Warranholder is entitled to one vote for each Gold Canyon Share issuable upon exercise of such Gold

Canyon Warrant, and

- (b) at least a majority of the votes cast on the Arrangement Resolution by Gold Canyon Securityholders present in person or represented by proxy and entitled to vote at the Gold Canyon Meeting, excluding for this purpose votes attached to any Gold Canyon Shares or Gold Canyon Warrants held by Akiko Levinson, Chief Executive Officer, President and a director of Gold Canyon who are entitled to receive “change of control” payments upon completion of the Arrangement pursuant to their respective management consulting agreements with Gold Canyon. See “Securities Law Considerations – Canadian Securities Law – *Protection of Minority Security Holders in Special Transactions*” in the Circular.

First Mining has entered into Lock-Up Agreements with the Locked-Up Shareholders, pursuant to which the Locked-Up Shareholders have agreed, subject to the terms and conditions of the Lock-Up Agreement, to vote their Gold Canyon Shares in favour of the Arrangement Resolution. As of the date of the Arrangement Agreement, the Locked-Up Shareholders collectively beneficially owned or exercised control or direction over an aggregate of 6,518,908 Gold Canyon Shares and no Gold Canyon Warrants, representing 4.1% of the Gold Canyon Shares on a non-diluted basis.

See “The Arrangement – Lock-Up Agreements” in the Circular.

Q: What other approvals are required for the Arrangement?

In addition, the Arrangement must be approved by the Court. Provided that the Arrangement is approved by the requisite majorities of the Gold Canyon Securityholders at the Meeting and certain other conditions are met, Gold Canyon will make application to the Court for the Final Order at 9:45 a.m. Vancouver time (or so soon thereafter as legal counsel can be heard) on November 10, 2015 at the Court House, 800 Smithe Street, Vancouver, British Columbia.

The Arrangement and the transactions contemplated thereby are also subject to regulatory approval including the approval of the TSX-V.

See “The Arrangement – Conduct of Meeting and Other Approvals” in the Circular.

Q: When will the Arrangement become effective?

A: Subject to obtaining the Court approval as well as the satisfaction of all other conditions precedent, if Gold Canyon Securityholders approve the Arrangement Resolution, it is anticipated that the Arrangement will be completed in early November, 2015.

Q: What are the Canadian federal income tax consequences of the Arrangement?

A: A Gold Canyon Shareholder who is resident in Canada whose Gold Canyon Shares constitute “capital property” for the purposes of the *Tax Act* generally will not realize a capital gain (or capital loss) as a result of the exchange of such shares for Class A Shares and SpinCo Shares under the Arrangement, provided that the fair market value of the SpinCo Shares received by the Gold Canyon Shareholder does not exceed the adjusted cost base of their Gold Canyon Shares disposed of.

A Gold Canyon Shareholder who is resident in Canada whose Class A Shares constitute “capital property” for the purposes of the *Tax Act* generally will not realize a capital gain (or capital loss) in respect of the exchange of Class A Shares for First Mining Shares unless the Gold Canyon Shareholder chooses to recognize any portion of the capital gain (or capital loss) otherwise arising on the exchange by taking the positive step of reporting the capital gain (or capital loss) in the Class A Shareholder’s tax return under the *Tax Act* for the Gold Canyon Shareholder’s taxation year in which the exchange occurs. See “Certain Canadian Federal Income Tax Considerations – Gold Canyon Shareholders Resident in Canada - *Taxation of Capital Gains and Capital Losses*”.

A Gold Canyon Shareholder who is not resident in Canada for the purposes of the *Tax Act* will generally not be subject to tax under the *Tax Act* on the disposition of their Gold Canyon Shares or Class A Shares under the Arrangement, provided that such shares do not constitute “taxable Canadian property” to such Gold Canyon Shareholder. See “Certain Canadian Federal Income Tax Considerations – Gold Canyon Shareholders Not Resident in Canada – *Disposition of Gold Canyon Shares, Class A Shares, and SpinCo Shares*”.

The Circular contains a summary of the principal Canadian federal income tax considerations applicable to certain Gold Canyon Shareholders in respect of the proposed Arrangement. See “Certain Canadian Federal Income Tax Considerations” in the Circular. The answer above is qualified in its entirety by reference to such summary. **Tax matters are complicated and the tax consequences of the Arrangement to you will depend on the facts of your particular circumstances. Because individual circumstances may differ, you should consult with your tax advisor as to the specific tax consequences of the Arrangement to you.**

Q: What are the United States federal income tax consequences of the Arrangement?

A: Assuming that the steps of the Arrangement are treated as parts of a single integrated transaction, the Arrangement may constitute a taxable transaction for U.S. Holders. Subject to the application of the “passive foreign investment company” rules, U.S. Holders will generally recognize gain or loss equal to the difference, if any, between (a) the aggregate fair market

value of the SpinCo Shares and the First Mining Shares received by the U.S. Holder and (b) the U.S. Holder's adjusted tax basis in the U.S. Holder's Gold Canyon Shares.

The Circular contains a summary of certain material anticipated U.S. federal income tax considerations relevant to U.S. Holders and which relate to the Arrangement, and the answer above is qualified in their entirety by reference to such summary. Gold Canyon Shareholders are strongly advised to review the summary contained under the heading "Certain United States Federal Income Tax Considerations" in the Circular and to consult their own tax advisors for advice with respect to their own particular circumstances. **Tax matters are complicated and the tax consequences of the Arrangement to you will depend upon the facts of your particular circumstances. Because individual circumstances may differ, you should consult with your tax advisor as to the specific tax consequences of the Arrangement to you, including the applicability of United States federal, state, local, non-United States and other tax laws.**

Q: What will happen to Gold Canyon if the Arrangement is completed?

A: If the Arrangement is completed, First Mining will acquire all of the outstanding Gold Canyon Shares and Gold Canyon will become a direct wholly-owned subsidiary of First Mining. Following completion of the Arrangement, it is expected that the Gold Canyon Shares will be delisted from the TSX-V, and First Mining will apply to the applicable securities regulatory authorities in Canada to have Gold Canyon cease to be a reporting issuer in all applicable jurisdictions in which Gold Canyon is a reporting issuer.

Q: Are the First Mining Shares listed on a stock exchange?

A: Yes. First Mining Shares currently trade on the TSX-V under the symbol "FF".

First Mining has applied to the TSX-V to list the First Mining Shares issuable (i) under the Arrangement and (ii) upon the exercise of the Replacement Options. It is a condition of closing that First Mining will have obtained approval of the TSX-V, subject only to the customary listing conditions of the TSX-V.

Q: Are Gold Canyon Shareholders entitled to Dissent Rights?

A: Yes. Under the Interim Order, registered holders of Gold Canyon Shares are entitled to Dissent Rights but only if they follow the procedures specified in the BCBCA, as modified by the Plan of Arrangement and the Interim Order. **Dissenting Shareholders should note that the exercise of Dissent Rights can be a complex, time sensitive and expensive procedure. Dissenting Shareholders should consult their legal advisors with respect to the legal rights available to them in relation to the Arrangement and the Dissent Rights.**

See the Interim Order attached as Schedule "C" to the Circular. In addition, See "Rights of Dissenting Shareholders" in the Circular and Schedule "M" to the Circular.

Q: What will happen if the Arrangement Resolution is not approved or the Arrangement is not completed for any reason?

A: If the Arrangement Resolution is not approved or the Arrangement is not completed for any reason, the Arrangement Agreement may be terminated. In certain circumstances, including if Gold Canyon accepts an Acquisition Proposal that the Gold Canyon Board concludes is Superior Proposal, Gold Canyon will be required to pay to First Mining the Termination Payment of \$3,935,435.

See "The Arrangement – The Arrangement Agreement – Termination Payments".

Q: Should I send in my Letter of Transmittal and Gold Canyon Share certificates now?

A: All registered holders of Gold Canyon Shares should complete, sign and return the Letter of Transmittal with accompanying Gold Canyon Share certificate(s) (if applicable) to the Depository as soon as possible. In the event the Arrangement is not consummated, the Depository will promptly return any Gold Canyon Share certificates (if applicable) that have been deposited. Please be sure to use the Letter of Transmittal.

See "The Arrangement – Exchange of Certificates" in the Circular.

Q: When will I receive the First Mining Shares and SpinCo Shares issuable pursuant to the Arrangement in exchange for my Gold Canyon Shares?

A: You will receive one First Mining Share and 0.03333 of a SpinCo Canyon Share in exchange for each Gold Canyon Share held as soon as practicable after the Arrangement becomes effective and your properly completed Letter of Transmittal and Gold Canyon Share certificate(s) (if applicable) are received by the Depository. It is anticipated that the Arrangement will be completed in early November, 2015.

See "The Arrangement – Procedure for the Arrangement to Become Effective".

Q: What happens if I send in my Gold Canyon Share certificate(s) and the Arrangement Resolution is not approved or the Arrangement is not completed?

A: If the Arrangement Resolution is not approved or if the Arrangement is not otherwise completed, your Gold Canyon Share certificate(s) (if applicable) will be returned promptly to you by the Depositary.

Q: What will happen to my Gold Canyon Warrants?

A: Under the Arrangement, each Gold Canyon Warrant, to the extent it has not been exercised as of the Effective Date, will be exchanged by the holder thereof, without any further act or formality, for:

- (a) a First Mining Warrant to purchase a number of First Mining Shares equal to the number of Gold Canyon Shares issuable on exercise of such Gold Canyon Warrant immediately prior to the Effective Time for an exercise price per First Mining Share equal to the exercise price per share of such Gold Canyon Warrant immediately prior to the Effective Time; and
- (b) a SpinCo Warrant to purchase a number of SpinCo Shares equal to 0.03333 multiplied by the number of Gold Canyon Shares issuable on exercise of such Gold Canyon Warrant immediately prior to the Effective Time for an exercise price per whole SpinCo Share equal to \$0.30;

As at the Effective Date, any document previously evidencing a Gold Canyon Warrant shall thereafter evidence and be deemed to evidence such First Mining Warrant or SpinCo Warrant and no certificates evidencing the First Mining Warrant or SpinCo Warrant shall be issued. The term to expiry, conditions to and manner of exercise (provided any First Mining Warrant or SpinCo Warrant shall be exercisable at the offices of First Mining) and other terms and conditions of each of the First Mining Warrant or SpinCo Warrant shall be the same as the terms and conditions of the Gold Canyon Warrant for which it is exchanged.

See “The Arrangement – Details of the Arrangement”.

Q&A ABOUT THE MEETING

Q: Who is entitled to vote on the Arrangement Resolution?

A: The record date for determining the Gold Canyon Securityholders entitled to receive notice of and to vote at the Gold Canyon Meeting is September 28, 2015. Only Gold Canyon Securityholders of record as of the close of business on the Record Date are entitled to receive notice of and to vote at the Meeting. Each Gold Canyon Shareholder is entitled to one vote for each Gold Canyon Share held and each Gold Canyon Warrantholder is entitled to one vote for each Gold Canyon Share issuable upon exercise of such Gold Canyon Warrant.

Q: What do I need to do now in order to vote on the Arrangement Resolution?

A: You should carefully read and consider the information contained in this Circular. Registered Gold Canyon Shareholders should then vote by completing, dating and signing the enclosed form of proxy or, alternatively, by telephone, or over the internet, in each case in accordance with the enclosed instructions. To be used at the Meeting, the completed proxy form must be deposited at the office of Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 (Fax:1-866-249-7775 (toll free within North America) or (416) 263-9524 (outside North America)) by mail or fax or the proxy vote is otherwise registered in accordance with the instructions thereon. To be effective, a proxy must be received by Computershare not later than 10:00 a.m. (Vancouver time) on November 4, 2015, or in the case of any postponement or adjournment of the Gold Canyon Meeting, not less than 48 hours, Saturdays, Sundays and holidays excepted, prior to the time of the postponed or adjourned Gold Canyon Meeting. Late proxies may be accepted or rejected by the Chairperson of the Meeting in his or her discretion, and the Chairperson is under no obligation to accept or reject any particular late proxy.

If you hold your Gold Canyon Shares through an Intermediary, please follow the instructions provided by such Intermediary to ensure that your vote is counted at the Meeting and contact your Intermediary for instructions and assistance in delivering the share certificate(s) representing those shares.

See “General Proxy Information –Voting by Proxy”.

Q: Should I send in my proxy now?

A: Yes. Once you have carefully read and considered the information contained in this Circular, to ensure your vote is counted, you need to complete and submit the enclosed form of proxy or, if applicable, provide your Intermediary with voting instructions. You are encouraged to vote well in advance of the proxy cut-off at 10:00 a.m. (Vancouver time) on November 4, 2015 (or if the Meeting is postponed or adjourned, not later than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the postponed or adjourned meeting).

Q: What happens if I sign the form of proxy sent to me?

A: Signing and depositing the enclosed form of proxy gives authority to the person(s) designated by management of Gold Canyon on such form to vote your Gold Canyon Shares and/or Gold Canyon Warrants at the Meeting. If the instructions in a

proxy given to Gold Canyon's management are specified, the Gold Canyon Shares and/or Gold Canyon Warrants represented by such proxy will be voted FOR or AGAINST in accordance with your instructions on any poll that may be called for. If a choice is not specified, the Gold Canyon Shares and/or Gold Canyon Warrants represented by a proxy given to Gold Canyon's management will be voted **FOR** the approval of the Arrangement Resolution as described in this Circular.

See "Information Concerning the Gold Canyon Meeting – Voting by Proxyholder".

Q: Can I appoint someone other than the person(s) designated by management of Gold Canyon to vote my Gold Canyon Shares?

A: Yes. A Gold Canyon Securityholder has the right to appoint a person (who need not be a Gold Canyon Securityholder) to attend and act for him, her or it and on his, her or its behalf at the Meeting other than the persons designated in the form of proxy and may exercise such right by inserting the name in full of the desired person in the blank space provided in the form of proxy.

See "General Proxy Information –Voting by Proxy".

Q: What if amendments are made to these matters or if other matters are brought before the Meeting?

A: If any amendments to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any postponement or adjournment thereof, the Gold Canyon Shares and/or Gold Canyon Warrants represented by properly executed proxies given in favour of the person(s) designated by management of Gold Canyon in the enclosed form of proxy will be voted on such matters pursuant to such discretionary authority.

See "General Proxy Information –Voting by Proxy".

Q: Can I change my vote after I have voted by proxy?

A: Yes. In addition to revocation in any other manner permitted by law, a Registered Gold Canyon Shareholder or Gold Canyon Warrantheadholder executing the enclosed form of proxy has the power to revoke it by depositing an instrument in writing executed by the Gold Canyon Shareholder, or his or her legal representative authorized in writing or, where the Gold Canyon Shareholder is a corporation, by the corporation or a representative of the corporation. To be valid, an instrument of revocation must be deposited at the registered office of Gold Canyon by fax at (604) 685-9798, or by mail or by hand at Gold Canyon Resources Inc., c/o Getz Prince Wells LLP, Suite 1810, 1111 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4M3 at any time up to and including the last business day preceding the day of the Meeting, or in the case of any postponement or adjournment of the Meeting, the last business day preceding the day of the postponed or adjourned Meeting, or delivered to the Chairperson of the Gold Canyon Meeting on the day fixed for the Meeting, and prior to the start of the Meeting or any postponement or adjournment thereof.

Only Registered Gold Canyon Shareholders and Gold Canyon Warrantheadholders have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective Intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures.

See "General Proxy Information – Revocability Of Proxy".

Q: Who will count the votes?

A: Gold Canyon's transfer agent, Computershare Investor Services Inc., will act as scrutineer for the Meeting and will count and tabulate the votes received for the Meeting.

Q: If my Gold Canyon Shares are held by my Intermediary, will they vote my Gold Canyon Shares?

A: An Intermediary will vote the Gold Canyon Shares held by you only if you provide instructions to them on how to vote. Without instructions, those Gold Canyon Shares will not be voted. Gold Canyon Shareholders should instruct their Intermediaries to vote their Gold Canyon Shares on their behalf by following the directions provided to them by their Intermediaries. Unless your Intermediary gives you its proxy to vote the Gold Canyon Shares at the Gold Canyon Meeting, you cannot vote those Gold Canyon Shares owned by you at the Gold Canyon Meeting.

See "General Proxy Information – Non-Registered Shareholders".

If you have any questions regarding the information described in this joint information circular or require assistance with voting your shares, please contact Laurel Hill Advisory Group, our proxy solicitation agent, at 1-877-452-7184, collect at 416-304-0211 or email assistance@laurelhill.com.

GLOSSARY OF DEFINED TERMS

The following is a glossary of certain terms used in this Circular, including the Summary that follows. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders. Certain additional terms are defined within the body of this Circular and in such cases will have the meanings ascribed thereto.

Acquisition Proposal	<p>Any proposal or offer made by any Person, whether written or oral, other than the other Party or any affiliate of the other Party or any Person acting in concert with any affiliate of the other Party with respect to:</p> <ul style="list-style-type: none">(a) the acquisition or purchase by any Person or group of Persons acting jointly or in concert of any capital stock or other voting securities, or securities convertible into or exercisable or exchangeable for any capital stock or other voting securities of the Recipient or any of its affiliates representing 20% or more of the outstanding voting securities of the Recipient or such affiliate, on a fully diluted basis;(b) the acquisition or purchase by any Person or group of Persons acting jointly or in concert of any assets of the Recipient and/or one or more of its affiliates (including equity interests in any of the Recipient's subsidiaries) which assets individually or in the aggregate contribute 20% or more of the consolidated revenue or represent 20% or more of the total asset value of the Recipient and its affiliates taken as a whole (in each case based on the most recent consolidated financial statements of the Recipient) (or any lease, licence, royalty, long-term supply agreement or other arrangement having a similar economic effect);(c) a merger, recapitalization, restructuring, reorganization, amalgamation, arrangement, joint venture or other business combination involving the Recipient or any of its affiliates;(d) any other extraordinary business transaction involving or otherwise relating to the Recipient or any of its affiliates; or(e) any public announcement of an intention to do any of the foregoing; <p>but does not include, in the case of Gold Canyon, the Spin-Out Transaction; or, with respect to First Mining, the PC Gold Arrangement.</p>
Arrangement	<p>The arrangement under Division 5 of Part 9 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement and any amendments thereto or variations thereof made in accordance with its terms.</p>
Arrangement Agreement	<p>The Arrangement Agreement dated as of August 31, 2015 among First Mining, Gold Canyon and SpinCo, a copy of which is available on the SEDAR website (www.sedar.com) under Gold Canyon's profile.</p>
Arrangement Resolution	<p>The Special Resolution under the BCBCA approving the Arrangement to be voted on, with or without variation, by the Gold Canyon Securityholders at the Meeting, the full text of which is attached as Schedule "A" to this Circular.</p>
Arrangement Transactions	<p>The transaction contemplated under the Arrangement Agreement, including the Arrangement and the Spin-Out Transaction.</p>
BCBCA	<p>The <i>Business Corporations Act</i> (British Columbia).</p>
CIM	<p>The Canadian Institute of Mining, Metallurgy and Petroleum</p>
Circular	<p>This information circular of Gold Canyon sent to the Gold Canyon Securityholders in connection with the Meeting.</p>
Class A Shares	<p>A new class of an unlimited number of common voting shares without par value to be created by Gold Canyon for the purposes of the Arrangement, and having the special</p>

	rights or restrictions set forth in the Plan of Arrangement.
Closing	The closing of the Arrangement Transaction.
Combined Company	First Mining after completion of the Arrangement, assuming completion of the PC Gold Arrangement.
Computershare	Computershare Investor Services Inc., as registrar and transfer agent for Gold Canyon.
Court	The Supreme Court of British Columbia.
CRA	Canada Revenue Agency.
CSE	Canadian Securities Exchange.
Depository	Any trust company, bank or financial institution agreed to in writing between First Mining and Gold Canyon for the purpose of, among other things, exchange certificates representing Gold Canyon Shares for First Mining Shares and SpinCo Shares.
Dissent Rights	The rights of a Gold Canyon Shareholder to dissent to the Arrangement Resolution and receive fair value for their Gold Canyon Shares, as more particularly described under the heading “Rights of Dissenting Shareholders” in this Circular.
Dissenting Shareholder	A Gold Canyon Shareholder who validly exercises Dissent Rights and thereby becomes entitled to receive the fair value of their Gold Canyon Shares.
DRS Advice Statement	A statement prepared by Computershare pursuant to its direct registration system.
Effective Date	The date the Arrangement completes, as determined in accordance with the Arrangement Agreement.
Effective Time	12:01 a.m. (Vancouver time) on the Effective Date.
Encumbrances	Any mortgage, charge, easement, encroachment, lien, burden, assignment by way of security, security interest, servitude, pledge, hypothecation, conditional sale agreement, security agreement, title retention agreement, financing statement, option, right of pre-emption, right of first refusal or right of first offer, privilege, obligation to assign, license, sublicense trust, royalty, carried, working, participation or net profits interest or other third party interest or other encumbrance or any agreement, option, right or privilege capable of becoming any of the foregoing.
Excluded Securityholders	Pursuant to MI 61-101, Akiko Levinson the Chief Executive Officer, President and a Director of Gold Canyon.
Final Order	The final order to be made by the Court approving the Arrangement.
First Mining	First Mining Finance Corp., a company existing under the BCBCA.
First Mining Consideration	The First Mining Shares to be issued to the Gold Canyon Shareholders in exchange for their Class A Shares on the basis of the First Mining Exchange Ratio.
First Mining Exchange Ratio	One (1) First Mining Share for every one (1) Class A Share.
First Mining Options	Incentive stock options exercisable to acquire First Mining Shares, granted under and subject to the provisions of the First Mining Option Plan.
First Mining Option Plan	The rolling stock option plan adopted by First Mining authorizing the issuance of incentive stock options to directors, officers, employees and consultants of First Mining of up to an aggregate of 10% of the total issued First Mining Shares from time to time.
First Mining Projects	The principal gold exploration projects of First Mining, being the Hope Brook project and the Miranda Property project located in Newfoundland and Labrador, Canada, and the Sonoroa State, Mexico, respectively. See “Information Concerning First Mining” in

this Circular.

First Mining Shareholders	At any time, the holders at that time of First Mining Shares.
First Mining Shares	Common shares without par value in the authorized share structure of First Mining.
First Mining Warrants	Share purchase warrants of First Mining which are exercisable to purchase First Mining Shares.
Gold Canyon Board	The board of directors of Gold Canyon.
Gold Canyon Options	Incentive stock options exercisable to acquire Gold Canyon Shares, granted under and subject to the provisions of Gold Canyon Option Plans.
Gold Canyon Optionholders	At any time, the holder at that time of Gold Canyon Options.
Gold Canyon Option Plans	The rolling stock option plans adopted by Gold Canyon authorizing the issuance of incentive stock options to directors, officers, employees and consultants of Gold Canyon of up to 5%, in aggregate, of the total issued Gold Canyon Shares from time to time.
Gold Canyon Rights Plan	The Shareholder Rights Plan dated and effective March 15, 2006, between Gold Canyon and the rights agent, Computershare Investor Services Inc., whereunder rights to acquire additional Gold Canyon Shares were granted to the Gold Canyon Shareholders in the event of a person acquiring more than 20% of the total issued shares, otherwise than pursuant to a permitted bid or exempt acquisition, as defined therein.
Gold Canyon Securityholders	Collectively, the Gold Canyon Shareholders and the Gold Canyon Warrantholders.
Gold Canyon Shareholders	At any time, the holders at that time of Gold Canyon Shares.
Gold Canyon Warrantholders	At any time, the holders at that time of Gold Canyon Warrants.
Gold Canyon Warrants	Purchase warrants of Gold Canyon which are exercisable to purchase Gold Canyon Shares pursuant to the terms of the certificates representing the Gold Canyon Warrants.
Governmental Entity	Means any: (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank or Tribunal; (ii) subdivision, agent, commission, board, or authority of any of the foregoing; or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.
Hope Brook Property	The 1,056 claims covering 26,400 hectares that comprised the Hope Brook property located on the southwest coast of Newfoundland.
IFRS	International Financial Reporting Standards.
Interim Order	The interim order of the Court dated October 2, 2015 made pursuant to Section 291 of the BCBCA, providing for, among other things, the calling of the Meeting, a copy of which is attached as Schedule “C” to this Circular.
IRS	The United States Internal Revenue Service.
JOGMEC	Japan Oil, Gas And Metals National Corporation.
Laws	Any and all laws (statutory, common or otherwise), statutes, regulations, statutory rules, regulatory instruments, orders, injunctions, judgments, published policies and guidelines (to the extent that they have the force of law), and terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity,

statutory body or self-regulatory authority, and the term “applicable” with respect to such Laws and in the context that refers to one or more persons means that such Laws apply to such person or persons or its or their business, undertaking, property or securities and emanate from a Person having jurisdiction over the person or persons or its or their business, undertaking, property or securities.

Letter of Intent	The letter of intent and attached term sheet between First Mining and Gold Canyon dated August 10, 2015 in respect of the Arrangement.
Letter of Transmittal	The letter of transmittal that accompanies the Circular for use by Registered Gold Canyon Shareholders.
Lock-Up Agreements	The agreements entered into between First Mining and the Locked-Up Shareholders wherein they agreed to vote their securities in favour of the Arrangement.
Locked-Up Shares	Gold Canyon Shares and Gold Canyon Warrants, as applicable, legally or beneficially owned by the Locked-Up Shareholders.
Locked-Up Shareholders	All of the directors and officers of Gold Canyon who have entered into the Lock-up Agreements.
Maxit Capital	Maxit Capital LP, financial advisor to Gold Canyon.
Maxit Capital Fairness Opinion	The Fairness Opinion of Maxit Capital LP, prepared for Gold Canyon, a copy of which is attached as Schedule “E” to this Circular.
MD&A	Management’s discussion and analysis on Form 52-102F1.
Meeting	The special meeting of Gold Canyon Securityholders to be held at 10:00 a.m. (PST) on Friday, November 6, 2015 for the purpose of, among other things, voting on the Arrangement Resolution, and any adjournment or postponement thereof.
Meeting Deadline	Subject to terms of the Arrangement Agreement, with respect to the Meeting, November 15, 2015, unless otherwise agreed by the parties.
MI 61-101	Multilateral Instrument 61-101 – <i>Protection of Minority Security Holders in Special Transactions</i> .
NI 43-101	National Instrument 43-101 – <i>Standards of Disclosure for Mineral Projects</i> .
Outside Date	The latest date by which the Arrangement Transactions are to be completed, which date, subject to the terms of the Arrangement Agreement, shall be December 15, 2015 or such later date as may be agreed upon by Gold Canyon, First Mining and SpinCo.
Party	First Mining, Gold Canyon or SpinCo, as applicable, as the parties to the Arrangement Agreement.
PC Gold	PC Gold Inc.
PC Gold Arrangement	The acquisition by First Mining of all of the issued and outstanding shares of PC Gold pursuant to the arrangement agreement dated as of August 31, 2015 between First Mining and PC Gold.
Person	Includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government, regulatory authority or other entity, as the context requires.
Plan of Arrangement	The plan of arrangement involving Gold Canyon, First Mining, SpinCo and the Gold Canyon Securityholders, as amended, which is attached as Schedule “B” to this Circular, and any amendments or variations thereto made in accordance with its terms.
Record Date	September 28, 2015, being the date for determining Gold Canyon Securityholders entitled to receive notice of and vote at the Meeting.
Registered Gold Canyon Shareholder	A registered holder of Gold Canyon Shares as recorded in the shareholder register of Gold Canyon maintained by Computershare.

Recipient	With respect to an Acquisition Proposal or a Superior Proposal, either First Mining or Gold Canyon as applicable.
Registrar	The British Columbia Registrar of Companies appointed under the BCBCA.
Regulation S	Regulation S promulgated under the U.S. Securities Act.
SEC	The United States Securities and Exchange Commission.
Securities Legislation	The securities legislation of each of the provinces and territories of Canada each as now enacted or as amended and the applicable rules, regulations, rulings, orders, instruments and forms made or promulgated under such statutes, as well as the rules, regulations, by-laws and policies of the TSX-V.
SEDAR	System for Electronic Document Analysis and Retrieval.
Special Resolution	A resolution required to be approved by not less than 66⅔% of the votes cast by those Gold Canyon Securityholders who (being entitled to do so) vote in person or by proxy at the Meeting.
SpinCo	Irving Resources Inc., formerly 1047431 B.C. Ltd, a newly incorporated company under the BCBCA.
SpinCo Exchange Ratio	0.03333 SpinCo Share for every one Gold Canyon Share.
SpinCo Office Space	Suite 810 - 609 Granville Street, Vancouver, British Columbia, Canada.
SpinCo Shareholders	At any time, the holders at that time of SpinCo Shares.
SpinCo Shares	Common shares without par value in the authorized share structure of SpinCo.
SpinCo Warrants	Share purchase warrants of SpinCo which are exercisable to purchase SpinCo Shares.
Spin-Out Assets	Means: <ul style="list-style-type: none"> (i) all direct and indirect right, title and interest of Gold Canyon in and to all of the issued and outstanding shares of Spring Stone Mining Corporation and all of the membership interests in Gold Canyon Kratz Spring, LLC; (ii) all direct and indirect right, title and interest of Gold Canyon in, to and under and the full benefit and advantage of all JOGMEC project venture, operation and participation agreements including agreements with respect to the Tanzania projects, Mangochi/Thyolo rare earth project and Mulanje rare earth project and all business, corporate, legal and accounting books, records and documents used in the conduct of the JOGMEC project venture, operation and participation agreements and related undertakings; (iii) all direct and indirect right, title and interest of Gold Canyon in, to and under and the full benefit and advantage of the office lease with respect to the SpinCo Office Space and any sublease, sharing, maintenance agreements, registrations, documentation or correspondence related thereto; (iv) all equipment, hardware, software, office supplies, fixtures, furniture, furnishings and other tangible property located in the SpinCo Office Space owned, leased or held by or on behalf of Gold Canyon; and (v) cash in the amount of \$500,000 less all cash held as of the Effective Time by Spring Stone Mining Corporation, its subsidiaries and Gold Canyon Kratz Spring, LLC.
Spin-Out Liabilities	Means: <ul style="list-style-type: none"> (i) all liabilities or obligations (contingent or otherwise) (other than any liability or obligation for Taxes) in respect (but only in respect) of the Spin-Out Assets

(including the operations or activities in connection therewith);

- (ii) all liabilities or obligations for Taxes payable to any Governmental Entity arising from, or in connection with the Spin-Out Transaction;
- (iii) all liabilities or obligations for Taxes payable but not yet paid or reflected in the contingencies or commitments in the audited consolidated annual financial statements of Gold Canyon for the years ended November 30, 2014 and November 30, 2013, to any Governmental Entity and imposed on, or is in respect of, the Spin-Out Assets and/or any liabilities or obligations referred to in this definition net of all applicable credits, deductions, and other amounts available (including any loss carry forwards) with respect to the Spin-Out Assets; and
- (iv) any fees and expenses related to the listing of the SpinCo Shares on the CSE or TSX-V.

Spin-Out Transaction The transfer of the Spin-Out Assets and the assignment of the Spin-Out Liabilities to SpinCo and the distribution of SpinCo Shares to Gold Canyon Shareholders, all pursuant to the Plan of Arrangement.

Springpole Gold Project Exploration, development and mining project activities associated with the Springpole Gold Property.

Springpole Gold Property The property located about 70 miles (115 km) northeast of the town of Red Lake, in the Red Lake Mining District, in the district of Kenora in northwestern Ontario, as further described in “Schedule “F” – Information Concerning Gold Canyon” to this Circular.

Superior Proposal An unsolicited *bona fide* written Acquisition Proposal made by a third party or parties acting jointly (other than the other Party and its affiliates) that did not result from a breach of the Arrangement Agreement and which:

- (a) is not subject to any financing condition and in respect of which any required financing to complete such Acquisition Proposal has been obtained or demonstrated to the satisfaction of the board of directors of the Recipient acting in good faith (after receipt of advice from its financial advisors and outside legal counsel) to be reasonably likely to be obtained without undue delay;
- (b) is not subject to a due diligence condition and/or access condition;
- (c) in the case of an Acquisition Proposal involving the shares of the Recipient is made available to all holders of such shares on the same terms and conditions; and
- (d) in the good faith determination of the board of directors of the Recipient, after consultation with its financial advisors and outside legal counsel:
 - (i) is reasonably capable of being completed in accordance with its terms and without undue delay, taking into account, all legal, financial, regulatory and other aspects of such proposal and the Person making such proposal; and
 - (ii) would, if consummated and taking into account all of the terms and conditions of such Acquisition Proposal (but not assuming away the risk of non-completion), result in a transaction more favourable to the shareholders of the Recipient from a financial point of view than the Arrangement (including, in the case of Gold Canyon, any adjustment to the terms and conditions of the Arrangement proposed by First Mining as permitted by the Arrangement Agreement.

Tax Act The *Income Tax Act* (Canada).

Taxes With respect to any entity, all income taxes (including any tax on or based upon net

income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, *ad valorem* taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, Canada Pension Plan premiums, excise, severance, social security premiums, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, production taxes, severance taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties, mining duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing.

Tribunal	Means: (i) any court (including a court of equity); (ii) any federal, provincial, state, county, municipal or other government or governmental department, ministry, commission, board, bureau, agency or instrumentality; or (iii) any securities commission, Canadian or U.S. stock exchange or other regulatory or self-regulatory body; and (iv) any arbitrator or arbitration tribunal
TSX-V	TSX Venture Exchange.
U.S. Exchange Act	The United States <i>Securities Exchange Act of 1934</i> , as amended.
U.S. Securities Act	The United States <i>Securities Act of 1933</i> , as amended.
“United States” or “U.S.”	The United States of America, its territories and possessions, any state of the United States and the District of Columbia.

CURRENCY AND EXCHANGE RATE INFORMATION

Unless otherwise indicated, all references to “\$”, “CDN\$” or “dollars” in this Circular refer to Canadian dollars and references to “US\$” refer to United States dollars. Gold Canyon and First Mining’s accounts are maintained in Canadian dollars.

The noon exchange rate on September 28, 2015 as reported by the Bank of Canada for the conversion of Canadian dollars into United States dollars was \$1.00 equals US\$0.7484.

TECHNICAL ABBREVIATIONS AND CONVERSION

For ease of reference, the following factors for converting Imperial measurements into metric equivalents are provided:

<u>To convert from Imperial</u>	<u>To Metric</u>	<u>Multiply by</u>
Acres	Hectares	0.404686
Feet	Metres	0.304800
Miles	Kilometres	1.609344
Tons	Tonnes	0.907185
Ounces (troy)/ton	Grams/Tonne	34.285700

In this Circular the terms “mineral resource”, “inferred mineral resource”, “indicated mineral resource” and “measured mineral resource” have the meanings ascribed to those terms by the CIM, such as the CIM Definition Standards on Mineral Resources and Mineral Reserves adopted by CIM Council, as amended.

INFORMATION RELATING TO PC GOLD

The information contained or referred to in this Circular relating to PC Gold, including all information contained in Schedule “H”, has been furnished by PC Gold. In preparing this Circular, Gold Canyon relied upon PC Gold to ensure that the Circular contains full, true and plain disclosure of all material facts relating to PC Gold. Although

Gold Canyon has no knowledge that would indicate that any statements contained herein concerning PC Gold are untrue or incomplete, neither Gold Canyon nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information or for any failure by PC Gold to disclose events or facts which may have occurred or may affect the completeness, significance or accuracy of any such information but which are unknown to Gold Canyon.

INFORMATION RELATING TO FIRST MINING AND THE COMBINED COMPANY

The information contained or referred to in this Circular relating to First Mining and the Combined Company, including all information contained in Schedule “G” and Schedule “I” respectively, has been furnished by First Mining. In preparing this Circular, Gold Canyon relied upon First Mining to ensure that the Circular contains full, true and plain disclosure of all material facts relating to First Mining and the Combined Company. Although Gold Canyon has no knowledge that would indicate that any statements contained herein concerning First Mining or the Combined Company are untrue or incomplete, neither Gold Canyon nor any of its directors or officers assumes any responsibility for the accuracy or completeness of such information or for any failure by First Mining to disclose events or facts which may have occurred or may affect the completeness, significance or accuracy of any such information but which are unknown to Gold Canyon.

FORWARD-LOOKING STATEMENTS

This Circular contains forward-looking statements or forward-looking information within the meaning of applicable Securities Legislation (hereinafter collectively referred to as “**forward-looking statements**”) concerning the Gold Canyon’s plans and expectations in respect of the Arrangement Transaction, First Mining’s properties, First Mining’s operations, SpinCo, the Combined Company and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as “expects” or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “estimates” or “intends”, or stating that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements contained in this Circular include statements with respect to the business, assets and operations of each of Gold Canyon, SpinCo, First Mining and the Combined Company; expectations relating to the potential benefits of the Arrangement Transactions; receipt and timing of required securityholder, court or regulatory approvals and other third party approvals; and First Mining’s and SpinCo’s prospects, properties and business strategy on completion of the Arrangement. Forward-looking statements are subject to a variety of risks and uncertainties, which could cause actual events or results to differ materially from those reflected in the forward-looking statements. Each of Gold Canyon, First Mining, the Combined Company and SpinCo are subject to the specific risks described in further detail in this Circular and in each of the Schedules entitled “Information Concerning First Mining”, “Information Concerning Gold Canyon”, “Information Concerning the Combined Company” and “Information Concerning SpinCo on a Post-Transaction Basis” attached to this Circular.

In addition, forward-looking information herein is based on certain assumptions and involves risks related to the consummation or non-consummation of the Arrangement and the business and operations of the Combined Company and SpinCo. Information with respect to the Combined Company contained herein is based on the assumption that the PC Gold Arrangement will be closed concurrently, Gold Canyon Securityholders will vote in favour of the Arrangement, that the Court will approve the Arrangement and that all other conditions to the Arrangement are satisfied or waived. Other assumptions include, but are not limited to, the ability of the Combined Company to realize the enhanced growth opportunities currently anticipated for the Combined Company, realize the benefits of the Combined Company’s growth projects, and meet key production and cost estimates. Risks include the risk of failure to satisfy the conditions to complete the Arrangement, including the receipt of the required securityholder, court or regulatory approvals; the occurrence of any event, change or other circumstances that could give rise to the termination of the Arrangement Agreement; the failure to complete the Arrangement for any other reason; that upon completion of the Arrangement the market value of the First Mining Shares will be different from the value at the time the exchange ratio was agreed; that the information available to

Gold Canyon in respect of First Mining may not be accurate or complete; that there may be unforeseen or unexpected tax and other consequences to the transactions which would have a material adverse effect on the Combined Company; development, production, construction and technological risks related to the Combined Company; capital requirements and operating risks associated with the expanded operations of the Combined Company; risks associated with the market price of the shares of the Combined Company and other risks discussed in this Circular (See “Arrangement Risk Factors” in this Circular and Schedule “I” – Information Concerning the Combined Company).

Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Forward-looking statements are made based on management’s beliefs, estimates and opinions on the date the statements are made and Gold Canyon undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change, other than as required by applicable laws. Gold Canyon Securityholders and investors are therefore cautioned against placing undue reliance on forward-looking statements.

Additional risks and uncertainties not currently known to Gold Canyon or First Mining, or that are currently deemed to be immaterial, may also materially and adversely affect First Mining’s, the Combined Company’s or SpinCo’s business and prospects on completion of the Arrangement.

NOTICE TO UNITED STATES SECURITYHOLDERS

THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SEC OR THE SECURITIES REGULATORY AUTHORITIES IN ANY STATE IN THE UNITED STATES, NOR HAS THE SEC OR THE SECURITIES REGULATORY AUTHORITIES OF ANY STATE IN THE UNITED STATES PASSED ON THE ADEQUACY OR ACCURACY OF THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.

The securities to be issued under the Arrangement have not been and will not be registered under the U.S. Securities Act or the securities laws of any state or any other jurisdiction and will be issued in reliance on an exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof, on the basis of the approval of the Court. See “Securities Law Considerations – U.S. Securities Laws” in this Circular.

Gold Canyon is a corporation existing under the laws of the Province of British Columbia, Canada. The solicitation of proxies and the transactions contemplated in this Circular involve securities of two Canadian issuers and are being effected in accordance with Canadian corporate and securities laws. The proxy solicitation rules under the U.S. Exchange Act are not applicable to Gold Canyon or this solicitation. **Shareholders should be aware that disclosure requirements under Canadian securities laws may be different from requirements under U.S. securities laws.**

Information concerning Gold Canyon, SpinCo and First Mining has been prepared in accordance with the requirements of Canadian securities laws, which differ from the requirements of U.S. securities laws. Unless otherwise indicated, all mineral reserve and mineral resource estimates included or incorporated by reference in this Circular have been prepared in accordance with NI 43-101 and CIM definitions and classification system. NI 43-101 is a rule developed by the Canadian Securities Administrators which establishes standards for all public disclosure an issuer makes of scientific and technical information concerning mineral projects. Canadian standards, including NI 43-101, differ significantly from the requirements of the SEC, and mineral reserve and mineral resource information contained or incorporated by reference in this Circular may not be comparable to similar information disclosed by U.S. companies. In particular, and without limiting the generality of the foregoing, the term “resource” does not equate to the term “reserve”. Under SEC standards, mineralization may not be classified as a “reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. The SEC’s disclosure standards normally do not permit the inclusion of information concerning “measured mineral resources”, “indicated mineral resources”, “inferred mineral resources” or other descriptions of the amount of mineralization in mineral deposits that do not constitute “reserves” by U.S. standards in documents filed with the SEC. United States investors should also understand that “inferred mineral resources” have a great amount of

uncertainty as to their existence and as to their economic and legal feasibility. It cannot be assumed that all or any part of an “inferred mineral resource” will ever be upgraded to a higher category. Under Canadian rules, estimates of “inferred mineral resources” may not form the basis of feasibility or pre-feasibility studies except in rare cases.

Disclosure of “contained ounces” in a mineral resource estimate is permitted disclosure under NI 43-101 provided that the grade or quality and the quantity of each category is stated; however, the SEC normally only permits issuers to report mineralization that does not constitute “reserves” by SEC standards as in place tonnage and grade without reference to unit measures. The requirements of NI 43-101 for identification of “reserves” are also not the same as those of the SEC, and reserves reported in compliance with NI 43-101 may not qualify as “reserves” under SEC standards. Accordingly, information contained in this Circular and the documents incorporated by reference herein containing descriptions of mineral deposits may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements under the U.S. federal securities laws and the rules and regulations thereunder.

The financial statements included or incorporated by reference in this Circular have been prepared in accordance with IFRS which differs from U.S. generally accepted accounting principles in certain material respects. Therefore, such financial statements may not be comparable to financial statements of U.S. companies. The financial statements included, or incorporated by reference, in this Circular are subject to Canadian auditing and auditor independence standards, which differ from U.S. auditing and auditor independence standards, respectively.

The enforcement by shareholders of civil liabilities under U.S. securities laws may be adversely affected by the fact that First Mining, Gold Canyon and SpinCo are corporations existing and governed under the federal laws of Canada and the Province of British Columbia, respectively, and that some or all of their respective directors and officers and the experts named in this Circular are not residents of the United States and that all or a substantial portion of their respective assets may be located outside the United States. As a result, it may be difficult or impossible for U.S. shareholders to effect service of process within the United States upon First Mining or Gold Canyon, or their respective officers and directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” law of any state within the United States. In addition, U.S. shareholders should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the federal securities laws of the United States or “blue sky” laws of any state within the United States.

SUMMARY

The following is a summary of the principal features of the Arrangement and certain other matters and should be read together with the more detailed information and financial data and statements contained or referred to elsewhere in this Circular, including the schedules hereto. This Summary is qualified in its entirety by the more detailed information contained or referred to elsewhere in this Circular.

THE MEETING

The Meeting will be held on Friday, November 6, 2015 at 10:00 a.m. (PST) at the Vancouver Club, 915 West Hastings Street, Vancouver, British Columbia, Canada. The Record Date for determining Gold Canyon Securityholders eligible to vote at the Meeting is September 28, 2015.

This Circular is being furnished in connection with the solicitation of proxies by management of Gold Canyon for use at the Meeting.

At the Meeting, Gold Canyon Securityholders will be asked to consider and to pass the Arrangement Resolution approving the Arrangement. See “General Proxy Information” and “The Arrangement” in this Circular.

THE ARRANGEMENT

Summary

Under the Arrangement, Gold Canyon will be acquired by First Mining, and as a result Gold Canyon will become a wholly-owned subsidiary of First Mining. The Spin-Out Assets, constituting generally the non-gold exploration interests of Gold Canyon, will be transferred to SpinCo, a newly incorporated private company formed specifically for the purposes of the Arrangement. The disclosure below of the Plan of Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement which is attached as Schedule “B” to this Circular and the Arrangement Agreement.

Pursuant to the Arrangement, on the Effective Date:

- (a) the Gold Canyon Rights Plan will be cancelled;
- (b) in accordance with the provisions under section 85 of the *Tax Act*, Gold Canyon will transfer the Spin-Out Assets to SpinCo, and in consideration for the Spin-Out Assets, SpinCo will issue to Gold Canyon a number of SpinCo Shares equal to 0.03333 of the total issued Gold Canyon Shares;
- (c) Gold Canyon’s share capital and its Articles will be altered by creating an unlimited number of Class A common shares; and
- (d) each issued and outstanding Gold Canyon Share, other than those held by Dissenting Shareholders, shall be exchanged free and clear of all Encumbrances for one Class A Share and 0.03333 of one SpinCo Share;

and the following steps shall be effected contemporaneously:

- (e) each issued and outstanding Gold Canyon Share held by a Dissenting Shareholder shall be deemed to be transferred by the holder thereof to First Mining, free and clear of all Encumbrances, and First Mining shall thereupon be obliged to pay the amount therefor determined and payable in accordance with the Plan of Arrangement;
- (f) each issued and outstanding Class A Share held by a former Gold Canyon Shareholder, other than Dissenting Shareholders and other than Class A Shares beneficially owned by First Mining immediately prior to the Effective Time, shall be deemed to be transferred by the holder thereof to First Mining, free and clear of all Encumbrances, in exchange for one First Mining Share;
- (g) each Gold Canyon Warrant, to the extent it has not been exercised as of the Effective Date, will be exchanged by the holder thereof, without any further act or formality and free and clear of all Encumbrances, for:
 - (i) a First Mining Warrant to purchase a number of First Mining Shares equal to the product of the First Mining Exchange Ratio multiplied by the number of Gold Canyon Shares issuable on exercise of such Gold Canyon Warrant immediately prior to the Effective Time for an exercise price per First Mining Share equal to the exercise price per share of such Gold Canyon Warrant immediately prior to

the Effective Time divided by the First Mining Exchange Ratio and rounded up to the nearest whole cent (provided that, if the foregoing calculation results in a First Mining Warrant being exercisable for a fraction of a First Mining Share, then the number of First Mining Shares subject to such First Mining Warrant shall be rounded down to the next whole number of First Mining Shares); and

- (ii) a SpinCo Warrant to purchase a number of SpinCo Shares equal to the product of the SpinCo Exchange Ratio multiplied by the number of Gold Canyon Shares issuable on exercise of such Gold Canyon Warrant immediately prior to the Effective Time for an exercise price per whole SpinCo Share equal to \$0.30, being the fair market portion of the exercise price per share of such Gold Canyon Warrant assigned to a SpinCo Warrant rounded up to the nearest whole cent, divided by the SpinCo Exchange Ratio and rounded up to the nearest whole cent (provided that, if the foregoing calculation results in a SpinCo Warrant being exercisable for a fraction of a SpinCo Share, then the number of SpinCo Shares subject to such SpinCo Warrant shall be rounded down to the next whole number of SpinCo Shares);

and the Gold Canyon Warrants shall thereupon be cancelled; and

- (h) each Gold Canyon Option, to the extent it has not been exercised as of the Effective Date, will be exchanged by the holder thereof, without any further act or formality and free and clear of all liens, claims and encumbrances, for a First Mining Option to purchase a number of First Mining Shares equal to the product of the First Mining Exchange Ratio multiplied by the number of Gold Canyon Shares issuable on exercise of such Gold Canyon Option immediately prior to the Effective Time for an exercise price per First Mining Share equal to the exercise price per share of such Gold Canyon Option immediately prior to the Effective Time divided by the First Mining Exchange Ratio and rounded up to the nearest whole cent (provided that, if the foregoing calculation results in a First Mining Option being exercisable for a fraction of a First Mining Share, then the number of First Mining Shares subject to such First Mining Option shall be rounded down to the next whole number of First Mining Shares).

See “The Arrangement” in this Circular. The full particulars of the Arrangement are contained in the Plan of Arrangement, a copy of which is attached as Schedule “B” to this Circular.

Reasons for the Arrangement

The Gold Canyon Board and management of Gold Canyon believe that the Arrangement is in the best interests of the Gold Canyon Securityholders for the following reasons:

- (a) the First Mining management team and board of directors extensive experience in the mining industry with a long history of substantial shareholder value creation and demonstrated capabilities in financing, acquiring, and developing mineral projects;
- (b) generally all junior mining companies face challenges in raising project and working capital financing in current markets, and any financing by Gold Canyon at the price of the Gold Canyon Shares prior to announcement of the Arrangement would have been, if completed at all, highly dilutive;
- (c) the Arrangement Transaction provides Gold Canyon Shareholders with a substantial premium to the price of the Gold Canyon Shares prior to announcement in addition to giving Gold Canyon Shareholders shares of SpinCo;
- (d) Gold Canyon Securityholders will obtain access to the Combined Company’s enhanced portfolio of assets located in the Americas focusing on gold and will diversify the risks associated with single mineral asset project or asset companies; and
- (e) the Combined Company and the First Mining management team will enhance capital markets presence which is anticipated to result in increased analyst coverage and trading liquidity allowing for broader access to capital markets including retail and institutional support.

See “The Arrangement – Reasons for the Arrangement” and “The Arrangement – Recommendation of the Gold Canyon Board” in this Circular.

Maxit Capital Fairness Opinion

The Gold Canyon Board retained an independent financial advisor, Maxit Capital, to provide a fairness opinion in respect of the Arrangement Transaction. Maxit Capital delivered the Maxit Capital Fairness Opinion to the effect that, based on its review and subject to the assumptions and limitations summarized in the Maxit Capital Fairness

Opinion, the consideration to be paid by First Mining to the Gold Canyon Shareholders pursuant to the Arrangement, is fair to the Gold Canyon Shareholders from the financial point of view of the Gold Canyon Shareholders. See “The Arrangement – Reasons for the Arrangement – *Maxit Capital Fairness Opinion*” in this Circular and a copy of the Maxit Capital Fairness Opinion which is attached as Schedule “E” to this Circular.

Recommendation of the Gold Canyon Board

The Gold Canyon Board has unanimously determined that the Arrangement is fair to the Gold Canyon Shareholders (other than First Mining and its affiliates) and Gold Canyon Warrantholders and that the Arrangement Transactions are determined to be in the best interests of Gold Canyon and unanimously recommends that Gold Canyon Securityholders vote in favour of the Arrangement Resolution.

Conditions of the Arrangement

The completion of the Arrangement is subject to a number of specified conditions precedent. See “The Arrangement – The Arrangement Agreement – *Mutual Conditions*”, “The Arrangement – The Arrangement Agreement – *First Mining Conditions*” and “The Arrangement – The Arrangement Agreement – *Gold Canyon Conditions*” in this Circular.

Stock Exchange Approvals

Gold Canyon and First Mining are each public companies listed on the TSX-V. It is a condition of Closing that all necessary approvals of TSX-V to the Arrangement Transaction shall have been obtained by Gold Canyon and First Mining, subject only to receipt of customary post-closing filings. See “The Arrangement – Conduct of Meeting and Other Approvals – *Regulatory Approvals*” in this Circular.

Securityholder Approvals

Pursuant to the terms of the Interim Order, the Arrangement Resolution approving the Arrangement and the Arrangement Agreement must be passed, with or without variation, by 66 $\frac{2}{3}$ % of the votes cast on the Arrangement Resolution by the Gold Canyon Shareholders and the Gold Canyon Warrantholders present in person or represented by proxy at the Meeting and voting together as a single class such that each Gold Canyon Shareholder is entitled to one vote for each Gold Canyon Share held and each Gold Canyon Warrantholder is entitled to one vote for each Gold Canyon Share issuable upon exercise of such Gold Canyon Warrant.

Pursuant to MI 61-101, the majority of the minority of the Gold Canyon Securityholders must also approve the Arrangement Resolution. See “Securities Law Considerations – Canadian Securities Law – *Protection of Minority Security Holders in Special Transactions*” in this Circular.

If more than 5% of the Gold Canyon Shares become the subject of Dissent Rights, the Arrangement may be terminated and should Gold Canyon fail to approve the Arrangement by the requisite resolution at the Meeting, the Arrangement will be terminated. See “The Arrangement – Conduct of Meeting and Other Approvals – *Shareholder Approval*” in this Circular.

Court Approval

Provided that the Arrangement is approved by the requisite majorities of the Gold Canyon Securityholders at the Meeting and certain other conditions are met, Gold Canyon will make application to the Court for the Final Order at 9:45 a.m. Vancouver time (or so soon thereafter as legal counsel can be heard) on November 10, 2015 at the Court House, 800 Smithe Street, Vancouver, British Columbia. At the hearing for the Final Order any securityholder or creditor of Gold Canyon who has filed an Appearance has the right to appear, be heard and present evidence if such person is of the view that his or her interests may be prejudiced by the Arrangement. See also the Interim Order attached as Schedule “C” to this Circular.

The Court will be advised, prior to the hearing, that the Court’s approval of the Arrangement will form the basis for an exemption from registration under the U.S. Securities Act pursuant to Section 3(a)(10) thereof of the Class A Shares, First Mining Shares and SpinCo Shares to be issued in the Arrangement.

See “The Arrangement – Conduct of Meeting and Other Approvals – *Court Approvals*” in this Circular.

Lock-up Agreements

First Mining has entered into Lock-up Agreements with the Locked-Up Shareholders who, in the aggregate, hold

approximately 4.1% of the outstanding Gold Canyon Shares and none of the Gold Canyon Warrants as at the date of this Circular, pursuant to which each Locked-Up Shareholder has agreed to vote its Gold Canyon Shares or, to the extent applicable, Gold Canyon Warrants in favour of the Arrangement Resolution, subject to compliance with certain legal requirements. See “The Arrangement – Lock-up Agreements” in this Circular.

Dissent Rights

Gold Canyon Shareholders have the right to dissent to the Arrangement. Dissenting Gold Canyon Shareholders who strictly comply with the provisions of the Interim Order are entitled to be paid the fair value of their Gold Canyon Shares. See the Interim Order attached as Schedule “C” to this Circular. In addition, See “Rights of Dissenting Shareholders” in this Circular and Schedule “M” to this Circular.

Dissenting Shareholders should note that the exercise of Dissent Rights can be a complex, time sensitive and expensive procedure. Dissenting Shareholders should consult their legal advisors with respect to the legal rights available to them in relation to the Arrangement and the Dissent Rights.

Procedure for Exchange of Certificates

The Letter of Transmittal is enclosed with this Circular for use by Registered Gold Canyon Shareholders. In order for a Registered Gold Canyon Shareholder to receive the First Mining Shares and SpinCo Shares to which it is entitled under the Arrangement, the Gold Canyon Shareholder is required to forward to the Depositary a completed and signed Letter of Transmittal and surrender its Gold Canyon Shares and, where issued, Gold Canyon Share certificate(s). The details for the surrender of Gold Canyon Shares and, where issued, Gold Canyon Share certificate(s) to the Depositary and the addresses of the Depositary are set out in the Letter of Transmittal. Provided that a Registered Gold Canyon Shareholder has delivered and surrendered to the Depositary (i) a properly completed and duly executed Letter of Transmittal, (ii) Gold Canyon Share certificates (where issued) and (iii) such additional documents as the Depositary may reasonably require in respect of the exchange of Gold Canyon Shares, the Registered Gold Canyon Shareholder will be entitled to receive, and First Mining and SpinCo will cause the Depositary to respectively deliver to the Registered Gold Canyon Shareholder, (a) certificates or DRS Advice Statements representing the number of First Mining Shares issuable or deliverable to such holder pursuant to the Arrangement, and (b) certificates or DRS Advice Statements representing the number of SpinCo Shares issuable or deliverable pursuant to the Arrangement.

In the event that the Arrangement is not completed, the Depositary will promptly return any Gold Canyon Share certificate(s) (where issued) that have been deposited. The Letter of Transmittal is available on Gold Canyon’s website at www.goldcanyon.ca and under Gold Canyon’s profile on SEDAR at www.sedar.com.

If a Registered Gold Canyon Shareholder fails to deposit a share certificate representing Gold Canyon Shares together with a duly executed and completed Letter of Transmittal and other required documents with the Depositary within six years of the Effective Date, such share certificate shall cease to represent a right or claim of any kind or nature.

As at the Effective Date, any document previously evidencing a Gold Canyon Warrant shall thereafter evidence and be deemed to evidence such First Mining Warrant or SpinCo Warrant and no certificates evidencing the First Mining Warrant or SpinCo Warrant shall be issued. The term to expiry, conditions to and manner of exercise (provided any First Mining Warrant or SpinCo Warrant shall be exercisable at the offices of First Mining) and other terms and conditions of each of the First Mining Warrant or SpinCo Warrant shall be the same as the terms and conditions of the Gold Canyon Warrant for which it is exchanged.

As at the Effective Date, any document previously evidencing the Gold Canyon Option shall thereafter evidence and be deemed to evidence such First Mining Option and no certificates evidencing the First Mining Options shall be issued. The term to expiry, conditions to and manner of exercise and other terms and conditions of each of the First Mining Options shall be the same as the terms and conditions of the Gold Canyon Option for which it is exchanged except that such First Mining shall be governed by the terms and conditions of the First Mining Option Plan and, in the event of any inconsistency or conflict the First Mining Option Plan shall govern. Notwithstanding the foregoing, no such First Mining Option shall expire due to the holder ceasing to hold office or ceasing to be an employee or consultant and each such First Mining Option shall terminate on the earlier of (i) the date of expiry of the Gold Canyon Option for which it was exchanged and (ii) the date 12 months after the Effective Date.

For full details of these procedures, see “The Arrangement – Exchange of Certificates” in this Circular and the Plan of Arrangement, a copy of which is attached as Schedule “B” to this Circular.

PC GOLD ARRANGEMENT

Under the terms of the definitive arrangement agreement dated August 31, 2015 between First Mining and PC Gold, on closing of the PC Gold Arrangement, each PC Gold shareholder will receive 0.2571 of a First Mining Share for each PC Gold common share held. The Arrangement and the PC Gold Arrangement are not conditional upon each other and if one transaction does not complete for any reason it will not impact the closing of the other transaction.

See “Summary of PC Gold Arrangement” in this Circular and “Information Concerning PC Gold” and “Information Concerning the Combined Company” attached as Schedule “H” and “I”, respectively, to this Circular.

FIRST MINING

Summary

First Mining is a British Columbia company, whose common shares are listed on the TSX-V (trading symbol: “FF”). First Mining has both advanced stage resource development and discovery exploration stage projects all located in North America.

See “Information Concerning First Mining” attached as Schedule “G” to this Circular.

First Mining Summary Financial Information

Refer to the financial statements, and related management’s discussion and analysis, of First Mining available online under First Mining’s profile at www.sedar.com. The following table is a summary of First Mining’s financial information for the past two fiscal years (audited and in accordance with IFRS) as at December 31, 2014 and 2013, and most recent interim period ending June 30, 2015 (unaudited and in accordance with IFRS):

<u>Item</u>	<u>June 30, 2015</u> <u>(Unaudited)</u>	<u>December 31, 2014</u> <u>(Audited)⁽¹⁾</u>	<u>December 31, 2013</u> <u>(Audited)⁽¹⁾</u>
General and Administrative Expenses	\$1,126,418	\$524,223	\$635,383
Net Income (Loss)	\$1,672,919	\$654,657	\$379,673
Working Capital	\$3,152,743	\$781,078	(\$1,183,654)
Mineral Properties and Other Assets	\$11,356,163	\$8,231,067	\$1,950,522
Long-term Liabilities	-	-	-
Shareholder Equity	\$9,871,526	\$6,594,859	\$722,074
Number of Shares Outstanding	73,766,451	46,083,730	26,600,345

Notes

⁽¹⁾ Figures are for KCP Minerals Inc., now a wholly owned subsidiary of First Mining.

GOLD CANYON

Summary

Gold Canyon is a British Columbia company, whose common shares are listed on the TSX-V (trading symbol: “GCU”). Gold Canyon has an advanced stage resource development project located in Ontario, Canada and discovery exploration stage projects all located in Africa.

See “Information Concerning Gold Canyon” attached as Schedule “F” to this Circular.

Gold Canyon Summary Financial Information

Refer to the financial statements, and related management’s discussion and analysis, of Gold Canyon available online under Gold Canyon’s profile at www.sedar.com. The following table is a summary of Gold Canyon’s financial information for the past two fiscal years (audited and in accordance with IFRS) as at November 30, 2014 and 2013, and most recent interim period ending May 31, 2015 (unaudited and in accordance with IFRS):

Item	May 31, 2015 (Unaudited)	November 30, 2014 (Audited)	November 30, 2013 (Audited)
General and Administrative Expenses	635,804	1,459,639	5,869,256
Net Income (Loss)	(610,969)	(1,344,249)	(6,206,995)
Working Capital	1,233,052	1,241,395	4,270,875
Mineral Properties and Other Assets	75,191,014	74,417,074	71,850,761
Long-term Liabilities	6,457,501	6,457,501	6,567,501
Shareholder Equity	70,058,593	69,294,661	69,995,837
Number of Shares Outstanding	160,529,993	148,649,539	148,549,539

SPINCO

Summary

SpinCo is a newly incorporated British Columbia company formed for the purposes of the Spin-Out Transaction and the Arrangement. The SpinCo Shares are not currently listed on any stock exchange, and SpinCo is not a reporting issuer in any jurisdiction. Prior to the Arrangement, SpinCo is a shell company with no assets or liabilities, and has not conducted any business activities. Upon completion of the Arrangement, SpinCo will hold the Spin-Out Assets and assume the Spin-Out Liabilities.

SpinCo Summary Financial Information

The following table sets forth the summary of information of SpinCo based on the carve-out financial statements for the six month periods ended May 31, 2015 and the fiscal years ended November 30, 2014 and 2013 and should be read only in conjunction with the SpinCo carve-out financial statements, including the notes, attached as Schedule “L” to this Circular:

Item	May 31, 2015 (Unaudited)	November 30, 2014 (Audited)	November 30, 2013 (Audited)
General and Administrative Expenses	17,343	37,591	34,773
Net Income (Loss)	1,745	(66,352)	(145,925)
Working Capital	478,702	425,437	373,433
Mineral Properties and Other Assets	1,537,513	1,497,674	1,465,276
Long-term Liabilities	-	-	-
Equity in net assets	2,029,493	1,938,054	1,858,169
Number of Shares Outstanding	1	1	1

Available Funds of SpinCo

SpinCo currently has no assets or liabilities. Upon completion of the Arrangement Transactions, SpinCo will have approximately \$500,000 in total available funds as working capital.

See “Information Concerning SpinCo on a Post-transaction Basis” attached as Schedule “K” to this Circular.

DIRECTORS AND OFFICERS OF GOLD CANYON AND SPINCO FOLLOWING THE ARRANGEMENT

At the Closing, all of the directors and officers of Gold Canyon will resign, and First Mining will appoint its own nominees as the new directors and officers of Gold Canyon. Jayant Bhandari, a current director of Gold Canyon, will be appointed to the board of directors of First Mining. No other changes in the directors or officers of First Mining are anticipated.

At the Closing, the following persons will be the directors and officers of SpinCo:

Akiko Levinson	President, Chief Executive Officer and a Director
Lisa Sharp	Chief Financial Officer
Quinton Hennigh	Director

PRO FORMA SUMMARY FINANCIAL INFORMATION

For the financial position of First Mining and SpinCo after the Effective Date, and based upon the assumptions and projections set forth therein, please refer to the pro forma financial information concerning First Mining and carve out financial information of SpinCo, attached as Schedules “J” and “L”, respectively, to this Circular.

CERTAIN INCOME TAX CONSEQUENCES OF THE ARRANGEMENT FOR GOLD CANYON SHAREHOLDERS***Canada***

This Circular contains a summary of the principal Canadian federal income tax considerations applicable to certain Gold Canyon Shareholders in respect of the proposed Arrangement. See “Certain Canadian Federal Income Tax Considerations” in this Circular. The comments below are qualified in their entirety by reference to such summary.

A Gold Canyon Shareholder who is resident in Canada whose Gold Canyon Shares constitute “capital property” for the purposes of the *Tax Act* generally will not realize a capital gain (or capital loss) as a result of the exchange of such shares for Class A Shares and SpinCo Shares under the Arrangement, provided that the fair market value of the SpinCo Shares received by the Gold Canyon Shareholder does not exceed the adjusted cost base of their Gold Canyon Shares disposed of.

A Gold Canyon Shareholder who is resident in Canada whose Class A Shares constitute “capital property” for the purposes of the *Tax Act* generally will not realize a capital gain (or capital loss) in respect of the exchange of Class A Shares for First Mining Shares unless the Gold Canyon Shareholder chooses to recognize any portion of the capital gain (or capital loss) otherwise arising on the exchange by taking the positive step of reporting the capital gain (or capital loss) in the Class A Shareholder’s tax return under the *Tax Act* for the Gold Canyon Shareholder’s taxation year in which the exchange occurs. See “Certain Canadian Federal Income Tax Considerations – Gold Canyon Shareholders Resident in Canada - *Taxation of Capital Gains and Capital Losses*”.

A Gold Canyon Shareholder who is not resident in Canada for the purposes of the *Tax Act* will generally not be subject to tax under the *Tax Act* on the disposition of their Gold Canyon Shares or Class A Shares under the Arrangement, provided that such shares do not constitute “taxable Canadian property” to such Gold Canyon Shareholder. See “*Certain Canadian Federal Income Tax Considerations – Gold Canyon Shareholders Not Resident in Canada – Disposition of Gold Canyon Shares, Class A Shares, and SpinCo Shares*”.

United States

The Circular contains a summary of certain material anticipated U.S. federal income tax considerations relevant to U.S. Holders and which relate to the Arrangement, and the comments below are qualified in their entirety by reference to such summary. Gold Canyon Shareholders are strongly advised to review the summary contained under the heading “Certain United States Federal Income Tax Considerations” in this Circular and to consult their own tax advisors for advice with respect to their own particular circumstances. Assuming that the steps of the Arrangement are treated as parts of a single integrated transaction, the Arrangement may constitute a taxable transaction for U.S. Holders. Subject to the application of the “passive foreign investment company” rules, U.S. Holders will generally recognize gain or loss equal to the difference, if any, between (a) the aggregate fair market value of the SpinCo Shares and the First Mining Shares received by the U.S. Holder and (b) the U.S. Holder’s adjusted tax basis in the U.S. Holder’s Gold Canyon Shares.

SECURITIES LAW CONSIDERATIONS***Securities Law Information for Canadian Shareholders***

The Class A Shares, First Mining Shares and SpinCo Shares to be distributed to Gold Canyon Shareholders pursuant to the Arrangement will be distributed under exemptions from the registration and prospectus requirements of the applicable Securities Legislation of Canada. The securities which the former Gold Canyon Shareholders will hold upon completion of the Arrangement may be resold in each of the provinces and territories of Canada, without significant restriction, provided that the holder is not a “control person” as defined in the applicable legislation, no unusual effort is made to prepare the market or create a demand for those securities, no

extraordinary commission or consideration is paid in respect of that sale and, if the selling holder is an insider or officer of First Mining or SpinCo, the selling holder has no reasonable grounds to believe that First Mining or SpinCo, as the case may be, is in default of Securities Legislation.

Resales of any securities received by former Gold Canyon Shareholders in connection with the Arrangement may be required to be made through properly registered securities dealers. Each holder is urged to consult such holder's professional advisers to determine the conditions and restrictions applicable to trades in the securities. See "Securities Law Considerations – Canadian Securities Laws" in this Circular.

Securities Law Information for United States Shareholders

The Class A Shares, First Mining Shares and SpinCo Shares to be issued in the Arrangement to Gold Canyon Shareholders are not required to be, and will not be, registered under the U.S. Securities Act. Such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10). Section 3(a)(10) of the U.S. Securities Act provides an exemption from registration under the U.S. Securities Act for offers and sales of securities issued in exchange for one or more outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and to receive timely notice thereof, following a finding that the terms and conditions of the exchange are fair to those to whom the securities will be issued. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court will be advised before the hearing that First Mining and SpinCo will rely on the Section 3(a)(10) exemption based on the Court's approval of the Arrangement.

The ability of a Gold Canyon Shareholder to resell the First Mining Shares and SpinCo Shares issued to it on the Effective Date of the Arrangement will depend on whether it is an "affiliate" of First Mining or SpinCo, respectively, after the Effective Date of the Arrangement or was an "affiliate" of First Mining or SpinCo, respectively, within 90 days prior to the Effective Date of the Arrangement. As defined in Rule 144 under the U.S. Securities Act, an "affiliate" of an issuer is a person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer. Typically, persons who are executive officers, directors or major shareholders of an issuer are considered to be its "affiliates". Persons that are not affiliates of First Mining or SpinCo, respectively, after the Effective Date of the Arrangement and were not affiliates of First Mining or SpinCo, respectively, within 90 days prior to the Effective Date of the Arrangement, may freely resell the First Mining Shares and SpinCo Shares issued to them on the Effective Date of the Arrangement under U.S. Securities Act. Persons that are affiliates of First Mining or SpinCo respectively, after the Effective Date of the Arrangement or were affiliates of First Mining or SpinCo respectively, within 90 days prior to the Effective Date of the Arrangement may resell such First Mining Shares and SpinCo Shares only pursuant to registration or an exemption from registration under the U.S. Securities Act.

Gold Canyon Optionholders and Gold Canyon Warrantholders are advised that Section 3(a)(10) of the U.S. Securities Act will not exempt the exercise of the Gold Canyon Options or the Gold Canyon Warrants, whether prior to or after the Effective Date. Accordingly, such securities may only be exercised in the United States, or by or on behalf of a person in the United States, if exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws are available for such exercise.

The securities issuable in connection with the Arrangement have not been approved or disapproved by the SEC or the securities regulatory authorities in any state, nor has the SEC or the securities regulatory authorities in any state passed on the fairness or merits of the Arrangement or the adequacy or accuracy of this Circular. Any representation to the contrary is a criminal offence. See "Securities Law Considerations – U.S. Securities Laws" in this Circular.

RISK FACTORS

The securities of Gold Canyon, First Mining and SpinCo should be considered highly speculative investments and the transactions contemplated herein should be considered of a high-risk nature. Gold Canyon Securityholders should carefully consider all of the information disclosed or incorporated by reference in this Circular prior to voting on the matters being put before them at the Meeting under this Circular.

Refer to "The Arrangement – Arrangement Risk Factors" in this Circular for a discussion of the risk factors associated with the Arrangement Transactions. Refer to "Schedule "G" – Information Concerning First Mining",

“Schedule “I” – Information Concerning the Combined Company” for a discussion of the risk factors associated with the business of First Mining. Also refer to “Schedule “K” – Information Concerning SpinCo on a Post-Transaction Basis” for a discussion of the risk factors associated with the business of SpinCo on completion of the Arrangement Transaction.

INFORMATION CIRCULAR

GENERAL PROXY INFORMATION

SOLICITATION OF PROXIES

This Circular is furnished in connection with the solicitation of proxies by the management of Gold Canyon for use at the Meeting and any adjournments thereof.

While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors, officers and regular employees of Gold Canyon or by agents retained for that purpose. Gold Canyon may reimburse shareholders, nominees or agents for any costs incurred in obtaining from their principals proper authorization to execute proxies. Gold Canyon has retained Laurel Hill Advisory Group (the “**Proxy Solicitation Agent**”) to assist in the solicitation of proxies and may also retain other persons as it deems necessary to aid in the solicitation of proxies with respect to the Gold Canyon Meeting. Costs related to the Proxy Solicitation Agent and the printing and mailing of this Circular in connection with the Gold Canyon Meeting will be borne by Gold Canyon. Gold Canyon and the Proxy Solicitation Agent have entered into an engagement agreement with customary terms and conditions, which provides that the Proxy Solicitation Agent will be paid a fee of approximately \$27,500 plus certain variable charges and out-of-pocket expenses.

At the Meeting, Gold Canyon Securityholders will be asked to consider and, if thought advisable, approve the Arrangement Resolution. Gold Canyon has set September 28, 2015 as the Record Date for determining Gold Canyon Securityholders entitled to vote at the Meeting.

Unless specified otherwise, all information contained in this Circular is as of September 28, 2015.

APPOINTMENT OF PROXYHOLDER

A duly completed form of proxy for Gold Canyon will constitute the persons named in the enclosed form of proxy as the Gold Canyon Securityholder’s proxyholder. The persons whose names are printed in the enclosed form of proxy for the Meeting are directors or officers of Gold Canyon (collectively, the “**Management Proxyholders**”).

A Gold Canyon Securityholder has the right to appoint a person other than the Management Proxyholders, to represent the Gold Canyon Securityholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person’s name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a Gold Canyon Securityholder.

VOTING BY PROXY

Gold Canyon Shares and Gold Canyon Warrants represented by properly executed proxies of Gold Canyon and in the accompanying form will be voted or withheld from voting on each respective matter where a poll is requested or required in accordance with the instructions of the Gold Canyon Securityholder.

If no choice is specified and one of the Management Proxyholders is appointed by a Gold Canyon Securityholder as proxyholder, it is intended that such person will vote in favour of the matters to be voted on at the Meeting.

The enclosed form of proxy also confers discretionary authority upon the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Circular, management of Gold Canyon knows of no such amendments, variations or other matters to come before the Meeting.

COMPLETION AND RETURN OF PROXY

Each proxy must be dated and signed by the Gold Canyon Securityholder or his/her attorney authorized in writing. In the case of a corporation, the proxy must be dated and executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation.

Completed forms of the proxy must be returned to Gold Canyon's registrar and transfer agent, Computershare by mail or delivery to 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 or as otherwise indicated in the instructions contained on the form of proxy (including, where applicable, through the transfer agent's internet and telephone proxy voting services). All proxies in respect of the Meeting must be completed and received not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the commencement of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

NON-REGISTERED SHAREHOLDERS

Only Registered Gold Canyon Shareholders, Gold Canyon Warrantholders, or duly appointed proxyholders are permitted to vote at the Meeting.

Most Gold Canyon Shareholders are "non-registered" shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. More particularly, a person is not a registered shareholder in respect of shares which are held on behalf of that person (the "**Non-Registered Shareholder**") but which are registered either in the name of: (a) an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of said shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSP's, RRIFs, RESPs and similar plans); or (b) a clearing agency such as the Canadian Depository for Securities Limited (the "**CDS**") of which the Intermediary is a participant. Gold Canyon has distributed copies of the Notice of Meeting, this Circular and the form of proxy (collectively, the "**Meeting Materials**") to its Registered Gold Canyon Shareholders and Gold Canyon Warrantholders and to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. The majority of Intermediaries now delegate responsibility for obtaining instructions from Non-Registered Shareholders to Broadridge Financial Solutions Inc. ("**Broadridge**"). Non-Registered Shareholders who have not waived the right to receive meeting materials will also receive either a voting instruction form ("**VIF**") or, less frequently, a form of proxy. The purpose of these forms is to permit Non-Registered Shareholders to direct the voting of the Gold Canyon Shares they beneficially own. Broadridge typically mails a scannable VIF instead of the form of proxy. The Non-Registered Shareholder is asked to complete the voting instruction form and return it to Broadridge by mail or facsimile.

Additionally, there are two kinds of Non-Registered Shareholders: (i) those who object to their name being made known to the issuers of securities which they own, known as objecting beneficial owners or "**OBOs**"; and (ii) those who do not object to their name being made known to the issuers of securities which they own, known as non-objecting beneficial owners or "**NOBOs**". Gold Canyon may utilize the Broadridge QuickVote™ service to assist Non-Registered Shareholders that are NOBOs with voting their Gold Canyon Shares. NOBOs may be contacted by the Proxy Solicitation Agent to conveniently obtain a vote directly over the telephone.

Should a Non-Registered Shareholder wish to vote at the Meeting in person, the Non-Registered Shareholder should strike out the names of the Management Proxyholders on the VIF or proxy form and insert the Non-Registered Shareholder's name in the blank space provided. Alternatively, a Non-Registered Shareholder may provide other written instructions requesting that the Non-Registered Shareholder or its desired representative attend the Meeting as Proxyholder for the Non-Registered Shareholder's Intermediary. The completed VIF or other written instructions must then be returned in accordance with the instructions on the form.

If you receive a VIF from Broadridge, you cannot use it to vote Gold Canyon Shares directly at the Meeting. The voting instruction form must be completed as described above and returned in accordance with its instructions well in advance of the Meeting in order to have the Gold Canyon Shares voted. Non-Registered Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the VIF or proxy form is to be delivered.

REVOCABILITY OF PROXY

Any Registered Gold Canyon Securityholder who has returned a proxy may revoke it at any time before it has

been used. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the Registered Gold Canyon Securityholder or by his attorney authorized in writing or, if a Registered Gold Canyon Securityholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized. The instrument revoking the proxy must be deposited at the registered office of Gold Canyon as follows:

Gold Canyon Resources Inc.
c/o Getz Prince Wells LLP
Suite 1810, 1111 West Georgia Street
Vancouver, British Columbia, Canada
V6E 4M3
Facsimile: (604) 685-9798

at any time up to and including the last business day preceding the day of the Meeting, or in the case of any postponement or adjournment of the Meeting, the last business day preceding the day of the postponed or adjourned Meeting, or delivered to the Chairperson of the Gold Canyon Meeting on the day fixed for the Meeting, and prior to the start of the Meeting or any postponement or adjournment thereof. **Only Registered Gold Canyon Shareholders or Gold Canyon Warrantheolders have the right to revoke a proxy. Non-Registered Shareholders who wish to change their vote must, at least seven days before the Meeting, arrange for their respective Intermediaries to revoke the proxy on their behalf.**

RECORD DATE, VOTING SECURITIES AND PRINCIPAL SECURITYHOLDERS

The Record Date for the determination of Gold Canyon Securityholders entitled to receive notice of, attend and vote at the Meeting was fixed by the Gold Canyon Board as September 28, 2015. The quorum for the transaction of business at a meeting of Gold Canyon Shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the Meeting. If such a quorum is not present in person or by proxy, Gold Canyon will reschedule the Meeting. Voting at the Meeting will be by a show of hands, with each Gold Canyon Securityholder present having one vote, unless a poll is requested or required whereupon each Gold Canyon Securityholder or proxyholder present is entitled to one vote for each Gold Canyon Share held and each Gold Canyon Warrantheolder is entitled to one vote for each Gold Canyon Share issuable upon exercise of such Gold Canyon Warrant.

To the knowledge of the directors and officers of Gold Canyon, there are no persons who beneficially own, directly or indirectly, or exercise control or direction over, shares carrying more than 10% of the voting rights attached to all outstanding Gold Canyon Shares.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors or officers of Gold Canyon, any person who has held such a position since the beginning of the last completed financial year of Gold Canyon nor any associate or affiliate of the foregoing persons, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, except that the directors and officers of Gold Canyon hold, as at the date of the Circular, Gold Canyon Shares and Gold Canyon Options, and are expected to hold First Mining Shares, First Mining Options and SpinCo Shares, upon completion of the Arrangement (assuming no exercise of their Gold Canyon Options), as set forth in the table below:

Name and Position with Gold Canyon	Gold Canyon Shares held as of the date hereof⁽²⁾ (#)	Gold Canyon Shares held as of the date hereof (%)⁽¹⁾	Gold Canyon Options held as of the date hereof (#)	First Mining Shares to be held on completion of Arrangement (#)	First Mining Shares to be held on completion of Arrangement (%)⁽¹⁾	SpinCo Shares to be held on completion of Arrangement (#)
Akiko Levinson CEO, President & Director	3,017,201	1.9%	950,000	3,017,201	1.0%	100,563
Lisa Sharp CFO	-	n/a	600,000	-	-	-

Ron Schmitz Executive Vice President & Director	1,118,610	0.7%	837,500	1,118,610	0.28%	37,283
Quinton Hennigh Director	600,000	0.4%	950,000	600,000	0.2%	19,998
Julie Desjardins Director	557,097	0.3%	500,000	557,097	0.19%	18,568
Peter Levinson Director	1,015,000	0.6%	500,000	1,015,000	0.35%	33,830
Jayant Bhandari Director	211,000	0.1%	500,000	211,000	0.07%	7,033

Notes

- (1) Undiluted, assuming completion of the PC Gold Arrangement.
- (2) The information as to shares beneficially owned or over which control or direction is exercised has been furnished by each of the directors and officers of Gold Canyon or has been extracted from insider reports filed by each of the individuals and publicly available on the Canadian System for Electronic Disclosure by Insiders (SEDI) at www.sedi.ca.

As of the date of the Circular none of the directors or officers of Gold Canyon, nor any associate or affiliate of the foregoing persons, hold Gold Canyon Warrants.

Akiko Levinson, the Chief Executive Officer and President of Gold Canyon, will be paid a lump sum of \$96,000 in lieu of notice upon termination at the Closing of her employment agreement with Gold Canyon. Lisa Sharp, the Chief Financial Officer of Gold Canyon, will be paid a lump sum of \$25,000 in lieu of notice upon termination at the Closing of her employment agreement with Gold Canyon.

Quinton Hennigh, a Director of Gold Canyon, provides geological consulting advice and services to Gold Canyon at market rates. During the most recently completed financial year, Gold Canyon paid or accrued \$78,000 to Quinton Hennigh for such services. Upon completion of the Arrangement Quinton Hennigh's engagement with Gold Canyon will be terminated.

ASI Accounting Services Inc. ("**ASI Services**"), a company owned or controlled by Ron Schmitz, a director and the Executive Vice President of Gold Canyon, provides accounting, secretarial and administrative services through its own staff to Gold Canyon at market rates. During the most recently completed financial year, Gold Canyon paid or accrued \$128,604 to ASI Services for such services. Upon completion of the Arrangement the ASI Services' engagement with Gold Canyon will be terminated.

ASI Services and Gold Canyon are joint lessees and have a space sharing arrangement for certain head office space which constitutes the SpinCo Office Space. The lease and space sharing arrangement form part of the Spin-Out Assets and Spin-Out Liabilities to be transferred or assumed, respectively, by SpinCo upon completion of the Arrangement.

Pursuant to the Arrangement Agreement, each of Akiko Levinson and Quinton Hennigh will be offered a consulting role with the Combined Company however as at the date of this Circular no terms have been offered or agreed to. See: "Securities Law Considerations – Canadian Securities Law – *Protection of Minority Security holders in Certain Transactions*" in this Circular for further details. Jayant Bhandari will join the board of directors of First Mining. See: "Schedule "I" – Information Concerning the Combined Company" attached to this Circular.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

"**Informed Person**" means (i) a director or executive officer of the Gold Canyon; (ii) a director or executive officer of a person or company that is itself an Informed Person or subsidiary of Gold Canyon; and (iii) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of Gold Canyon or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of Gold Canyon.

Except as otherwise set out in this Circular, no Informed Person, or any associate or affiliate of any Informed Person, has any material interest, direct or indirect, in any transaction since the commencement of Gold Canyon's most recently completed financial year or in any proposed transaction which has materially affected or will

materially affect Gold Canyon or any of its subsidiaries. See “Interest Of Certain Persons In Matters To Be Acted Upon”.

MANAGEMENT CONTRACTS

Except as otherwise set out in this Circular, the management functions of Gold Canyon are performed by the directors and officers of Gold Canyon and Gold Canyon has no agreements or arrangements under which such management functions are performed by persons other than our directors and officers. See “Interest Of Certain Persons In Matters To Be Acted Upon” in this Circular.

THE ARRANGEMENT

On August 31, 2015, Gold Canyon, First Mining and SpinCo entered into the Arrangement Agreement which sets forth the terms of the Arrangement. The Arrangement will be carried out pursuant to the Arrangement Agreement, the Plan of Arrangement and related documents. A summary of the principal terms of the Arrangement Agreement and the Plan of Arrangement is provided in this Circular. This summary does not purport to be complete and is qualified in its entirety by reference to the Arrangement Agreement and the Plan of Arrangement. The Arrangement Agreement is available on SEDAR at www.sedar.com and the Plan of Arrangement is attached at Schedule “B” to this Circular. Capitalized terms have the meanings set out in the Glossary of Terms, or are otherwise defined herein.

DETAILS OF THE ARRANGEMENT

The disclosure herein of the Plan of Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement and the Arrangement Agreement.

Pursuant to the Arrangement, on the Effective Date:

- (a) The Gold Canyon Rights Plan will be cancelled;
- (b) In accordance with the provisions under section 85 of the *Tax Act*, Gold Canyon will transfer the Spin-Out Assets to SpinCo, and in consideration for the Spin-Out Assets, SpinCo will issue to Gold Canyon a number of SpinCo Shares equal to 0.03333 of the total issued Gold Canyon Shares;
- (c) Gold Canyon’s share capital and its Articles will be altered by creating an unlimited number of Class A common shares; and
- (d) Each issued and outstanding Gold Canyon Share, other than those held by Dissenting Shareholders, shall be exchanged free and clear of all Encumbrances for one Class A Share and 0.03333 of one SpinCo Share;

and the following steps shall be effected contemporaneously:

- (e) Each issued and outstanding Gold Canyon Share held by a Dissenting Shareholder shall be deemed to be transferred by the holder thereof to First Mining, free and clear of all Encumbrances, and First Mining shall thereupon be obliged to pay the amount therefor determined and payable in accordance with the Plan of Arrangement;
- (f) Each issued and outstanding Class A Common Share held by a former Gold Canyon Shareholder, other than Dissenting Shareholders and other than Class A Common Shares beneficially owned by First Mining immediately prior to the Effective Time, shall be deemed to be transferred by the holder thereof to First Mining, free and clear of all Encumbrances, in exchange for one First Mining Share;
- (g) each Gold Canyon Warrant, to the extent it has not been exercised as of the Effective Date, will be exchanged by the holder thereof, without any further act or formality and free and clear of all Encumbrances, for:
 - (i) a First Mining Warrant to purchase a number of First Mining Shares equal to the product of the First Mining Exchange Ratio multiplied by the number of Gold Canyon Shares issuable on exercise of such Gold Canyon Warrant immediately prior to the Effective Time for an exercise price per First Mining Share equal to the exercise price per share of such Gold Canyon Warrant immediately prior to the Effective Time divided by the First Mining Exchange Ratio and rounded up to the nearest whole cent (provided that, if the foregoing calculation results in a First Mining Warrant being exercisable for a fraction of a First Mining Share, then the number of First Mining Shares subject to

such First Mining Warrant shall be rounded down to the next whole number of First Mining Shares), and such minimum amount that meets the requirements of paragraph 7(1.4)(c) of the *Tax Act*; and

- (ii) a SpinCo Warrant to purchase a number of SpinCo Shares equal to the product of the SpinCo Exchange Ratio multiplied by the number of Gold Canyon Shares issuable on exercise of such Gold Canyon Warrant immediately prior to the Effective Time for an exercise price per whole SpinCo Share equal to \$0.30, being the fair market portion of the exercise price per share of such Gold Canyon Warrant assigned to a SpinCo Warrant rounded up to the nearest whole cent, divided by the SpinCo Exchange Ratio and rounded up to the nearest whole cent (provided that, if the foregoing calculation results in a SpinCo Warrant being exercisable for a fraction of a SpinCo Share, then the number of SpinCo Shares subject to such SpinCo Warrant shall be rounded down to the next whole number of SpinCo Shares), and such minimum amount that meets the requirements of paragraph 7(1.4)(c) of the *Tax Act*;

and the Gold Canyon Warrants shall thereupon be cancelled.

- (h) Each Gold Canyon Option, to the extent it has not been exercised as of the Effective Date, will be exchanged by the holder thereof, without any further act or formality and free and clear of all liens, claims and encumbrances, for a First Mining Option to purchase a number of First Mining Shares equal to the product of the First Mining Exchange Ratio multiplied by the number of Gold Canyon Shares issuable on exercise of such Gold Canyon Option immediately prior to the Effective Time for an exercise price per First Mining Share equal to the exercise price per share of such Gold Canyon Option immediately prior to the Effective Time divided by the First Mining Exchange Ratio and rounded up to the nearest whole cent (provided that, if the foregoing calculation results in a First Mining Option being exercisable for a fraction of a First Mining Share, then the number of First Mining Shares subject to such First Mining Option shall be rounded down to the next whole number of First Mining Shares), and such minimum amount that meets the requirements of paragraph 7(1.4)(c) of the *Tax Act*.

The term to expiry, conditions to and manner of exercise (provided any First Mining Warrant or SpinCo Warrant shall be exercisable at the offices of First Mining) and other terms and conditions of each of the First Mining Warrant or SpinCo Warrant shall be the same as the terms and conditions of the Gold Canyon Warrant for which it is exchanged.

The term to expiry, conditions to and manner of exercise and other terms and conditions of each of the First Mining Options shall be the same as the terms and conditions of the Gold Canyon Option for which it is exchanged except that such First Mining shall be governed by the terms and conditions of the First Mining Option Plan and, in the event of any inconsistency or conflict the First Mining Option Plan shall govern. Notwithstanding the foregoing, no such First Mining Option shall expire due to the holder ceasing to hold office or ceasing to be an employee or consultant and each such First Mining Option shall terminate on the earlier of (i) the date of expiry of the Gold Canyon Option for which it was exchanged and (ii) the date 12 months after the Effective Date.

No fractional First Mining Shares or SpinCo Shares will be issued to any holder of Gold Canyon Shares. The number of First Mining Shares or SpinCo Shares to be issued to any former Gold Canyon Shareholder as consideration under the Arrangement will be rounded down to the nearest whole First Mining Share or SpinCo Share, with no consideration being paid for the fractional First Mining Share or SpinCo Share.

As of September 28, 2015, there were 160,775,447 Gold Canyon Shares outstanding and 101,534,112 First Mining Shares outstanding. After giving effect to the transactions contemplated by the Arrangement Agreement, there will be approximately 289,968,613 First Mining Shares outstanding of which, 160,775,447 First Mining Shares or approximately 55.45% will be held by the former Gold Canyon Shareholders, assuming the concurrent completion of the PC Gold Arrangement and assuming no additional First Mining Shares are issued other than pursuant to the Arrangement and no additional Gold Canyon Shares are issued. As at the date hereof, there are also Gold Canyon Warrants outstanding to purchase a total of up to 11,735,000 Gold Canyon Shares. In result, after the Effective Date, First Mining will be obligated to issue up to an additional 11,735,000 First Mining Shares upon exercise from time to time of the Gold Canyon Warrants in accordance with their terms (representing approximately 3.65% of the total First Mining Shares anticipated to be issued and outstanding on a fully-diluted basis, immediately after the Effective Time).

There will also be approximately 5,358,646 SpinCo Shares issued upon completion of the Arrangement. After the Effective Date, assuming no exercise of outstanding Gold Canyon Warrants prior to the Effective Date, SpinCo will be obligated to issue, approximately, up to an additional 391,127 SpinCo Shares upon exercise from time to time of

the Gold Canyon Warrants in accordance with their terms (representing approximately 7.2% of the total SpinCo Shares anticipated to be issued and outstanding on a fully-diluted basis, immediately after the Effective Time).

BACKGROUND TO THE ARRANGEMENT

From January, 2015 Gold Canyon investigated expressions of interest with respect to potential strategic transactions and financing alternatives. Gold Canyon closed a private placement of common share units at \$0.11 per unit, for gross proceeds \$1,306,850 on February 5, 2015 in order to provide working capital and to funds to maintain its Springpole Gold Project. From early March, 2015 Gold Canyon entered into confidentiality agreements with several parties, including First Mining in April, 2015, however no *bona fide* offers or financing transactions ultimately resulted pursuant to these initial efforts through the spring of 2015.

In late June, 2015 Gold Canyon, after the completion of Gold Canyon's annual general meeting of Gold Canyon Shareholders, engaged in further discussions with various parties, including First Mining, in connection with a possible business combination, financing or participation in the Springpole Gold Project. These discussions did not result again in any *bona fide* offers for a business combination or proposed alternative terms for financing considered by management, in consultation with the Board, to be acceptable to Gold Canyon or in its best interests at the time.

In early June, 2015 First Mining approached Gold Canyon and proposed a possible business combination and further discussions ensued. Gold Canyon received from First Mining an indicative term sheet outlining an acquisition of Gold Canyon by First Mining on an exchange basis which was determined by the Board to be inadequate in the circumstances.

In early July, 2015 management from First Mining presented a power-point presentation to the Gold Canyon Board regarding the business of First Mining.

Other proposals with respect to debt financing or a joint venture with respect to the Springpole Gold Project were discussed in late June and through July, 2015 but no confidentiality agreements or due diligence agreements were entered into and discussions did not result in terms considered by management, in consultation with the Board, to be acceptable to Gold Canyon or in its best interests at the time.

In light of the ongoing discussions with these parties, Gold Canyon began vetting potential financial advisors and, after consideration of potential candidates, initiated negotiations with Maxit Capital in an effort to come to terms on a possible engagement as financial advisor to Gold Canyon.

In late July, 2015 Gold Canyon again received from First Mining a revised indicative term sheet outlining an acquisition of Gold Canyon by First Mining. After consideration by the Gold Canyon Board it was determined that the revised exchange ratio and other terms remained inadequate in the circumstances. Gold Canyon management sought potential non-dilutive financing by way of contribution to advance the Springpole Gold Project however the proposed terms offered were rejected and further discussions in this regard ended.

The Gold Canyon Board formally engaged Maxit Capital on August 6, 2015 to, among other things, provide advisory services and a fairness opinion, if warranted, with respect to any proposed transaction.

Discussions among the senior officers of both Gold Canyon and First Mining continued and based on those discussions, a letter of intent and term sheet was prepared by First Mining and delivered to Gold Canyon on August 6, 2015 outlining an acquisition of Gold Canyon by First Mining on the basis of one First Mining Share for each one Gold Canyon Share. Additional discussions and negotiations were conducted among the senior officers of both Gold Canyon and First Mining and, after consideration by the Gold Canyon Board, the letter of intent with respect to the Arrangement was executed on August 10, 2015 providing for a 21 day exclusivity period and a 14 day due diligence review period.

The due diligence reviews were completed to the parties' mutual satisfaction, and negotiations towards a definitive arrangement agreement were commenced and completed between the parties and their respective legal counsels up to and including August 31, 2015. After consideration by the Gold Canyon Board, and upon receipt of an oral opinion as to fairness from Maxit Capital, the Gold Canyon Board determined the revised proposal to be in the best interests of Gold Canyon, the "Separation Time" under the Gold Canyon Rights Plan was deferred and the execution and delivery of the Arrangement Agreement and the Lock-up Agreements authorized and approved.

On October 1, 2015 the parties to the Arrangement Agreement entered into an amending agreement amending Section 4.4 of the Plan of Arrangement by changing the reference to "third anniversary" therein to "sixth anniversary".

REASONS FOR THE ARRANGEMENT

General

The acquisition of Gold Canyon by First Mining pursuant to the Arrangement Agreement was negotiated at arm's length by the parties on the basis that the shareholders of Gold Canyon would benefit from First Mining's management expertise and reputation, increased ability to obtain financing as well as the indirect interest in First Mining's other prospective gold exploration projects.

In negotiating the terms of the Arrangement Transaction, the Gold Canyon Board considered various factors in consultation with Maxit Capital and its legal counsel, including the respective market value of Gold Canyon Shares and First Mining Shares, various measures of net asset values, financial and other assets, liabilities, contingent liabilities and risks as applicable to each of First Mining and Gold Canyon. In addition, the Gold Canyon Board considered the oral opinion as to fairness and the Maxit Capital Fairness Opinion.

Maxit Capital Fairness Opinion

Pursuant to an engagement letter dated August 6, 2015 and amended August 31, 2015 (the "**Engagement Letter**"), Gold Canyon retained Maxit Capital to act as its financial advisor in respect of the Arrangement and to, among other things, deliver, at the request of the Gold Canyon Board, the Maxit Capital Fairness Opinion. Maxit Capital is an independent advisory firm with expertise in mergers and acquisitions. The Maxit Capital Fairness Opinion expressed herein is the opinion of Maxit Capital and the form and content herein have been approved for release by its managing partners, each of whom is experienced in merger, acquisition, divestiture and valuation matters. On August 31, 2015, Maxit Capital provided a verbal opinion to the Gold Canyon Board, subsequently confirmed in writing by the Maxit Capital Fairness Opinion, that as of that date, based upon and subject to the considerations described therein and other relevant factors, the consideration to be received by the Gold Canyon Shareholders pursuant to the Arrangement was fair, from a financial point of view, to the Gold Canyon Shareholders.

The full text of the Maxit Capital Fairness Opinion, which sets forth, among other things, assumptions made, information reviewed, matters considered and limitations on the scope of the review undertaken by Maxit Capital in rendering the Maxit Capital Fairness Opinion, is attached as Schedule "E" to this Circular. The Maxit Capital Fairness Opinion was provided solely for the use of the Gold Canyon Board for the purpose of considering the Arrangement and addresses only the fairness of the First Mining Share Consideration, from a financial point of view, to the Gold Canyon Shareholders. The summary of the Maxit Capital Fairness Opinion set forth in this Circular is qualified in its entirety by reference to the full text of the Maxit Capital Fairness Opinion. Gold Canyon Securityholders are urged to read the Maxit Capital Fairness Opinion carefully and in its entirety.

The Maxit Capital Fairness Opinion was rendered on the basis of securities markets, economic, financial and general business conditions prevailing as at the date thereof, and the condition and prospects, financial and otherwise, of Gold Canyon and First Mining as they are reflected in the information, data, advice, opinions and representations (financial or otherwise) obtained by Maxit Capital from public sources, including information relating to Gold Canyon and First Mining, or provided to Maxit Capital by Gold Canyon and as they were represented to Maxit Capital in its discussions with management of Gold Canyon. In Maxit Capital's analysis and in connection with the preparation of the Maxit Capital Fairness Opinion, Maxit Capital made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any Party.

Neither Maxit Capital, nor any of its affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) or the rules made thereunder) of Gold Canyon, First Mining, or any of their respective associates or affiliates (collectively, the "**Interested Parties**"). Maxit Capital has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Parties within the past two years, other than acting as financial advisor to Gold Canyon pursuant to the Engagement Letter. There are no other understandings, agreements or commitments between Maxit Capital and any of the Interested Parties with respect to any current or future business dealings which would be material to the Maxit Capital Fairness Opinion. Maxit Capital may, in the ordinary course of business, provide financial advisory, investment banking, or other financial services to one or more of the Interested Parties from time to time.

Maxit Capital is to be paid fees with respect to services as financial advisor to the Gold Canyon Board in certain circumstances as well as a fixed fee for the delivery of the Maxit Capital Fairness Opinion, no portion of which is conditional upon the Maxit Capital Fairness Opinion being favourable.

Deliberations of the Gold Canyon Board

The management of Gold Canyon, in consultation with its legal, accounting and financial advisors, negotiated and settled the terms of the Arrangement Transaction as set forth in the Letter of Intent, conducted due diligence with respect to First Mining, and subsequently negotiated and settled the terms of the Arrangement Agreement.

The Gold Canyon Board convened and considered, in consultation with management, earlier indicative term sheets tabled by First Mining.

The Gold Canyon Board convened a meeting on August 6, 2015 to discuss the engagement of Maxit Capital, determine the status of negotiations with First Mining with respect to, in particular, the proposed exchange ratio applicable to any proposed transaction. Later that same day First Mining tabled a letter of intent and term sheet outlining an acquisition of Gold Canyon by First Mining on the basis of one First Mining Share for each one Gold Canyon Share. Further negotiations by management of Gold Canyon ensued and the Letter of Intent was subsequently settled and the Gold Canyon Board approved and authorized the execution and delivery of the same on August 10, 2015.

Due diligence followed and on or about August 24, 2015 the results of such due diligence were reported to the Gold Canyon Board and the Gold Canyon Board thereafter, in consultation with management, determined that such due diligence was satisfactory and Gold Canyon would seek to negotiate a binding Arrangement Agreement by the August 31, 2015 deadline.

On August 30, 2015 the Gold Canyon Board convened a meeting with Maxit Capital present. Prior to the meeting Maxit Capital had circulated a preliminary power point presentation setting out Maxit Capital's preliminary analysis of First Mining and the consideration to be paid by First Mining to the Gold Canyon Shareholders pursuant to the Arrangement Transaction, as well as the valuation methodologies, approaches and assumptions used by Maxit Capital. Members of the Gold Canyon Board asked questions of Maxit Capital with respect to valuation methodologies, approaches and assumptions used and any identifiable risks associated with proceeding with the Arrangement Transaction. Maxit Capital provided an initial view, based on the Letter of Intent and draft legal documentation circulated to that date and subject to the assumptions made, information reviewed, matters considered and limitations on the scope of the review undertaken, that the consideration to be paid by First Mining to the Gold Canyon Shareholders pursuant to the Arrangement Transaction, is fair to the Gold Canyon Shareholders from the financial point of view of the Gold Canyon Shareholders. It was decided to reconvene a meeting of the Gold Canyon Board the following day once the Arrangement Agreement, Plan of Arrangement and Lock-up Agreements were substantially settled and circulated and, at that time, ask Maxit Capital to confirm its initial view by way of an oral opinion.

In the course of its deliberations, the Gold Canyon Board also identified and considered a variety of risks (as described in greater detail under "Risk Factors – Arrangement Risk Factors" in this Circular) and potentially negative factors in connection with the Arrangement, including, but not limited to the following:

- (a) the Arrangement Agreement may be terminated by First Mining or Gold Canyon in certain circumstances, in which case the Termination Payment (as defined below) and other costs may be payable and the market price for the Gold Canyon Shares may be adversely affected;
- (b) the completion of the Arrangement is subject to several conditions that must be satisfied or waived, including Gold Canyon Securityholder approval and satisfaction of regulatory conditions and there can be no certainty that these conditions will be satisfied or waived;
- (c) the likelihood of First Mining to seek to acquire other acquisition targets in consideration for First Mining Shares and the need for First Mining to seek potential financing before or after completion of the Arrangement and the dilutive effect to former Gold Canyon Shareholders; and
- (d) the First Mining Consideration is fixed and, as a result, the First Mining Shares issued on completion of the Arrangement may have a market value that is different than at the time of approval of the Arrangement by the Gold Canyon Board.

On August 31, 2015 the Gold Canyon Board convened a meeting with Maxit Capital present. During discussions, Maxit Capital confirmed its oral opinion that subject to the assumptions made, information reviewed, matters considered and limitations on the scope of the review undertaken, that the consideration to be paid by First Mining to the Gold Canyon Shareholders pursuant to the Arrangement Transaction, is fair to the Gold Canyon Shareholders from the financial point of view of the Gold Canyon Shareholders. Thereafter, the directors of Gold Canyon confirmed that they intend to vote any Gold Canyon Shares and Gold Canyon Warrants, if any, held by them in favour of the Arrangement Transactions and the Gold Canyon Board:

- (a) determined that the Arrangement, after receiving the oral opinion of Maxit Capital and other financial and legal advice, would be fair to the Gold Canyon Shareholders (other than First Mining and its affiliates) and Gold Canyon Warrantholders and that the Arrangement Transactions were determined to be in the best interests of Gold Canyon; and
- (b) confirmed their recommendation that Gold Canyon Shareholders and Gold Canyon Warrantholders vote in favour of the Arrangement Resolution.

Accordingly, the Gold Canyon Board unanimously approved the terms of the Arrangement Transaction as set forth in the Arrangement Agreement and the Plan of Arrangement; authorized and approved the execution and delivery of the Arrangement Agreement and the Lock-up Agreements; and resolved to submit the Arrangement Transaction to the Gold Canyon Shareholders for approval.

RECOMMENDATION OF THE GOLD CANYON BOARD

The Gold Canyon Board has unanimously determined that the Arrangement is fair to the Gold Canyon Shareholders (other than First Mining and its affiliates) and Gold Canyon Warrantholders and that the Arrangement Transactions are determined to be in the best interests of Gold Canyon and unanimously recommends that Gold Canyon Shareholders vote in favour of the Arrangement Resolution.

In arriving at its conclusion, the Gold Canyon Board of directors of Gold Canyon considered, among other matters:

- (a) information with respect to the management expertise, financial condition, business, assets and operations, on both a historical and prospective basis, of Gold Canyon and First Mining;
- (b) the Gold Canyon Securityholders must approve the Arrangement Resolution by a Special Resolution, in accordance with the Interim Order and the BCBCA;
- (c) the Arrangement Agreement does not preclude an unsolicited *bona fide* third party from making a Superior Proposal, as defined in the Arrangement Agreement, and does not preclude the Gold Canyon Board from considering and acting on a Superior Proposal prior to obtaining Securityholder Approval, provided the Gold Canyon Board complies with the terms of the Arrangement Agreement;
- (d) the availability of Dissent Rights to Gold Canyon Shareholders with respect to the Arrangement; and
- (e) the Maxit Capital Fairness Opinion.

The Gold Canyon Board considered that the following factors in determining that the Arrangement is advantageous to Gold Canyon Securityholders:

- (a) the First Mining management team and board of directors have extensive experience in the mining industry with a long history of substantial shareholder value creation and demonstrated capabilities in financing, acquiring, and developing mineral projects;
- (b) generally all junior mining companies face challenges in raising project and working capital financing in current markets, and any financing by Gold Canyon at the price of the Gold Canyon Shares prior to announcement of the Arrangement would have been, if completed at all, highly dilutive;
- (c) the Arrangement Transaction provides Gold Canyon Shareholders with a substantial premium to the price of the Gold Canyon Shares prior to announcement in addition to giving Gold Canyon Shareholders shares of SpinCo;
- (d) Gold Canyon Securityholders will obtain access to the Combined Company's enhanced portfolio of assets

located in North America focusing on gold and will diversify the risks associated with single mineral asset project or asset companies; and

- (e) the Combined Company and the First Mining management team will enhance capital markets presence which is anticipated to result in increased analyst coverage and trading liquidity allowing for broader access to capital markets including retail and institutional support.

The Gold Canyon Board recommends that Gold Canyon Securityholders vote in favour of the Arrangement Resolution. Each of the directors of Gold Canyon has indicated his intention to vote in favour of the Arrangement Resolution.

The Gold Canyon Board's reasons for recommending the Arrangement include certain assumptions relating to forward-looking information, and such information and assumptions are subject to various risks. See "Management Proxy Circular – Forward-Looking Statements", "Risk Factors – Arrangement Risk Factors" and "Information Concerning Gold Canyon" in this Circular.

The foregoing summary of the information and factors considered by the Gold Canyon Board is not intended to be exhaustive. In view of the variety of factors and the amount of information considered in connection with its evaluation of the Arrangement, the Gold Canyon Board did not find it practical to, and did not, quantify or otherwise attempt to assign any relative weight to each specific factor considered in reaching its conclusion and recommendation. The Gold Canyon Board's recommendation was made after considering all of the above-noted factors and in light of the Gold Canyon Board's knowledge of the business, financial condition and prospects of Gold Canyon, and was also based on the advice of legal and financial advisors engaged by Gold Canyon. In addition, individual members of the Gold Canyon Board may have assigned different weights to different factors.

LOCK-UP AGREEMENTS

First Mining has entered into the Lock-up Agreements with the Locked-Up Shareholders who, in the aggregate, hold approximately 4.1% of the outstanding Gold Canyon Shares as at the date of this Circular, pursuant to which each Locked-Up Shareholder has agreed to vote its Locked-Up Securities in favour of the Arrangement Resolution.

The following is a summary description of the Lock-up Agreements and is not comprehensive and is qualified in its entirety by reference to the Lock-up Agreements, which are available under First Mining's profile at www.sedar.com. Capitalized terms used but not otherwise defined herein have the meanings set out in the Lock-up Agreements.

Each of the Lock-up Agreements provide that the Locked-Up Shareholders who are parties thereto agree, severally and not jointly, that at the Meeting, such Locked-Up Shareholders will, among other things:

- (a) vote all of the Locked-up Securities beneficially owned by such Locked-Up Shareholder or its affiliates in favour of the Arrangement and any actions required in furtherance thereof or otherwise contemplated by the Arrangement Agreement;
- (b) vote all of its Locked-up Securities to oppose any proposed action by Gold Canyon or any other party the result of which could impede, interfere with or delay First Mining from completing the Arrangement; and
- (c) no later than 10 days prior to the Meeting, deliver or cause to be delivered to Computershare, or as otherwise directed by First Mining, a duly executed proxy directing that its Locked-up Securities be voted at the Meeting in favour of the Arrangement and all related matters, and thereafter not take any action to withdraw, amend or invalidate any such proxy deposited by the Locked-Up Shareholder except in accordance with the terms of the Lock-up Agreements.

Each Locked-Up Shareholder has also agreed not to, and will not permit any of its affiliates to:

- (a) deposit any of its Locked-up Securities in a voting trust or subject any of such Locked-up Securities to any arrangement or agreement with respect to the voting of such securities, other than agreements entered into with First Mining;
- (b) solicit proxies or become a participant in a solicitation in opposition to or competition with First Mining in connection with the Arrangement;

- (c) assist any person, entity or group in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit First Mining in connection with the Arrangement;
- (d) solicit, initiate, encourage or facilitate a shareholders' vote with respect to any Acquisition Proposal;
- (e) act jointly or in concert with others with respect to voting securities of Gold Canyon for the purpose of opposing or competing with First Mining in connection with the Arrangement;
- (f) solicit, initiate, encourage or facilitate any Acquisition Proposal (as defined in the Lock-Up Agreement);
- (g) participate in any discussions, conversations, negotiations or other communications with any person with respect to an Acquisition Proposal;
- (h) enter into any agreement, arrangement or understanding with respect to an Acquisition Proposal pursuant to which Gold Canyon may be required to delay, abandon, terminate or fail to consummate the Arrangement;
- (i) furnish any information to any person in connection with a proposed Acquisition Proposal or otherwise assist, facilitate or encourage the making of, or cooperate in any way regarding, any Acquisition Proposal; or
- (j) sell, transfer, gift, assign or otherwise dispose of or exchange or encumber any or all of its Locked-up Securities except with the prior written consent of First Mining.

The Lock-up Agreements provide that, if any Locked-Up Shareholder is also a director, officer or employee of Gold Canyon or any of its subsidiaries, that the provisions of the Lock-up Agreement shall bind such Locked-Up Shareholder solely in his capacity as a securityholder of Gold Canyon and shall not be deemed or interpreted to bind any such Locked-Up Shareholder in his or her capacity as a director, officer or employee of Gold Canyon or any of its subsidiaries.

According to their terms, the Lock-up Agreements will terminate upon the earliest of (i) First Mining providing written notice of termination to the Locked-Up Shareholders, (ii) the termination of the Arrangement Agreement in accordance with its terms, (iii) the Effective Time of the Arrangement, or (iv) as agreed by First Mining and Gold Canyon in accordance with the terms of the Arrangement Agreement.

ARRANGEMENT RISK FACTORS

First Mining and SpinCo should be considered as highly speculative investments and the Arrangement Transactions should be considered of a high-risk nature. Gold Canyon Securityholders should carefully consider all of the information disclosed or referred to in this Circular prior to voting on the matters being put before them at the Meeting. In addition to the other information presented in this Circular and the Schedules hereto (without limitation, see also "Information Concerning First Mining", "Information Concerning the Combined Company", and "Information Concerning SpinCo on a Post-Transaction Basis"), the following risk factors should be given special consideration:

- (a) The trading price of First Mining Shares and Gold Canyon Shares at the Effective Date will likely vary from the trading price of the First Mining Shares and Gold Canyon Shares as at the dates of execution of the Letter of Intent and the Arrangement Agreement, the date of this Circular and the date of the Meeting. The First Mining Exchange Ratio was determined at the time of negotiation of the Letter of Intent and the Arrangement Agreement and, accordingly, any subsequent increase or decrease in the relative market value of the First Mining Shares and the Gold Canyon Shares will correspondingly increase or decrease the relative value of the consideration to be received by a Gold Canyon Securityholder upon the exchange of securities pursuant to the Arrangement.
- (b) There is no assurance that the Arrangement can be completed as proposed or without Gold Canyon Shareholders exercising their Dissent Rights in respect of a substantial number of Gold Canyon Shares. In the event that Dissenting Shareholders holding more than 5% of the total issued shares of Gold Canyon dissent, then First Mining may elect not to proceed with the Arrangement.
- (c) There is no assurance that all necessary third party and regulatory approvals of the Arrangement Transactions will be obtained on terms acceptable to Gold Canyon.

- (d) There is no assurance that the Arrangement will ultimately have a positive impact on Gold Canyon and that the business of First Mining, after completing the Arrangement, will be successful.
- (e) First Mining and the Combined Company will not have significant financial resources and are subject to obligations and potential obligations to pay significant loans and other payables. First Mining will need to finance operations through the sale of securities or other acquisitions, resulting in dilution to former Gold Canyon Shareholders. Additionally, future sales of First Mining shares into the public market may lower the market price which may result in losses to First Mining Shareholders.
- (f) The Arrangement Transactions may give rise to adverse tax consequences to Gold Canyon Securityholders, who are urged to consult their own tax advisor. See “Certain Canadian Federal Income Tax Considerations” and “Certain United States Federal Income Tax Considerations”.

EFFECTIVE DATE OF ARRANGEMENT

If (a) the Arrangement Resolution is approved by the required majorities at the Meeting; (b) the Final Order is obtained approving the Arrangement; (c) the required regulatory approvals to the Arrangement Transaction have been received; (d) every requirement of the BCBCA relating to the Arrangement has been complied with; and (e) all other conditions disclosed under “The Arrangement – The Arrangement Agreement – *Mutual Conditions*”, “The Arrangement – The Arrangement Agreement – *Gold Canyon Conditions*” and “The Arrangement – The Arrangement Agreement – *First Mining Conditions*”, and all other conditions contained in the Arrangement Agreement are met or waived, the Arrangement will become effective on the Effective Date at the Effective Time.

The full particulars of the Arrangement are contained in the Plan of Arrangement attached to the Arrangement Agreement. A copy of the Plan of Arrangement is attached as Schedule “B” to this Circular. See also “The Arrangement – The Arrangement Agreement” below.

Notwithstanding the approval of the Arrangement Resolution by the Gold Canyon Securityholders, the Arrangement Resolution authorizes the directors of Gold Canyon to abandon the Arrangement without further approval from the Gold Canyon Securityholders.

THE ARRANGEMENT AGREEMENT

This section of the Circular describes the material provisions of the Arrangement Agreement but does not purport to be complete and may not contain all of the information about the Arrangement Agreement that is important to a particular Gold Canyon Securityholder. This summary is qualified in its entirety by reference to the Arrangement Agreement, a copy of which is available on SEDAR at www.sedar.com under Gold Canyon’s SEDAR profile. Gold Canyon encourages the Gold Canyon Securityholders to read the Arrangement Agreement in its entirety. Defined words and expressions used herein which are not otherwise defined, will have the meanings set forth in the Arrangement Agreement.

Representations, Warranties and Covenants of Gold Canyon

The Arrangement Agreement contains customary representations and warranties for transactions of this nature on the part of Gold Canyon in respect of matters pertaining to, among other things, its incorporation and organization (and that of each of Gold Canyon Resources USA Inc. and Springpole Mining USA Inc.; the “Gold Canyon Retained Subsidiaries”), its capitalization, its authority to enter into and to perform its obligations under the Arrangement Agreement, the entering into by it and the performance of its obligations under the Arrangement Agreement not violating its constating documents, the ownership of the Gold Canyon Retained Subsidiaries, its status as a “reporting issuer” in the applicable jurisdictions, its public record of disclosure documents, the absence of cease trade orders, its status as a “foreign private issuer” under United States securities laws, its financial statements, its conduct of business in the ordinary course since November 30, 2014, its minute books, financial books, records and accounts, its employees and employee benefits, its obligations with respect to debt instruments, its interests in real property, its insurance policies, its material agreements and the absence of any breach thereof other than otherwise disclosed, the absence of undisclosed litigation matters, certain tax matters, its compliance with applicable laws, the absence of restrictions on its business practices, the absence of any undisclosed material liabilities, the condition and sufficiency of its assets, certain environmental matters, mineral rights, its mineral resources and reserves, its making of full disclosure to First Mining and the absence of any

other negotiations.

The Arrangement Agreement, includes, among other things, negative and affirmative covenants of Gold Canyon customary for transactions of this nature, relating to among other things, the continuation of conduct of its business and corporate matters, maintenance and preservation of the goodwill of Gold Canyon and the Gold Canyon Retained Subsidiaries, the maintenance and preservation of its mineral rights and licences, its capitalization and corporate structure, production of documents and information, the provision of access to Gold Canyon's and the Gold Canyon Retained Subsidiaries' properties and personnel, modification of material obligations, maintenance of representations and warranties, notification being made to First Mining upon the occurrence of certain events, certain tax matters, compliance with applicable laws and the terms of the Interim Order and Final Order, the performance of acts, maintenance of representations and warranties, and other things necessary or desirable in order to consummate and make effective the transactions contemplated under the Arrangement Agreement.

Representations, Warranties and Covenants of First Mining

The Arrangement Agreement contains customary representations and warranties for transactions of this nature on the part of First Mining in respect of matters pertaining to, among other things, its incorporation and organization (and that of each of KCP Minerals Inc., Minera Terra Plata, S.A. de C.V., Impulsora de Proyectos Mineros, S.A. de C.V., Minera Teocuitla S.A. de C.V. and Coastal; the "**First Mining Material Subsidiaries**"), its authority to enter into and to perform its obligations under the Arrangement Agreement, the entering into by it and the performance of its obligations under the Arrangement Agreement not violating its constating documents, the ownership of the First Mining Material Subsidiaries, its status as a "reporting issuer" in the applicable jurisdictions, its conduct of business in the ordinary course since December 31, 2011, the absence of any breach to its compliance with applicable Laws, the absence of undisclosed litigation matters, the absence of any breach of its material agreements other than otherwise disclosed, its making of full disclosure to Gold Canyon, and the absence of any other negotiations.

The Arrangement Agreement includes, among other things, negative and affirmative covenants of First Mining customary for transactions of this nature, relating to among other things, the continuation of conduct of its business and corporate matters, the maintenance and preservation of its mineral rights and licences, and the entering into of a reorganization, amalgamation, merger or consolidation that would reasonably be expected to materially delay the Arrangement, notification being made to Gold Canyon upon the occurrence of certain events, indemnification of Gold Canyon directors and officers, maintenance of representations and warranties, compliance with applicable laws and the terms of the Interim Order and Final Order, and the performance of acts and other things necessary or desirable in order to consummate and make effective the transactions contemplated under the Arrangement Agreement.

Representations, Warranties and Covenants of SpinCo

The Arrangement Agreement contains customary representations and warranties for transactions of this nature on the part of SpinCo in respect of matters pertaining to, among other things, its incorporation and organization, its authority to enter into and to perform its obligations under the Arrangement Agreement, the entering into by it and the performance of its obligations under the Arrangement Agreement not violating its constating documents, and its status residency status.

The Arrangement Agreement includes, among other things, affirmative covenants of SpinCo customary for transactions of this nature, relating to among other things, obtaining all approvals related to the Spin-Out Transactions and compliance with applicable Laws. SpinCo has covenanted to First Mining that prior to or as soon as possible after the Effective Date, it shall make all commercially reasonable efforts to seek and obtain a listing for its common shares on the CSE, TSX-V or another more senior stock exchange in North America. SpinCo has also agreed to indemnify and save harmless First Mining, Gold Canyon and their subsidiaries, their affiliates, directors, officers, partners, employees, advisors, shareholders and agents from all losses suffered or incurred by any indemnified party as a result of or arising directly or indirectly out of or in connection with the Spin-Out Liabilities.

Indemnification

First Mining has covenanted and agreed that, unless prohibited by applicable Laws, all rights to indemnification or exculpation in favour of the current and former directors and officers of Gold Canyon and any subsidiary provided in the current articles or by-laws (or the equivalent) of Gold Canyon or any Gold Canyon subsidiary, or in any agreement disclosed to Gold Canyon and officers' insurance now existing in favour of the directors or officers of Gold Canyon and any Gold Canyon subsidiary shall survive the completion of the Arrangement (or be replaced with substantially equivalent coverage from another provider of at least equivalent standing to the current provider) and shall continue in full force and effect (either directly or via run-off insurance or insurance provided by an alternative provider of at least equivalent standing to the current provider) for a period of not less than six years from the Effective Date and First Mining has undertaken to ensure that this covenant shall remain binding upon its successors and assigns. First Mining has further acknowledged that Gold Canyon may purchase run-off directors' and officers' liability insurance, at a cost not exceeding 200% of Gold Canyon's current annual aggregate premium for directors' and officers' liability policies currently maintained by Gold Canyon, providing coverage for a period of up to six years from the Effective Date with respect to claims arising from or related to facts or events which occur on or prior to the Effective Date.

Mutual Conditions

The obligations of Gold Canyon and First Mining to consummate the Arrangement are subject to the satisfaction of certain mutual conditions relating to, among other things:

- (a) the Arrangement Resolution shall have been approved by the Gold Canyon Securityholders at the Gold Canyon Meeting in accordance with the Interim Order and applicable Laws;
- (b) the Interim Order and the Final Order shall each have been obtained in form and terms satisfactory to each of Gold Canyon and First Mining, acting reasonably, and shall not have been set aside or modified in a manner unacceptable to either party, acting reasonably, on appeal or otherwise;
- (c) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by the Arrangement Agreement and there shall be no proceeding (other than an appeal made in connection with the Arrangement), of a judicial or administrative nature or otherwise, in progress or threatened that relates to or results from the transactions contemplated by the Arrangement Agreement that would, if successful, result in an order or ruling that would preclude completion of the transactions contemplated by the Arrangement Agreement in accordance with the terms hereof or would otherwise be inconsistent with the regulatory approvals which have been obtained;
- (d) the Arrangement Agreement shall not have been terminated in accordance with its terms;
- (e) the TSX-V shall have, if required, conditionally accepted notice for filing of all transactions of Gold Canyon and First Mining contemplated in the Arrangement Agreement or necessary to complete the Arrangement (which for avoidance of doubt, does not include conditional acceptance of the listing of SpinCo Shares and the SpinCo Shares issuable upon exercise of the SpinCo Warrants), subject only to compliance with the customary conditions of the TSX-V, and the First Mining Shares issued or issuable pursuant to the Arrangement, shall have been authorized for listing on the TSX-V, subject to official notice of issuance;
- (f) any First Mining Shares or the SpinCo Shares issued or issuable pursuant to the Arrangement will be exempt from the registration requirements of the U.S. Securities Act and from the prospectus requirements of applicable securities Laws in each of the Provinces of Canada in which holders of Gold Canyon securities are resident; and such securities will not be subject to hold periods under the Securities Laws of Canada or the United States except as may be imposed by Rule 144 under the U.S. Securities Act with respect to affiliates or except as disclosed in this Circular or except by reason of the existence of any controlling interest in First Mining or SpinCo, as applicable, pursuant to the securities Laws of any applicable jurisdiction; and
- (g) all other consents, waivers, permits, orders and approvals of any Governmental Entity, and the expiry of any waiting periods, in connection with, or required to permit the consummation of the Arrangement and the other transactions contemplated herein, the failure of which to obtain or the non-expiry of which

would constitute a criminal offense, or would have a material adverse effect on First Mining or Gold Canyon shall have been obtained or received on terms that will not have a material adverse effect on First Mining and/or Gold Canyon.

Gold Canyon Conditions

The obligations of Gold Canyon to consummate the Arrangement are subject to the satisfaction of certain additional conditions including, among other things:

- (a) all covenants and agreements of First Mining under the Arrangement Agreement to be performed or observed on or before the Effective Date shall have been duly performed by First Mining in all material respects;
- (b) the representations and warranties made by First Mining in the Arrangement Agreement shall be true and correct as of the date of the Arrangement Agreement and as of the Effective Date as if made on and as of such date, except where any failures or breaches of representations or warranties would not either, individually or in the aggregate, have a material adverse effect on First Mining,
- (c) from the date of the Arrangement Agreement until the Effective Date, there shall not have occurred, and neither First Mining nor a First Mining Subsidiary shall have incurred or suffered, any one or more facts, circumstances, changes, effects, events or occurrences that, either individually, or in the aggregate have, or could reasonably be expected to have, a material adverse effect on First Mining;
- (d) the board of directors of First Mining shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by First Mining to permit the consummation of the Arrangement and the issue of the First Mining Consideration, the replacement First Mining Warrants and the replacement First Mining Options and the First Mining Shares issuable upon the exercise from time to time of the foregoing; and
- (e) First Mining will have delivered to Gold Canyon a written conditional acceptance of the TSX-V for the listing of the First Mining Consideration and the First Mining Shares issuable upon the exercise from time to time of the replacement First Mining Warrants and the replacement First Mining Options.

First Mining Conditions

The obligations of First Mining to consummate the Arrangement are subject to the satisfaction of certain additional conditions including, among other things:

- (a) all covenants and agreements of Gold Canyon under the Arrangement Agreement to be performed or observed on or before the Effective Date shall have been duly performed by Gold Canyon in all material respects;
- (b) the representations and warranties made by Gold Canyon in the Arrangement Agreement shall be true and correct as of the date of the Arrangement Agreement and as of the Effective Date as if made on and as of such date, except where any failures or breaches of representations or warranties would not either, individually or in the aggregate, have a material adverse effect on Gold Canyon,
- (c) from the date of the Arrangement Agreement until the Effective Date, there shall not have occurred, and neither Gold Canyon nor a Gold Canyon Retained Subsidiary shall have incurred or suffered, any one or more facts, circumstances, changes, effects, events or occurrences that, either individually, or in the aggregate have, or could reasonably be expected to have, a material adverse effect on Gold Canyon;
- (d) the Gold Canyon Board and the board of directors of SpinCo shall have adopted all necessary resolutions, and all other necessary corporate action shall have been taken by Gold Canyon and SpinCo, to permit the consummation of the Arrangement and the issue of the SpinCo Shares and the SpinCo Warrants;
- (e) holders of more than 5% of the issued and outstanding Gold Canyon Shares shall not have exercised the Dissent Rights in respect of the Arrangement;
- (f) there shall not be pending or threatened any suit, action or proceeding by any Governmental Entity, in

each case that has a reasonable likelihood of success: (i) seeking to restrain or prohibit the consummation of the Plan of Arrangement or any of the transactions contemplated by the Arrangement Agreement or seeking to obtain from any of the Parties any damages that are material in relation to Gold Canyon; (ii) seeking to prohibit or materially limit the ownership or operation by First Mining or any of the First Mining Material Subsidiaries of any material portion of the business or assets of Gold Canyon or any Gold Canyon subsidiary or to compel First Mining or any of the First Mining Material Subsidiaries to dispose of or hold separate any material portion of the business or assets of Gold Canyon or any Gold Canyon subsidiary; (iii) seeking to impose limitations on the ability of First Mining to acquire or hold or exercise full rights of ownership of any Gold Canyon Shares, including the right to vote the Gold Canyon Shares on all matters properly presented to the shareholders of Gold Canyon; (iv) seeking to prohibit First Mining or any of the First Mining Material Subsidiaries from effectively controlling in any material respect the business or operations of Gold Canyon or any Gold Canyon subsidiary; or (v) which otherwise is reasonably likely to have a material adverse effect on Gold Canyon or First Mining;

- (g) all consents, approvals, authorizations and waivers of any persons (other than Governmental Entities) which are required or necessary for the completion of the Arrangement and other transactions contemplated hereby (including all consents, approvals, authorizations and waivers required under Gold Canyon's material agreements, shall have been obtained or received on terms which are acceptable to First Mining, acting reasonably;
- (h) each of the Lock-up Agreements shall be and remain in full force and effect, unamended, and each of the parties thereto (other than First Mining) shall be, in all material respects, in full compliance with their respective obligations thereunder;
- (i) Gold Canyon shall have provided to First Mining, not less than two business days before the Effective Date, executed copies of the asset purchase agreement, assumption of liabilities agreement and any consents required to effect the transfer of Spin-Out Assets and Spin-Out Liabilities in accordance with applicable Laws;
- (j) Gold Canyon shall have provided to First Mining, on or before the Effective Date, written resignations effective as of the Effective Time, from all directors and officers of Gold Canyon and such directors and officers of the Gold Canyon Retained Subsidiaries as First Mining may request; and
- (k) SpinCo shall have agreed to take-over and assume all of the rights and obligations of Gold Canyon under the agreements between Gold Canyon and JOGMEC.

Notice and Cure Provisions

Each party to the Arrangement Agreement has agreed to give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would, or would be reasonably likely to:

- (a) cause any of the representations or warranties of such party contained herein to be untrue or inaccurate in any material respect between the date hereof and the Effective Date;
- (b) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by such party hereunder prior to the Effective Date; or
- (c) result in the failure to satisfy any of the conditions precedent in favour of the other party hereto contained in the Arrangement Agreement, as applicable.

Any applicable party may elect not to complete the transactions contemplated hereby pursuant to the conditions precedent contained in the Arrangement Agreement, as applicable, in favour of such party, or exercise any termination right arising therefrom, if forthwith, and in any event prior to the Effective Date, such party has delivered a written notice to the other specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition precedent or the exercise of the termination right, as the case may be. If any such notice is delivered and the party receiving such notice is proceeding diligently to cure such matter, if such

matter is susceptible to being cured, the party delivering such notice may not terminate the Arrangement Agreement until the earlier of the Outside Date and the expiration of a period of ten business days from such notice. If such notice has been delivered prior to the date of the Meeting, such meeting shall be postponed until the expiry of such period. If such notice has been delivered prior to the making of the application for the Final Order, such application shall be postponed until the expiry of such period.

Covenants Regarding Non-Solicitation

Under the Arrangement Agreement, each of Gold Canyon and First Mining has agreed each with the other to certain non-solicitation covenants which provide among other things, that it (and its officers, directors, employees, representatives, or agents of it or any applicable subsidiary) will not:

- (a) solicit, initiate or encourage (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) the initiation of any inquiries or proposals regarding an Acquisition Proposal;
- (b) participate in any discussions or negotiations regarding any Acquisition Proposal;
- (c) approve or recommend or propose publicly to approve or recommend any Acquisition Proposal or remain neutral with respect to an Acquisition Proposal which has been publicly announced; or
- (d) enter into any letter of intent, agreement in principle, agreement, arrangement or understanding related to any Acquisition Proposal (except as permitted under the Arrangement Agreement).

In addition, Gold Canyon has agreed with First Mining that it will not withdraw, modify or qualify or propose publicly to withdraw, modify or qualify in a manner adverse to First Mining the approval of the Gold Canyon Board or any committee thereof of the transactions contemplated under the Arrangement Agreement.

Notwithstanding the above, nothing will prevent a Recipient prior to the Meeting from considering, participating in any discussions or negotiations, or entering into a confidentiality agreement and providing information in accordance with the terms of the Arrangement Agreement, regarding an unsolicited *bona fide* written Acquisition Proposal that did not otherwise result from a breach of the Arrangement Agreement and that the board of directors of the Recipient determines in good faith, after consultation with financial advisors and outside legal counsel, would be reasonably likely, if consummated in accordance with its terms, to be a Superior Proposal. Gold Canyon will not consider, negotiate, accept or recommend an Acquisition Proposal after the date of the Meeting.

Gold Canyon will, and will cause its officers, directors and employees and any financial advisors or other advisors, representatives or agents retained by it, to cease all discussions and negotiations regarding any proposal that constitutes, or may reasonably be expected to lead to, an Acquisition Proposal. Gold Canyon will, other than with respect to First Mining and its advisors, employees and agents, (i) deny access to all parties to any and all data rooms which may have been opened, and (ii) immediately request the return of all confidential non-public information provided to any third parties who have entered into a confidentiality agreement with Gold Canyon relating to a potential Acquisition Proposal, will use all reasonable efforts to ensure that such requests are honoured and will immediately advise First Mining orally and in writing of any responses or action (actual or threatened) by any recipient of such request which could hinder, prevent, delay or otherwise adversely affect the completion of the Arrangement. Gold Canyon may only amend, modify, waive or fail to enforce any obligation under a confidentiality or standstill agreement between Gold Canyon and a third party in order to allow such person to propose to the Gold Canyon Board an unsolicited written Acquisition Proposal.

Any Recipient will promptly notify the other party, at first orally and then in writing, of any Acquisition Proposal and any enquiry that could lead to an Acquisition Proposal. Such notice will include a description of the material terms and conditions of any proposal, the identity of the person making such proposal, enquiry or contact, a copy of any written form of Acquisition Proposal and provide such other details of the proposal, enquiry or contact as the other party may reasonably request. In addition, such Recipient has an obligation to keep the other party fully informed with respect to the status of any Acquisition Proposal or enquiry, and provide to the other party copies of all correspondences and other written material sent or provided to or by the Recipient in connection with any Acquisition Proposal. If a Recipient provides confidential non-public information to a third party who has made an unsolicited *bona fide* written Acquisition Proposal that did not otherwise result from a breach of the Arrangement Agreement and that the board of directors of the Recipient determines in good faith, after consultation with financial advisors and outside legal counsel, would be reasonably likely, if consummated in

accordance with its terms, to be a Superior Proposal, the Recipient must obtain a confidentiality agreement from the third party that is substantively the same as the confidentiality agreement in force as between First Mining and Gold Canyon. The Recipient will also send a copy of any such confidentiality agreement to the other party and concurrently provide other party with a list or copies of the information provided to the third party and access to similar information if not already provided.

Gold Canyon will not, except with the prior written consent of First Mining or upon the passing of the Effective Time or termination of the Arrangement Agreement, take any action to terminate, amend, extend the “Separation Time” under or waive the Gold Canyon Shareholder Rights Plan or its application to any Acquisition Proposal, or any person making an Acquisition Proposal, not subject to the Gold Canyon Shareholder Rights Plan unless the Acquisition Proposal constitutes a Superior Proposal and Gold Canyon has complied with terms of the Arrangement Agreement and provided further that any such termination, amendment, extension, waiver or redemption cannot be effective until after the Meeting. In the event that any person requests any Governmental Entity to invalidate or cease trade the Gold Canyon Shareholder Rights Plan, Gold Canyon will oppose any such application unless the Gold Canyon Board determines, after consultation with outside legal counsel, that to do so is not consistent with its fiduciary duties.

Provided the Recipient has complied with the foregoing, the Recipient may, prior to the Meeting, accept, approve, recommend or enter into any agreement, understanding or arrangement in respect of a Superior Proposal if the following conditions are met:

- (a) the Recipient has provided the other party with (a) a copy of the Superior Proposal document and all related documents, (ii) written notice advising the other party of the determination of the board of directors of the Recipient that the Acquisition Proposal is a Superior Proposal and that the board of directors of the Recipient has resolved, subject to compliance with the terms of the Arrangement Agreement and the termination of the Arrangement Agreement, to accept, approve, recommend or enter into an agreement in respect of such Superior Proposal, specifying the terms and conditions of such Superior Proposal and identifying the Person making such Superior Proposal, and (iii) written notice from the board of directors of the Recipient regarding the value in financial terms that the board of directors of the Recipient has, in consultation with its financial advisors, determined should be ascribed to any non-cash consideration offered under the Superior Proposal;
- (b) five Business Days have elapsed since the date the other party received the documentation set out in paragraph (a) above; and
- (c) the Recipient has previously or concurrently will have paid to the other party the Termination Payment, if any, payable under the Arrangement Agreement, and terminated the Arrangement Agreement in accordance with its terms.

Termination

The Arrangement Agreement may be terminated at any time prior to the Effective Date, whether before or after the holding of the Meeting:

- (a) by the mutual agreement of First Mining and Gold Canyon;
- (b) by either First Mining or Gold Canyon if (i) the Gold Canyon Meeting is held and the Arrangement Resolution is not approved by the Gold Canyon Shareholders in accordance with applicable Laws and the Interim Order; (ii) the transactions contemplated under the Arrangement are illegal or otherwise prohibited with respect to any Law or are contrary to any injunction order, decree or ruling of a Governmental Entity that is final and non-appealable, (iii) subject to compliance with the notice and cure provisions of the Arrangement Agreement, (A) the other Party is in default of a covenant or obligation, or (B) any representation or warranty of the other Party under the Arrangement Agreement is untrue or incorrect and will have become untrue or incorrect such that the condition requiring the accuracy of the other Party’s representations and warranties would be incapable of satisfaction, provided that the Party seeking to terminate the Arrangement Agreement is not then in breach of the Arrangement Agreement so as to cause any condition in favour of both Parties or in favour of the other Party not to be satisfied; or (iv) the Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate the Arrangement Agreement if the failure of the Effective Time to so occur has been a principal

cause of, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement;

- (c) by First Mining in order to accept, approve, recommend or enter into any agreement, understanding or arrangement with respect to a Superior Proposal, subject to compliance with the terms of the Arrangement Agreement and the payment of the Termination Payment to Gold Canyon (see below) or if (i) Gold Canyon will have failed to recommend or has withdrawn, qualified or modified or changed in a manner adverse to First Mining its approval or recommendation of the Arrangement Agreement or the Arrangement or will have recommended or approved an Acquisition Proposal, (ii) through no fault of First Mining the Arrangement will not have been submitted for the approval of the Gold Canyon Securityholders on or before the Meeting Deadline in the manner provided for under the terms of the Arrangement Agreement and in the Interim Order, or (iii) the Gold Canyon Board will have failed to reaffirm its recommendation of the Arrangement and the Arrangement Agreement as promptly as practicable after receipt of any reasonable request from First Mining to do so and in any event within three Business Days after a public announcement of any Acquisition Proposal, or (iv) if Gold Canyon breaches any of the non-solicitation or Superior Proposal provisions of the Arrangement Agreement; or
- (d) by Gold Canyon in order to accept, approve, recommend or enter into any agreement, understanding or arrangement with respect to a Superior Proposal, subject to compliance with the terms of the Arrangement Agreement and the payment of the Termination Payment to First Mining (see below); or if First Mining breaches any of the non-solicitation or Superior Proposal provisions of the Arrangement Agreement.

Termination Payments

Under the Arrangement Agreement Gold Canyon is obligated to pay to First Mining a termination payment of \$3,935,435 (the “**Termination Payment**”) as liquidated damages if the Arrangement Agreement is terminated:

- (a) by Gold Canyon in order to accept, approve, recommend or enter into any agreement, understanding or arrangement with respect to a Superior Proposal;
- (b) by First Mining if (i) Gold Canyon will have failed to recommend or has withdrawn, qualified or modified or changed in a manner adverse to First Mining its approval or recommendation of the Arrangement Agreement or the Arrangement or will have recommended or approved an Acquisition Proposal, or (ii) the Gold Canyon Board will have failed to reaffirm its recommendation of the Arrangement and the Arrangement Agreement as promptly as practicable after receipt of any reasonable request from First Mining to do so and in any event within three Business Days after a public announcement of any Acquisition Proposal;
- (c) by First Mining if (i) through no fault of First Mining, the Arrangement shall not have been submitted for the approval of the Gold Canyon Shareholders on or before the Meeting Deadline in the manner provided for in Article 2 of the Arrangement Agreement and in the Interim Order; or (ii) Gold Canyon breaches any of the non-solicitation and Superior Proposal provisions of the Arrangement Agreement; where with respect to any of the foregoing circumstances: (A) an Acquisition Proposal is publicly announced or made to Gold Canyon or the Gold Canyon Shareholders and is not publicly withdrawn prior to the earlier of the date of the Gold Canyon Meeting and the date of such termination; and (B) an Acquisition Proposal with respect to Gold Canyon or the Gold Canyon Shareholders is consummated within 12 months of such termination.
- (d) by either Gold Canyon or First Mining if (i) the Gold Canyon Meeting is held and the Arrangement Resolution is not approved by the Gold Canyon Shareholders in accordance with applicable Laws and the Interim Order or (ii) the Effective Time does not occur on or prior to the Outside Date (provided that a party may not terminate this Agreement pursuant to if the failure of the Effective Time to so occur has been a principal cause of, or is a result of, a breach by such party of any of its representations or warranties or the failure of such party to perform any of its covenants or agreements under the Arrangement Agreement; where with respect to any of the foregoing circumstances: (A) an Acquisition Proposal is publicly announced or made to Gold Canyon or the Gold Canyon Shareholders and is not publicly withdrawn prior to the earlier of the date of the Gold Canyon Meeting and the date of such termination; and (B) an Acquisition Proposal with respect to Gold Canyon or the Gold Canyon Shareholders is consummated within 12 months of such termination.

Under the Arrangement Agreement First Mining is obligated to pay to Gold Canyon the Termination Payment as liquidated damages if the Arrangement Agreement is terminated:

- (a) by First Mining in order to accept, approve, recommend or enter into any agreement, understanding or arrangement with respect to a Superior Proposal; or
- (b) by Gold Canyon if First Mining breaches any of the non-solicitation and Superior Proposal provisions of the Arrangement Agreement where (i) an Acquisition Proposal is publicly announced or made to First Mining or the First Mining Shareholders and is not publicly withdrawn prior to the date of such termination; and (ii) an Acquisition Proposal with respect to First Mining or the First Mining Shareholders is consummated within 12 months of such termination.

The Termination Payment is the sole monetary remedy available to either First Mining or Gold Canyon upon the occurrence of the events set out above. The parties have agreed in the event of any breach or threatened breach of the Arrangement Agreement by one of the parties, the non-breaching party will also be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of the Arrangement Agreement but will be in addition to all other remedies available at law or equity to the parties. The payment of the Termination Payment does not preclude a party from seeking damages in respect of losses incurred or suffered by such party as a result of any breach of the Arrangement Agreement by the other party, seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in the Arrangement Agreement or the confidentiality agreement between the parties or otherwise, or seeking specific performance of any of such covenants or agreements, without the necessity of posting bond or security in connection therewith.

CONDUCT OF MEETING AND OTHER APPROVALS

Shareholder Approval

Pursuant to the terms of the Interim Order, the Arrangement Resolution must, subject to further order of the Court, be approved by at least 66⅔% of the votes cast by the Gold Canyon Securityholders present in person or by proxy at the Meeting.

In addition, pursuant to the Interim Order, the Arrangement Resolution must, subject to further order of the Court, be approved by a simple majority of the minority of the Gold Canyon Shareholders (see “Securities Law Considerations – Canadian Securities Law – *Protection of Minority Security holders in Certain Transactions*” for further details).

Notwithstanding the foregoing, the Arrangement Resolution authorizes the Gold Canyon Board, without further notice to or approval of the Gold Canyon Securityholders, subject to the terms of the Arrangement, to amend the Arrangement Agreement or to decide not to proceed with the transactions contemplated by the Arrangement Agreement at any time prior to the Arrangement becoming effective pursuant to the provisions of the BCBCA.

Court Approvals

Gold Canyon obtained the Interim Order in the form which is attached as Schedule “C” to this Circular.

Subject to the terms of the Arrangement Agreement and, if the Arrangement Resolution is approved at the Meeting, Gold Canyon will apply to the Court for the Final Order at the Court House, 800 Smithe Street, Vancouver, British Columbia on November 10, 2015, at 9:45 a.m. (Vancouver time) or so soon thereafter as counsel may be heard. Please see the Notice of Application for Final Order attached as Schedule “D” for further information on participating or presenting evidence at the hearing for the Final Order.

The Class A Shares, First Mining Shares and SpinCo Shares to be issued pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act or under the securities laws of any state of the United States. Accordingly, such securities will be distributed by Gold Canyon, First Mining and SpinCo in reliance upon the exemption from registration provided by section 3(a)(10) of the U.S. Securities Act on the basis of the approval of the Court. Section 3(a)(10) of the U.S. Securities Act exempts securities issued in exchange for one or more outstanding securities from the general requirement of registration where the terms and conditions of the issuance and exchange of such securities have been approved by any court of competent jurisdiction, after a

hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and receive timely notice thereof.

Gold Canyon Securityholders, as well as creditors of Gold Canyon, will be entitled to appear in person or by counsel at the hearing for the Final Order, and to make a submission regarding the Arrangement, subject to filing and serving an Appearance and satisfying any other applicable requirements.

At the hearing for the Final Order, the Court will also consider, among other things, the fairness of the terms and conditions of the Arrangement and the rights and interests of every person affected. The Court may approve the Arrangement either as proposed, or make the Arrangement subject to such terms and conditions as the Court considers appropriate, or may dismiss the application.

Regulatory Approvals

Gold Canyon Shares are currently listed for trading on the TSX-V and Gold Canyon is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland. Gold Canyon must obtain all necessary approvals of the TSX-V of the Arrangement Transaction. The TSX-V provided its conditional approval with respect to the Arrangement Transaction on September 24, 2015.

First Mining Shares are currently listed for trading on the TSX-V and First Mining is a reporting issuer in British Columbia, Alberta and Ontario. First Mining must obtain all necessary approvals of the TSX-V to the Arrangement Transaction, including acceptance by TSX-V of the listing of First Mining Shares to be issued and issuable pursuant to the Arrangement. The TSX-V provided its conditional approval with respect to the Arrangement and the listing of First Mining Shares to be issued and issuable pursuant to the Arrangement on September 16, 2015.

Gold Canyon Securityholders should be aware that final approval has not yet been given by the regulatory authorities referred to above, and Gold Canyon cannot provide any assurances that such final approval will be obtained.

EXCHANGE OF CERTIFICATES

Depositary

SpinCo and First Mining have retained the services of the Depositary for the receipt of the Letter of Transmittal and the certificates (if applicable) representing SpinCo Shares and for the delivery of the First Mining Shares and cash and the SpinCo Shares in exchange for the SpinCo Shares under the Arrangement. The Depositary will receive reasonable and customary compensation for its services in connection with the Arrangement, will be reimbursed for certain reasonable out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under securities laws and expenses in connection therewith.

Letter of Transmittal

The Letter of Transmittal is enclosed with this Circular for use by Registered Gold Canyon Shareholders. In order for Registered Gold Canyon Shareholders to receive the First Mining Shares and SpinCo Shares which such Gold Canyon Shareholder is entitled to under the Arrangement, the Registered Gold Canyon Shareholder is required to forward a completed and signed Letter of Transmittal and surrender its Gold Canyon Shares and, where issued, Gold Canyon Share certificates. The details for the surrender of Gold Canyon Shares and, where issued, Gold Canyon Share certificates, to the Depositary and the addresses of the Depositary are set out in the Letter of Transmittal. Provided that a Registered Gold Canyon Shareholder has delivered and surrendered to the Depositary (i) a properly completed and duly executed Letter of Transmittal, (ii) Gold Canyon Share certificates (where issued) and (iii) such additional documents as the Depositary may reasonably require in respect of the exchange of Gold Canyon Shares, the Registered Gold Canyon Shareholder will be entitled to receive, and First Mining and SpinCo will cause the Depositary to respectively deliver to the Registered Gold Canyon Shareholder, (a) certificates or DRS Advice Statements representing the number of First Mining Shares and a cheque for the cash payment issuable or deliverable to such holder as Consideration pursuant to the Arrangement, and (b) certificates or DRS Advice Statements representing the number of SpinCo Shares issuable or deliverable pursuant to the Arrangement.

Where Gold Canyon Shares are evidenced only by a DRS Advice Statement, there is no requirement to first obtain a share certificate for those Gold Canyon Shares or deposit with the Depository any Gold Canyon Share certificate or DRS Advice Statement evidencing those Gold Canyon Shares. Only a properly completed and duly executed Letter of Transmittal is required to be delivered to the Depository in order to surrender those Gold Canyon Shares under the Arrangement.

Any use of the mail to transmit a certificate (if applicable) for Gold Canyon Shares and a related Letter of Transmittal is at the risk of the Gold Canyon Shareholder. If these documents are mailed, it is recommended that registered mail, properly insured, be used. Whether or not Gold Canyon Shareholders forward the certificate(s) (if applicable) representing their Gold Canyon Shares, upon completion of the Arrangement on the Effective Date, Gold Canyon Shareholders will cease to be Gold Canyon Shareholders as of the Effective Date and will only be entitled to receive such First Mining Shares, SpinCo Shares and cash to which they are entitled under the Arrangement or, in the case of Gold Canyon Shareholders who properly exercise Dissent Rights, the right to receive fair value for their Gold Canyon Shares in accordance with the dissent procedures. See “Rights of Dissenting Shareholders” in this Circular.

The Depository will act as the agent of persons who have surrendered Gold Canyon Shares pursuant to the Arrangement for the purpose of receiving the First Mining Shares from First Mining and the SpinCo Shares from SpinCo and transmitting same to such persons, and receipt of the First Mining Shares and the SpinCo Shares by the Depository will be deemed to constitute receipt of payment by persons surrendering Gold Canyon Shares.

Settlement with persons who surrender Gold Canyon Shares pursuant to the Arrangement will be effected by the Depository forwarding by first class insured mail, postage prepaid certificate(s) or DRS Advice Statement(s) representing First Mining Shares and SpinCo Shares to be issued in exchange.

Unless otherwise directed in the Letter of Transmittal, the certificates or DRS Advice Statements representing the First Mining Shares and the SpinCo Shares will be issued in the name of the registered holder of Gold Canyon Shares so surrendered. Unless the person who surrenders Gold Canyon Shares instructs the Depository to hold the share certificates and cheques for pick up by checking the appropriate box in the Letter of Transmittal, certificates or DRS Advice Statements will be forwarded by first class insured mail to the addresses supplied in the Letter of Transmittal. If no address is provided, certificates and cheques will be forwarded to the address of the person as shown on the share register of Gold Canyon.

If the Arrangement is not completed, any deposited Gold Canyon Shares will be returned to the depositing Gold Canyon Shareholder at Gold Canyon’s expense upon written notice to the Depository from Gold Canyon, by returning the deposited Gold Canyon Shares (and any other relevant documents) by first class insured mail in the name of and to the address specified by the Gold Canyon Shareholder in the Letter of Transmittal or, if such name and address is not so specified, in such name and to such address as shown on the register maintained by the Computershare.

Certificates Representing Gold Canyon Warrants and Gold Canyon Options

As at the Effective Date, any document previously evidencing a Gold Canyon Warrant shall thereafter evidence and be deemed to evidence such First Mining Warrant or SpinCo Warrant and no certificates evidencing the First Mining Warrant or SpinCo Warrant shall be issued. The term to expiry, conditions to and manner of exercise (provided any First Mining Warrant or SpinCo Warrant shall be exercisable at the offices of First Mining) and other terms and conditions of each of the First Mining Warrant or SpinCo Warrant shall be the same as the terms and conditions of the Gold Canyon Warrant for which it is exchanged.

As at the Effective Date, any document previously evidencing the Gold Canyon Option shall thereafter evidence and be deemed to evidence such First Mining Option and no certificates evidencing the First Mining Options shall be issued. The term to expiry, conditions to and manner of exercise and other terms and conditions of each of the First Mining Options shall be the same as the terms and conditions of the Gold Canyon Option for which it is exchanged except that such First Mining shall be governed by the terms and conditions of the First Mining Option Plan and, in the event of any inconsistency or conflict the First Mining Option Plan shall govern. Notwithstanding the foregoing, no such First Mining Option shall expire due to the holder ceasing to hold office or ceasing to be an employee or consultant and each such First Mining Option shall terminate on the earlier of (i) the date of expiry of the Gold Canyon Option for which it was exchanged and (ii) the date 12 months after the Effective Date.

Fractional Securities

In no event shall any holder of Gold Canyon Shares be entitled to a fractional First Mining Share or a fractional SpinCo Share. Where the aggregate number of First Mining Shares to be issued to a former Gold Canyon Shareholder as consideration under this Arrangement would result in a fraction of a First Mining Share being issuable, the number of First Mining Shares to be received by such Gold Canyon Shareholder shall be rounded down to the nearest whole First Mining Share and no Person will be entitled to any compensation in respect of a fractional First Mining Share. Where the aggregate number of SpinCo Shares to be issued to a former Gold Canyon Shareholder as consideration under this Arrangement would result in a fraction of a SpinCo Share being issuable, the number of SpinCo Shares to be received by such Gold Canyon Shareholder shall be rounded down to the nearest whole SpinCo Share and no Person will be entitled to any compensation in respect of a fractional SpinCo Share and any remaining SpinCo shares held by Gold Canyon as a result will be returned by Gold Canyon and will be deemed to be cancelled.

Cancellation

Any certificate which immediately prior to the Effective Time represented outstanding Gold Canyon Common Shares that were exchanged pursuant to Plan of Arrangement and not deposited, with all other instruments required by Plan of Arrangement on or prior to the sixth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature as a shareholder of First Mining or SpinCo. On such date, the First Mining Shares and SpinCo Shares to which the former registered holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered to First Mining or SpinCo, respectively, together with all entitlements to dividends, distributions and interest thereon held for such former registered holder. None of First Mining, SpinCo, Gold Canyon or the Depositary shall be liable to any person in respect of any First Mining Shares or SpinCo Shares (or dividends, distributions and interest in respect thereof) delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

SUMMARY OF THE PC GOLD ARRANGEMENT

Under the terms of the definitive arrangement agreement (the “**PC Gold Agreement**”) dated August 31, 2015 between First Mining and PC Gold, on closing of the PC Gold Arrangement, each PC Gold shareholder (the “**PC Gold Shareholders**”) will receive 0.2571 First Mining Shares for each PC Gold common share (a “**PC Gold Share**”) held. The Arrangement and the PC Gold Arrangement are not conditional upon each other and if one transaction does not complete for any reason it will not impact the closing of the other transaction. This summary is qualified in its entirety by reference to the PC Gold Agreement, a copy of which is available on SEDAR at www.sedar.com under PC Gold’s SEDAR profile.

First Mining will issue a total of approximately 27,804,508 First Mining Shares (assuming no exercise of existing PC Gold warrants or options) to the former PC Gold shareholders. Following the completion of the PC Gold Arrangement, the current PC Gold Shareholders will hold approximately 9.6% of the issued and outstanding First Mining Shares (assuming that the Arrangement is also completed). The PC Gold Arrangement will require the approval of at least 66⅔% of the votes cast by the PC Gold Shareholders voting on such resolution at a special meeting expected to take place in early November 2015.

The PC Gold Arrangement will also provide for the issuance by First Mining of an aggregate of approximately 5,729,731 replacement First Mining Warrants to holders of unexercised PC Gold warrants and approximately 6,032,500 replacement First Mining Options to holders of unexercised PC Gold options (assuming no exercise of existing warrants or options). All other terms and conditions of the replacement First Mining Warrants and replacement First Mining Options will be the same as the warrant or option for which they were exchanged. replacement First Mining Options will be governed by the terms of First Mining’s stock option plan, except that the terms and conditions of the First Mining Option Plan relating to accelerated expiry of options on account of early termination after ceasing to hold office or ceasing to be an employee or consultant will not apply to the replacement First Mining Options and such replacement First Mining Options will instead expire on the earlier of the expiry date of the PC Gold options for which they were exchanged and the date 12 months after closing.

The PC Gold Arrangement is subject to applicable shareholder, court and stock exchange approvals and the

satisfaction of certain other closing conditions customary in transactions of this nature. The PC Gold Agreement includes customary provisions, including non-solicitation of alternative transactions, right to match superior proposals and fiduciary-out provisions. In addition, PC Gold has agreed to pay a termination fee to First Mining of \$500,000 upon the occurrence of certain events.

Each of the directors and senior officers of PC Gold, who hold in the aggregate approximately 2.6% of the issued and outstanding PC Gold shares (assuming no exercise of existing PC Gold warrants or stock options) have entered into a voting agreement with First Mining and have agreed to vote in favour of the PC Gold Arrangement at the special meeting of PC Gold Shareholders to be held to consider the PC Gold Arrangement.

INFORMATION CONCERNING GOLD CANYON

Gold Canyon is a corporation existing under the BCBCA and maintains its registered and records office at Getz Prince Wells LLP, Suite 1810 - 1111 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4S4. See “Schedule F - Information Concerning Gold Canyon” attached to this Circular.

INFORMATION CONCERNING FIRST MINING

First Mining is a corporation existing under the BCBCA and maintains its registered and records office at McCullough O’Connor Irwin LLP, Suite 2600 Oceanic Plaza 1066 West Hastings Street, Vancouver, British Columbia, Canada, V6E 3X1. See “Schedule G - Information Concerning First Mining” attached to this Circular.

INFORMATION CONCERNING PC GOLD

PC Gold is a corporation existing under the Ontario Business Corporations Act and maintains its registered office at 365 Bay Street, Suite 800, Toronto, Ontario, Canada, M5H 2V1. See “Schedule H - Information Concerning PC Gold” attached to this Circular.

INFORMATION CONCERNING THE COMBINED COMPANY

On completion of the Arrangement, First Mining as the Combined Company will remain as a corporation existing under the laws of under the BCBCA. As of the Effective Date, First Mining will own all of the issued and outstanding shares of Gold Canyon. See “Schedule I - Information Concerning The Combined Company” attached to this Circular .

INFORMATION CONCERNING SPINCO ON A POST-TRANSACTION BASIS

SpinCo is a newly incorporated corporation existing under the BCBCA and maintains its registered and records office at Owen Bird Law Corporation, 595 Burrard Street, 29th Floor, Vancouver, British Columbia, Canada, V7X 1J5. See “Schedule K - Information Concerning SpinCo On A Post-Transaction Basis” attached to this Circular.

RIGHTS OF DISSENTING SHAREHOLDERS

Gold Canyon Shareholders who wish to dissent should take note that strict compliance with the dissent procedures (“**Dissent Procedures**”) is required.

Each registered holder of a Gold Canyon Share is entitled to be paid the fair value, in cash, of the holder’s Gold Canyon Shares, provided that the holder duly dissents to the Arrangement and the Arrangement becomes effective. Each beneficial holder of Gold Canyon Shares who wishes to exercise Dissent Rights must do so through his, her or its intermediary.

The Dissent Rights are those rights pertaining to the right to dissent from the Arrangement Resolution that are contained in Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the proposed Final Order and the Plan of Arrangement. A Gold Canyon Shareholder is not entitled to exercise Dissent Rights if the holder votes any Gold Canyon Shares in favour of the Arrangement Resolution. In addition, Gold Canyon Optionholders and Gold Canyon Warrantholders are not entitled to exercise Dissent Rights.

The Plan of Arrangement provides that the Gold Canyon Shares (the “**Dissenting Shares**”) of registered Gold Canyon Shareholders who validly exercise Dissent Rights and who are ultimately entitled to be paid the fair value, in cash, for those Dissenting Shares will be deemed to be transferred to First Mining as of the Effective

Time, in consideration for the payment by First Mining of the fair value thereof, in cash. First Mining is not obligated to complete the Arrangement if holders of more than 5% of the issued and outstanding Gold Canyon Shares exercise the Dissent Rights in respect of the Arrangement.

Any Dissenting Shareholder who ultimately is not entitled to be paid the fair value, in cash, of his, her or its Gold Canyon Shares will be deemed to have participated in the Arrangement on the same basis as non-Dissenting Shareholders, and each Gold Canyon Share held by such Dissenting Shareholder will be deemed to be transferred to First Mining in exchange for the First Mining Shares. In no case, however, will Gold Canyon, First Mining or any other Person be required to recognize such Persons as holders of Gold Canyon Shares after the Effective Time, and the names of such Persons will be deleted from the registers of holders of Gold Canyon Shares at the Effective Time.

A brief summary of the Dissent Procedures is set out below. This summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of the Gold Canyon Shares held and is qualified in its entirety by reference to Sections 237 to 247 of the BCBCA, as modified by the Interim Order, the proposed Final Order and the Plan of Arrangement. A copy of the Interim Order is reproduced in Schedule “C” which is attached to this Circular. Sections 237 to 247 of the BCBCA are reproduced in Schedule “M” attached to this Circular. The Dissent Procedures must be strictly adhered to and any failure by a Gold Canyon Shareholder to do so may result in the loss of that holder’s Dissent Rights. Accordingly, each Gold Canyon Shareholder who wishes to exercise Dissent Rights should carefully consider and comply with the Dissent Procedures and consult such holder’s legal advisors.

Written notice of dissent from the Arrangement Resolution must be received by Gold Canyon not later than 5:00 p.m. (Vancouver time) on the business day that is two business days before the date of the Meeting or any date to which the Meeting may be postponed or adjourned. The notice of dissent should be delivered by registered mail to Gold Canyon at the address for notice described below. After the Arrangement Resolution is approved by Gold Canyon Securityholders and within one month after Gold Canyon notifies the Dissenting Shareholder of Gold Canyon’s intention to act upon the Arrangement Resolution pursuant to Section 243 of the BCBCA, the Dissenting Shareholder must send to Gold Canyon a written notice that such holder requires the purchase of all of the Gold Canyon Shares in respect of which such holder has given notice of dissent, together with the share certificate or certificates representing those Gold Canyon Shares (including a written statement prepared in accordance with Section 244(2) of the BCBCA, if the dissent is being exercised by the Gold Canyon Shareholder on behalf of a beneficial Gold Canyon Shareholder). A Dissenting Shareholder who does not strictly comply with the Dissent Procedures or, for any other reason, is not entitled to be paid fair value, in cash, for his, her or its Dissenting Shares will be deemed to have participated in the Arrangement on the same basis as non-dissenting Gold Canyon Shareholders.

Any Dissenting Shareholder who has duly complied with Section 244(1) of the BCBCA, or Gold Canyon, may apply to the Court, and the Court may determine the fair value of the Dissenting Shares and make consequential orders and give directions as the Court considers appropriate. There is no obligation on Gold Canyon to apply to the Court. The Dissenting Shareholder will be entitled to receive the fair value, in cash, that the Dissenting Shares had immediately before the passing of the Arrangement Resolution.

All notices of dissent to the Arrangement pursuant to Section 242 of the BCBCA should be sent to:

Getz Prince Wells LLP
c/o D. Jeff Larkins
Suite 1810, 1111 West Georgia Street
Vancouver, British Columbia, Canada
V6E 4M3
Facsimile: (604) 685-9798

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal Canadian federal income tax considerations under the *Tax Act* relating to the Arrangement and is generally applicable to Gold Canyon Shareholders who, at all relevant times, for purposes of the *Tax Act* (i) hold their Gold Canyon Shares, and will hold their SpinCo Shares, as capital property, (ii) deal at arm’s length (within the meaning of the *Tax Act*) with First Mining, Gold Canyon and SpinCo, and (iii) are not affiliated with First Mining, Gold Canyon or SpinCo. Gold Canyon Shares and SpinCo

Shares will generally be considered to be capital property to a holder thereof, unless the shares are held in the course of carrying on a business, were acquired in a transaction considered to be an adventure or concern in the nature of trade or the holder is a trader or dealer in securities. Certain shareholders who are resident in Canada and who might not otherwise be considered to hold such shares as capital property may be entitled, in certain circumstances, to make an irrevocable election in accordance with subsection 39(4) of the *Tax Act* to have such shares and all other “Canadian securities” as defined in the *Tax Act* owned by such shareholder in the taxation year in which the election is made, and in all subsequent taxation years, deemed to be capital property. Any person contemplating making such an election should consult their own tax advisor.

This summary is not applicable to a Shareholder who acquired Gold Canyon Shares pursuant to an employee stock option plan. In addition, this summary is not applicable to a Shareholder: (a) that is a “financial institution” (as defined in the *Tax Act*) for the purposes of the mark-to-market rules contained in the *Tax Act*; (b) that is a “specified financial institution” or “restricted financial institution” (as defined in the *Tax Act*); (c) an interest in which would be a “tax shelter investment” (as defined in the *Tax Act*); (d) which is exempt from tax under Part I of the *Tax Act*; (e) who makes or has made a functional currency reporting election pursuant to section 261 of the *Tax Act*; (f) that has entered into or will enter into, a “derivative forward agreement” (as defined in the *Tax Act*) in respect of the Gold Canyon Shares or First Mining Shares; or (g) that is a foreign affiliate of a taxpayer resident in Canada.

This summary does not address the income tax considerations of owning, holding or exercising of Gold Canyon Options or Warrants, nor does it address the income tax considerations of the Arrangement to Gold Canyon Option Holders or holders of Gold Canyon Warrants. Gold Canyon Option Holders and holders of Gold Canyon Warrants should consult their own tax advisors.

Additional considerations, not discussed herein, may be applicable to a Shareholder that is a corporation resident in Canada, and is, or becomes, controlled by a non-resident corporation for the purposes of the “foreign affiliate dumping” rules in section 212.3 of the *Tax Act*. All such Gold Canyon Shareholders should consult their own tax advisor.

This summary is based upon the current provisions of the *Tax Act* and regulations there under, and the current published administrative practices and assessing policies of the Canada Revenue Agency (the “CRA”). This summary also takes into account all specific proposals to amend the *Tax Act* (the “Proposed Amendments”) announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, and assumes that all Proposed Amendments will be enacted in their present form. However, there can be no assurance that the Proposed Amendments will be enacted in the form proposed, or at all. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, or the administrative practices and assessing policies of CRA, whether by legislative, governmental, or judicial action or decision, nor does it take into account provincial, territorial or foreign income tax considerations, which may differ from the Canadian federal income tax considerations discussed below. This summary assumes that the Gold Canyon Shares and SpinCo Shares will, at all relevant times, either be listed on the TSX-V or CSE or deemed to be a “public company” (as defined in the *Tax Act*). The income and other tax consequences of the Arrangement will vary depending on the Gold Canyon Shareholder’s particular circumstances, including the province/territory or provinces/territories in which such Gold Canyon Shareholder resides, carries on business or has a permanent establishment.

This summary is of a general nature only, and is not exhaustive of all possible Canadian federal income tax considerations. This summary is not intended to be, nor should it be construed to be, legal or tax advice to any particular Gold Canyon Shareholder. Accordingly, Gold Canyon Shareholders are advised to consult their own tax advisors for advice as to the Canadian, provincial, territorial, foreign and other tax implications to them of the Arrangement in their particular circumstances.

GOLD CANYON SHAREHOLDERS RESIDENT IN CANADA

The following portion of the summary is applicable to a Gold Canyon Shareholder who is, or is deemed to be, resident in Canada for purposes of the *Tax Act* (a “**Resident Shareholder**”).

Exchange of Gold Canyon Shares for Class A Shares and SpinCo Shares

If, at the time the Gold Canyon Shares are exchanged for Class A Shares and SpinCo Shares under the Arrangement, the fair market value of all SpinCo Shares transferred to Gold Canyon Shareholders on such

exchange were to exceed the paid-up capital of all exchanged Gold Canyon Shares immediately before the exchange (which, as described below, Gold Canyon does not expect to be the case), Gold Canyon would be deemed to have paid a dividend on the exchanged Gold Canyon Shares equal to the amount of such excess, and each Resident Shareholder would be deemed to have received a pro rata portion of such dividend, based on the proportion of Gold Canyon Shares held by such Gold Canyon Shareholder immediately before the exchange. However, the fair market value of all SpinCo Shares at the time of such exchange is expected to be lower than the amount that will be the aggregate paid-up capital of all exchanged Gold Canyon Shares immediately before such exchange. Accordingly, Gold Canyon is not expected to be deemed to have paid a dividend as a result of the exchange.

Assuming that the fair market value at the time of the exchange of the SpinCo Shares distributed to Gold Canyon Shareholders under the Arrangement does not exceed the aggregate paid-up capital of all exchanged Gold Canyon Shares immediately before the exchange, a Resident Shareholder whose Gold Canyon Shares are exchanged for Class A Shares and SpinCo Shares will be considered to have disposed of its Gold Canyon Shares for proceeds of disposition equal to the greater of the adjusted cost base to the Resident Shareholder of its Gold Canyon Shares immediately before the exchange and the fair market value at the time of the exchange of the SpinCo Shares received by such Gold Canyon Shareholder. Consequently, the Resident Shareholder will realize a capital gain on the exchange only if, and to the extent that, the fair market value of the SpinCo Shares received by such shareholder on the exchange exceeds the adjusted cost base of such shareholder's Gold Canyon Shares. If the fair market value of the SpinCo Shares distributed to Gold Canyon Shareholders under the Arrangement at the time of the exchange were to exceed the aggregate paid-up capital of all exchanged Gold Canyon Shares immediately before the exchange (which, as described above, Gold Canyon does not expect to be the case), the proceeds of disposition of a Resident Shareholder's Gold Canyon Shares would generally be reduced by the amount of the deemed dividend that such shareholder would be deemed to have received, as described in the immediately preceding paragraph. In some circumstances, any such dividend deemed to be received by a Resident Shareholder that is a corporation may be deemed by subsection 55(2) of the *Tax Act* to instead be proceeds of disposition for the Gold Canyon Shares. See "*Taxation of Capital Gains and Capital Losses*" below for a general description of the treatment of capital gains and capital losses under the *Tax Act*.

The aggregate cost to a Resident Shareholder of Class A Shares acquired on the exchange will be equal to the amount, if any, by which the adjusted cost base to the Resident Shareholder of such shareholder's Gold Canyon Shares immediately before the exchange exceeds the fair market value at the time of the exchange of the SpinCo Shares acquired by such shareholder on the exchange. The cost to a Resident Shareholder of SpinCo acquired on the exchange will be equal to the fair market value of the SpinCo Shares at the time of the exchange.

Exchange of Class A Shares for First Mining Shares

In general, the exchange of Class A shares for First Mining Shares under the Arrangement will not give rise to a capital gain (or capital loss) to a Resident Shareholder unless such Resident Shareholder elects to report such capital gain (or capital loss) in its income tax return for the year in which the exchange occurs.

Except where a particular Resident Shareholder chooses to recognize a capital gain (or capital loss) on the exchange of Class A Shares for First Mining Shares (as discussed below), Resident Shareholders generally will be deemed to have disposed of Class A Shares for proceeds of disposition equal to the adjusted cost base of such shares immediately before the exchange and will be deemed to have acquired the First Mining Shares received on the exchange at a cost equal to that same amount. This cost will be averaged with the adjusted cost base of all other First Mining Shares held by the Resident Shareholder as capital property for purposes of determining the adjusted cost base of each First Mining Share held by such Resident Shareholder.

A Resident Shareholder may choose to recognize a capital gain (or capital loss) on the exchange of Class A Shares for First Mining Shares under the Arrangement in such Resident Shareholder's taxation year in which the exchange occurs. In such event, the Resident Shareholder will be considered to have disposed of the Class A Shares for proceeds of disposition equal to the fair market value of the First Mining Shares received on the exchange. Such Resident Shareholder will realize a capital gain (or capital loss) to the extent that such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to such Resident Shareholder of the Class A Shares so exchanged immediately before the exchange. Any Resident Shareholder that chooses to recognize a capital gain (or capital loss) will acquire the First Mining Shares at a cost equal to the fair market value of such First Mining received on the exchange. The cost of such First Mining

Shares must be averaged with the adjusted cost base of all other First Mining Shares held by such Resident Shareholder for the purposes of determining the adjusted cost base of each First Mining Share to such Resident Shareholder. See “*Taxation of Capital Gains and Capital Losses*” below for a general description of the treatment of capital gains and capital losses under the *Tax Act*. It is not possible for a Resident Shareholder to elect to recognize only a portion of the gain otherwise realized on a disposition of Class A Shares using the mechanism described above.

Dividends on SpinCo Shares

In the case of a Resident Shareholder who is an individual, dividends received or deemed to be received on SpinCo Shares would be included in computing the individual’s income and would be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit in respect of any dividends that are designated as “eligible dividends”.

In the case of a Resident Shareholder that is a corporation, dividends received or deemed to be received on SpinCo Shares would be included in computing the corporation’s income and would generally be deductible in computing its taxable income. A “private corporation” (as defined in the *Tax Act*) or any other corporation controlled or deemed to be controlled by or for the benefit of an individual or a related group of individuals may be liable under Part IV of the *Tax Act* to pay a refundable tax of 33 ⅓% on dividends received or deemed to be received on such shares to the extent that such dividends are deductible in computing the corporation’s taxable income.

Disposition of SpinCo Shares

A Resident Shareholder who disposes or is deemed to dispose of SpinCo Shares (other than a disposition to SpinCo in circumstances other than a purchase by SpinCo in the open market in the manner in which shares are normally purchased by a member of the public in the open market) will generally realize a capital gain (or capital loss) equal to the amount by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to the Resident Shareholder of those shares immediately before the disposition. See “*Taxation of Capital Gains and Capital Losses*” below for a general description of the treatment of capital gains and capital losses under the *Tax Act*.

Taxation of Capital Gains and Capital Losses

One-half of any capital gain (a “taxable capital gain”) realized by a Resident Shareholder in a taxation year will be included in the Resident Shareholder’s income for the year. One-half of any capital loss (an “allowable capital loss”) realized by a Resident Shareholder in a taxation year must generally be deducted against taxable capital gains realized in that taxation year, to the extent and in the circumstances specified in the *Tax Act*. Any excess of allowable capital losses over taxable capital gains realized in a particular taxation year may be carried back up to three taxation years and carried forward indefinitely and deducted against net taxable capital gains realized in those other years, to the extent and in the circumstances specified in the *Tax Act*.

If the Resident Shareholder is a corporation, the amount of any capital loss arising from a disposition or deemed disposition of a Class A Share or a SpinCo Share may be effectively reduced by the amount of dividends received or deemed to be received by the corporation on the share, to the extent and under circumstances specified by the *Tax Act*. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

Capital gains realized by individuals and certain trusts may give rise to a liability for alternative minimum tax under the *Tax Act*. A Resident Shareholder that is a “Canadian-controlled private corporation” (as defined in the *Tax Act*) may be liable to pay an additional refundable tax of 6 ⅔% on certain investment income, which may include amounts in respect of net taxable capital gains and dividends or deemed dividends not deductible in computing taxable income.

Dissenting Gold Canyon Shareholders

A Resident Shareholder who, as a result of the exercise of Dissent Rights, disposes of Gold Canyon Shares to First Mining in consideration for a cash payment from First Mining, will be considered to have disposed of the

Gold Canyon Shares for proceeds of disposition equal to the cash payment in Canadian currency (other than any portion of the payment that is interest awarded by the court). Such Gold Canyon Dissenting Shareholder will realize a capital gain (or capital loss) equal to the amount by which such proceeds of disposition, net of any reasonable costs of disposition, exceed (or are exceeded by) the adjusted cost base to such Dissenting Gold Canyon Shareholder of the Gold Canyon Shares immediately before the disposition. See “*Taxation of Capital Gains and Capital Losses*” above for a general description of the treatment of capital gains and capital losses under the *Tax Act*. Interest, if any, awarded by a court to a Resident Shareholder who is a Dissenting Gold Canyon Shareholder will be included in such shareholder’s income for purposes of the *Tax Act*.

Dissenting Resident Shareholders should consult their own tax advisors with respect to the Canadian federal income tax consequences of exercising their Dissenting Rights.

GOLD CANYON SHAREHOLDERS NOT RESIDENT IN CANADA

The following portion of the summary is applicable to a Gold Canyon Shareholder who (i) is not and has never been, or is not and has never been deemed to be, resident in Canada for purposes of the *Tax Act* or any relevant tax treaty or convention, and (ii) does not and will not use or hold, and is not and will not be deemed to use or hold, Gold Canyon Shares or SpinCo Shares in connection with carrying on a business in Canada (a “**Non-Resident Shareholder**”).

Special rules, which are not discussed in this summary, may apply to a Non-Resident Shareholder that is an insurer carrying on business in Canada and elsewhere.

Receipt of SpinCo Shares

The discussion above, under “*Shareholders Resident in Canada — Exchange of Gold Canyon Shares for Class A Shares and SpinCo Shares*”, of the deemed dividend potentially resulting from the distribution of SpinCo Shares also applies to a Non-Resident Shareholder. As noted in the above discussion, based on the information provided by Gold Canyon, Gold Canyon is not expected to be deemed to have paid a dividend as a result of the exchange of the Gold Canyon Shares for Class A Shares and SpinCo Shares. In the event that Gold Canyon was deemed to have paid a dividend, the portion of the dividend deemed to have been paid to a Non-Resident Shareholder would be subject to withholding tax under the *Tax Act* at the rate of 25% of the gross amount of the dividend, subject to reduction under an applicable income tax convention or treaty.

Disposition of Gold Canyon Shares, Class A Shares and SpinCo Shares

A Non-Resident Shareholder will generally be subject to the same income tax considerations as those discussed above with respect to Resident Shareholders under “*Gold Canyon Shareholders Resident in Canada - Exchange of Class A Shares for First Mining Shares*”. However, if a Non-Resident Shareholder chooses to report a capital gain or capital loss on the exchange of Class A Shares for First Mining Shares, the Non-Resident Shareholder will not be subject to tax under the *Tax Act* unless the Class A Shares constitute “taxable Canadian property” to the Non-Resident Shareholder at the time of the exchange and the Non-Resident Shareholder is not entitled to relief under an applicable income tax convention between Canada and the country in which the Non-Resident Shareholder is resident.

A Non-Resident Shareholder who participates in the Arrangement will not be subject to tax under the *Tax Act* on any capital gain realized on a disposition or deemed disposition of shares (including Gold Canyon Shares and SpinCo Shares), unless, at the time of disposition, (i) such shares disposed of are “taxable Canadian property” of the Non-Resident Shareholder and (ii) the Non-Resident Shareholder is not exempt from taxation in Canada on the disposition of such shares under the terms of an applicable income tax convention.

Generally, a share listed on a designated stock exchange for purposes of the *Tax Act* (which includes the TSX-V) will not be “taxable Canadian property” to a Non-Resident Shareholder unless, at any particular time during the 60 month period immediately preceding the disposition (i) 25% or more of the issued shares of any class or series of the particular corporation were owned by: (a) such Non-Resident Shareholder, (b) persons with whom the Non-Resident Shareholder did not deal at arm’s length, (c) a partnership in which the Non-Resident Shareholder, or persons with whom the Non-Resident Shareholder did not deal at arm’s length, holds a membership interest directly or indirectly through one or more partnerships, or (d) any combination thereof, and (ii) the shares derived more than 50% of their fair market value directly or indirectly from one or any combination of real property

situated in Canada, “timber resource property”, “Canadian resource property” (each as defined under the *Tax Act*), or options in respect of, or interests or rights in any of the foregoing.

Generally, the Class A Shares will not be “taxable Canadian property” to a Non-Resident Shareholder unless, at any particular time during the 60 month period immediately preceding the disposition, the shares derived more than 50% of their fair market value directly or indirectly (otherwise than through a corporation, partnership or trust the shares or interests in which were not themselves “taxable Canadian property” at the particular time) from one or any combination of real property situated in Canada, “timber resource property”, “Canadian resource property” (each as defined under the *Tax Act*), or options in respect of, or interests or rights in any of the foregoing. The Class A Shares may be taxable Canadian property of a Non-Resident Shareholder. Non-Resident Shareholders of Class A Shares are “taxable Canadian property” are advised to consult their own tax advisors.

In the event that a Gold Canyon Share, Class A Share, First Mining Share, or SpinCo Share constitutes “taxable Canadian property” of a Non-Resident Shareholder and any capital gain that would be realized on the exchange or disposition of the share is not exempt from tax under the *Tax Act* pursuant to an applicable income tax convention, then the tax consequences discussed above for Gold Canyon Shareholders who are resident in Canada, under “*Exchange of Gold Canyon Shares for Class A Shares and SpinCo Shares*”, “*Exchange of Class A Shares for First Mining Shares*”, “*Disposition of First Mining Shares*” and “*Disposition of SpinCo Shares*”, as applicable, and under “*Taxation of Capital Gains and Capital Losses*”, would generally apply.

Reporting and withholding obligations under section 116 of the *Tax Act* apply when a person who is not resident in Canada for purposes of the *Tax Act* disposes of “taxable Canadian property”, other than “excluded property”. “Excluded property” includes a share of a class of shares of a corporation that is listed on a recognized stock exchange (which includes the TSX-V), and also includes a property that is a “taxable Canadian property” solely because of a deeming provision in the *Tax Act*. The reporting and withholding obligations may apply to a Non-Resident Shareholder’s disposition of their Class A Shares as the shares may constitute “taxable Canadian property”.

Dividends on SpinCo Shares

Dividends paid, deemed to be paid, or credited on SpinCo Shares to a Non-Resident Shareholder would be subject to withholding tax under the *Tax Act* at a rate of 25% of the gross amount of the dividend, unless such rate is reduced by an applicable income tax convention or treaty. In the case of a beneficial owner of dividends that is a resident of the United States, that is a “qualifying person” for purposes of the tax treaty between Canada and the United States and that owns less than 10% of the voting stock of SpinCo, as the case may be, the rate of withholding tax on dividends would be reduced to 15%.

Dissenting Gold Canyon Shareholders

A Non-Resident Shareholder, who as a result of the exercise of Dissent Rights, disposes of Gold Canyon Shares to First Mining in consideration for a cash payment from First Mining, will be considered to realize a capital gain or capital loss as discussed above under “*Gold Canyon Shareholders Resident in Canada— Dissenting Gold Canyon Shareholders*”. The same general considerations apply as discussed above under “*Gold Canyon Shareholders Not Resident in Canada— Disposition of Gold Canyon Shares, Class A Shares and SpinCo Shares*” in determining whether a capital gain will be subject to tax under the *Tax Act*. Any interest awarded to the Non-Resident Shareholder by the Court will not be subject to withholding tax under the *Tax Act*, unless such interest constitutes “participating debt interest” (as defined in the *Tax Act*).

ELIGIBILITY FOR INVESTMENT IN CANADA

The Class A Shares will, while held by a shareholder pursuant to the Arrangement, be qualified investments under the *Tax Act* for trusts governed by registered retirement savings plans, registered retirement income funds, registered disability savings plans, deferred profit sharing plans, registered education savings plans and tax-free savings accounts (collectively referred hereafter as “**Registered Plans**”, or individually as “**RRSP**”, “**RRIF**”, “**RDSP**”, “**DPSP**”, “**RESP**”, “**TFSA**” respectively).

The SpinCo Shares will be qualified investments under the *Tax Act* for Registered Plans at a particular time, provided that, at that time, the SpinCo Shares are listed on a designated stock exchange at that time or SpinCo is a “public corporation” as defined in the *Tax Act*. If the SpinCo Shares are not listed on a designated stock exchange

at the time they are distributed pursuant to the Arrangement, but they become listed on a designated stock exchange in Canada before the due date for SpinCo's first income tax return and SpinCo makes the appropriate election in that return, or SpinCo otherwise satisfies the conditions in the *Tax Act* to be a "public corporation" before the due date for SpinCo's first income tax return and SpinCo makes the appropriate election in that return, the SpinCo Shares will be considered to be a qualified investment for Registered Plans from their date of issue.

Where a Registered Plan acquires a SpinCo Share in circumstances where the SpinCo Share is not a qualified investment under the *Tax Act* for the Registered Plan, adverse tax consequences may arise for the Registered Plan and the annuitant or holder under the Registered Plan. Accordingly, SpinCo shareholders should consult their own tax advisors.

Notwithstanding that a Class A Share or SpinCo Share may be a qualified investment for a trust governed by a TFSA, RRSP or RRIF, the holder of a TFSA or annuitant of a RRSP or RRIF, as applicable, will be subject to a penalty tax in respect of such share held in the TFSA, RRSP or RRIF, as applicable, if such share is a "prohibited investment" under the *Tax Act*. A Class A Share or SpinCo Share will generally not be a "prohibited investment" for a trust governed by a TFSA, RRSP or RRIF provided that: (i) the holder of the TFSA or the annuitant under the RRSP or RRIF, as applicable, deals at arm's length with Gold Canyon or SpinCo, as applicable, for purposes of the *Tax Act*, and does not have a "significant interest" as defined in the *Tax Act* in Gold Canyon or SpinCo, as applicable, or (ii) the Class A Shares and SpinCo Shares are "excluded property" (as defined in subsection 207.01(1) of the *Tax Act*) for the TFSA, RRSP or RRIF. An annuitant under the RRSP or RRIF, or a holder of a TFSA should consult their own tax advisor.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain of the U.S. federal income tax consequences of the transactions described in the Arrangement for U.S. Holders (as defined below) participating in the Arrangement. This summary is for general information purposes only and does not purport to be a complete analysis or listing of all potential U.S. federal income tax consequences that may apply to a U.S. Holder as a result of the Arrangement. In addition, this summary does not take into account the individual facts and circumstances of any particular U.S. Holder that may affect the U.S. federal income tax consequences of the Arrangement to such U.S. Holder. Accordingly, this summary is not intended to be, and should not be construed as, legal or U.S. federal income tax advice with respect to any U.S. Holder. Except as discussed below, this summary does not discuss reporting requirements. This summary does not discuss or take into account any U.S. federal estate, gift, generation-skipping transfer tax or alternative minimum tax considerations nor any U.S. state or local tax considerations. U.S. Holders should consult their own tax advisors regarding any such tax consequences of the Arrangement. This summary does not address the U.S. tax consequences of the Arrangement to Gold Canyon Warrant holders or Gold Canyon Option holders with respect to their Gold Canyon Warrants or Gold Canyon Options, respectively.

Notice Pursuant To Treasury Department Circular 230: Anything contained in this summary concerning any U.S. federal income tax issue is not intended or written to be used, and it cannot be used by a U.S. Holder, for the purpose of avoiding U.S. federal income tax penalties under the Internal Revenue Code of 1986, as amended (the "Code"). This summary was written to support the promotion or marketing (within the meaning of Circular 230) of the Arrangement. Each U.S. Holder should seek U.S. federal tax advice, based on the U.S. Holder's particular circumstances, from an independent tax advisor.

AUTHORITIES

This summary is based upon the Code, temporary, proposed, and final Treasury Regulations issued under the Code, judicial and administrative interpretations of the Code and Treasury Regulations, and the Convention Between Canada and the United States of America with Respect to Taxes on Income and on Capital, signed September 26, 1980, as amended (the "**Canada-US Tax Convention**"), in each case as in effect and available as of the date of this Circular. The Code, Treasury Regulations and judicial and administrative interpretations thereof may change at any time, and any change could be retroactive to the date of this Circular.

No legal opinion from U.S. legal counsel or ruling from the IRS has been requested, or will be obtained, regarding the U.S. federal income tax consequences of the Arrangement and the ownership and disposition of SpinCo Shares and First Mining Shares received pursuant to the Arrangement. This summary is not binding on the IRS, and the IRS is not precluded from taking a position that is different from, and contrary to, the positions taken in

this summary. In addition, because the authorities on which this summary is based are subject to various interpretations, the IRS and the U.S. courts could disagree with one or more of the positions taken in this summary.

U.S. HOLDERS

For purposes of this summary, the term “**U.S. Holder**” means a beneficial owner of Gold Canyon Shares (or, following the completion of the Arrangement, SpinCo Shares and First Mining Shares) that is:

- a citizen or individual resident of the United States for U.S. federal income tax purposes;
- a corporation (or other entity properly classified as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state within the United States, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if (i) a U.S. court is able to exercise primary supervision over the trust’s administration and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust, or (ii) in the case of a trust that was in existence on August 20, 1996 and was validly treated as a domestic trust, a valid election is in place under applicable U.S. Treasury Regulations to treat such trust as a domestic trust.

If a partnership (or other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Gold Canyon Shares (or following the completion of the Arrangement, SpinCo Shares and First Mining Shares), the U.S. federal income tax treatment of a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. This summary does not discuss the tax consequences of the Arrangement to any such partnership or partner in such partnership. Any such partnership or partner should consult its own tax advisor.

NON-U.S. HOLDERS

For purposes of this summary, a “**non-U.S. Holder**” means a beneficial owner of Gold Canyon Shares, SpinCo Shares and First Mining Shares that is not a U.S. Holder. This summary does not address the U.S. federal income tax consequences of the Arrangement or ownership and disposition of SpinCo Shares and First Mining Shares received pursuant to the Arrangement to non-U.S. Holders of Gold Canyon Shares, and such non-U.S. Holders should consult their own tax advisors regarding the potential U.S. federal income tax consequences to them of the Arrangement and ownership and disposition of SpinCo Shares and First Mining Shares received pursuant to the Arrangement, and the potential application of any tax treaties.

TRANSACTIONS NOT ADDRESSED

This summary does not address the U.S. federal income tax consequences of any transaction, other than the Arrangement, in which SpinCo Shares and First Mining Shares are acquired.

PERSONS NOT ADDRESSED

This summary does not address the U.S. federal income tax consequences applicable to U.S. Holders that may be subject to special tax rules, including:

- banks, financial institutions and insurance companies;
- real estate investment trusts, regulated investment companies or grantor trusts;
- tax-exempt organizations, qualified retirement plans, individual retirement accounts, or other tax-deferred accounts;
- brokers, dealers and traders in securities;
- persons who do not own Gold Canyon Shares, SpinCo Shares or First Mining Shares as capital assets (generally, property held for investment) within the meaning of section 1221 of the Code;
- dealers in securities or currencies or traders in securities that elect to use a mark-to-market method of accounting for their securities holdings;
- persons that hold Gold Canyon Shares as a part of a hedging, integrated or conversion transaction or a

straddle, or as part of any other risk reduction transaction; and

- persons who own, or are deemed to own 10% or more, by voting power or value, of Gold Canyon, SpinCo or First Mining.

This summary also does not address the U.S. federal income tax consequences applicable to U.S. Holders who are: (a) U.S. expatriates or former long-term residents of the United States; (b) persons that have been, are, or will be a resident or deemed to be a resident in Canada for purposes of the *Tax Act*; (c) persons that use or hold, will use or hold, or that are or will be deemed to use or hold Gold Canyon Shares (or after the Arrangement, SpinCo Shares and First Mining Shares) in connection with carrying on a business in Canada; or (d) persons that have a permanent establishment in Canada for the purposes of the Canada-U.S. Tax Convention. U.S. Holders that are subject to special provisions under the Code, including U.S. Holders described immediately above, should consult their own tax advisors regarding the tax consequences relating to the Arrangement and the ownership and disposition of SpinCo Shares and First Mining Shares received pursuant to the Arrangement.

TREATMENT OF U.S. HOLDERS OF GOLD CANYON SHARES

Gold Canyon has not sought a ruling from the IRS or an opinion from legal counsel regarding the possible treatment of the exchange of a U.S. Holder's Gold Canyon Shares for SpinCo Shares (the "**Spin-Off**") as a tax free spin-off under section 355 of the Code. For purposes of the following summary of tax consequences, it is assumed that the Spin-Off will not qualify for tax-free treatment for U.S. federal tax purposes. Furthermore, the Spin-Off and the exchange of Gold Canyon Shares for First Mining Shares under the Arrangement may be treated as steps of a single integrated transaction for U.S. federal income tax purposes in which U.S. Holders may be treated as having disposed of their Gold Canyon Shares in a taxable exchange for SpinCo Shares and First Mining Shares. There can be no assurance that the IRS or a U.S. court would not take a contrary view of the Arrangement. None of Gold Canyon, SpinCo or First Mining has sought or obtained either a ruling from the IRS or an opinion from legal counsel regarding any of the tax consequences of the Arrangement. Accordingly, there can be no assurance that the IRS will not challenge the status of the Arrangement as a taxable transaction or that the U.S. courts will uphold the status of the Arrangement as a taxable transaction in the event of an IRS challenge. If the Spin-Off and the exchange of Gold Canyon Shares for First Mining Shares under the Arrangement are not treated as a single integrated transaction, the Spin-off may be treated as a taxable distribution and the exchange of Gold Canyon Shares for First Mining Shares under the Arrangement may qualify as a tax-deferred reorganization under section 368(a) of the Code to the extent certain requirements are satisfied, and if any additional requirements under the PFIC rules (such as requiring PFIC stock to be exchanged for PFIC stock), if applicable, are also satisfied. U.S. Holders should consult their own tax advisors regarding the proper characterization of the Arrangement.

Assuming that the Arrangement is treated as a taxable transaction as discussed in the preceding paragraph, the SpinCo Shares and the First Mining Shares will be treated as an amount realized in exchange for the U.S. Holder's Gold Canyon Shares (and, to the extent the special PFIC tax rules described below are applicable, the U.S. Holder's indirect interest in the Gold Canyon subsidiaries) and the U.S. Holder will recognize gain or loss equal to the difference, if any, between (a) the aggregate fair market value of the SpinCo Shares and the First Mining Shares received by the U.S. Holder and (b) the U.S. Holder's adjusted tax basis in the U.S. Holder's Gold Canyon Shares. The aggregate tax basis of the SpinCo Shares and the First Mining Shares received by a U.S. Holder in the Arrangement will be equal to their aggregate fair market value at the time of their receipt. The holding period of SpinCo Shares and the First Mining Shares received by a U.S. Holder in the Arrangement will begin on the day after their receipt.

Subject to the PFIC rules discussed below, any gain or loss recognized by the U.S. Holder will be short-term capital gain or loss, unless the holding period for the Gold Canyon Shares exchanged was more than one year at the closing of the Arrangement, in which case any gain or loss recognized will be long-term capital gain or loss. Preferential tax rates for long-term capital gains are generally applicable to a U.S. Holder that is an individual, estate or trust. There are no preferential tax rates for long-term capital gains for a U.S. Holder that is a corporation. The deduction of capital losses is subject to limitations.

U.S. HOLDERS EXERCISING DISSENT RIGHTS

A U.S. Holder that exercises Dissent Rights in the Arrangement and is paid cash in exchange for all of such U.S. Holder's Gold Canyon Shares generally will recognize gain or loss equal to the difference, if any, between (a) the

amount of the cash payment received by such U.S. Holder in exchange for Gold Canyon Shares (other than amounts, if any, that are or are deemed to be interest for U.S. federal income tax purposes, which amounts will be taxed as ordinary income) and (b) the adjusted tax basis of such U.S. Holder in such Gold Canyon Shares surrendered. Subject to the PFIC rules discussed below, any gain or loss recognized by the U.S. Holder will be short-term capital gain or loss, unless the holding period for the Gold Canyon Shares exchanged was more than one year at the closing of the Arrangement, in which case any gain or loss recognized will be long-term capital gain or loss. Preferential tax rates for long-term capital gains are generally applicable to a U.S. Holder that is an individual, estate or trust. There are no preferential tax rates for long-term capital gains for a U.S. Holder that is a corporation. The deduction of capital losses is subject to limitations.

PASSIVE FOREIGN INVESTMENT COMPANY CONSIDERATIONS

A non-U.S. corporation will be classified as a PFIC, for U.S. federal income tax purposes in any tax year in which, after applying certain look-through and related person rules, (i) 75% or more of the corporation's gross income for such tax year is passive income or (ii) on average, 50% or more of the assets held by the corporation either produce passive income or are held for the production of passive income, based on the fair market value of such assets. "Passive income" includes, for example, dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions. Among other special rules, income from working capital, such as interest, generally is considered passive income. In determining whether or not it is classified as a PFIC, a non-U.S. corporation is required to take into account its pro rata portion of the income and assets of each corporation in which it owns, directly or indirectly, at least a 25% (by value) stock interest.

PFIC status is fundamentally factual in nature, generally cannot be determined until the close of the tax year in question and is determined annually. Additionally, the analysis depends, in part, on complex U.S. federal income tax rules which are subject to varying interpretations. Consequently, there can be no assurances regarding the PFIC status of Gold Canyon, SpinCo or First Mining for any prior tax year or the current year. If Gold Canyon, SpinCo or First Mining was a PFIC at any time during a U.S. Holder's holding period for these shares, as applicable, then the tax consequences of disposing of such shares, as discussed above, will be significantly modified by the PFIC rules discussed below.

PFIC Special Tax Regime

In general, under the PFIC rules, unless a timely election to treat the PFIC as a "qualified electing fund", or a QEF, or a mark-to-market election has been made, (i) any excess distribution (generally, the ratable portion of distributions in any year which are greater than 125% of the average annual distribution received by a U.S. Holder in the shorter of the three preceding years or the U.S. Holder's holding period) received by a U.S. Holder and gain realized by a U.S. Holder on a sale or other disposition (including certain events that would not otherwise be treated as taxable events) will be treated as if it had been realized ratably over the U.S. Holder's holding period, (ii) the amount deemed realized in the current year will be taxable as ordinary income, (iii) the amount deemed realized in each prior year will be subject to tax at the highest marginal rate applicable in such year to ordinary income, and (iv) an interest charge at the rate generally applicable to underpayments of tax will be imposed on such tax as if the tax were payable in those years.

If a U.S. Holder holds Gold Canyon Shares, SpinCo Shares or First Mining Shares in any year in which the applicable entity is classified as a PFIC, such U.S. Holder would be required to attach a completed IRS Form 8621 to its tax return every year in which it recognized gain on a disposition of such shares or received an excess distribution, either directly or indirectly. Additional annual filing requirements for U.S. persons who are shareholders in a PFIC may also apply. U.S. Holders should consult their own tax advisors concerning annual PFIC filing requirements.

Indirect PFIC Shareholders

If Gold Canyon, SpinCo, First Mining or any of its non-U.S. subsidiaries owns shares of another foreign corporation that is a PFIC ("**Subsidiary PFIC**"), under certain indirect ownership rules, a U.S. Holder may be treated as if it owned its proportionate share of the shares of the Subsidiary PFIC for purposes of the PFIC rules. A U.S. Holder will be subject to U.S. federal income tax on their proportionate share of (a) any "excess distributions," as described above, on the stock of a Subsidiary PFIC and (b) a disposition or deemed disposition

of the stock of a Subsidiary PFIC by the corporate shareholder or another Subsidiary PFIC, both as if such U.S. Holders directly held the shares of such Subsidiary PFIC. In addition, U.S. Holders may be subject to U.S. federal income tax on any indirect gain realized on the stock of a Subsidiary PFIC on the sale or disposition of Gold Canyon Shares, SpinCo Shares or First Mining Shares. Accordingly, U.S. Holders should be aware that they could be subject to tax even if no distributions are received and no redemptions or other dispositions of Gold Canyon Shares, First Mining Shares or SpinCo Shares are made. Basis adjustments and other rules apply to prevent a shareholder from being taxed twice on an amount previously taxed under the indirect disposition rules.

QEF Election

A U.S. Holder that makes (or has made) a timely QEF election with respect to shares of Gold Canyon, SpinCo, or First Mining, as the case may be, will be subject to U.S. federal income tax on such U.S. Holder's pro rata share of (i) Gold Canyon's, SpinCo's or First Mining's, as applicable, net capital gain, which will be taxed as long-term capital gain to such U.S. Holder, and (ii) Gold Canyon's, SpinCo's or First Mining's, as applicable, ordinary earnings, which will be taxed as ordinary income to such holder, regardless of whether such amounts are actually distributed to the holder. However, a U.S. Holder that makes a QEF election may, subject to certain limitations, elect to defer payment of current U.S. federal income tax on such amounts, subject to an interest charge. If such holder is not a corporation, any such interest paid will be treated as "personal interest," which is not deductible. A U.S. Holder who makes a QEF election will be required to comply with certain information reporting requirements and a failure to comply with such requirements may result in invalidating the QEF election. U.S. Holders should be aware that there can be no assurance that Gold Canyon, SpinCo or First Mining will supply the information and statements necessary to make a QEF election. Any amounts distributed by a PFIC out of earnings previously included in the income of an electing holder generally are not taxable (although the holder may recognize ordinary income or loss attributable to exchange rate fluctuations between the time of the previous income inclusion and the time of the actual distribution). An electing holder's tax basis in its shares of the PFIC is increased by the amount of any income inclusions reported by such shareholder under the QEF rules, and is decreased by any distributions received from the corporation that are treated as recoveries of previously-taxed income. In addition, a U.S. Holder that makes a timely QEF election generally will recognize capital gain or loss on the sale or other taxable disposition of shares of the PFIC and will not be subject to the special PFIC tax rules described above with respect to any excess distributions or dispositions of the shares.

To be considered timely for this purpose, a QEF election must be made for the first tax year in the shareholder's holding period in which the foreign corporation qualified as a PFIC (or a deemed sale election must be made, as described below). If a US shareholder fails to timely make a QEF election for the first tax year in the shareholder's holding period in which the corporation qualifies as a PFIC, the shareholder may be able to make a retroactive QEF election after the due date for the original QEF election, such shareholder may request the consent of the IRS to make a retroactive election for a tax year of the shareholder provided the shareholder reasonably relied on a qualified tax professional who failed to identify the corporation as a PFIC or failed to advise the shareholder of the consequences of making, or failing to make, the QEF election and provided that certain other requirements are met.

Generally, in order for a U.S. shareholder who makes a QEF election for a year that is not the first year in the shareholder's holding period in which the foreign corporation qualified as a PFIC to avoid being subject to the special PFIC tax rules described above, the shareholder must also make a "deemed sale election" as described below. A deemed sale election requires that the shareholder recognize any gain (but not loss) that the shareholder would have realized on a sale of such shareholder's stock in the foreign corporation for its fair market value (i) on the first day of the shareholder's tax year with respect to which the accompanying QEF election is made, if the corporation was still a PFIC for such year, or (ii) on the last day of the most recent tax year of the corporation in which it was classified as a PFIC, if the corporation lost its PFIC status in the subsequent tax year. The adjusted tax basis of the shareholder's shares will be increased by the amount of gain recognized by the shareholder on a deemed sale election. U.S. Holders should consult their own tax advisors regarding the potential application of the PFIC rules, the availability of the QEF election and the procedures for making such election on a timely basis.

Mark-to-Market Election

A U.S. Holder is permitted to make a mark-to-market election with respect to the shares of Gold Canyon, SpinCo or First Mining as the case may be, if and only if such shares are marketable stock. Shares generally will be

“marketable stock” if the shares are regularly traded on a qualified exchange or other market. A class of shares will be treated as “regularly traded” in any calendar year in which more than a de minimis quantity of the shares are traded on a qualified exchange on at least 15 days during each calendar quarter. A “qualified exchange” includes any national securities exchange that is registered with the SEC or the national market system established pursuant to section 11A of the U.S. Exchange Act.

If a U.S. Holder makes the mark-to-market election, for each year in which the foreign corporation is a PFIC, the holder generally will include as ordinary income the excess, if any, of the fair market value of the shares at the end of the tax year over their adjusted tax basis, and will be permitted an ordinary loss in respect of the excess, if any, of the adjusted tax basis of the shares over their fair market value at the end of the tax year (but only to the extent of the net amount of previously included income as a result of the mark-to-market election). If a U.S. Holder makes the mark-to-market election, the holder’s tax basis in the shares will be adjusted to reflect any such income or loss amounts. Any gain recognized on the sale or other disposition of the shares will be treated as ordinary income.

Although a U.S. Holder may be eligible to make a mark-to-market election with respect to the shares of Gold Canyon, SpinCo or First Mining as applicable, no such election may be made with respect to the stock of any Subsidiary PFIC (as defined above) that such U.S. Holder is treated as owning, to the extent that such stock is not marketable stock as discussed above. Hence, the mark to-market election may not be effective to eliminate the interest charge described above.

The PFIC rules are complex. Each U.S. Holder should consult its tax advisor regarding application and operation of the PFIC rules, including the availability and advisability of, and procedure for, making the QEF election and mark to-market election.

OWNERSHIP OF FIRST MINING SHARES AND SPINCO SHARES

The following is a summary of certain material U.S. federal income tax consequences arising from the ownership of SpinCo Shares and First Mining Shares by a U.S. Holder who receives such shares in the Arrangement. The discussion below assumes that SpinCo and First Mining will be classified as a PFIC for all relevant years and is subject to the discussion of the PFIC rules above.

General Taxation of Distributions

General U.S. federal income tax rules will apply to distributions from SpinCo and First Mining, other than distributions that are treated as excess distributions (which will be subject to the special PFIC tax rules described above, including the consequences of making a timely QEF or mark-to-market election). Under these general rules, a U.S. Holder that receives a distribution, including a constructive distribution, that is paid out of current or accumulated earnings and profits (as determined under U.S. federal income tax principles) will be required to include the amount of such distribution in gross income as a dividend (without reduction for any Canadian income tax withheld from such distribution). The dividends generally may not be eligible for the reduced rates applicable to certain “qualified dividends” unless specified conditions are met. Dividends paid by SpinCo and First Mining will generally not be eligible for the dividends received deduction otherwise allowed to certain corporate U.S. Holders. To the extent that such a non-excess distribution exceeds current and accumulated earnings and profits, such distribution will be treated (i) first, as a tax-free return of capital to the extent of a U.S. Holder’s tax basis in the shares, as applicable, and (ii) thereafter as gain from the sale or exchange of such shares. The dividend rules are complex, and each U.S. Holder should consult its own tax advisor regarding the dividend rules.

Disposition of SpinCo Shares and First Mining Shares

A U.S. Holder will recognize gain or loss on the sale or other taxable disposition of SpinCo and First Mining Shares in an amount equal to the difference, if any, between (a) the amount of cash plus the fair market value of any property received and (b) the U.S. Holder’s adjusted tax basis in the shares sold or otherwise disposed of. The character of such gain or loss will depend on the application of the special PFIC rules described above, including whether the U.S. Holder has made a valid QEF or mark-to-market election with respect to the relevant shares.

Preferential tax rates apply to long-term capital gains of a U.S. Holder that is an individual, estate, or trust and that is not subject to the special PFIC tax rules (e.g., in the case of a U.S. Holder who made a timely QEF election). There are currently no preferential tax rates for long-term capital gains of a U.S. Holder that is a

corporation. The deduction of capital losses is subject to limitations.

OTHER CONSIDERATIONS

Foreign Tax Credit

A U.S. Holder that pays (whether directly or through withholding) Canadian income tax in connection with the Arrangement or in connection with the ownership or disposition of SpinCo and First Mining Shares may be entitled, at the election of such U.S. Holder, to receive either a deduction or a credit for such Canadian income tax paid. Generally, a credit will reduce a U.S. Holder's U.S. federal income tax liability on a dollar-for-dollar basis, whereas a deduction will reduce a U.S. Holder's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid (whether directly or through withholding) by a U.S. Holder during a tax year.

Complex limitations apply to the foreign tax credit, including the general limitation that the credit cannot exceed the proportionate share of a U.S. Holder's U.S. federal income tax liability that such U.S. Holder's foreign source taxable income bears to such U.S. Holder's worldwide taxable income. In applying this limitation, a U.S. Holder's various items of income and deduction must be classified, under complex rules, as either "foreign source" or "U.S. source." Generally, dividends paid by a foreign corporation should be treated as foreign source for this purpose, and gains recognized on the sale of stock of a foreign corporation by a U.S. Holder should be treated as U.S. source for this purpose, except as otherwise provided in an applicable income tax treaty and if an election is properly made under the Code. However, the amount of a distribution with respect to SpinCo or First Mining Shares that is treated as a dividend may be lower for U.S. federal income tax purposes than it is for Canadian federal income tax purposes, resulting in a reduced foreign tax credit allowance to a U.S. Holder. In addition, this limitation is calculated separately with respect to specific categories of income. The foreign tax credit rules are complex, and each U.S. Holder should consult its own tax advisor regarding the foreign tax credit rules.

Additional Tax on Passive Income

Individuals, estates and certain trusts whose income exceeds certain thresholds will be required to pay a 3.8% Medicare surtax on "net investment income" including, among other things, dividends and net gain from disposition of property (other than property held in certain trades or businesses). U.S. Holders should consult with their own tax advisors regarding the effect, if any, of this tax on the U.S. federal income tax consequences of the Arrangement and the ownership and disposition of SpinCo and First Mining Shares.

Information Reporting and Backup Withholding Tax

Under U.S. federal income tax law and U.S. Treasury Regulations, certain categories of U.S. Holders must file information returns with respect to their investment in, or involvement in, a foreign corporation. For example, certain U.S. return disclosure obligations (and related penalties) are imposed on U.S. Holders that hold certain specified foreign financial assets in excess of certain threshold amounts. The definition of specified foreign financial assets includes not only financial accounts maintained in foreign financial institutions, but also, unless held in accounts maintained by a financial institution, any stock or security issued by a non-U.S. person, any financial instrument or contract held for investment that has an issuer or counterparty other than a U.S. person and any interest in a foreign entity. U.S. Holders may be subject to these reporting requirements unless their Gold Canyon Shares, SpinCo Shares or First Mining Shares are held in an account at certain financial institutions. Penalties for failure to file certain of these information returns are substantial. U.S. Holders should consult their own tax advisors regarding the requirements of filing information returns, including the requirement to file an IRS Form 8938.

Payments made within the United States or by a U.S. payor or U.S. middleman, of (a) distributions on SpinCo Shares or First Mining Shares, (b) proceeds arising from the sale or other taxable disposition of SpinCo Shares or First Mining Shares, or (c) any payments received in connection with the Arrangement (including, but not limited to, U.S. Holders exercising Dissent Rights under the Arrangement) generally may be subject to information reporting and backup withholding tax, at the current rate of 28% if a U.S. Holder (i) fails to furnish its correct U.S. taxpayer identification number (generally on Form W-9), (ii) furnishes an incorrect U.S. taxpayer identification number, (iii) is notified by the IRS that such U.S. Holder has previously failed to properly report

items subject to backup withholding tax, or (iv) fails to certify, under penalty of perjury, that such U.S. Holder has furnished its correct U.S. taxpayer identification number and that the IRS has not notified such U.S. Holder that it is subject to backup withholding tax. However, certain exempt persons generally are excluded from these information reporting and backup withholding rules. Backup withholding is not an additional tax. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a credit against a U.S. Holder's U.S. federal income tax liability, if any, or will be refunded, if such U.S. Holder furnishes required information to the IRS in a timely manner. Each U.S. Holder should consult its own tax advisor regarding the information reporting and backup withholding rules.

THE ABOVE SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSIDERATIONS APPLICABLE TO HOLDERS OF GOLD CANYON SHARES WITH RESPECT TO THE DISPOSITION OF THOSE SHARES PURSUANT TO THE ARRANGEMENT OR THE OWNERSHIP AND DISPOSITION OF SPINCO SHARES AND FIRST MINING SHARES RECEIVED PURSUANT TO THE ARRANGEMENT. U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX CONSIDERATIONS APPLICABLE TO THEM IN THEIR PARTICULAR CIRCUMSTANCES.

SECURITIES LAW CONSIDERATIONS

The following is a brief summary of the securities laws considerations applicable to the Arrangement Transactions:

CANADIAN SECURITIES LAWS

Status under Canadian Securities Laws

First Mining is a "reporting issuer" in the Provinces of British Columbia, Alberta, and Ontario. The First Mining Shares are currently listed on the TSX-V (symbol: FF). Gold Canyon is a "reporting issuer" in the Provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador, and the Gold Canyon Shares are currently listed on the TSX-V (symbol: GCU). On the Effective Date, First Mining will acquire all of the issued and outstanding Gold Canyon Shares in exchange for First Mining Shares pursuant to the Plan of Arrangement, and as a result Gold Canyon will become a wholly-owned subsidiary of First Mining. Gold Canyon will then be de-listed from the TSX-V and will apply to cease to be a reporting issuer in Canada.

Pursuant to the Arrangement, Gold Canyon Securityholders will also receive SpinCo Shares. The SpinCo Shares are not currently listed on any stock exchange, and SpinCo is not a reporting issuer in any jurisdiction. Prior to the Arrangement, SpinCo is a shell company with no assets or liabilities, and has not conducted any business activities. Upon completion of the Arrangement, SpinCo will hold the Spin-Out Assets and assume the Spin-Out Liabilities, and it is anticipated that SpinCo will be a reporting issuer in most or all of the same jurisdictions as Gold Canyon by application of the definitions of a "reporting issuer" under the applicable Securities Legislation in those jurisdictions.

Issuance and Resale of Securities under Canadian Securities Laws

The issue of the First Mining Shares and SpinCo Shares to the Gold Canyon Shareholders under the Plan of Arrangement constitutes a distribution of securities which is exempt from the registration and prospectus requirements of the Securities Legislation of Canada. The First Mining Shares or SpinCo Shares held by former Gold Canyon Shareholders may be resold in each of the provinces and territories of Canada, provided, in the case of the First Mining Shares, that First Mining is and has been a reporting issuer for the four (4) months immediately preceding the trade, and in the case of the SpinCo Shares, SpinCo is and has been a reporting issuer for the four months immediately preceding the trade; and in addition, the holder is not a "control person" as defined in the applicable Securities Legislation, no unusual effort is made to prepare the market or create a demand for those securities and no extraordinary commission or consideration is paid in respect of that sale and, if the selling security holder is an insider or officer of First Mining or SpinCo, the selling security holder has no reasonable grounds to believe that First Mining or SpinCo, respectively, is in default of applicable Securities Legislation.

Each holder is urged to consult such holder's professional advisers to determine the conditions and restrictions applicable to trades in the First Mining Shares and SpinCo Shares to which the Gold Canyon Shareholders are entitled under the Arrangement. Resales of any such securities acquired in connection with the Arrangement may be required to be made through properly registered securities dealers. The resale of the SpinCo Shares may be limited, as there is no established trading market for such securities.

Protection of Minority Security Holders in Special Transactions

Gold Canyon is a reporting issuer (or its equivalent) in various provinces of Canada and is listed on the TSX-V and is accordingly subject to MI 61-101. MI 61-101 is intended to regulate insider bids, issuer bids, business combinations and related party transactions to ensure that all securityholders are treated in a manner that is fair, generally requiring enhanced disclosure, approval by a majority of "minority" shareholders by excluding interested or related parties, independent valuations and, in certain instances, approval and oversight of the transaction by a special committee of independent directors. The protections of MI 61-101 generally apply to "business combinations" which terminate the interests of shareholders without their consent. The Arrangement constitutes a "business combination" for the purposes of MI 61-101.

As a result of the Arrangement, certain members of Gold Canyon's management, including Akiko Levinson, the Chief Executive Officer and President of Gold Canyon, and Lisa Sharp, the Chief Financial Officer of Gold Canyon, will receive lump sum severance payments upon termination of their respective employment agreements with Gold Canyon (See "Interests of Certain Persons in Matters to be Acted Upon" in this Circular for more information). Akiko Levinson and Quinton Hennigh will each be offered engagements as consultants with First Mining although no terms have been specified. None of the severance payments or consulting arrangements are being or will be conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to such individuals for securities relinquished under the Arrangement, and the conferring of such benefits is not conditional on any of such individuals supporting the Arrangement.

Akiko Levinson constitutes an "interested party" as she will receive a "collateral benefit" as defined under MI 61-101 in the form of a lump sum severance payment in the amount of \$96,000 upon termination of her employment agreement with Gold Canyon, which Gold Canyon determined the value, net of any offsetting costs, to be more than 5% of the amount of the consideration that Ms. Levinson expects to be beneficially entitled to receive under the terms of the Arrangement in exchange for the Gold Canyon Shares that she beneficially owns, and will be offered a consulting arrangement with First Mining after the Effective Date and, as at the date of the Arrangement Agreement, she beneficially owned or exercised control or direction over more than one per cent of the outstanding Gold Canyon Shares. Neither Lisa Sharp, nor Quinton Hennigh is considered to have received a "collateral benefit" as defined under MI 61-101 because as at the date of the Arrangement Agreement, each beneficially owned or exercised control or direction over less than one per cent of the outstanding Gold Canyon Shares.

In determining minority approval for the purposes of MI 61-101, Gold Canyon is required to exclude the votes over which Akiko Levinson exercise control or direction. To the best of Gold Canyon's knowledge, as at the date of this Circular, Akiko Levinson exercises control or direction over a total of 3,017,201 Gold Canyon Shares, representing approximately 1.9% of the total issued Gold Canyon Shares, plus 950,000 Gold Canyon Options. Akiko Levinson exercises control or direction over no Gold Canyon Warrants.

To the knowledge of Gold Canyon and its directors and officers, after reasonable inquiry, other than as set forth above, there have been no prior valuations (as defined in MI 61-101) prepared in respect of Gold Canyon Shares or material assets of Gold Canyon during the 24 months prior to the date of this Circular.

Except as described in this Circular, Gold Canyon has not received any bona fide prior offer that relates to the subject matter of or is otherwise relevant to the Arrangement during the 24 months before the date of the Arrangement Agreement.

Gold Canyon is exempt from the formal valuation requirement of MI 61-101 based on section 5.5(b) of MI 61-101 as no securities of Gold Canyon are listed or quoted for trading on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ stock market or any other stock exchange outside of Canada and the United States other than the Alternative Investment Market of the London Stock Exchange or the Plus markets operated by Plus Markets Group plc.

U.S. SECURITIES LAWS

The Class A Shares, First Mining Shares and SpinCo Shares to be issued pursuant to the Arrangement to Gold Canyon Shareholders are not required to be, and will not be, registered under the U.S. Securities Act. Such securities will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10). Section 3(a)(10) of the U.S. Securities Act provides an exemption from registration under the U.S. Securities Act for offers and sales of securities issued in exchange for one or more outstanding securities where the terms and conditions of the issuance and exchange of such securities have been approved by a court authorized to grant such approval after a hearing upon the fairness of the terms and conditions of the issuance and exchange at which all persons to whom the securities will be issued have the right to appear and to receive timely notice thereof, following a finding that the terms and conditions of the exchange are fair to those to whom the securities will be issued. The Court is authorized to conduct a hearing at which the fairness of the terms and conditions of the Arrangement will be considered. The Court will be advised before the hearing that First Mining and SpinCo will rely on the Section 3(a)(10) exemption based on the Court's approval of the Arrangement.

The ability of a Gold Canyon Shareholder to resell the First Mining Shares and SpinCo Shares issued to it on the Effective Date of the Arrangement will depend on whether it is an "affiliate" of First Mining or SpinCo, respectively, after the Effective Date of the Arrangement or was an "affiliate" of First Mining or SpinCo, respectively, within 90 days prior to the Effective Date of the Arrangement. As defined in Rule 144 under the U.S. Securities Act, an "affiliate" of an issuer is a person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such issuer. Typically, persons who are executive officers, directors or major shareholders of an issuer are considered to be its "affiliates". Persons that are not affiliates of First Mining or SpinCo, respectively, after the Effective Date of the Arrangement and were not affiliates of First Mining or SpinCo, respectively, within 90 days prior to the Effective Date of the Arrangement, may freely resell the First Mining Shares and SpinCo Shares issued to them on the Effective Date of the Arrangement under U.S. Securities Act. Persons that are affiliates of First Mining or SpinCo respectively, after the Effective Date of the Arrangement or were affiliates of First Mining or SpinCo respectively, within 90 days prior to the Effective Date of the Arrangement may resell such First Mining Shares and SpinCo Shares only pursuant to registration or an exemption from registration under the U.S. Securities Act.

Such persons are urged to consult with their own legal counsel to determine the circumstances in which the resale of First Mining Shares and SpinCo Shares issued to them pursuant to the Arrangement will comply with an exemption from such registration requirements.

Gold Canyon Securityholders are urged to consult with their own legal counsel to ensure that the resale of First Mining Shares and SpinCo Shares issued to them pursuant to the Arrangement complies with applicable securities legislation.

Gold Canyon Optionholders and holders of Gold Canyon Warrants are advised that Section 3(a)(10) of the U.S. Securities Act will not exempt the exercise of the Gold Canyon Options or the Gold Canyon Warrants prior to the Effective Date, or the exercise of First Mining Replacement Warrants, SpinCo Replacement Warrants or Replacement Options from and after the Effective Date. Accordingly, such securities may only be exercised in the United States, or by or on behalf of a person in the United States, if exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws are available for such exercise.

The securities issuable in connection with the Arrangement have not been approved or disapproved by the SEC or the securities regulatory authorities in any state, nor has the SEC or the securities regulatory authorities in any state passed on the fairness or merits of the Arrangement or the adequacy or accuracy of this Information Circular. Any representation to the contrary is a criminal offence.

LEGAL MATTERS

Certain legal matters in connection with the Arrangement will be passed upon by Getz Prince Wells LLP on behalf of Gold Canyon and McCullough O'Connor Irwin LLP on behalf of First Mining. As of the date hereof, the partners and associates of Getz Prince Wells LLP as a group beneficially owned, directly or indirectly, less than one percent of the Gold Canyon Shares, and the partners and associates of McCullough O'Connor Irwin LLP as a group beneficially owned, directly or indirectly, less than one percent of the First Mining Shares.

DIRECTORS' APPROVAL

The contents and the sending of this Circular have been approved by the Gold Canyon Board.

The information concerning First Mining and the Combined Company contained in this Circular, including Schedule "G" and Schedule "I" attached to this Circular, has been provided by First Mining. The information concerning PC Gold contained in this Circular, including the Schedule "H" attached to this Circular, has been provided by PC Gold. The Gold Canyon Board has relied upon this information without having made any independent inquiry as to the accuracy thereof. Gold Canyon assumes no responsibility for the accuracy or completeness of such information, nor for any omission on the part of First Mining or PC Gold to disclose facts or events which may affect the accuracy of any such information.

DATED: October 5, 2015

**By order of the Board of Directors
of Gold Canyon Resources Inc.**

"Akiko Levinson"

Akiko Levinson
Chief Executive Officer, President and Director

CONSENT OF MAXIT CAPITAL LP

To: The Directors of Gold Canyon Resources Inc.

We hereby consent to the reference under the headings “Summary – The Arrangement – *Maxit Capital Fairness Opinion*”, “The Arrangement – Background to the Arrangement”, “The Arrangement – Reasons for the Arrangement – *General*”, “The Arrangement – Reasons for the Arrangement – *Maxit Capital Fairness Opinion*”, and “Schedule “E” – Maxit Capital Fairness Opinion” to the opinion of our firm dated August 31, 2015, which we prepared for the Board of Directors of Gold Canyon Resources Inc. in connection with the arrangement agreement entered into between Gold Canyon Resources Inc. and First Mining Financing Corp. In providing such consent, except as may be required by securities laws, we do not intend that any person other than the Board of Directors rely upon such opinion.

“MAXIT CAPITAL LP”

Toronto, Canada
October 5, 2015

SCHEDULE A - ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The arrangement (the “**Arrangement**”) under Part 9, Division 5 of the *Business Corporations Act* (British Columbia) (as the Arrangement may be modified or amended), as more particularly described and set forth in the information circular (the “**Circular**”) of Gold Canyon Resources Inc. (“**Gold Canyon**”) dated October 5, 2015, is hereby authorized, approved and adopted.
2. The amended plan of arrangement (the “**Plan of Arrangement**”), the full text of which is set out as Exhibit A to the arrangement agreement dated August 31, 2015 among Gold Canyon, First Mining Finance Corp. and Irving Resources Inc., formerly 1047431 B.C. Ltd., (the “**Arrangement Agreement**”) as amended by agreement dated October 1, 2015 and all transactions contemplated thereby, is hereby approved and adopted.
3. The Arrangement Agreement, the actions of the directors of Gold Canyon in approving the Arrangement Agreement and the actions of the directors and officers of Gold Canyon in executing and delivering the Arrangement Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved.
4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders and warrant holders of Gold Canyon or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Gold Canyon are hereby authorized and empowered (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, and (ii) not to proceed with the Arrangement at any time prior to the Effective Time (as defined in the Arrangement Agreement).
5. Any officer or director of Gold Canyon is hereby authorized and directed for and on behalf of Gold Canyon to execute or cause to be executed, under the seal of Gold Canyon or otherwise, and to deliver or cause to be delivered, all such documents and instruments and to perform or cause to be performed all such other acts and things as in such person’s opinion may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such authorization to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE B - PLAN OF ARRANGEMENT

Amended Plan of Arrangement Under The provisions of division 5 of part 9 of the *Business Corporations Act (British Columbia)*

ARTICLE 1 INTERPRETATION

1.1 **Definitions.** In this Plan of Arrangement, unless there is something in the subject matter or context inconsistent therewith, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

“**Arrangement**” means an arrangement under the provisions of Division 5 of Part 9 of the Business Corporations Act, on the terms set forth in the Plan of Arrangement, subject to any amendment or supplement thereto (i) made in accordance with Article 5 of the Plan of Arrangement or (ii) made at the direction of the Court in the Final Order and with the consent of First Mining and Gold Canyon, each acting reasonably or (iii) otherwise made in accordance with Section 6.1 of the Arrangement Agreement;

“**Arrangement Agreement**” means the agreement made as of August 31, 2015 between First Mining, Gold Canyon and SpinCo as amended, supplemented and/or restated in accordance therewith prior to the Effective Date, providing for, among other things, the Arrangement;

“**Arrangement Resolution**” means the special resolution approving the Arrangement, to be substantially in the form and content of Exhibit B attached to the Arrangement Agreement, to be considered, and if deemed advisable, passed with or without variation, by the Gold Canyon Shareholders and Gold Canyon Warrantheolders voting as a single class at the Meeting;

“**Business Corporations Act**” means the *Business Corporations Act* (British Columbia), as amended;

“**Business Day**” means any day other than a Saturday, a Sunday or a day observed as a holiday in Vancouver, British Columbia under the laws of the Province of British Columbia or the federal laws of Canada;

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

“**Depository**” means Computershare Investor Services Inc., or such other party appointed by First Mining and SpinCo for the purpose of, among other things, exchanging certificates representing First Mining Shares and SpinCo Shares in connection with the Arrangement, at such offices as will be set out in the Letter of Transmittal;

“**Dissent Procedures**” has the meaning set out in Section 3.1;

“**Dissent Rights**” has the meaning set out in Section 3.1;

“**Dissenting Shareholder**” means a holder of Gold Canyon Common Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Procedures;

“**Effective Date**” means the date the Arrangement completes, as determined in accordance with Section 2.9 of the Arrangement Agreement;

“**Effective Time**” means the time when the transactions contemplated herein will be deemed to have been completed, which shall be 12:01 a.m. on the Effective Date or such other time as First Mining, Gold Canyon and SpinCo agree to in writing before the Effective Date;

“**Encumbrance**” has the meaning set out in the Arrangement Agreement;

“**Final Order**” means the final order of the Court approving the Arrangement as such order may be amended at any time prior to the Effective Date or, if appealed, then, unless such appeal is abandoned or denied, as affirmed;

“**First Mining**” means First Mining Finance Corp., a company existing under the laws of the Province of British Columbia;

“**First Mining Exchange Ratio**” has the meaning set out in Section 2.3(d)(i);

“**First Mining Option Plan**” means First Mining’s stock option plan approved by the First Mining Shareholders on April 19, 2015;

“**First Mining Replacement Warrant**” has the meaning set out in Section 2.3(e);

“**First Mining Share**” means a common share in the authorized share structure of First Mining and any other securities into which such share may be changed;

“**Gold Canyon**” means Gold Canyon Resources Inc., a company existing under the laws of British Columbia;

“**Gold Canyon Common Share**” means a common share without par value in the authorized share structure of Gold Canyon outstanding immediately prior to the Effective Time;

“**Gold Canyon Class A Common Share**” has the meaning set out in Section 2.3(c)(i);

“**Gold Canyon Option**” means an option to purchase Gold Canyon Common Shares outstanding and unexercised immediately prior to the Effective Time;

“**Gold Canyon Rights Plan**” means the shareholder rights plan agreement dated as of March 15, 2006 between Gold Canyon and Computershare Investor Services Inc., as rights agent;

“**Gold Canyon Securities**” means the Gold Canyon Common Shares, the Gold Canyon Class A Common Shares, the Gold Canyon Warrants and the Gold Canyon Options, collectively;

“**Gold Canyon Shareholder**” means a holder of Gold Canyon Common Shares or Gold Canyon Class A Common Shares, as the context requires;

“**Gold Canyon Warrant**” means a common share purchase warrant of Gold Canyon outstanding and unexercised immediately prior to the Effective Time;

“**Gold Canyon Warrantholder**” means a holder of Gold Canyon Warrants;

“**Governmental Entity**” means any: (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank or Tribunal; (ii) subdivision, agent, commission, board, or authority of any of the foregoing; or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

“**holder**” means, (i) when used with reference to any Gold Canyon Securities, the holder of such Gold Canyon Securities, (ii) when used with reference to any First Mining Shares, means the holder of such First Mining Shares shown from time to time on the register of shareholders maintained by or on behalf of First Mining in respect of such First Mining Shares, and (iii) when used with reference to any SpinCo Shares, means the holder of such SpinCo Shares shown from time to time on the register of shareholders maintained by or on behalf of SpinCo in respect of such SpinCo Shares;

“**Interim Order**” means the interim order of the Court made in connection with the process for obtaining shareholder approval of the Arrangement and related matters, as such order may be amended, supplemented or varied by the Court;

“**ITA**” means the *Income Tax Act* (Canada);

“**Letter of Transmittal**” means the Letter of Transmittal for use by Gold Canyon Shareholders;

“**Meeting**” means the special meeting of the Gold Canyon Shareholders and the Gold Canyon Warrantholders (including any adjournment thereof) that is to be convened as provided by the Interim Order to consider and, if deemed advisable, approve the Arrangement;

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

“**Replacement Option**” has the meaning set out in Section 2.3(f);

“**Replacement Warrants**” means, collectively, the First Mining Replacement Warrants and the SpinCo Replacement Warrants;

“**SpinCo**” means 1047431 B.C. Ltd., a company existing under the laws of the Province of British Columbia;

“**SpinCo Exchange Ratio**” has the meaning set out in Section 2.3(c)(ii);

“**SpinCo Replacement Warrant**” has the meaning set out in Section 2.3(e)(ii);

“**SpinCo Share**” means a common share in the authorized share structure of SpinCo;

“**Spin-Out Assets**” means:

- (a) all direct and indirect right, title and interest of Gold Canyon in and to all of the issued and outstanding shares of Spring Stone Mining Corporation and all of the membership interests in Gold Canyon Kratz Spring, LLC;
- (b) all direct and indirect right, title and interest of Gold Canyon in, to and under and the full benefit and advantage of all Japan Oil, Gas And Metals National Corporation (“JOGMEG”) project venture, operation and participation agreements including agreements with respect to Tanzania Projects, Mangochi/Thyolo RE Project and Mulanje RE Project and all business, corporate, legal and accounting books, records and documents used in the conduct of the JOGMEG project venture, operation and participation agreements and related undertakings;
- (c) all direct and indirect right, title and interest of Gold Canyon in, to and under and the full benefit and advantage of the office lease with respect to Suite 810 - 609 Granville Street, Vancouver, British Columbia, Canada (the “**Office Space**”) and any sublease, sharing, maintenance agreements, registrations, documentation or correspondence related thereto;
- (d) all equipment, hardware, software, office supplies, fixtures, furniture, furnishings and other tangible property located in the Office Space owned, leased or held by or on behalf of Gold Canyon; and
- (e) cash in the amount of \$500,000 less all cash held as of the Effective Time by Spring Stone Mining Corporation, its subsidiaries and Gold Canyon Kratz Spring, LLC;

“**Spin-Out Liabilities**” means:

- (a) all liabilities or obligations (contingent or otherwise) (other than any liability or obligation for Taxes) in respect (but only in respect) of the Spin-Out Assets (including the operations or activities in connection therewith);
- (b) all liabilities or obligations for Taxes payable to any Governmental Entity arising from, or in connection with the Spin-Out Transaction;
- (c) all liabilities or obligations for Taxes payable but not yet paid or reflected in the contingencies or commitments in the Annual Financial Statements of Gold Canyon, to any Governmental Entity and imposed on, or is in respect of, the Spin-Out Assets and/or any liabilities or obligations referred to in this definition net of all applicable credits, deductions, and other amounts available (including any loss carryforwards) with respect to the Spin-Out Assets; and
- (d) all fees and expenses related to the listing of the SpinCo Shares on the TSX-V;

“**Spin-Out Transaction**” means the transfer of the Spin-Out Assets and the assignment of the Spin-Out Liabilities to SpinCo and the distribution of SpinCo Shares to Gold Canyon Shareholders, all pursuant to this Plan of Arrangement;

“**Taxes**” means with respect to any entity, all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, *ad valorem* taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, Canada Pension Plan premiums, excise, severance, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, production taxes, severance taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties, mining duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;

“**Tribunal**” means: (i) any court (including a court of equity); (ii) any federal, provincial, state, county, municipal or other government or governmental department, ministry, commission, board, bureau, agency or instrumentality; or (iii) any securities commission, Canadian or U.S. stock exchange or other regulatory or self-regulatory body; and (iv) any arbitrator or arbitration tribunal; and

“**TSX-V**” means the TSX Venture Exchange.

1.2 **Interpretation Not Affected by Headings, etc.** The division of this Plan of Arrangement into sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction

or interpretation hereof. Unless otherwise indicated, all references in this Plan of Arrangement to a “Section” followed by a number and/or a letter refer to the specified section of this Plan of Arrangement. Unless otherwise indicated, the terms “this Plan of Arrangement”, “hereof”, “herein”, “hereunder” and “hereby” and similar expressions refer to this Plan of Arrangement as amended or supplemented from time to time pursuant to the applicable provisions hereof, and not to any particular section or other portion hereof.

1.3 **Currency.** All sums of money referred to in this Plan of Arrangement are expressed in lawful money of Canada.

1.4 **Number, etc.** In this Plan of Arrangement, unless the context otherwise requires, words importing the singular number include the plural and *vice versa* and words importing any gender include all genders.

1.5 **Construction.** In this Plan of Arrangement:

- (a) the words “include”, “including” or “in particular”, when following any general term or statement, shall not be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as permitting the general term or statement to refer to all other items or matters that could reasonably fall within the broadest possible scope of the general term or statement;
- (b) a reference to a statute means that statute, as amended and in effect as of the date of this Plan of Arrangement, and includes each and every regulation and rule made thereunder and in effect as of the date hereof;
- (c) where a word, term or phrase is defined, its derivatives or other grammatical forms have a corresponding meaning; and
- (d) time is of the essence.

ARTICLE 2 ARRANGEMENT

2.1 **Arrangement Agreement.** This Plan of Arrangement is made pursuant to, is subject to the provisions of and forms a part of the Arrangement Agreement.

2.2 **Binding Effect.** As of and from the Effective Time, this Plan of Arrangement shall be binding upon the following, without any further act or formality required on the part of any person, except as specified herein: (i) Gold Canyon, (ii) First Mining, (iii) SpinCo and (iv) all holders of Gold Canyon Securities.

2.3 **Arrangement.** At the Effective Time, the following steps shall occur and shall be deemed to occur in the following order without any further act or formality (except as specified herein):

- (a) the Gold Canyon Rights Plan shall be terminated (and all rights thereunder shall expire) and shall be of no further force or effect;
- (b) all of the Spin-out Assets and Spin-out Liabilities shall be transferred to SpinCo by Gold Canyon in consideration for the issuance by SpinCo of such number of fully-paid and non-assessable SpinCo Shares to Gold Canyon such that immediately after the foregoing issuance Gold Canyon shall hold in the aggregate (together with the SpinCo Shares held immediately prior to the foregoing issuance) that number of SpinCo Shares that is equal to 0.03333 of (i) the total number of Gold Canyon Common Shares issued and outstanding immediately prior to the Effective Time less (ii) the number of Gold Canyon Common Shares held by Dissenting Shareholders;
- (c) Gold Canyon shall undertake a reorganization of capital within the meaning of Section 86 of the ITA as follows, with the following steps occurring in the following order:
 - (i) Gold Canyon’s share capital and its Articles will be altered by (A) creating an unlimited number of Class A common shares (the “**Gold Canyon Class A Common Shares**”) with the rights, privileges and restrictions as set forth in Schedule I hereto, and (B) amending the rights, privileges and restrictions attaching to the Gold Canyon Common Shares so as to match those set forth in Schedule II hereto;
 - (ii) each issued and outstanding Gold Canyon Common Share, other than those held by

Dissenting Shareholders, shall be exchanged free and clear of all Encumbrances for one Gold Canyon Class A Common Share and 0.03333 of one SpinCo Share (the “**SpinCo Exchange Ratio**”); and

- (iii) the capital of the outstanding Gold Canyon Class A Common Shares shall be an amount equal to the paid-up capital (within the meaning of the ITA) of the Gold Canyon Common Shares, less the paid-up capital (within the meaning of the ITA) of the Gold Canyon Common Shares that is attributable to each issued Gold Canyon Common Share held by Dissenting Shareholders and less the fair market value of the SpinCo Shares distributed to Gold Canyon Shareholders;
- (d) the following steps shall be effected contemporaneously:
 - (i) each issued and outstanding Gold Canyon Common Share held by a Dissenting Shareholder shall be deemed to be transferred by the holder thereof to First Mining, free and clear of all Encumbrances, and First Mining shall thereupon be obliged to pay the amount therefor determined and payable in accordance with Article 4 hereof;
 - (ii) each issued and outstanding Gold Canyon Class A Common Share held by a former Gold Canyon Shareholder, other than those held by Dissenting Shareholders and other than Gold Canyon Class A Common Shares beneficially owned by First Mining immediately prior to the Effective Time, shall be deemed to be transferred by the holder thereof to First Mining, free and clear of all Encumbrances, in exchange for one First Mining Common Share (the “**First Mining Exchange Ratio**”);
 - (iii) with respect to each Gold Canyon Common Share and each Gold Canyon Class A Common Share transferred under Section 2.3(d)(i) or (ii) the former holder thereof shall cease to be a registered or beneficial holder of such shares and the name of such holder shall be removed from the central securities register maintained by or on behalf of Gold Canyon in respect thereof and shall cease to have any rights as holders of such shares other than the right to receive the First Mining Common Shares and SpinCo Shares in accordance with this Plan of Arrangement;
 - (iv) each former holder of Gold Canyon Common Shares or Gold Canyon Class A Common Shares that was the registered holder thereof immediately prior to such transfer shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to transfer and assign such shares to First Mining;
 - (v) First Mining shall issue and cause to be delivered to each former holder of Gold Canyon Class A Common Shares the First Mining Common Shares to which such holder is entitled as aforesaid and the name of such holder shall be added to the securities register maintained by or on behalf of First Mining in respect of the First Mining Common Shares showing such holder as the registered holder of the First Mining Common Shares so issued; and
 - (vi) First Mining shall be added to the securities register maintained by or on behalf of Gold Canyon in respect of the Gold Canyon Common Shares and the Class A Common Shares showing First Mining as the sole legal and beneficial owner of such shares free and clear of all Encumbrances;
- (e) each Gold Canyon Warrant, to the extent it has not been exercised as of the Effective Date, will be exchanged by the holder thereof, without any further act or formality and free and clear of all Encumbrances, for:
 - (i) a warrant (a “**First Mining Replacement Warrant**”) to purchase a number of First Mining Shares equal to the product of the First Mining Exchange Ratio multiplied by the number of Gold Canyon Common Shares issuable on exercise of such Gold Canyon Warrant immediately prior to the Effective Time for an exercise price per First Mining Share equal to the exercise price per share of such Gold Canyon Warrant immediately prior to the Effective Time divided by the First Mining Exchange Ratio and rounded up to the nearest whole cent (provided that, if the foregoing calculation results in a First Mining Replacement Warrant

being exercisable for a fraction of a First Mining Share, then the number of First Mining Shares subject to such First Mining Replacement Warrant shall be rounded down to the next whole number of First Mining Shares); and

- (ii) a warrant (a “**SpinCo Replacement Warrant**”) to purchase a number of SpinCo Shares equal to the product of the SpinCo Exchange Ratio multiplied by the number of Gold Canyon Common Shares issuable on exercise of such Gold Canyon Warrant immediately prior to the Effective Time for an exercise price per whole SpinCo Share equal to \$0.30, being the fair market portion of the exercise price per share of such Gold Canyon Warrant assigned to a SpinCo Replacement Warrant rounded up to the nearest whole cent, divided by the SpinCo Exchange Ratio and rounded up to the nearest whole cent (provided that, if the foregoing calculation results in a SpinCo Replacement Warrant being exercisable for a fraction of a SpinCo Share, then the number of SpinCo Shares subject to such SpinCo Replacement Warrant shall be rounded down to the next whole number of SpinCo Shares);

and the Gold Canyon Warrants shall thereupon be cancelled. The term to expiry, conditions to and manner of exercise (provided any Replacement Warrant shall be exercisable at the offices of First Mining and) and other terms and conditions of each of the Replacement Warrants shall be the same as the terms and conditions of the Gold Canyon Warrant for which it is exchanged. Any document previously evidencing the Gold Canyon Warrant shall thereafter evidence and be deemed to evidence such Replacement Warrant and no certificates evidencing the Replacement Warrants shall be issued; and

- (f) each Gold Canyon Option, to the extent it has not been exercised as of the Effective Date, will be exchanged by the holder thereof, without any further act or formality and free and clear of all liens, claims and encumbrances, for a stock option (a “**Replacement Option**”) to purchase a number of First Mining Shares equal to the product of the First Mining Exchange Ratio multiplied by the number of Gold Canyon Common Shares issuable on exercise of such Gold Canyon Option immediately prior to the Effective Time for an exercise price per First Mining Share equal to the exercise price per share of such Gold Canyon Option immediately prior to the Effective Time divided by the First Mining Exchange Ratio and rounded up to the nearest whole cent (provided that, if the foregoing calculation results in a Replacement Option being exercisable for a fraction of a First Mining Share, then the number of First Mining Shares subject to such Replacement Option shall be rounded down to the next whole number of First Mining Shares). The term to expiry, conditions to and manner of exercise and other terms and conditions of each of the Replacement Options shall be the same as the terms and conditions of the Gold Canyon Option for which it is exchanged except that such Replacement shall be governed by the terms and conditions of the First Mining Option Plan and, in the event of any inconsistency or conflict the First Mining Option Plan shall govern. Notwithstanding the foregoing, no such First Mining Option shall expire due to the holder ceasing to hold office or ceasing to be an employee or consultant and each such First Mining Option shall terminate on the earlier of (i) the date of expiry of the Gold Canyon Option for which it was exchanged and (ii) the date 12 months after the Effective Date. Any document previously evidencing the Gold Canyon Option shall thereafter evidence and be deemed to evidence such Replacement Option and no certificates evidencing the Replacement Options shall be issued and
- (g) the exchanges, cancellations and steps provided for in this Section 2.3 shall be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not completed until after the Effective Time.

2.4 **Post- Effective Time Procedures.**

- (a) Following receipt of the Final Order and prior to the Effective Date, First Mining shall deliver or arrange to be delivered to the Depositary the certificates representing the First Mining Shares and SpinCo shall deliver or arrange to be delivered to the Depositary the SpinCo Shares required to be issued to the former Gold Canyon Shareholders, in either case in accordance with Section 2.3 hereof, which certificates shall be held by the Depositary as agent and nominee for the former Gold Canyon Shareholders for distribution to the former Gold Canyon Shareholders in accordance with the provisions of Article 4 hereof.

- (b) Subject to the provisions of Article 4 hereof, and upon return of a properly completed Letter of Transmittal by a registered former Gold Canyon Shareholder together with certificates, if any, which, immediately prior to the Effective Date, represented Gold Canyon Common Shares and such other documents as the Depositary may require, former Gold Canyon Shareholders shall be entitled to receive delivery of the certificates representing the First Mining Shares and the SpinCo Shares to which they are entitled pursuant to Sections 2.3(c)(ii) and 2.3(d)(i).

2.5 **No Fractional Shares.** In no event shall any holder of Gold Canyon Common Shares be entitled to a fractional First Mining Share or a fractional SpinCo Share. Where the aggregate number of First Mining Shares to be issued to a former Gold Canyon Shareholder as consideration under this Arrangement would result in a fraction of a First Mining Share being issuable, the number of First Mining Shares to be received by such Gold Canyon Shareholder shall be rounded down to the nearest whole First Mining Share and no Person will be entitled to any compensation in respect of a fractional First Mining Share. Where the aggregate number of SpinCo Shares to be issued to a former Gold Canyon Shareholder as consideration under this Arrangement would result in a fraction of a SpinCo Share being issuable, the number of SpinCo Shares to be received by such Gold Canyon Shareholder shall be rounded down to the nearest whole SpinCo Share and no Person will be entitled to any compensation in respect of a fractional SpinCo Share and any remaining SpinCo shares held by Gold Canyon as a result will be returned by Gold Canyon and will be deemed to be cancelled.

2.6 **Adjustments to Exchange Ratios.** The First Mining Exchange Ratio shall be adjusted to reflect fully the effect of any stock split, reverse split, stock dividend (including any dividend or distribution of securities convertible into First Mining Shares or Gold Canyon Common Shares), reorganization, recapitalization or other like change with respect to First Mining Shares or Gold Canyon Common Shares occurring after the date of the Arrangement Agreement and prior to the Effective Time. The SpinCo Exchange Ratio shall be adjusted to reflect fully the effect of any stock split, reverse split, stock dividend (including any dividend or distribution of securities convertible into SpinCo Shares or Gold Canyon Common Shares), reorganization, recapitalization or other like change with respect to SpinCo Shares or Gold Canyon Common Shares occurring after the date of the Arrangement Agreement and prior to the Effective Time.

2.7 **Paramourty.** From and after the Effective Time:

- (a) this Plan of Arrangement shall take precedence and priority over any and all Gold Canyon Common Shares, Gold Canyon Warrants and Gold Canyon Options issued prior to the Effective Time;
- (b) the rights and obligations of the Gold Canyon Common Shares, Gold Canyon Warrants and Gold Canyon Options shall be solely as provided in this Plan of Arrangement; and
- (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Gold Canyon Common Shares, Gold Canyon Warrants and Gold Canyon Options shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 3 RIGHTS OF DISSENT

3.1 **Rights of Dissent.**

- (a) Registered holders of Gold Canyon Common Shares may exercise rights of dissent (“**Dissent Rights**”) with respect to such shares pursuant to and in the manner set forth in Section 237 to 247 of the Business Corporations Act and this Section 3.1 (the “**Dissent Procedures**”) in connection with the Arrangement; provided that, notwithstanding subsection 242(a) of the Business Corporations Act, the written objection to the Arrangement Resolution referred to in subsection 242(a) of the Business Corporations Act must be received by Gold Canyon not later than 5:00 p.m. (Vancouver time) on the business day that is two business days before the date of the Meeting or any date to which the Gold Canyon Meeting may be postponed or adjourned and provided further that Dissenting Shareholders who:
 - (i) are ultimately entitled to be paid fair value for their Gold Canyon Common Shares shall be deemed to have transferred such Gold Canyon Common Shares to First Mining as of the Effective Time without any further act or formality and free and clear of all liens, claims and

encumbrances, in consideration for the payment by First Mining of the fair value thereof, in cash; or

- (ii) are ultimately not entitled, for any reason, to be paid fair value for their Gold Canyon Common Shares shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Gold Canyon Common Shares and shall receive First Mining Shares and SpinCo Shares on the basis determined in accordance with Sections 2.3(c)(ii) and 2.3(d)(i);

but in no case shall First Mining, Gold Canyon or any other Person be required to recognize such Persons as holders of Gold Canyon Common Shares or Gold Canyon Class A Common Shares after the Effective Time, and the names of such Persons shall be deleted from the applicable shareholder registers at the Effective Time.

- (b) In addition to any other restrictions set forth in the Business Corporations Act, none of the following shall be entitled to exercise Dissent Rights:
 - (i) Holders of Gold Canyon Options;
 - (ii) Gold Canyon Warrantheolders; and
 - (iii) Gold Canyon Shareholders who vote in favour of the Arrangement Resolution.

ARTICLE 4 DELIVERY OF CERTIFICATES

4.1 **Exchange of Share Certificates.** As soon as practicable following the later of the Effective Date and the surrender to the Depositary for cancellation of certificates that, immediately before the Effective Time, represented a holder's Gold Canyon Common Shares, together with a duly completed Letter of Transmittal and such other documents and instruments as would have been required to effect the transfer of the shares formerly represented by such certificates under the Business Corporations Act and the Articles of Gold Canyon and such additional documents and instruments as the Depositary may reasonably require, (a) First Mining shall cause the Depositary to deliver to such holder a certificate representing that number of First Mining Shares which such holder has the right to receive and (b) SpinCo shall cause the Depositary to deliver to such holder a certificate representing that number of SpinCo Shares which such holder has the right to receive (together, in either case, with any dividends or distributions with respect thereto pursuant to Section 4.2) and the certificate so surrendered shall forthwith be cancelled. In the event of a transfer of ownership of Gold Canyon Common Shares which is not registered in the transfer records of Gold Canyon, certificates representing the proper number of First Mining Shares and SpinCo Shares may be issued to the transferee if the certificate representing such Gold Canyon Common Shares is presented to the Depositary, accompanied by all documents required to evidence and effect such transfer to the transferee. Until surrendered as contemplated by this Section 4.1, each certificate which immediately prior to the Effective Time represented one or more outstanding Gold Canyon Common Shares shall be deemed at all times after the Effective Time to represent only the right to receive upon such surrender (i) the certificates representing First Mining Shares and SpinCo Shares as contemplated by this Section 4.1, and (ii) any dividends or distributions with a record date after the Effective Time theretofore paid or payable with respect to First Mining Shares and SpinCo Shares as contemplated by Section 4.2.

4.2 **Distributions with Respect to Unsurrendered Certificates.** No dividends or other distributions declared or made after the Effective Time with respect to First Mining Shares and SpinCo Shares with a record date after the Effective Time shall be paid to the holder of any unsurrendered certificate which immediately prior to the Effective Time represented outstanding Gold Canyon Common Shares that were exchanged pursuant to Section 2.3(d)(i), unless and until the holder of record of such certificate shall surrender such certificate in accordance with Section 4.1. Subject to applicable law, at the time of such surrender of any such certificate (or in the case of clause (ii) below, at the appropriate payment date), there shall be paid to the holder of record of the certificates formerly representing whole Gold Canyon Common Shares, without interest, (i) the amount of dividends or other distributions with a record date after the Effective Time theretofore paid with respect to such whole First Mining Share or SpinCo Share and (ii) on the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Time but prior to surrender and a payment date subsequent to surrender payable with respect to such whole First Mining Share or SpinCo Share.

4.3 **Lost Certificates.** In the event any certificate which immediately prior to the Effective Time represented one

or more outstanding Gold Canyon Common Shares that were exchanged pursuant to Section 2.3(d)(i) shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, one or more certificates representing one or more First Mining Shares and SpinCo Shares (and any dividends or distributions with respect thereto) deliverable in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom certificates representing First Mining Shares and SpinCo Shares are to be issued shall, as a condition precedent to the issuance thereof, give a bond satisfactory to First Mining, SpinCo and the Depositary in such sum as they may direct or otherwise indemnify First Mining, SpinCo and the Depositary in a manner satisfactory to each of them against any claim that may be made against them with respect to the certificate alleged to have been lost, stolen or destroyed.

4.4 **Extinction of Rights.** Any certificate which immediately prior to the Effective Time represented outstanding Gold Canyon Common Shares that were exchanged pursuant to Section 2.3(d)(i) and not deposited, with all other instruments required by Section 4.1 on or prior to the sixth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature as a shareholder of First Mining or SpinCo. On such date, the First Mining Shares and SpinCo Shares to which the former registered holder of the certificate referred to in the preceding sentence was ultimately entitled shall be deemed to have been surrendered to First Mining or SpinCo, respectively, together with all entitlements to dividends, distributions and interest thereon held for such former registered holder. None of First Mining, SpinCo, Gold Canyon or the Depositary shall be liable to any person in respect of any First Mining Shares or SpinCo Shares (or dividends, distributions and interest in respect thereof) delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

4.5 **Withholding and Sale Rights.** Each of First Mining, SpinCo and the Depositary shall be entitled to deduct and withhold from (i) any First Mining Shares, SpinCo Shares or other consideration otherwise issuable or payable pursuant to this Plan of Arrangement to any holder of Gold Canyon Common Shares, or (ii) any dividend or consideration otherwise payable to any holder of Gold Canyon Common Shares, First Mining Shares or SpinCo Shares such amounts as First Mining, SpinCo or the Depositary, respectively, is required to deduct and withhold with respect to such issuance or payment, as the case may be, under the ITA, the United States Internal Revenue Code of 1986 or any provision of provincial, state, local or foreign tax law, in each case as amended. To the extent that the amount so required to be deducted or withheld from the First Mining Shares, SpinCo Shares, dividends or consideration otherwise issuable or payable to a holder exceeds the cash portion of the consideration otherwise payable to such holder, each of First Mining, SpinCo and the Depositary is hereby authorized to sell or otherwise dispose of, at such times and at such prices as it determines, in its sole discretion, such portion of the First Mining Shares or SpinCo Shares otherwise issuable or payable to such holder as is necessary to provide sufficient funds to First Mining, SpinCo or the Depositary, as the case may be, to enable it to comply with such deduction or withholding requirement, and shall notify the holder thereof and remit to such holder any unapplied balance of the net proceeds of such sale or disposition (after deducting applicable sale commissions and any other reasonable expenses relating thereto) in lieu of the First Mining Shares, SpinCo Shares or other consideration so sold or disposed of. To the extent that amounts are so withheld or First Mining Shares or SpinCo Shares or other consideration are so sold or disposed of, such withheld amounts, or shares or other consideration so sold or disposed of, shall be treated for all purposes as having been paid to the holder of the shares in respect of which such deduction, withholding, sale or disposition was made, provided that such withheld amounts, or the net proceeds of such sale or disposition, as the case may be, are actually remitted to the appropriate taxing authority. None of First Mining, SpinCo or the Depositary shall be obligated to seek or obtain a minimum price for any of the First Mining Shares, SpinCo Shares or other consideration sold or disposed of by it hereunder, nor shall any of them be liable for any loss arising out of any such sale or disposition.

ARTICLE 5 AMENDMENTS

5.1 This Plan of Arrangement may be amended, modified and/or supplemented at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/ or supplement must be (i) set out in writing, (ii) approved by First Mining and Gold Canyon (on its own behalf and on behalf of SpinCo), (iii) filed with the Court and, if made following the Meeting, approved by the Court, and (iv) communicated to holders of Gold Canyon Securities if and as required by the Court.

5.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Gold Canyon at any time prior to the Meeting (provided that First Mining shall have consented thereto) with or without any other

prior notice or communication, and if so proposed and accepted by the Persons voting at the Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

5.3 Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Meeting shall be effective only if (i) it is consented to by each of Gold Canyon (on its own behalf and on behalf of SpinCo) and First Mining, and (ii) if required by the Court, it is consented to by the Gold Canyon Shareholders and the Gold Canyon Warranholders voting in the manner directed by the Court.

5.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by First Mining, provided that it concerns a matter which, in the reasonable opinion of First Mining, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any holder of Gold Canyon Securities.

5.5 This Plan of Arrangement may be withdrawn prior to the occurrence of any of the events in Section 2.3 in accordance with the terms of the Arrangement Agreement.

ARTICLE 6 FURTHER ASSURANCES

6.1 Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done or executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein

SCHEDULE I

RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS ATTACHED TO CLASS A COMMON SHARES OF GOLD CANYON RESOURCES INC.

The Class A Common Shares shall have the following rights, privileges, restrictions and conditions:

1. **Voting.** The holders of the Class A Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Company and to cast one vote for each share held, except meetings to which only holders of specified classes or series of shares are entitled to vote.
2. **Dividends.** Subject to the rights attaching to any other shares of the Company, the holders of the Class A Common Shares shall be entitled to receive dividends, as and when declared by the directors in their absolute discretion from time to time.
3. **Participation.** Subject to the rights attaching to any other shares of the Company, in the event of the liquidation, dissolution or winding-up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs or upon a reduction of capital, the holders of the Class A Common Shares shall be entitled to receive a pro rata portion of the remaining property of the Company.

SCHEDULE II

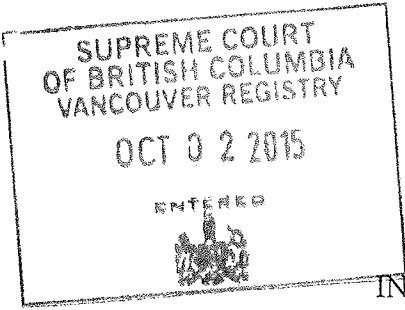
RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS ATTACHED TO COMMON SHARES OF GOLD CANYON RESOURCES INC.

The Common Shares shall have the following rights, privileges, restrictions and conditions:

1. **Voting.** The holders of the Common Shares shall not as such be entitled to receive notice of or to attend any meetings of the shareholders of the Company or to cast any vote thereat, except for meetings at which only holders of that class of shares are entitled to vote.
2. **Dividends.**
 - (a) Holders of the Common Shares shall be entitled to receive in priority to any other shares of the Company, if, as and when declared thereon by the board of directors of the Company, a non-cumulative preferential dividend in the amount (if any) declared by the board of directors of the Company.
 - (b) No dividends shall be declared or paid in any year on any other shares of the Company unless all dividends which shall have been declared and which remain unpaid on the Common Shares then issued and outstanding shall have been paid or provided for at the date of such declaration.
 - (c) The rights of the holders of the Common Shares to dividends in any year shall be limited to the non-cumulative, preferential dividend specified in this Section 2.
3. **Participation.** Subject to the rights attaching to any other shares of the Company, in the event of the liquidation, dissolution or winding-up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs or upon a reduction of capital, the holders of the Common Shares shall be entitled to receive a pro rata portion of the remaining property of the Company.

SCHEDULE C - INTERIM ORDER

(See Attached)



No. 5158176
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

RE: IN THE MATTER OF SECTION 288 OF THE BRITISH COLUMBIA *BUSINESS CORPORATIONS ACT*, S.B.C. 2002, C.57, AS AMENDED

AND:

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING GOLD CANYON RESOURCES INC, FIRST MINING FINANCE CORP. AND 1047431 B.C. LTD.

GOLD CANYON RESOURCES INC.

PETITIONER

AMENDED ORDER MADE AFTER APPLICATION

BEFORE) MASTER HARPER) October 2, 2015
))
))
))

ON THE APPLICATION of the Petitioner, Gold Canyon Resources Inc., without notice, coming on for a hearing at Vancouver, British Columbia, October 2, 2015 and on hearing Shane D. Coblin, counsel for the petitioner and upon reading the petition herein and affidavit #1 of Akiko Levinson sworn October 2, 2015, and filed herein;

THIS COURT ORDERS that:

1. Gold Canyon Resources Inc. ("**Gold Canyon**"), be at liberty to convene a special meeting ("**Meeting**") of the holders of its common shares ("**Shareholders**") and the holders of share purchase warrants ("**Warrantholders**", collectively, the Shareholders and Warrantholders shall hereinafter be referred to as the "**Securityholders**") to be held in Vancouver, British Columbia, on Friday, November 6, 2015, at 10:00 a.m. (Pacific Time), to consider and, if deemed advisable, pass, with or without variation:
 - (a) a special resolution of the Securityholders, voting together as a single class, approving the arrangement ("**Arrangement**") under the BCBCA in accordance with a plan of arrangement ("**Plan of Arrangement**") made pursuant to the arrangement agreement made as of the 31st day of August, 2015 ("**Arrangement Agreement**") among Gold Canyon, First Mining Finance Corp. ("**First Mining**") and 1047431 B.C. Ltd. ("**SpinCo**"); and

- (b) an ordinary resolution of the Securityholders, other than Akiko Levinson (Akiko Levinson is hereinafter referred to as the “**Excluded Shareholder**” and the Securityholders other than the Excluded Shareholder are hereinafter referred to as the “**Minority Securityholders**”), approving the Arrangement, in accordance with the policies of the TSX Venture Exchange.
2. The form of notice calling the Meeting (“**Notice**”), the form of proxy (“**Proxy**”), and the form of Management Information Circular of Gold Canyon (“**Circular**”), for use in connection with the Meeting, (collectively, the “**Meeting Documents**”), substantially in the form attached at Exhibit “B” to the 1st affidavit of Akiko Levinson sworn October 2, 2015, are approved.
 3. The Petitioner shall have liberty to amend the Meeting Documents, with such amendments or additional document as counsel for the petitioner may advise are necessary or desirable, and as are not inconsistent with the terms of this Order.
 4. Gold Canyon will have effected service of the required notice of the Meeting if, not less than 21 days before the date of the Meeting:
 - (a) the Meeting Documents are sent by prepaid first class mail addressed to the Securityholders at the addresses appearing in the records of Gold Canyon, and
 - (b) the Meeting Documents are sent by prepaid first class mail addressed to the directors of Gold Canyon at their respective addresses appearing in the records of Gold Canyon.
 5. The mailing and delivery of the Meeting Documents as provided in paragraph 4 above shall constitute compliance by Gold Canyon with the provisions of the BCBCA relating to the calling, holding and conduct of the Meeting.
 6. The accidental omission to give notice of the Meeting or non-receipt of such notice shall not invalidate any resolution passed or taken at the Meeting provided quorum requirements are met.
 7. The persons entitled as Shareholders to receive notice of and to attend and vote at the Meeting shall be Shareholders as recorded in the share register of Gold Canyon at the close of business on Monday, September 28, 2015, being the record date determined by the directors of Gold Canyon.
 8. The persons entitled as Warranholders to receive notice of and to attend and vote at the Meeting shall be Warranholders as recorded in the share purchase warrant register of Gold Canyon at the close of business on Monday, September 28, 2015, being the record date determined by the directors of Gold Canyon.
 9. The Meeting may be adjourned or postponed from time to time by the Board of Directors of Gold Canyon, subject to the terms of the Arrangement Agreement, without the need for a further order of the court.

10. The number of votes required to pass the special resolution approving the Arrangement at the Meeting shall be not less than two thirds of the number of votes cast by the Securityholders, voting together as a single class, at the Meeting in person or by proxy such that each Shareholder is entitled to one vote for each Gold Canyon Common Share held and each Warrantholder is entitled to one vote for each Gold Canyon Common Share issuable upon the exercise of such Gold Canyon share purchase warrant.
11. The votes required to pass the ordinary resolution of the Minority Securityholders approving the Arrangement at the meeting shall be not less than a majority of the number of votes cast by the Minority Securityholders, voting together as a single class, at the Meeting in person or by proxy.
12. In all other respects the terms, restrictions and conditions of the Articles of Gold Canyon, including quorum requirements and all other matters, shall apply in respect of the Meeting.
13. The Shareholders be granted rights of dissent with respect to the special resolution approving the Arrangement as provided in Sections 237 to 247 of the BCBCA, as modified by this Order and by Article 3 of the Arrangement Agreement, provided that such rights may only be exercised by delivering a written Notice of Dissent by registered mail addressed to Gold Canyon at:

Gold Canyon Resources Inc.
c/o Getz Prince Wells LLP
Suite 1810 – 1111 West Georgia Street
Vancouver, British Columbia
V6E 4M3

prior to 5:00 PM (Pacific Time) on November 4, 2015.

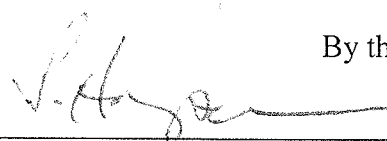
14. If the special resolution approving the Arrangement is passed by the Securityholders, voting together in a single class, at the Meeting and the ordinary resolution of the Minority Securityholders approving the Arrangement is passed by the Minority Securityholders, that unless the directors of Gold Canyon by resolution determine to abandon the Arrangement or the Arrangement Agreement is otherwise terminated in accordance with its terms, Gold Canyon be at liberty to apply to this Honourable Court on November 10, 2015 (Pacific Time), or such other date as may be set by this Court, for:
 - (a) a final order approving the Arrangement in the form approved at the Meeting, or as amended by the directors of Gold Canyon in accordance with any authority to do so granted to them by the Shareholders;
 - (b) a declaration that the Arrangement is fair to the Securityholders; and
 - (c) any other related orders or declarations.

15. The delivery of the Meeting Documents to the Securityholders in accordance with the terms of this order, shall constitute good and sufficient service of notice of the date of the hearing of the application for the final order and no other materials need to be served on any persons in respect of these proceedings and, in particular, the service of this petition and any affidavits filed in these proceedings is hereby dispensed with.
16. Every Securityholder of Gold Canyon has the right to appear (either in person or by counsel) and make submissions at the hearing of the application for the final order, provided they file a Response to Petition with the Court, substantially in the form required by Rule 16-1 of the Supreme Court Civil Rules, along with any affidavits upon which the Securityholder intends to rely (collectively, "Responding Materials"), and serve the filed Responding Materials on the Lawyers for the Petitioner by no later than 5:00 pm on November 6, 2015.
17. In the event the application for a final order is adjourned or otherwise does not proceed on November 10, 2015, only those persons who served a Response to Petition in accordance with paragraph 16 above shall be entitled to notice of the adjourned application date.
18. Gold Canyon is at liberty to apply to this Honourable Court to vary this order or for advice and direction with respect to the Arrangement or any matter relating to this order and such further and other relief as this Honourable Court may consider just.

THE FOLLOWING PARTIES APPROVE THE FORM OF THIS ORDER AND CONSENT TO EACH OF THE ORDERS, IF ANY, THAT ARE INDICATED ABOVE AS BEING BY CONSENT:



Signature of Shane D. Coblin
lawyer for the petitioner



By the Court

Registrar



SCHEDULE D - NOTICE OF HEARING OF PETITION FOR FINAL ORDER

No. S-158176
Vancouver Registry

IN THE SUPREME COURT OF BRITISH COLUMBIA

RE: IN THE MATTER OF SECTION 288 OF THE BRITISH COLUMBIA *BUSINESS CORPORATIONS ACT*, S.B.C. 2002,
C.57, AS AMENDED

AND:

IN THE MATTER OF A PROPOSED ARRANGEMENT INVOLVING GOLD CANYON RESOURCES INC., FIRST
MINING FINANCE CORP. AND 1047431 B.C. LTD.

GOLD CANYON RESOURCES INC.

PETITIONER

NOTICE OF HEARING OF PETITION

NOTICE IS HEREBY GIVEN that a Petition has been filed by Gold Canyon Resources Inc. (“**Petitioner**”) for sanction and approval of an arrangement (“**Arrangement**”) pursuant to section 288 of the British Columbia Business Corporations Act (“**BCBCA**”) involving the Petitioner, its Shareholders, its Warranholders, its option holders, First Mining Finance Corp. and Irving Resources Inc., formerly 1047431 B.C. Ltd., which Arrangement is described in greater detail in the management information circular of the Petitioner dated October 5, 2015, of which this Notice of Hearing of Petition forms a part.

AND NOTICE IS FURTHER GIVEN that the Court, by an Interim Order dated October 2, 2015, has given declarations and directions with respect to the Arrangement and as to the calling of a meeting of the holders of common shares (“**Shareholders**”) and the holders of share purchase warrants (“**Warranholders**”) of the Petitioner (collectively, “**Securityholders**”) for the purpose of such Securityholders voting together as a single class upon a resolution to approve the Arrangement, and the Court has directed that the Shareholders shall have the right to dissent under the provisions of section 237 to 247 of the BCBCA, as modified by the Plan of Arrangement and the Interim Order.

AND NOTICE IS FURTHER GIVEN that if the Arrangement is approved by the Securityholders, then pursuant to the Interim Order, the Petition for an Order approving the Arrangement will be heard by the Supreme Court of British Columbia at the Court House at 800 Smithe Street, Vancouver, British Columbia on November 10, 2015 at the hour of 9:45 in the forenoon, or so soon thereafter as counsel may be heard (“**Application for a Final Order**”).

At the hearing of the Application for a Final Order, the Petitioner intends to seek:

- a) an Order approving the Arrangement pursuant to section 288 of the BCBCA;
- b) an order that the Arrangement is fair to the Securityholders; and
- c) such other and further orders, declarations and directions as the Court may deem just.

Any Securityholders of the Petitioner desiring to support or oppose the making of an Order on the Application for a Final Order may be heard at the hearing by filing and delivering a Response to Petition, and any affidavit material upon which the Securityholder may wish to rely, as set out below and in accordance with paragraph 16 of the Interim Order.

IF YOU WISH TO BE HEARD AT THE HEARING OF THE APPLICATION FOR A FINAL ORDER OR WISH TO BE NOTIFIED OF ANY FURTHER PROCEEDINGS, YOU MUST GIVE NOTICE of your intention by filing a form of Response to Petition at the Vancouver Registry of the Supreme Court of British Columbia (“**Registry**”), along with any affidavit material upon which you intend to rely, and deliver such filed documents to the Petitioner at the Petitioner’s address for delivery, which is set out below, **by no later than 5:00 PM (Pacific Time) on November 6, 2015**.

YOU OR YOUR SOLICITOR may file the Response to Petition. You may obtain a form of Response to Petition at the Registry.

The address of the Registry is: 800 Smithe Street, Vancouver, British Columbia.

AND NOTICE IS FURTHER GIVEN that, at the hearing of the Application for a Final Order and subject to the foregoing, Securityholders of the Petitioner and any other interested persons will be entitled to make representations as to, and the Court will be requested to consider, the fairness of the Arrangement.

If you do not file and deliver a Response to Petition as aforesaid and attend either in person or by Counsel at the time of such hearing, the Court may approve the Arrangement, as presented, or may approve it subject to such terms and conditions as the

Court shall deem fit, all without any further notice to you. If the Arrangement is approved it will significantly affect the legal rights of Securityholders of the Petitioner.

A copy of the said Petition and other documents in the proceedings will be furnished to any Shareholder of the Petitioner upon request in writing addressed to the solicitors for the Petitioner at its address for delivery set out below.

The Petitioner's address for delivery is c/o Kornfeld LLP, Suite 1100, 505 Burrard Street, Vancouver, British Columbia V7X 1M5, Attention: Shane D. Coblin.

Dated: October 2, 2015

(signed) *Shane D. Coblin*

Signature of Lawyer for Petitioner
Kornfeld LLP

SCHEDULE E - MAXIT CAPITAL FAIRNESS OPINION



181 Bay Street, Suite 830
Toronto, ON, M5J 2T3

August 31, 2015

The Board of Directors
Gold Canyon Resources Inc. 609
Granville St., Suite 810 Vancouver,
ON V7Y 1G5

To the Board of Directors:

Maxit Capital LP (“Maxit Capital”, “we” or “us”) understands that First Mining Finance Corp. (“First Mining”) and Gold Canyon Resources Inc. (“Gold Canyon” or the “Company”) propose to effect a transaction (the “Transaction”), by way of a plan of arrangement under the *Business Corporations Act* (British Columbia), whereby First Mining will acquire all of the issued and outstanding common shares of Gold Canyon (“Shares”, and each a “Share”). Pursuant to the Transaction, each holder of Shares will be entitled to receive 1 common share of First Mining for each Share held (the “Exchange Ratio”), and each convertible security of Gold Canyon will become exercisable into First Mining common shares on the same terms and conditions as the original convertible security, as adjusted based on the Exchange Ratio, and will continue in accordance with its original expiry period. In addition, as part of the Transaction, each holder of Shares will receive 0.03333 of a common share in a newly incorporated entity (“New Gold Canyon”) for each Share held (the “New Gold Canyon Exchange Ratio”), and each warrant of Gold Canyon will become exercisable into New Gold Canyon common shares on the same terms and conditions as the original warrants, as adjusted based on the New Gold Canyon Exchange Ratio, and will continue in accordance with its original expiry period. On closing, Gold Canyon will transfer its early stage non-gold exploration properties together with C\$500,000 in cash and certain other assets currently owned by Gold Canyon to New Gold Canyon.

Furthermore, Maxit Capital understands that concurrent with the Transaction, First Mining and PC Gold Inc. (“PC Gold”) propose to effect a transaction (the “PC Gold Transaction”), by way of a plan of arrangement under the *Business Corporations Act* (Ontario), whereby First Mining will acquire all of the issued and outstanding common shares of PC Gold. The Transaction is not conditional upon the PC Gold Transaction and if the PC Gold Transaction is not completed for any reason it will not impact the closing of the Transaction.

The terms and conditions of the Transaction will be more fully described in the Company’s management information circular (the “Circular”) to be mailed to holders of Shares (the “Shareholders”) in connection with a special meeting of the Shareholders to be held to consider and, if deemed advisable, approve the Transaction.

Engagement of Maxit Capital

By letter agreement dated August 6, 2015, as amended (the “Engagement Agreement”), Gold Canyon retained Maxit Capital to act as its financial advisor in connection with the Transaction. Pursuant to the Engagement Agreement, the board of directors of Gold Canyon (the “Board of Directors”) has requested that we prepare and deliver a written opinion (the “Opinion”) as to the fairness, from a financial point of view, of the consideration to be received by the Shareholders.

In accordance with the Engagement Agreement, Maxit Capital will be paid a fixed fee for rendering this Opinion, no portion of which is conditional upon the Opinion being favourable, and will be paid an additional fee that is contingent upon the successful completion of the Transaction or any alternate transaction. The Company has also agreed to indemnify Maxit Capital in respect of certain liabilities that might arise out of our engagement.

Credentials of Maxit Capital

Maxit Capital is an independent advisory firm with expertise in mergers and acquisitions. The Opinion expressed herein is the opinion of Maxit Capital and the form and content herein have been approved for release by its managing partners, each of whom is experienced in merger, acquisition, divestiture and valuation matters.

Independence of Maxit Capital

Neither Maxit Capital, nor any of our affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) or the rules made thereunder) of the Company, First Mining, or any of their respective associates or affiliates (collectively, the “Interested Parties”).

Maxit Capital has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Parties within the past two years, other than acting as financial advisor to the Company pursuant to the Engagement Agreement.

There are no other understandings, agreements or commitments between Maxit Capital and any of the Interested Parties with respect to any current or future business dealings which would be material to the Opinion. Maxit Capital may, in the ordinary course of business, provide financial advisory, investment banking, or other financial services to one or more of the Interested Parties from time to time.

Scope of Review

In connection with rendering our Opinion, we have reviewed and relied upon, among other things, the following:

- i. a draft of the arrangement agreement (the “Arrangement Agreement”) dated August 31, 2015 and the draft schedules thereto;
- ii. a draft of a voting support agreement (the “Support Agreement”) dated August 26, 2015, between First Mining and officers and directors of the Company;
- iii. the annual reports, including the comparative audited financial statements and management’s discussion and analysis, of the Company for the fiscal periods ended November 30, 2012, 2013 and 2014;
- iv. the annual reports, including the comparative audited financial statements and management’s discussion and analysis, of First Mining for the fiscal periods ended December 31, 2012, 2013 and 2014;
- v. the interim reports, including the comparative unaudited financial statements and management’s discussion and analysis, of the Company for the quarters ended May 31, 2014, August 31, 2014, February 28, 2015 and May 31, 2015;
- vi. the interim reports, including the comparative unaudited financial statements and management’s discussion and analysis, of First Mining for the quarters ended June 30, 2014, September 30, 2014, March 31, 2015 and June 30, 2015;
- vii. select public market trading statistics and relevant financial information of the Company, First Mining and other public entities;
- viii. internal management forecasts, development and operating projections, estimates (including future estimates of mineable resources) and budgets prepared or provided by or on behalf of Gold Canyon and First Mining;
- ix. select technical reports on the Company and First Mining’s assets;
- x. select reports published by equity research analysts and industry sources regarding comparable public entities;
- xi. select financial statistics and relevant financial information with respect to relevant precedent transactions;
- xii. a certificate addressed to us, dated August 31, 2015, from the senior officers of the Company as to the completeness and accuracy of the Information (as defined below); and
- xiii. such other information, investigations, analyses and discussions as we considered necessary or appropriate in the circumstances.

In addition, we have participated in discussions with members of the senior management of the Company regarding its past and current business operations, financial condition, future prospects and related matters. We have also participated in discussions with Getz Prince Wells LLP, the Company’s external legal advisor, regarding

the Transaction and related matters.

Assumptions and Limitations

Our Opinion is subject to the assumptions, qualifications and limitations set forth below.

With your permission, we have relied upon, and have assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions and representations obtained by us from public sources, or provided to us by the Company or its affiliates or advisors or otherwise obtained by us pursuant to our engagement, and our Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to or attempted to verify independently the accuracy, completeness or fairness of presentation of any such information, data, advice, opinions and representations. We have not met separately with the independent auditors of the Company or First Mining in connection with preparing this Opinion and with your permission, we have assumed the accuracy and fair presentation of, and relied upon, the audited financial statements of the Company and First Mining and the reports of the auditors thereon and the interim unaudited financial statements of the Company and First Mining.

With respect to the historical financial data, development and operating projections and budgets provided to us concerning the Company and relied upon in our financial analyses, we have assumed that they have been reasonably prepared on bases reflecting the most reasonable assumptions, estimates and judgments of management of the Company, having regard to the Company's business, plans, financial condition and prospects.

The Company has represented to us, in a certificate of four senior officers of the Company dated August 31, 2015, among other things, that the information, data and other material (financial or otherwise) provided to us by or on behalf of the Company, including the written information and discussions concerning the Company referred to above under the heading "Scope of Review" (collectively, the "Information"), are complete and correct at the date the Information was provided to us and that, since the date on which the Information was provided to us, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its affiliates and no material change has occurred in the Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion.

We are not legal, tax or accounting experts and we express no opinion concerning any legal, tax or accounting matters concerning the Transaction or the sufficiency of this letter for your purposes. Our Opinion is rendered on the basis of securities markets, economic and general business and financial conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Company and First Mining as they are reflected in the Information and as they were represented to us in our discussions with management of the Company and its affiliates and advisors. In our analyses and in connection with the preparation of our Opinion, we made numerous assumptions with respect to industry performance, general business, markets and economic conditions and other matters, many of which are beyond the control of any party involved in the Transaction.

The Opinion is being provided to the Board of Directors for its exclusive use only in considering the Transaction and may not be published, disclosed to any other person, relied upon by any other person, or used for any other purpose, without the prior written consent of Maxit Capital. Our Opinion is not intended to be and does not constitute a recommendation to any shareholder of the Company with respect to the Transaction.

Maxit Capital believes that its financial analyses must be considered as a whole and that selecting portions of its analyses and the factors considered by it, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of an opinion is complex and is not necessarily susceptible to partial analysis or summary description and any attempt to carry out such could lead to undue emphasis on any particular factor or analysis.

The Opinion is given as of the date hereof and, although we reserve the right to change or withdraw the Opinion if we learn that any of the information that we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, we disclaim any obligation to change or withdraw the Opinion, to advise any person of any change that may come to our attention or to update the Opinion after the date of this Opinion.

Opinion

Based upon and subject to the foregoing and such other matters as we considered relevant, it is our opinion, as of the date hereof, that the consideration to be received by Shareholders pursuant to the Transaction is fair, from a financial point of view, to the Shareholders.

Yours very truly,

A handwritten signature in blue ink that reads "Maxit Capital LP". The signature is written in a cursive, slightly stylized font.

Maxit Capital LP, by its general partner, Maxit Capital Inc.

SCHEDULE F - INFORMATION CONCERNING GOLD CANYON

The following information is presented on a pre-Arrangement Transactions basis and is reflective of the current business, financial and share capital position of Gold Canyon. The Arrangement Transactions will result in Gold Canyon becoming a wholly-owned subsidiary of First Mining, with all interests in properties outside of Canada transferred to SpinCo. See “Information Concerning First Mining” and “Information Concerning SpinCo on a Post-Transaction Basis” for certain information pertaining to First Mining and SpinCo on a pre-Transaction and post-Transaction basis.

DOCUMENTS INCORPORATED BY REFERENCE

For detailed information concerning Gold Canyon’s business and affairs, Gold Canyon Securityholders are referred to Gold Canyon’s public filings available under its profile on the SEDAR website at www.sedar.com, including, without limitation, the following, which are incorporated into this Schedule “F” by reference:

- (a) the consolidated annual financial statements of Gold Canyon and the notes thereto as at and for the years ended November 30, 2014 and 2013, together with the notes thereto and the auditors’ report thereon;
- (b) management’s discussion and analysis of the financial condition and results of operations of Gold Canyon for the years ended November 30, 2014 and 2013;
- (c) the interim unaudited condensed interim consolidated financial statements of Gold Canyon and the notes thereto for the six-month periods ended May 31, 2015 and 2014;
- (d) management’s discussion and analysis of the financial condition and results of operations of Gold Canyon for the three-month period ended May 31, 2015; and
- (e) the management information circular of Gold Canyon dated April 15, 2015 in connection with the annual general and special meeting of shareholders of Gold Canyon held on June 11, 2015.

The above documents (or statements contained therein) which are referred to above are deemed to be modified or superseded by any statements contained in this Circular or any other subsequently filed document that is also referred to in this Circular. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to be referred to in this Circular.

Gold Canyon Securityholders wishing to obtain copies of any documents of Gold Canyon incorporated by reference herein may do so free of charge by written request to Gold Canyon Resources Inc., Suite 810, 609 Granville Street, P.O. Box 10356 Pacific Centre, Vancouver, British Columbia, V7Y 1G5, Attention: Corporate Secretary. These documents may also be obtained over the internet on SEDAR at www.sedar.com.

CORPORATE STRUCTURE

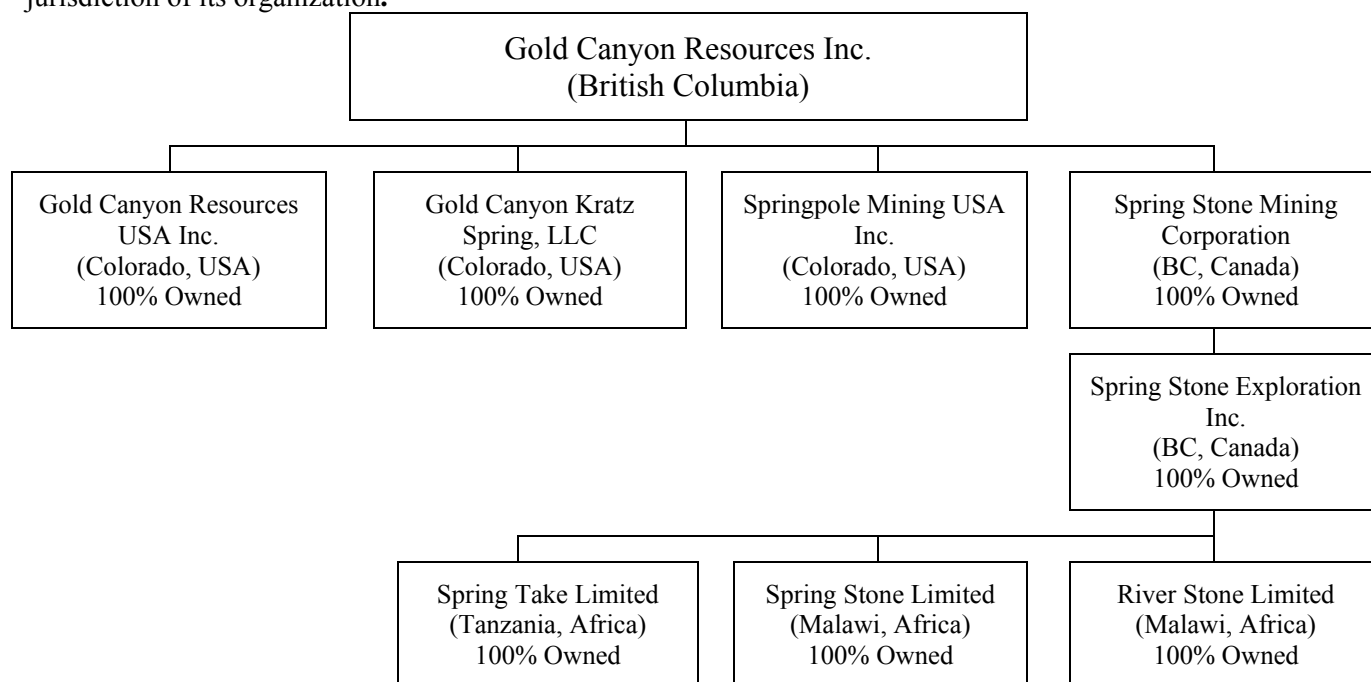
Name, Address and Incorporation

Gold Canyon was incorporated on the 20th day of August, 1985 by registration of its Memorandum and Articles under the *Company Act* (British Columbia). Gold Canyon was transitioned under the *Business Corporations Act* (British Columbia) on July 26, 2004. The head office of Gold Canyon is located at Suite 810, 609 Granville Street, Vancouver, British Columbia, V7Y 1G5. Gold Canyon’s registered and records offices is located at Suite 1810, 1111 West Georgia Street, Vancouver, British Columbia, V6E 4M3.

Intercorporate Relationships

The following chart shows Gold Canyon’s principal operating subsidiaries, for each subsidiary, includes the percentage direct or indirect ownership and voting interest of Gold Canyon for each subsidiary and the

jurisdiction of its organization.



BUSINESS OF GOLD CANYON

General

Gold Canyon is a mineral exploration company engaged in the acquisition, exploration, and development of gold, base-metal and rare earth metals exploration properties both through company-funded and partner-funded exploration. The financial success of Gold Canyon is dependent upon its ability to discover economically exploitable mineralization.

At present, Gold Canyon's main focus is on advanced exploration of the Springpole Gold Project. Gold Canyon also has operations in Africa and to a lesser extent, the United States; however Gold Canyon is currently not dependent to any material extent on foreign operations. Gold Canyon does not have any assets or mineral properties that are in production or that contain a mineral reserve. Please refer to the sections of this Schedule "F" entitled "*Mineral Projects*" for a description of Gold Canyon's updated mineral resource estimate.

Three-year History

Financial Year Ending November 30, 2012

In December, 2011 Gold Canyon released an initial NI 43-101 technical report for its rare earth element ("**REE**") exploration project in Malawi, Africa prepared by Peter C. Le Couteur (Ph.D., P. Eng.), an independent qualified person to Gold Canyon.

In February, 2012 Gold Canyon announced an updated NI 43-101 compliant resource estimate for the Springpole Gold Project, effective February 27, 2012. Gold Canyon subsequently filed a technical report prepared by Dr. Gilles Arseneau (P.Ge.), an independent qualified person to Gold Canyon, in connection with the updated mineral resource estimate on SEDAR on April 10, 2012.

Gold Canyon's Malawi subsidiary, River Stone Limited, paid \$114,433 for an Exclusive Prospecting Licence and to explore a 1,400 square kilometre area in the Mangochi region of Malawi, Africa.

On May 30, 2012, Gold Canyon announced the appointment of Mr. Troy J. Fierro (BSc Mine Engineering) and Mr. Richard J. Hall (MS Geology, MBA) to the Gold Canyon Board. Gold Canyon also announced the addition of Lisa Sharp, CGA as Chief Financial Officer. Ron Schmitz stepped down as Chief Financial Officer and resigned his position as a Director but continued to serve Gold Canyon in the capacity as Executive Vice President.

Gold Canyon completed a short-form prospectus financing on July 3, 2012, issuing 1,950,000 common shares at a

price of \$1.30 per share and 8,481,000 flow-through shares at a price of \$1.47 per share for total gross proceeds of \$15,002,070. The underwriters received a cash commission of \$754,311 and 495,472 broker warrants, each broker warrant entitling the holder to acquire one common share of Gold Canyon at a price of \$1.42 per common share until January 3, 2014.

In August, 2012 Gold Canyon announced the commencement of Phase II work on at its Chambe Basin REE Project located on the Mulanje Property in Malawi, Africa.

Effective September 26, 2012 Gold Canyon appointed Troy J. Fierro to the position of Chief Executive Officer. Akiko Levinson, the former Chief Executive Officer, continued to serve as President and Director.

In October, 2012 Gold Canyon announced an updated NI 43-101 compliant resource estimate for the Springpole Gold Project, effective September 19, 2012. Gold Canyon subsequently filed the Springpole Technical Report in connection with the updated resource estimate on SEDAR on November 30, 2012.

Financial Year Ending November 30, 2013

Effective January 15, 2013 Gold Canyon appointed Richard Moritz to the position of Vice President, Corporate Communications.

In March, 2013 Gold Canyon announced receipt of a preliminary economic assessment (the “**Springpole PEA**”) for the Springpole Gold Project, effective March 25, 2013. Gold Canyon subsequently filed the Springpole PEA in connection with the preliminary economic assessment on SEDAR on May 3, 2013.

In July, 2013 Troy Fierro resigned his position as the Chief Executive Officer of Gold Canyon and Akiko Levinson was subsequently appointed to serve in the additional role of Chief Executive Officer. In addition, Gold Canyon terminated Richard Moritz as Vice President, Corporate Communications of Gold Canyon.

In July, 2013 Gold Canyon announced an agreement on a Negotiation Protocol (the “**NP Agreement**”) with local First Nations in relation to its Springpole Gold Project. Each of the Cat Lake First Nation, the Lac Seul First Nation, and the Slate Falls Nation are party to the NP Agreement that sets a constructive framework to negotiate an Exploration Accommodation Agreement that will support Gold Canyon’s activities as it advances this important gold project.

Gold Canyon completed a private placement offering on August 8, 2013, issuing 8,497,564 units at a price of \$0.23 per unit for gross proceeds of \$1,954,440. Each unit consists of one common share and one non-transferable share purchase warrant with each warrant exercisable into one common share at a price of \$0.40 expiring August 8, 2015.

Gold Canyon completed a second private placement offering on August 19, 2013, issuing 4,326,957 units at a price of \$0.23 per unit for gross proceeds of \$995,200. Each unit consists of one common share and one non-transferable share purchase warrant with each warrant exercisable into one common share at a price of \$0.40 expiring August 19, 2015.

On September 26, 2013, Gold Canyon announced assay results from the summer 3,000 metre drill program.

Financial Year Ending November 30, 2014

Gold Canyon announced that the Board had approved an Advance Notice Policy effective February 19, 2014 for the purpose of providing shareholders, directors and management of Gold Canyon with a clear framework for nominating directors. The Advance Notice Policy was subsequently ratified by Gold Canyon Shareholders on April 15, 2014.

In May, 2014 Gold Canyon announced that it has been notified by the Ontario Ministry of Natural Resources (“**MNR**”) that Gold Canyon has fulfilled the requirements of the Category C Class Environmental Assessment for Resource Stewardship and Facility Development Projects (“**Class EA RSFD**”) for Gold Canyon’s Springpole Access Corridor and the Statement of Completion has been filed with the Minister of the Environment.

In July, 2014 Gold Canyon incorporated a new subsidiary, Spring Take Limited in the United Republic of Tanzania, Africa to pursue rare earth exploration with respect to a Prospecting License in the Masasi District of Tanzania, Africa.

In November, 2014 Gold Canyon announced it completed three years of environmental surveys required to

quantify aquatic habitat at the Springpole Gold Project. Initial discussions were held with the Department of Fisheries and Oceans Canada (“**DFO**”) to review the findings of these surveys and discuss next steps towards a fisheries offset agreement, a key item necessary to move the Springpole Gold Project forward.

Subsequent Events

Gold Canyon completed a private placement offering on February 5, 2015 issuing 11,880,454 units at a price of \$0.11 per unit for gross proceeds of \$1,306,850. Each unit consists of one common share and one non-transferable share purchase warrant with each warrant exercisable into one common share at a price of \$0.17 expiring February 5, 2018. In the event that at any time after February 5, 2016 the closing price of Gold Canyon’s shares equals or exceeds \$0.75 per share for a period on 20 consecutive trading days, Gold Canyon may provide notice to the warrant holders to exercise their warrants within 30 days or the warrants will expire.

On August 31, 2015 Gold Canyon entered into the Arrangement Agreement with respect to the Arrangement Transactions.

MINERAL PROJECTS

The Springpole Gold Project is Gold Canyon’s only material mineral project. The Springpole Gold Project is under the supervision of Dr. Quinton Hennigh, Ph.D., P.Geo., a Qualified Person pursuant to NI 43-101 who is acting as a technical adviser to and a director of Gold Canyon. The scientific and technical content of this Circular in respect of the Springpole Gold Project or the Springpole PEA has been reviewed by Dr. Hennigh.

Gold Canyon acquired ownership of five patented claims (11229, 11230, 11231, 12868, 12869) (the “**Milestone Claims**”) covering a total area of 96.54 ha (238.55 acres) from Milestone Exploration Limited (a predecessor entity by way of amalgamation of Jubilee Gold Inc.) in 1993. These claims are subject to a 3% net smelter returns royalty (“**NSR**”) payable upon commencement of commercial production with advance royalty payments of \$70,000 per year, adjusted by the Consumer Price Index each year. Gold Canyon retained an option to acquire 1% of the NSR for \$1,000,000 at any time. Gold Canyon retains a right of first refusal on any sale of the remaining royalty interest on certain terms and conditions. These five patented claims are fee simple parcels, with mining and surface rights attached to all five patented claims registered with the Land Registry Office in Kenora, Ontario.

Gold Canyon leases ten patented claims (11233-11235, 12896-12901, 13043) covering a total area of 182.25 hectares (450.34 acres) from the registered owner of these claims (the “**Frahm Claims**”). These ten patented claims are fee simple parcels with mining and surface rights attached to all ten patented claims registered, together with the notice of lease, with the Land Registry Office in Kenora, Ontario. The lease is for a term of 21 years less one day, terminating on April 14, 2031, and stipulates that Gold Canyon is to pay all applicable property taxes related to the ten patented claims during the term of the lease together with advance royalty payments on a sliding scale of US\$50,000 per year (2011-2016), US\$60,000 (2016-2021) and US\$80,000 (2021-2031) which is credited to future NSR payable, if any. A 3% NSR is payable upon commencement of commercial production. Gold Canyon retained an option to acquire up to 2% of the NSR for US\$1,000,000 per 1% at any time. Gold Canyon has the right to access the ten patented claims to conduct mining operations and produce all ores, minerals and metals which are or may be found therein or thereon provided, however, that Gold Canyon has reserved the surface use to a small portion of aggregate surface area for the recreational use of a cabin by the owner. Gold Canyon holds an option to acquire the ten patented claims, and would be required to do so upon the commencement of commercial production on these or certain adjoining patented claims. Gold Canyon retains a right of first refusal on any sale of the remaining royalty interest on certain terms and conditions.

Gold Canyon has an option and lease to a further 15 patented claims (11236, 12867, 12871-12874, 12902-12909) (the “**Springpole Claims**”) covering a total area of 310.19 hectares (766.5 acres) from a group of individuals and/or companies collectively referred to as the “Springpole Group”. These 15 patented claims are fee simple parcels, with mining and surface rights attached to all 15 patented claims registered, together with the notice of option and lease, with the Land Registry Office in Kenora, Ontario. The term of the option is for five years, with five renewal option periods of five years each that can be exercised by Gold Canyon before expiry of the earlier option period by confirmation of good standing of the agreement and payment of a US\$50,000 renewal fee. Gold Canyon is required to make option payments in the aggregate amount of US\$35,000 per year, expend an aggregate of CDN\$300,000 on mining operations in each option term as a condition of any renewal and pay all property taxes related to these patented claims. Gold Canyon has been granted, during such option term, the exclusive lease, right and interest to enter upon the 15 patented claims, to conduct mining operations and to have

quiet possession thereof, including the right, at Gold Canyon's discretion to make any use or uses of the 15 patented claims consistent with the foregoing including the construction of roads, railways, conveyors, plants, buildings and aircraft landing areas or the alteration of the surface of the property, subject to all applicable laws. Gold Canyon has reserved the surface use to a small portion of aggregate surface area for the recreational use of a cabin by one of the members of the Springpole Group. Gold Canyon holds an option to acquire the 15 patented claims, and would be required to do so upon the commencement of commercial production. A 3% NSR is applicable during the option term upon commencement of commercial production or a 1% NSR if the purchase option is exercised prior to commercial production. Gold Canyon can acquire the remaining 1% NSR by a payment of US\$500,000.

In Ontario, Crown Lands are available to licensed prospectors for the purposes of mineral exploration. A licensed prospector must first stake an unpatented mining claim to gain the exclusive right to prospect on Crown Land. Claims can also be staked in areas where surface rights are not owned by the Crown if the ground is open for staking and mineral rights can be obtained. Claim staking is governed by the Ontario Mining Act and is administered through the Ontario Ministry of Northern Development and Mines ("MNDM"). A total of 300 contiguous unpatented mining claims covering approximately 31,776 ha (78,521 acres) make up the greater area of the Springpole Gold Project and have been staked directly by Gold Canyon.

An additional six unpatented mining claims (KRL562895 to KRL562900) and related Crown leases for surface rights were acquired by Gold Canyon from an individual in May, 2011 for an aggregate payment of US\$300,000. These claims are subject to a 3% NSR rate payable upon commencement of commercial production with advance royalty payments of US\$50,000 per year. Gold Canyon retained an option to acquire all or a portion of the applicable NSR at a rate of US\$500,000 per 1% of the NSR at any time. Gold Canyon has permitted the vendor to use a small portion of the property subject to the Crown leases, including a vacation home, for recreational purposes provided that Gold Canyon has been granted a 20 year option to purchase the vacation home for the price determined by an AACI valuator. The vacation home is required to be purchased upon commencement of commercial production. Subsequent to the acquisition the Crown leases were to expire. In consultation with the MNDM, Gold Canyon applied for the lease of these claims to be renewed for an additional 21 years, effective August 31, 2011.

All unpatented claims are liable for inspection at any time by the MNDM and may be cancelled for irregularities or fraud in the staking process. Disputes of mining claims by third parties will not be accepted after one year of the recording date or after the first unit of assessment work has been filed and approved. A claim remains valid as long as the claim holder properly completes and files the assessment work as required by the Mining Act and the Minister approves the assessment work. In order to keep an unpatented mining claim current, the mining claim holder must perform \$400 per mining claim unit worth of approved assessment work per year; immediately following the initial staking date, the claim holder has two years to file one year worth of assessment work. Surface rights are separate from mining rights, and should any method of mining be appropriate, other than those claims for which Crown leases have been issued, the surface rights would need to be secured.

In October, 2012 Gold Canyon retained SRK Consulting (Canada) Inc. ("SRK") to complete a preliminary economic assessment for the Springpole Gold Project. The following are excerpts and/or a summary of certain portions of the Springpole PEA and are qualified by and should be read together with the Springpole PEA in full for a complete set of references and authorities for the statements made in this Circular. The Springpole PEA contains tables and data that are not included in this summary. Readers are encouraged to review the Springpole PEA in full before making a determination in relation to the Arrangement Resolution or an investment in the resulting company.

SRK prepared the Springpole PEA for Gold Canyon with the assistance of Bruce Murphy (FSAIMM), Maritz Rykaart (P.Eng.), Mark Liskowich (P.Geo), Dino Pilotto (PEng) and Adrian Dance (PEng), all employees of SRK and all independent "Qualified Persons" for the purposes of NI 43-101. All scientific and technical information in this Circular in respect of the Springpole Gold Project or the Springpole PEA is based upon information prepared by or under the supervision of these individuals.

Property Description, Location and Access

The Springpole Gold Project is located 110 km northeast of Red Lake, Ontario, and is 100% controlled by Gold Canyon. The project's land position comprises 30 patented claims and 300 unpatented, contiguous mining claims

and 6 leased unpatented mining claims totalling an area of approximately 32,448 hectares (80,181 acres).

During late spring, summer, and early fall, the project is accessible by float-plane direct to Springpole Lake or Birch Lake. During winter, an ice road approximately 85 km long is constructed from the South Bay landing point on Confederation Lake to a point about 1 km from the Springpole camp.

History

Gold exploration on the property was carried out during two main periods, one during the 1920s to 1940s, and a second period from 1985 to the present.

In 1925, the discovery of gold at Red Lake brought prospectors into the Springpole Lake area. Visible gold in outcrop on the property was first discovered north of the Birch-Springpole Lake portage and prospected by Northern Aerial Mineral Exploration Ltd. in 1928.

Between 1933 and 1936, the Windigokan Sturgeon Mining Syndicate conducted extensive trenching and prospecting, including 10 short holes totalling 458.5 m (1,504 ft). The claims were then transferred to Springpole Mines Ltd. who carried out limited trenching and prospecting in 1945. The Casey Summit Mine (later renamed the Casummit Mine), approximately 10 km to the north, started operation around this time. This mine ultimately produced 101,975 oz of gold and 9,788 oz of silver and is the only significant past producer of precious metals in the Birch-Springpole Lake area.

The area remained dormant until 1985 when Goldfields Canadian Mining, Ltd. (“**GFCM**”) optioned the Frahm Claims and, in 1986, the Milestone claims and Maple Leaf (now Springpole Group) claims. GFCM conducted an airborne (Aerodat) geophysical survey in 1985 over the entire claim group. On the 30 patented claims (Frahm Claims, Milestone Claims, and Springpole Claims), line cutting was done at both 30.5 m (100ft) centers (Milestone Claims) and 61 m (200ft) centers (Frahm Claims and Springpole Claims). Subsequently, geological mapping, humus geochemistry, and ground geophysics (VLF, Mag, and IP) were conducted over the grids.

From 1986 through 1989, GFCM completed 118 diamond drill holes in seven drill phases totalling 38,349 m (125,816 ft). In addition, during 1986 and 1987, approximately 116,119 m² (1.25 ft²) of mechanical stripping was carried out by the company, and four petrographic reports were produced.

Late in 1989, GFCM entered into a 50/50 joint venture with the combined interests of Noranda Exploration Company, Limited (“**Noranda**”) and Akiko-Lori Resources Ltd. (“**Akiko-Lori**”) From 1989 through 1992 Noranda conducted an IP survey over the central portion of the Portage zone under Springpole Lake and tested the property with eighteen core holes totalling 6,195 m (20,323 ft). The majority of the drilling was conducted on the Portage zone.

In 1992, Noranda dropped its interest in the property leaving Akiko-Lori to carry out further exploration while carrying its 50% partnership with GFCM. During 1993 and 1994, Akiko-Lori/Akiko Gold Resources Ltd. (“**Akiko Gold**”) completed an additional 15 diamond drill holes on the Portage zone totalling 4,850 m (15,913 ft).

By 1995, Akiko Gold was reorganized into Gold Canyon Resources Inc. and GFCM’s interest was acquired by Santa Fe Mining as part of an asset exchange with London based Hanson Plc., which controlled GFCM. During 1995, a joint venture between Gold Canyon and Santa Fe carried out an exploration program consisting of remapping of the main area, of some of the existing drill core, and a reinterpretation of the geology.

During the 1995 and 1996 programs, Santa Fe drilled an additional 69 holes totalling 15,085 m (49,492 ft) on the Springpole Gold Project property and two drill holes on Johnson Island. By late 1996, the takeover of Santa Fe by Newmont Gold Company was nearing completion. Just prior to the merger with Newmont, Santa Fe exchanged their 50% interest in the property for a tax credit that left Gold Canyon with a 100% ownership. After Santa Fe’s departure, Gold Canyon continued exploration in 1997 and 1998 with another 51 core holes totalling 5,642 m (18,510 ft).

Paso Rico Resources Ltd. (“**Paso Rico**”) had an option to earn an interest in the Springpole Project and, in the summer of 1998, conducted with Gold Canyon a lake bottom sediment sampling program in several areas of Springpole. The results of this survey identified several follow-up targets that were tested in 1999 by Paso Rico with 12 core holes totalling 2,779 m (9,117 ft). In 2000, Paso Rico withdrew from the Springpole Project leaving Gold Canyon with its current 100% interest.

During 2004, 2005, and 2006, diamond drilling programs were conducted on the property by Gold Canyon.

In the fall of 2007, Gold Canyon embarked on a limited exploration program to further investigate the Fluorite zone that was identified by Noranda during its trenching program in 1990. During the course of the program 46 1-m samples were collected from four “cuts” across a previously identified 23 m wide zone of fluorite mineralization at the western end of Long Skinny Pond—a thin narrow pond to the north of camp that channels water from Birch Lake to Round Pond and into Springpole Lake via a narrow stream channel. Sampling results were inconclusive as fluorite content (CaF₂) was not analyzed. Additionally, the samples were tested for their rare earth element potential but these results also were inconclusive. Gold values were borderline anomalous and did not warrant any follow up.

From early August thru the end of October 2009, Gold Canyon embarked on a core re-logging and re-sampling program. Core re-logging was carried out in a summary format designed to be easily incorporated into later modelling efforts. This meant drill holes were divided into broad units based upon average lithology, alteration, and mineralization. Quality of logging varied between geologists, as it was clear that a formal standard for logging was not adopted. Logging efforts were further hampered by core intervals that contained little, if any, useful material due to sampling of all or nearly all of the recovered core, as well as degradation and decay of core boxes and core racks. The information obtained from the re-logging exercise was used to plan the phased drill program of 2010 to 2012. All re-logged core forms were scanned and now form a part of the digital database stored at the Gold Canyon’s office in Vancouver, British Columbia.

Geological Setting, Mineralization and Deposit Types

The Springpole area is underlain by a polyphase alkali, trachyte intrusive displaying autolithic breccia. The intrusive is comprised of a system of multiple phases of trachyte that is believed to be part of the roof zone of a larger syenite intrusive; fragments displaying phaneritic textures were observed from deeper drill cores in the southeast portion of the Portage zone. Early intrusive phases consist of megacrystic feldspar phenocrysts of albite and orthoclase feldspar in an aphanitic groundmass. Successive phases show progressively finer grained porphyritic texture while the final intrusive phases are aphanitic. Within the country rocks to the north and east are trachyte and lamprophyre dikes and sills that source from the trachyte- or syenite-porphyry intrusive system.

The main intrusive complex appears to contain many of the characteristics of alkaline, porphyry style mineralization associated with diatreme breccias (e.g., Cripple Creek, Colorado). This style of mineralization is characterized by the Portage zone and portions of the East Extension zone where mineralization is hosted by diatreme breccia in aphanitic trachyte. It is suspected that the ductile shearing and brittle faulting have played a significant role in redistributing structurally controlled blocks of the mineralized rock. Diamond drilling in the winter of 2010 revealed a more complex alteration with broader, intense zones of potassic alteration replacing the original rock mass with biotite and pyrite. In the core area of the deposit where fine grained disseminated gold mineralization occurs with biotite, the primary potassic alteration mineral, gold displays a good correlation with potassium/rubidium.

Exploration

Current exploration work on the property consists mainly of an ongoing drilling programs carried out by Gold Canyon.

All historic holes drilled prior to 2010 were surveyed using various earth projections, either NAD27 (North American Datum 1927) Canada, WGS or NAD83 projections. In September 2006, W.J. Bowman Ltd of Dryden, Ontario, surveyed 275 historic drill hole collars from collar numbers BL-1 thru BL-373. For the purposes of inclusion in the data set for 3-D modelling, all the historic collar locations were converted to the UTM WGS84 projection.

For the 2007 and 2008 drill programs, the drill hole collars were located and surveyed using a handheld GPS and recorded in UTM NAD27 Canada projection. For the purposes of this report all the collar survey information has been converted to WGS84 and field checked against collar locations using handheld Trimble GeoXH DGPS.

The 2010 to 2012 drill hole collars were initially surveyed using handheld GPS devices. During the initial phases of the offshore 2010 drill program, drill hole collars on the lake ice were surveyed by handheld, real-time differential GPS with an average accuracy of 4 to 5 m and recorded in UTM NAD27 Canada projection. On-shore

drill holes were initially located with handheld GPS and once the drill hole was complete, the hole location was temporarily marked; subsequently, the collars were surveyed using a Trimble GeoXH handheld DGPS device with an external antenna giving submetre (~10 cm) location accuracy.

For the offshore 2011 and 2012 drill program, with drills mounted on barges, the drill sites were marked by floating buoy and located using the Trimble GeoXH from a boat. All onshore drill collars were located and subsequently surveyed using the Trimble GeoXH. At the beginning of the winter 2011 drill program, the UTM WGS84 projection was adopted as the standard for surveying drill collars and others surface landmarks. All previously recorded UTM measurements were converted accordingly.

All drill site locations for inclined drill holes, onshore or offshore on the ice, were marked using two to four painted laths aligned along strike either side of the proposed drill hole location. These laths were used as fore- and back-sights for setting the drill location and orientation. Inclination of the drill hole was checked on the drill head, prior to commencing drilling, using either a Brunton compass or inclinometre accurate to half of one degree.

Drilling

The initial geologic and engineering studies at the end of 2009 resulted in the establishment of systematic drill sections at 50 m intervals across the three identified prospect areas, namely Portage zone, East Extension zone, and Camp zone. The subsequently developed drill program lead to a multi-phase drill campaign starting in the summer of 2010 and ending in the summer of 2012, resulting in completion of 77,275 m of diamond core drilling in 196 drill holes. During the course of the 2010, 2011, and 2012 programs, drilling identified a precious metal deposit of significant strike, depth and width within the Portage zone.

Winter 2010 drilling operations began on February 17th with mobilization of two Longyear 38 drills from Boart-Longyear International's ("**BLI**") base in Red Lake. Drilling commenced on February 23, 2010. A total of six diamond drill holes (SP10-001 thru SP10-006) were drilled for a total of 1,774.5 m of HQ drilling. A summary of the 2010 drilling can be found in Table 9.5 of the Springpole PEA available on SEDAR.

BLI pulled out of the drill program and demobilized the drills on March 10, 2010, citing critical ice thickness problems with the access ice road to Springpole camp from the South Bay Mine landing. In doing so, BLI failed to complete drill holes SP10-005 and SP10-006, and both holes ended in altered and mineralized rock. Significant intercepts of the 2010 drill program are listed in Table 9.6 of the Springpole PEA available on SEDAR.

Drilling was suspended during the ice break-up on Springpole Lake and Birch Lake as the Springpole Project has no land access route. Rodren Drilling Ltd of Winnipeg, Manitoba, was awarded the drilling contract in spring 2010 and mobilization of two Boyles 37 drills to the project site by helicopter began in June 2010. Drilling commenced on July 5, 2010, and ended on October 17, 2010. A total of 8,664.2 m of HQ core drilling was completed in 23 drill holes, averaging 44.23 m of drilling per 24-hour shift, including time for moving the drill between drill sites.

The 2011 drill program totaled 28,750 m in 80 diamond core holes and drill hole data are illustrated in Figure 9.3 and summarized in Table 9.7 of the Springpole PEA available on SEDAR. Five of the diamond core holes were drilled for the purpose of metallurgical testing. All these holes (SP11-061, -065, -066, -069 and -090) were twins of previously drilled holes. The core obtained from SP11-061, -065 and -069 was not sampled in order to send the whole core for metallurgical testing. The drill core from SP11-066 and -090 was quartered and one-quarter was sent to SGS Canada Inc.'s ("**SGS**") Red Lake laboratory for assaying. The remaining three-quarters were sent to SGS's Lakefield metallurgical laboratory facility along with the whole cores.

The 2012 drill program commenced on January 18, 2012, using the two Boyles 37 from Rodren and one discovery EF-50 drills from the 2011 program. Three Discovery LF-75 drills, mobilized to the project via the winter road, were also used. The drill program began in-filling the Portage zone based upon results of the 2011 drill program. The goal was to in-fill areas where inferred mineral resource had been defined in the February 2012 mineral resource update and to expand the mineral resource area to the southeast.

The 2012 drill program totaled 38,069 m in 87 diamond core holes. The drill hole data are illustrated in Figure 9.4 and summarized in Table 9.9 of the Springpole PEA available on SEDAR. Significant drill intersections from the 2012 drilling program are summarized in Table 9.10 of the Springpole PEA available on SEDAR.

The 2013 winter drill program began in early February, 2013 and was completed in mid-March. Seven diamond

drill holes were completed around the periphery of the ore deposit to provide geotechnical information for pit slope stability analysis and further exploration. During the spring, Gold Canyon re-logged diamond core from historic exploration holes from the Main and East Extension zones with the goal of adding important information from these deposits to the geologic understanding of the “global” ore-forming system.

Through the summer, Gold Canyon undertook approximately 3,000 metres of diamond drilling using the remaining flow-through funds. Notable intercepts include 39.5 metres at 6.51 grams per tonne gold from hole SP13-207 and another of 57.5 metres at 3.23 grams per tonne gold from hole SP12-197. This drilling achieved the primary goal of providing necessary data to facilitate an upgrade of current reported “in-pit” inferred resources to the indicated category for the next resource estimate.

Sampling, Analysis and Data Verification

Detailed descriptions of the drill core were carried out under the supervision of a senior geologist, a member in good standing of the APGO (Association of Professional Geologists of Ontario) and AIPG (American Institute of Professional Geologists). The core logging was carried out on-site in a dedicated core logging facility. Drill log data were recorded onto paper logs that were later scanned and digitized.

Core was laid out 30 to 40 boxes at a time. First, the core was photographed in 15 m batches prior to logging or sampling. This is followed by a geotechnical log that records quantitative and qualitative engineering data including detailed recovery data and rock quality designation. Any discrepancies between marker blocks and measured core length were addressed and resolved at this stage. The core was then marked up for sampling.

For the 2010 and 2011 drill programs, all the drill core intervals were sampled using sample intervals of 1 m. During the 2012 drilling program, Gold Canyon changed its standard sample length from 1 to 2 m lengths. However, in zones of poor recovery, 1.5 or 3 m samples were sometimes collected. Samples over the standard sample length were typically half core samples and whole core was generally only taken in intervals of poor core recovery across the sampled interval. Sampling marks were made on the core and sample tickets were stapled into the core boxes at the beginning of each sample interval. Quality control samples were inserted into the sample stream.

Inserting quality control samples involved the addition of certified blanks, certified gold standards, and field and laboratory duplicates. Field duplicates were collected by quartering the core in the sampling facility on-site. Laboratory duplicates were collected by splitting the first coarse reject and crushing and then generating a second analytical pulp. Blank, standards and duplicates made up 10% of the total sample stream. Sample tickets were marked blank, field or laboratory duplicate, or standard, and a sample tag was stapled into the core box within the sample stream.

Geological descriptions were recorded for all core recovered. Separate columns in the log allow description of the lithology, alteration style, intensity of alteration, relative degree of alteration, sulphide percentage, rock colour, vein type, and veining density. A separate column was reserved for written notes on lithology, mineralization, structure, vein orientations/relations etc. The header page listed the hole number, collar coordinates, final depth, start/end dates, and the name of the core logging geologist.

Core samples collected at the drill site were held in closed core boxes sealed with fiber tape; at various times of day, camp staff collected the core boxes that were then delivered to the core logging facility. All core logging, sampling and storage took place at the Springpole Gold Project site. Following the logging and marking of core (described in the preceding section), all core preparation and sampling was performed by technicians from Ackewance of Red Lake, Ontario, under the supervision of the project manager. All on-site sampling activities were directly supervised by the project manager.

All primary assay work since the 2010 drill program has been performed by SGS Laboratories in Red Lake (gold), Ontario and Don Mills (silver and multi-element) in Toronto, Ontario. The SGS Red Lake and Don Mills facilities are certified and conform to requirements CAN-P-1579 and CAN-P-4E (ISO/IEC 17025:2005). Certification is accredited for precious metals including gold and silver and 52 element geochemical analyses.

All samples received by SGS Red Lake were processed through a sample tracking system that is an integral part of the company’s laboratory information management system. This system utilizes bar coding and scanning technology that provides complete chain of custody records for every stage in the sample preparation and analytical process.

Samples were dried, and then crushed to 70% of the sample passing 2 mm (-70 mesh). A 250 g sample was split off the crushed material, and pulverized to 85% passing 75 micron (-200 mesh). A 30 g split of the pulp was used for gold fire assay and a 2 g split was used for silver analysis. Crushing and pulverizing equipment was cleaned with barren wash material between sample preparation batches and, where necessary, between highly mineralized samples. Sample preparation stations were also equipped with dust extraction systems to reduce the risk of sample contamination. Once the gold assay was complete, a pulp was sent to the SGS Toronto facility for silver and possibly for multi-element geochemical analysis.

As part of the standard internal quality control procedures used by the laboratory, each batch of 75 Springpole core samples included four blanks, four internal standards, and eight duplicate samples. In the event that any reference material or duplicate result would fall outside the established control limits, the sample batches would be re-assayed. Pulps and rejects of the samples were stored by SGS at its Red Lake facility at the request of Gold Canyon.

A total of 18 drill holes were completed in 2007 and 2008 comprising a total of 1,374 assay intervals. These samples were assayed for gold only by the Accurassay Laboratories of Thunder Bay, Ontario. SRK checked a total of 137 samples representing 10% of the total against the original certificates. No errors were found.

No program was set up for duplicates, standards, or blanks for this drilling program. The laboratory ran their own set of duplicates for internal monitoring purposes; however, that data were not available to SRK.

A total of 196 drill holes, comprising 76,875 m, were completed and assayed in 2010 to 2012 in time for inclusion into this study. The vast majority of these drill holes targeted the Portage zone. The drill hole samples generated by the 2010 to 2012 drill programs were assayed by SGS Red Lake and SGS Mineral Services of Toronto, Ontario.

In 2010, Gold Canyon instituted a QA/QC program consisting of commercial standard reference materials for gold, and it instituted, consistent with current industry practice, blanks, field duplicates, and pulp duplicates. In addition, a "round robin" program was instituted in 2011 with ACT Labs of Red Lake, Ontario, that compared pulp re-assay results against the original SGS results for 469 samples.

SGS conducted their own program of internal duplicate analysis as well. The results of this program were also analyzed by SRK as a valuable comparison against the "blind" pulp duplicates submitted.

The total submissions for gold duplicates, standards and blanks was 5,387; 10.1% of the samples assayed for gold. The total submissions for silver duplicates, and blanks was 3,667 or 7% of the total samples assayed for silver.

Independent data verification was carried out by P&E Mining Consultants and described in their technical report for data collected from 2003 through 2006.

Of the 18 drill holes completed in 2007 and 2008, comprising a total of 1,374 assay intervals analyzed for gold, SRK checked a total of 137 samples representing 10% of the total against the original certificates. No errors were found.

A total of 3,135 assay values for gold and 3,161 assay values for silver in the database were compared against the original protected PDF assay certificates submitted by SGS Red Lake. These totals represent 10.1% and 10.4% of the total number of assays for gold and silver, respectively.

Of the original assay values checked against certificates, the focus was on values material to any resource estimate, either higher-grade intervals or very low grade intervals in proximity to higher grade intervals. The average grade of gold samples verified was 2.05 g/t gold. The average grade of silver samples checked was 8.27 g/t silver.

Only two errors were found for gold:

- The gold value of sample interval SP10-028 from 433 m to 436 m (sample number 8287) found to have an entered value of 5.96 g/t gold against a value on the assay certificate of 9.00 g/t gold.
- The gold value of sample interval SP11-076 from 69 to 70 m (sample number 14583) having the value of 0.45 oz/t incorrectly placed in the parts per billion column.

No errors were found with respect to silver assays. This represents an error rate of 0.064% in gold assays and an error rate of 0.0% in silver assays. This error rate is well within acceptable industry standards.

Mineral Processing and Metallurgical Testing

Three metallurgical testwork programs have been completed on Springpole material since 1989, with the majority of work undertaken in the past five years.

Based on the testwork results reported to date and the range of process flowsheet options considered in the 2012/2013 work, a likely flowsheet configuration is a moderately fine grind size followed by whole feed leaching. Removal of gravity gold prior to leaching appears to only benefit high grade (>5 g/t gold) feed and should be considered an option for the flowsheet.

The Springpole PEA is based on a design plant capacity of 20,000 t/d. Cyanide leach extractions of 80% for gold and 85% for silver are expected at this grind size. Product from the process plant will be doré bullion.

While considerable metallurgical testwork has been completed, additional testing is warranted to better define the plant design criteria and more confidently predict expected performance.

Future testwork can consider concentrating the sulphides via flotation or classification into a smaller mass so that it can be stored separately from the remainder of the tailings. For example, dry stack or subaqueous deposition in the tailings pond to minimise the potential for acid generation.

Mineral Resource and Mineral Reserve Estimates

The mineral resource model prepared by SRK considers 512 core boreholes drilled by Gold Canyon and previous owners of the property during the period of 2003 to 2012. The resource estimation work was completed by Dr. Gilles Arseneau, PGeo (APEGBC #23474), an appropriate independent qualified person as this term is defined in NI 43-101. The effective date of the resource statement is October 17, 2012.

The revised mineral resource estimate (October 17, 2012) was based on a gold price of \$1,400/oz and a silver price of \$15/oz, both considered reasonable economic assumptions by SRK. To establish a reasonable prospect of economic extraction in an open pit context, the resources were defined within an optimized pit shell with pit walls set at 45°. Assumed recoveries of 80% for gold and 60% for silver were used. (Note: A silver recovery assumption of 85% was used for mine design and evaluation based on more recent data.) Mining costs were estimated at \$2/tonne (t) of total material, processing costs estimated at \$12/t and general and administrative (G&A) costs estimated at \$2/t. A cut-off grade (COG) of 0.4 g/t gold was calculated, and is considered to be an economically reasonable value corresponding with breakeven mining costs. Approximately 90% of the revenue for the proposed project is derived from gold and 10% from silver.

Note: For the mine development (Whittle™ optimization) and economic analysis in this PEA, updated input parameters were used.

Mineral resources were estimated by ordinary kriging using Gemcom block modelling software in 10 m x 10 m x 6 m blocks. Grade estimates were based on capped, 3 m composited assay data. Capping levels were set at 25 g/t for gold and 200 g/t for silver. Blocks were classified as indicated mineral resources if at least two drill holes and six composites were found within a 60 m x 60 m x 40 m search ellipse. All other interpolated blocks were classified as inferred mineral resource. Mineral resources were then validated using Gemcom GEMS (6.4) software.

This resource model includes mineralized material in the Main, East Extension and Portage zones spanning from geologic sections 0-1, 500 m in the northwest to 0-250 m in the southeast. Along the axis of the Portage zone, resource modelling includes mineralized material generally ranging from the surface to a depth of 340-440 m below surface.

Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources would be converted into mineral reserves. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues. The quantity and grade of reported inferred resources in this estimation are uncertain in nature. There has been insufficient exploration to define these inferred resources as an indicated or measured mineral resource. It is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.

The mineral resources in this report were estimated using current CIM standards, definitions and guidelines. The updated resource estimate is summarized in Table (i).

Table (i): Mineral Resource Statement, Springpole Gold Project (October 17, 2012)

Category	Quantity	Grade		Contained Metal	
		Au	Ag	Au	Ag
	Mt	g/t	g/t	Moz	Moz
Open Pit**					
Indicated	128.2	1.07	5.7	4.41	23.8
Inferred	25.7	0.83	3.2	0.69	2.7

Source: Springpole Gold Project, Northwestern Ontario, SRK Consulting, October 17, 2012

Note: Mineral resources are reported in relation to a conceptual pit shell. Mineral resources are not mineral reserves and do not have demonstrated economic viability. All figures are rounded to reflect the relative accuracy of the estimate. All composites have been capped where appropriate.

***Open pit mineral resources are reported at a COG of 0.4 g/t gold. COGs are based on a gold price of \$1,400/oz and a gold processing recovery of 80% and a silver price of \$15/oz and a silver processing recovery of 60%.*

Inferred resources were used in the life of mine (“LOM”) plan with inferred resources representing 10% of the material planned for processing. Mineral reserves can only be estimated as a result of an economic evaluation as part of a preliminary feasibility study or a feasibility study of a mineral project. Accordingly, at the present level of development, there are no mineral reserves at the Springpole Gold Project.

Mining Operations

The mine development plan for the Springpole Gold Project contemplates open pit mining with a mine plan to produce a total of 72 Mt of processing plant feed and 121 Mt of waste (1.7:1 overall strip ratio) over an 11 year mine production life. The current LOM plan focuses on achieving steady plant feed production rates, and mining of higher grade material early in schedule, as well as balancing grade and strip ratios. Figure (i) of the Springpole PEA available on SEDAR illustrates the proposed overall site layout for the project, including the open pit, waste rock facilities, and proposed plant site locations.

The mine design process for the deposit commenced with the development of Whittle optimization input parameters. These parameters included estimates of metal price, mining dilution, process recovery, offsite costs, geotechnical constraints (slope angles) and royalties (see Table (ii)).

Table (ii): Mineral Planning Optimization Input Parameters

Item	Unit	Value
Metal Prices		
Au	\$/oz	1,300
Ag	\$/oz	25
Recovery to Doré		
Au	%	80
Ag	%	85
Smelter Payables		
Au in doré	%	99.5
Au deduction in doré	g/t	0
Ag in doré	%	98
Ag deduction in doré	g/t	0
Offsite Costs		
Au refining/transportation charge	\$/oz pay Au	5
Other Parameters		
Royalties	%	3
Operating Costs		
Open Pit Waste mining Cost	\$/t	2.4
OP Mineralized material Mining Cost	\$/t	2.4
OP Processing and G&A Cost	\$/t milled	13.02

Overall Pit Slope Angles	degrees	35 to 50
Mining Dilution	%	5
Mining Recovery	%	100
Strip ratio (est.)	t:t	1.7
Internal Net Smelter Return cut-off	\$/t	13.67
Processing rate	t/day	20,000

*The open pit mineable resources are reported at an internal cut-off value of \$13.67/t based on input parameters above.

Whittle software was used to determine the optimal mining shells with the assumed overall slope angles based on a preliminary geotechnical assessment. Preliminary phases were selected and preliminary mine planning and scheduling was then conducted on these selected optimal shells. The mineable resources for the deposit are presented in Table (iii). Indicated and inferred resources were used in the LOM plan of which indicated resources represent about 90% (~ 65 Mt) of the material planned to be processed. Mineral resources that are not mineral reserves do not have demonstrated economic viability. There is no certainty that all or any part of the mineral resources would be converted into mineral reserves. Mineral reserves can only be estimated as a result of an economic evaluation as part of a pre-feasibility study or a feasibility study of a mineral project. Accordingly, at the present level of development there are no mineral reserves at the project.

Table (iii): Springpole PEA – Proposed Mining Plan

Description	Unit	Value
Mine Production Life	yr	11
Process Feed Material	Mt	72.4
Diluted Au Grade (mill head grade)	g/t	1.19
Contained Au	koz	2,777
Diluted Ag Grade (mill head grade)	g/t	6.01
Contained Ag	koz	13,991
Waste	Mt	120.8
Total Material	Mt	193.2
Strip Ratio	t:t	1.7

The mining sequence was divided into a number of stages designed to maximize grade, reduce pre-stripping requirements in the early years and, maintain the plant at full production capacity. The LOM production schedule is shown in Table (iv) of the Springpole PEA available on SEDAR. The open pit mining operation is planned as an owner-operated scenario. A total of 72.4 Mt of mineralized material is proposed to be processed.

Processing and Recovery Operations

The investigations to date on Springpole mineralized material have allowed the following conclusions to be reached:

- The presence of coarse gold in higher grade portions of the East Extension and Camp zones suggests that gravity concentration should be included in the comminution circuit.
- Cyanidation of a finely milled product looks promising.
- Flotation is an option that requires further investigation.
- Heap leaching does not appear attractive.

To further develop the likely process routes, further mineralogical, and metallurgical investigations are recommended.

Based on the testwork results to date, a recommended flowsheet of whole feed leaching after grinding to a P80 size of 70 µm is proposed. A gravity circuit can be included for higher grade feed material. Cyanide leach extractions of 80% for gold and 85% for silver are expected at this grind size. Product from the process plant will be doré bullion.

Infrastructure, Permitting and Compliance Activities

The waste rock facility is planned to be located immediately adjacent to the final pit limits. Given the deposit

configuration and extraction sequence, no backfilling into previously mined out areas has been planned for Springpole.

The waste rock facility would be built in a series of lifts in a —bottom-up approach, and the facility would be constructed by placing material at its natural angle of repose (approximately 1.5H:1V) with safety berms spaced at regular intervals giving an overall operational slope of 2:1. The total design capacity of the waste rock facility is 121 Mt.

Roughly 72 Mt of thickened tailings (about 60% solids by mass) will be centrally discharged at a site located about 5 km southeast of the proposed mill site. This results in an estimated 45 Mm³ of tailings to be stored, based on conservative estimates for a tailings density of 1.6 t/m³.

Due to the flat topographical relief of the project area, the tailings will be contained by a ring dam which will prevent migration of tailings, lake bed sediments, and any free water. The tailings facility is designed such that the dams will remain at the initial starter dam height of 2 m, except in the areas where a higher dam is required to contain lake bed sediments or prevent the tailings from encroaching on nearby lakes.

To minimize pre-production capital cost, a dam continuously raised over the LOM would be the preferred construction method. However, due to the need to contain lake bed sediments (from dike construction), the initial ring dam will be constructed to the final dam height in all but a few areas, and only minimal raises (less than 1 m) would be required in the remaining areas.

Three dewatering dikes with a total length of approximately 510 metres will be constructed in Springpole Lake to allow a portion of the lake to be dewatered. The dikes will be constructed to elevation 391 metres above mean sea level, which allows 3 m of freeboard above the lake level. The dikes will be constructed under wet conditions; therefore, two silt curtains will be deployed downstream of the dike locations to prevent high suspended solids in the remainder of the lake. Prior to the placement of fill material, the foundation of the dam will be dredged to remove any soft lakebed sediments. The rock fill material will be placed, and then the grout curtain and plastic concrete cut-off wall will be built through the completed dike.

An estimated 21.7 Mm³ of water will have to be drained from the area of Springpole Lake within the dewatering dikes. Of this, ~80% (17.4 Mm³) is estimated to be clean water which can be discharged directly over the dewatering dikes into Springpole Lake, inside the silt curtain. The remaining 20% (4.3 Mm³) is assumed to be —murky (i.e., have suspended solids higher than the allowable discharge limits). The murky water will be pumped to the tailings management facility (“**TMF**”) which will act as a sedimentation pond; no tailings will be in the TMF at this time. Clear water from the TMF will be pumped to Springpole Lake. Steps will be taken during the dewatering process to reduce the amount of sediments that become suspended in the water, including silt curtains around the water intake area.

The current access corridor road is a 12 m wide, two-lane unpaved, 39 km access corridor road extends from the Springpole deposit along the Birch River before it connects up with the planned Wenasaga Road. This will be the primary access road for the project. The primary normal design vehicles for the road are Super B-Train trucks for hauling of supplies and equipment. Heavy equipment and oversize vehicles will occasionally use the road, especially during the project construction phase.

Road construction will consist of clearing and grubbing of the right of way corridor, prior to placing of an approximately 0.5 m thick compacted sub-base layer sourced from locally developed and approved borrow sources (which has been assumed to be no more than 10 km apart, for a maximum haul distance of 5 km). Based on a cursory review of the alignment using low resolution topographical mapping, it is anticipated that only basic cut/fill techniques will be required to construct the road.

The unpaved road surface will require ongoing maintenance consisting of re-grading and topdressing the running surface to reduce the wear on the haul truck and heavy equipment tires. Topdressing will be sourced from the local borrow sources used during construction. For the purpose of the cost estimate, it has been assumed that annually on average at least 3 cm of new topdressing will be applied to the running surface of the road.

There are also four 7 m wide single lane access roads located throughout the project area.

The environmental assessment (“**EA**”) and permitting framework for metal mining in Canada is well established. The federal and provincial EA processes provide a mechanism for reviewing major projects to assess potential impacts. Following a successful EA, the operation undergoes a licensing and permitting phase to allow operations

to proceed. The project is then regulated through all phases (construction, operation, closure, and post-closure) by both federal and provincial departments and agencies. In the spring of 2012, the 1992 Canadian Environmental Assessment Act was amended and replaced (“**CEAA 2012**”). Two significant results of the updated act were the redefinition of what —triggers a federal EA and the introduction of legislated time periods within a federal EA, if it is required.

The proposed project will need to be screened under the CEAA 2012. The requirement of a federal EA will become clearer once consultations with CEAA 2012 for the development of a project description are completed; however, it is expected that a federal assessment of the proposed project will be required given the project’s potential impacts on fish, fish habitat, and other aquatic species.

It is anticipated the project will require multiple class EAs or individual EAs to develop the mining project. Gold Canyon may decide to enter into a Voluntary Agreement with the MOE to subject the Springpole Gold Project to one EA instead of multiple EAs.

The Springpole Gold Project is likely to require a federal and/or provincial EA before it can proceed. Completion of an individual EA, following its initiation, would require approximately 12 to 24 months. Based on current CEAA 2012 guidance documents and the act’s new legislated timelines, a standard EA would require 12 to 24 months from the commencement of the federal EA. In the event the final design of the project dictates an amendment to Schedule II of the Metal Mining Effluent Regulations, the time necessary to complete the environmental assessment and subsequent licensing phase would be increased.

Ontario and Canada honour an EA cooperation agreement that harmonizes the two assessment processes to run concurrently under a single administrative process. This process is typically administered jointly by Ontario’s Assessment Branch and the CEAA regional office located in Toronto, Ontario. Combining the assessment requirements of both jurisdictions under this cooperation agreement would make it possible to streamline the assessment process.

Following a successful EA, the project will be required to obtain a number of provincial and federal licences/permits. This process can generally be initiated, in part, during the final stages of the EA if one is required.

Gold Canyon’s Springpole Gold Project is located in northwestern Ontario, approximately 110 km northeast of Red Lake. The project is located in an unorganized township, Red Lake Mining District, Casummit Lake Area within the Trout Lake Forest Management Plan. The Red Lake area has been a historic mining camp since the gold rush of the 1920s, and it currently has five active mines and numerous decommissioned or abandoned mines situated within the Municipality of Red Lake. Mineral exploration, mining, mining spin-offs and wilderness tourism (hunting, fishing) comprise the majority of economic activity in the area.

Groups that maybe impacted by the project are the Aboriginal communities in the area including Cat Lake, Slate Falls, Lac Seul, and Wabauskang First Nations; the Métis Nation of Ontario (“**MNO**”); remote tourism outfitters and local land owners.

Gold Canyon has made it a priority to identify and protect the Aboriginal values and sensitive sites and is committed to carry out meaningful and good faith consultation with the aboriginal communities that may be affected by the project. They have maintained an open-door policy and have provided regular notices and updates regarding their activities on the project. During the archaeological and biological assessment work that was completed in 2012, Gold Canyon hired technicians from the Cat Lake, Slate Falls, and Lac Seul First Nations to help complete the assessment work and to be liaisons to their communities and participate in the open-house information sessions. In the spring of 2012, the Chiefs from the First Nation communities of Cat Lake, Slate Falls, and Lac Seul signed an internal protocol agreement to work together for the purpose of negotiations with Gold Canyon. Gold Canyon is also engaged in regular meetings with a working group that is comprised of members from each of the partnership First Nations.

Gold Canyon has identified many relevant stakeholders in the region including Domtar, the Red Lake Local Citizen’s Committee, the Township of Ear Falls, local tourist operators, outfitters, commercial bait fisherman, bear licence holders and private landowners. Introductory presentations and updates about the project have been delivered by Gold Canyon. Gold Canyon is committed to advancing the consultation process with the affected stakeholders in the region to seek feedback and to help identify concerns so that the appropriate mitigation measures may be developed.

Capital and Operating Costs

Project costs were estimated from a combination of sources including first principles, reference projects, vendor's quotes, cost service publications and SRK experience.

The capital cost estimate for the project is shown in Table (v) at a total of \$544M. An overall, weighted-average contingency of 15% was used for this project. Property acquisition costs are not included in the capital estimate.

Table (v): Capital Cost Estimates

Capital costs by timing	\$M
Total Preconstruction Owners Costs	7
Initial Capital	431
Sustaining Capital	86
Mine Closure	20
*Total Capital Costs	544

*Including weighted-average overall contingency of 15%

A summary of the operating cost ("OPEX") estimate by SRK is shown in Table (vi). The OP mining OPEX assumes owner-operated mining including technical/supervisory support staff. Diesel fuel was estimated to cost \$1.10/L and power was estimated to cost \$0.08/kWh.

Table (vi): Operating Cost Estimates

Activity	LOM (\$M)	Per Tonne of Mill Feed	Per Ounce of AuEq*
Mining	511	7.10	209.9
Processing	760	10.50	312.3
Tailings Handling	16	0.20	6.4
G&A	167	2.30	68.4
Total Operating Cost	1,454	20.10	597.0
Royalty Per Ounce @3%			38.9
Total Cash Costs including Royalty		20.10	635.9

*Ounce of AuEq = total revenue from precious metals divided by gold price per ounce

Exploration, Development, and Production

SRK concluded that the Springpole Gold Project should be taken to the next level of engineering study and economic assessment, typically a pre-feasibility study. It is estimated that a pre-feasibility, along with all of the accompanying engineering work would cost approximately \$3.5M (exclusive of the interim recommendations listed in the Springpole PEA and the additional geology and drilling program required). Some of the activities involved to advance the project included:

- Initiate project permitting;
- Consummate agreements with First Nations groups; and
- Convert remaining inferred resources to indicated resources.

During the winter of 2013, seven diamond drill holes were completed around the periphery of the ore deposit to provide geotechnical information for pit slope stability analysis and further exploration. Through the summer of 2013, Gold Canyon undertook approximately 3,000 metres of diamond drilling using the remaining flow-through funds. Notable intercepts include 39.5 metres at 6.51 grams per tonne gold from hole SP13-207 and another of 57.5 metres at 3.23 grams per tonne gold from hole SP12-197. The recent drilling achieved the primary goal of providing necessary data to facilitate an upgrade of current reported "in-pit" inferred resources to the indicated category for the next resource estimate. Accomplishing this should allow the project to move toward prefeasibility.

In July 2013, Gold Canyon resubmitted an environmental assessment for an exploration trail to the Springpole Gold Project following a lengthy consultation process. The exploration trail would facilitate on-going exploration and future potential advancement of the project. In parallel with the environmental assessment, Gold Canyon initiated technical reviews for the federal approval and the four provincial approvals, including means of mitigating the loss of woodland caribou habitat, that are required to construct the exploration trail. Gold Canyon

is awaiting approval of this exploration trail.

Gold Canyon received notice of approval for the exploration trail environmental assessment from the Ontario Ministry of Natural Resources on May 1, 2014. Although Gold Canyon is conserving cash and has no current plans to pursue construction of this trail, it is now free to seek necessary construction permits should it choose to proceed.

On November 5, 2014, Gold Canyon announced it completed three years of environmental surveys required to quantify aquatic habitat at the Springpole Gold Project. Initial discussions were held with the DFO to review the findings of these surveys and discuss next steps towards a fisheries offset agreement, a key item necessary to move the Springpole Gold Project forward. Using guidance from the DFO, Gold Canyon is now working to identify opportunities in the region around Springpole to create and/or improve aquatic habitat to offset habitat displaced by any potential future mine plan. Once all opportunities have been identified, they will be reviewed and assessed during further discussions with the DFO.

Gold Canyon has a signed Protocol Agreement with each of the Cat Lake First Nation, the Lac Seul First Nation, and the Slate Falls Nation (the "Protocol Nations"). This agreement sets a constructive framework to negotiate an Exploration Accommodation Agreement ("EAA") that will support Gold Canyon's activities as it advances this important gold project. The negotiations with the Protocol Nations for an EAA are ongoing.

Gold Canyon is conserving cash at present. Although it is continuing all baseline surveys required for future permitting, other work on the project has been suspended in order to minimize expenditures.

DIVIDEND POLICY

Gold Canyon has not declared or paid any dividends on the Gold Canyon Shares in the past three years. Gold Canyon does not intend to pay dividends in the near future, as future earnings will be retained to finance further expansion of business and operations. Any decision to pay dividends on any class of shares will be made by the Board on the basis of earnings, financial requirements and other conditions existing at such future time.

DESCRIPTION OF GOLD CANYON SECURITIES

Gold Canyon Shares

The authorized share capital of Gold Canyon consists of an unlimited number of Gold Canyon Shares, of which 160,775,447 Gold Canyon Shares are issued and outstanding as at the date of this Circular.

All of the Gold Canyon Shares are of the same class and, once issued, rank equally as to dividends, voting powers and participation in assets and in all other respects, on liquidation, dissolution or winding up of Gold Canyon, whether voluntary or involuntary, or any other distribution of the assets of Gold Canyon among its shareholders for the purpose of winding up its affairs after Gold Canyon has paid out its liabilities. The issued Gold Canyon Shares are not subject to call or assessment by Gold Canyon nor are there any pre-emptive, conversion, exchange, redemption or retraction rights attaching to the Gold Canyon Shares.

All registered Gold Canyon Shareholders are entitled to receive a notice of any general meeting to be convened by Gold Canyon. At any general meeting, subject to the restrictions on joint registered owners of common shares, on a show of hands every shareholder who is present in person and entitled to vote has one vote and on a poll, every shareholder has one vote for each common share of which it is the registered owner and may exercise such vote either in person or by proxy. Gold Canyon's Articles provide that the rights and provisions attached to any class of shares, in which shares are issued, may not be modified, amended or varied unless consented to by special resolution passed by a majority of not less than 66 $\frac{2}{3}$ % of the votes cast in person or by proxy by holders of shares of that class. Pursuant to the Arrangement, all outstanding Gold Canyon Shares as at the Effective Date will be exchanged for First Mining Shares on the basis of the First Mining Exchange Ratio. See "The Arrangement – Details of the Arrangement".

Gold Canyon Warrants

As at the date hereof, Gold Canyon has 11,735,000 Gold Canyon Warrants outstanding. The Gold Canyon Warrants were issued as part of or in connection with past Gold Canyon Share financings. Each Gold Canyon Warrant is exercisable for the purchase of one Gold Canyon Share, subject to the terms and conditions of the

certificate representing such Gold Canyon Warrant.

Upon completion of the Arrangement, the outstanding Gold Canyon Warrants will become exercisable to purchase up to 11,735,000 First Mining Shares, as adjusted by the First Mining Exchange Ratio in respect of the exercise price and the number of shares issuable on exercise. The holders of Gold Canyon Warrants will also receive, for each outstanding Gold Canyon Warrant, SpinCo Warrants to purchase a number of SpinCo Shares equal to the product of 0.03333 multiplied by the number of Gold Canyon Shares issuable on exercise of such Gold Canyon Warrants immediately prior to the Effective Time, for an exercise price per whole SpinCo Share equal to \$0.30, being the fair market portion, as adjusted and rounded to the nearest whole cent, of the exercise price per share of such Gold Canyon Warrants. See “The Arrangement – Details of the Arrangement”.

Gold Canyon Stock Options

Gold Canyon had a 10% Rolling Stock Option Plan which was initially approved by Gold Canyon’s shareholders at the annual general meeting held April 24, 2003. In 2014 the Gold Canyon Board terminated the existing 10% Rolling Stock Option Plan (existing stock options remained subject to the original 10% Rolling Stock Option Plan but no further stock options have been granted pursuant to the 10% Rolling Stock Option Plan) and adopted a new 5% Rolling Stock Option Plan which was initially approved by Gold Canyon’s shareholders at the annual general meeting held April 15, 2014. The purpose of the Gold Canyon Plan is to give to directors, senior officers, Employees, Consultants, (as such terms are defined in the Gold Canyon Plan) of Gold Canyon and its subsidiaries (collectively “**Eligible Persons**”), as additional compensation, the opportunity to participate in the success of Gold Canyon by granting to such individuals options, exercisable over periods of up to ten years, as determined by the Gold Canyon Board, to buy Gold Canyon Shares permitted by the policies of the TSX-V and approved by the Gold Canyon Board.

The Gold Canyon Plan is administered by the Gold Canyon Board, which will have full and final authority with respect to the granting of all options thereunder. Gold Canyon Options may be granted under the Gold Canyon Plan to such Eligible Persons as the Gold Canyon Board may from time to time designate. Gold Canyon Options granted under the Gold Canyon Plan are not transferable or assignable other than by testamentary instrument or pursuant to the laws of succession.

Upon ceasing to be an Eligible Person, vested stock options will expire on the date determined by the Gold Canyon Board provided such date may not be less than two weeks or more than twelve months after the date the optionee ceases to be an Eligible Person. Upon a change of control and certain other business combinations or acquisitions, vesting can be accelerated at the discretion of the Gold Canyon Board (or a committee thereof).

Under the Gold Canyon Plan, stock options may be granted to purchase up to 5% of the outstanding common shares of Gold Canyon, including those options still outstanding under the original plan, and as at the date hereof 2,066,272 Gold Canyon Shares are currently available for grant under the Gold Canyon Plan. As at the date hereof, Gold Canyon has reserved Gold Canyon Shares pursuant to outstanding Gold Canyon Options subject to the Gold Canyon Plan, as follows:

Name and Position of Optionee	Gold Canyon Shares reserved under options granted	Exercise Price	Expiry Date
Akiko Levinson CEO, President & Director	250,000 Gold Canyon Shares	\$0.86	January 15, 2018
	350,000 Gold Canyon Shares	\$0.31	April 17, 2017
	350,000 Gold Canyon Shares	\$0.18	June 11, 2018
Lisa Sharp CFO	250,000 Gold Canyon Shares	\$0.86	January 15, 2018
	100,000 Gold Canyon Shares	\$0.31	April 17, 2017
	250,000 Gold Canyon Shares	\$0.18	June 11, 2018
Ron Schmitz Executive Vice President & Director	250,000 Gold Canyon Shares	\$0.86	January 15, 2018
	287,500 Gold Canyon Shares	\$0.31	April 17, 2017
	300,000 Gold Canyon Shares	\$0.18	June 11, 2018
Quinton Hennigh Director	250,000 Gold Canyon Shares	\$0.86	January 15, 2018
	350,000 Gold Canyon Shares	\$0.31	April 17, 2017
	350,000 Gold Canyon Shares	\$0.18	June 11, 2018
Julie Desjardins	250,000 Gold Canyon Shares	\$0.31	April 17, 2017

Director	250,000 Gold Canyon Shares	\$0.18	June 11, 2018
Peter Levinson	250,000 Gold Canyon Shares	\$0.31	April 17, 2017
Director	250,000 Gold Canyon Shares	\$0.18	June 11, 2018
Jayant Bhandari	250,000 Gold Canyon Shares	\$0.31	April 17, 2017
Director	250,000 Gold Canyon Shares	\$0.18	June 11, 2018
Employees and Consultants, as a group	25,000 Gold Canyon Shares	\$2.18	December 9, 2016
	35,000 Gold Canyon Shares	\$1.45	May 29, 2017
	310,000 Gold Canyon Shares	\$0.86	January 15, 2018
	350,000 Gold Canyon Shares	\$0.31	April 17, 2017
	475,000 Gold Canyon Shares	\$0.18	June 11, 2018
TOTAL	6,032,500 Gold Canyon Shares		

Upon completion of the Arrangement, the outstanding Gold Canyon Options will become exercisable to purchase First Mining Shares as adjusted by the Exchange Ratio in respect of the exercise price and the number of shares issuable on exercise, pursuant to the provisions of the First Mining Plan. See “The Arrangement – Details of the Arrangement”. Gold Canyon Options held by a person who ceases to be an Eligible Person in connection with the Arrangement will expire 12 months following the date such person ceases to be an Eligible Person.

CONSOLIDATED CAPITALIZATION

Other than as disclosed in this Circular, there has been no material change in Gold Canyon’s share and loan capital since May 31, 2015.

PRIOR SALES

Prior Sales

The table below sets forth details for the 12 month period before the date of this Circular of the price at which securities have been issued or are to be issued by Gold Canyon, the number of securities issued at that price and the date on which the securities were issued:

<u>Date</u>	<u>Type of Securities</u>	<u>Number of Securities</u>	<u>Issue Price</u>	<u>Reason for Issue</u>
September 22, 2015	Common Shares	45,454	\$0.17	Exercise of Warrants
September 3, 2015	Common Shares	100,000	\$0.17	Exercise of Warrants
July 7, 2015	Common Shares	100,000	\$0.27 (deemed)	Property Payment
June 11, 2015	Stock Options ⁽¹⁾	2,475,000	Nil	Grant of Stock Options
February 5, 2015	Units ⁽²⁾	11,880,454	\$0.11	Private Placement

Notes

⁽¹⁾ Exercisable at an exercise price of exercisable at \$0.18 per share until June 11, 2018, subject to a vesting provision, unless earlier terminated.

⁽²⁾ Each Unit is comprised of one common share in the capital of Gold Canyon and one non-transferable share purchase warrant of Gold Canyon exercisable at any time up to 4:30 p.m. (Vancouver time) on February 5, 2018 for one common share at a price of \$0.17 per share.

Trading Price and Volume

Gold Canyon Shares are listed and posted for trading on the TSX-V under the trading symbol “GCU”. The table below sets forth the market price ranges and the trading volumes for the Gold Canyon Shares for the 12 month period before the date of this Circular:

<u>Month</u>	<u>Price Range (Cdn\$/Share)</u>		<u>Volume</u>
	<u>High</u>	<u>Low</u>	
September, 2015	\$0.315	\$0.17	45,539,462
August, 2015	\$0.145	\$0.105	4,393,138
July, 2015	\$0.145	\$0.10	5,515,446
June, 2015	\$0.225	\$0.135	5,796,384

May, 2015	\$0.30	\$0.21	3,901,282
April, 2015	\$0.325	\$0.19	8,293,593
March, 2015	\$0.235	\$0.155	9,736,775
February, 2015	\$0.185	\$0.15	14,907,633
January, 2015	\$0.16	\$0.10	54,378,217
December, 2014	\$0.21	\$0.09	32,834,788
November, 2014	\$0.245	\$0.14	2,658,982
October, 2014	\$0.245	\$0.145	1,822,532

On August 31, 2015, the last trading day before the date of the announcement of the Arrangement Transactions, the closing price of the Gold Canyon Shares on the TSX-V was \$0.12 per Gold Canyon Share. On October 2, 2015, the last trading day before the date of this Circular, the closing price of the Gold Canyon Shares on the TSX-V was \$0.29 per Gold Canyon Share.

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

There are no securities of Gold Canyon currently held in escrow or subject to a pooling agreement or other contractual restriction on transfer.

PRINCIPAL SECURITYHOLDERS OF VOTING SECURITIES

To the knowledge of Gold Canyon's directors and officers, no persons or companies beneficially owned, directly or indirectly, or exercised control or direction over 10% or more of Gold Canyon Shares.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The name, province or state, and country of residence of each director and executive officer of Gold Canyon and their respective positions and offices held with Gold Canyon and their respective principal occupations during the five preceding years are as follows:

<u>Name and place of residence</u>	<u>Offices Held</u>	<u>Director Since</u>	<u>Gold Canyon Shares⁽¹⁾</u>	<u>Principal Occupation in Past Five Years</u>
Akiko Levinson British Columbia, Canada	Chief Executive Officer, President and Director	June 5, 1991	3,017,201 (1.9%)	Businesswoman. Chief Executive Officer of Gold Canyon (April, 2011 to September, 2012); President of Gold Canyon since June, 2003.
Lisa Sharp British Columbia Canada	Chief Financial Officer	N/A	-	Chief Financial Officer of Gold Canyon since May, 2012. Chief Financial Officer and Secretary of Venerable Ventures Ltd. (since February 1, 2010); Chief Financial Officer of Levon Resources Ltd. (June, 2008 to March, 2012); Chief Financial Officer of Bralorne Gold Mines Ltd. (June, 2008 to March, 2012); Chief Financial Officer of Avino Silver & Gold Mines Ltd. (June, 2008 to March, 2012); Chief Financial Officer of Coral Gold Resources Ltd. (June, 2008 to January, 2012); Chief Financial Officer of Gray Rock Resources Ltd. (June, 2008 to September, 2011); Chief Financial Officer of Mill Bay Ventures Inc. (June, 2008 to August, 2011).

Name and place of residence	Offices Held	Director Since	Gold Canyon Shares⁽¹⁾	Principal Occupation in Past Five Years
Ron Schmitz British Columbia, Canada	Executive Vice President, Corporate Secretary and Director	May 7, 2013	1,118,610 (0.7%)	President, ASI Accounting Services Inc. (Since 1995); Executive Vice President of Gold Canyon since May, 2012; Chief Financial Officer of Gold Canyon (April, 2006 to May, 2012); Director of Blackbird Energy Inc. (since July, 2008); Chief Financial Officer of Blackbird Energy Inc. (July, 2008 to February, 2015); Chief Financial Officer of NV Gold Corporation (since November, 2009); Director of Pennant Energy Inc. (September 2013 to April 2014) Chief Financial Officer of Pennant Energy Inc. (November, 2012 to April 2014).
Quinton Hennigh, PH.D, P.GEO. Colorado, USA	Director	March 4, 2011	600,000 (0.4%)	Director (since October, 2009), President and Chief Executive Officer of Novo Resources Corp. (since November, 2011); President of Evolving Gold Corp., (April, 2008 to November, 2011).
Julie Desjardins Ontario, Canada	Director	April 15, 2014	557,097 (0.3%)	Chartered Accountant and an independent business consultant; Director of Research, Guidance and Support, CPA Canada (Since February, 2015)
Peter Levinson California, USA	Director	April 15, 2014	1,015,000 (0.6%)	Portfolio Manager of Waveny Capital Management (Since 2014); Partner, Lonestar Capital (April, 2009 to October, 2013)
Jayant Bhandari Singapore	Director	April 15, 2014	211,000 (0.1%)	Senior Analyst, Anarcho Capital Inc. (Since 2014); Chief Executive Officer, Shanti Capital Pte. Ltd. (2011 to 2013); Mining Analyst, US Global Investors. (2007 to 2011)

Notes

⁽¹⁾ The information as to shares beneficially owned or over which control or direction is exercised has been furnished by each of the directors and officers of Gold Canyon or has been extracted from insider reports filed by each of the individuals and publicly available on the Canadian System for Electronic Disclosure by Insiders (SEDI) at www.sedi.ca.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Lisa Sharp, the Chief Financial Officer of Gold Canyon, was the Chief Financial Officer and Corporate Secretary of Sonoro Energy Ltd. (formerly Sonic Technology Solutions Inc.) until December, 2009, which was subject to a management cease trade order issued in May, 2009 in British Columbia due to the failure to file comparative financial statement for the financial year ended December 31, 2008 together with related MD&A. Sonic Technology Solutions Inc. subsequently filed the required documents and the management cease trade order was revoked in July, 2009.

Except as mentioned above, as at the date of this Circular, no director or executive officer of Gold Canyon is, or has been, within 10 years before the date of this Circular:

- (a) a director, chief executive officer or chief financial officer of any company (including Gold Canyon and any personal holding company of the proposed director) that, while that person was acting in that capacity:
 - (i) was subject to a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order) or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an "Order"); or
 - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) a director or executive officer of any company (including Gold Canyon and any personal holding company of the proposed director) that, while that person was acting in that capacity, or within a year of that person

ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or executive officer of Gold Canyon, and no shareholder holding a sufficient number of securities of Gold Canyon to affect materially the control of Gold Canyon has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

The foregoing information, not being within the knowledge of Gold Canyon, has been furnished by the respective directors, officers and shareholders holding a sufficient number of securities of Gold Canyon to affect materially the control of Gold Canyon.

Conflicts of Interest

There are potential conflicts of interest to which Gold Canyon's directors and officers may be subject in connection with the proposed operations of Gold Canyon. Many of the directors and officers of Gold Canyon are also directors of other mineral exploration companies, which may from time to time be in competition with Gold Canyon for working interest partners, property acquisitions, or other limited resources. Where required by law, the applicable directors will make appropriate disclosure of such conflicts. In particular, Gold Canyon will follow the provisions of the BCBCA. These provisions state that in the event that a director has an interest in a contract or proposed contract or agreement, such director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise permitted by the BCBCA. See "Gold Canyon - Risk Factors" for further details.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, there was no indebtedness outstanding of any current or former director or executive officer of Gold Canyon (or any associates of such persons) which is owing to Gold Canyon, or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Gold Canyon, entered into in connection with a securities purchase program or otherwise.

No individual who is, or at any time since the date of Gold Canyon's incorporation was, a director or executive officer of Gold Canyon and no associate of such persons:

- (a) is, or at any time since the date of Gold Canyon's incorporation has been, indebted to Gold Canyon; or
- (b) whose indebtedness to another entity is, or at any time since the date of Gold Canyon's incorporation has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by Gold Canyon.

in connection with a securities purchase program or otherwise.

GOLD CANYON – RISK FACTORS

Gold Canyon's securities involve a high degree of risk. If any of the following risks actually occurs, the business, financial condition and prospects of Gold Canyon could be materially adversely affected. In that case, the value of any securities of Gold Canyon could also decline and investors could lose all or part of their investment.

The risks and uncertainties described below are those that Gold Canyon's management believes are material, but these risks and uncertainties may not be the only ones that Gold Canyon may face. Additional risks and uncertainties, including those that Gold Canyon's management currently are not aware of or deem immaterial, may also result in decreased operating revenues, increased operating expenses or other events that could result in a decline in the value of any securities of Gold Canyon. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Circular.

No Known Reserves. Gold Canyon's properties are in the exploration stage and are without a known body of commercial ore. Gold Canyon does not have any mineral reserves on its properties.

Title Risks. The confirmation of title to resource properties is a very detailed and time-consuming process. Gold Canyon owns or has under lease patented and unpatented mining claims which constitute its property holdings. Gold Canyon believes it has diligently investigated title to all of its mineral properties and, to the best of its knowledge, title to all properties are in good standing. However, the properties may be subject to prior unregistered agreements or transfers which may affect the validity of Gold Canyon's ownership of such properties. Title to, and the area of, the mineral interests held by Gold Canyon may be disputed. There is no guarantee that such title will not be challenged or impaired. Although Gold Canyon has exercised the usual due diligence with respect to title to properties in which it has a material interest, title to such properties may be challenged or impugned in the future. The boundaries of Gold Canyon's mining properties have not been surveyed and, therefore, the precise location and area of these mining properties may be in doubt. Gold Canyon is not aware of challenges to the location or area of its patented or unpatented mining claims. Additionally, Gold Canyon makes a search of mining records in accordance with mining industry practices to confirm that it has acquired satisfactory title to its properties but does not obtain title insurance with respect to such properties. The possibility exists that title to one or more of its properties, particularly title to undeveloped properties, might be defective because of errors or omissions in the chain of title, including defects in conveyances and defects in locating or maintaining such claims. Should any defect in title be discovered by or disclosed to Gold Canyon, all reasonable steps would be taken to perfect title to the particular claims in question. Gold Canyon is not aware of any material defect in the title to its mineral claims. Gold Canyon's right to enter onto certain patented claims for exploration purposes are governed by lease and option agreements with third parties. These agreements may expire and terminate in accordance with their respective terms and there can be no assurance that the enforceability of any of these agreements may not be challenged in the future.

Exploration, Development and Production Risks. Gold Canyon has no mineral producing properties at this time. Only those mineral deposits that Gold Canyon can economically and legally extract or produce, based on a comprehensive evaluation of cost, grade, recovery and other factors, are considered "mineral reserves." Gold Canyon has not defined or delineated any proven or probable mineral reserves on any of its properties. Although the resource estimates contained in the Springpole PEA have been prepared by a Qualified Person, these amounts are inferred resource estimate only and no assurance can be given that any particular level of recovery of gold, silver or other minerals from mineralized material will in fact be realized or that an identified mineralized deposit will ever qualify as a commercially mineable (or viable) reserve. Extensive development of any of Gold Canyon's properties will only follow upon obtaining satisfactory exploration results and successful economic studies. Mineral exploration and development involve a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that Gold Canyon's mineral exploration activities will result in the discovery of a body of commercial ore on any of its properties. Several years may pass between the discovery of a deposit and its exploitation. Most exploration projects do not result in the discovery of commercially mineable mineralized deposits.

General Conditions Relating to Mineral Exploration and Development. Resource exploration and development is a speculative business and involves a high degree of risk, including, among other things, unprofitable efforts resulting both from the failure to discover mineral deposits and from finding mineral deposits which, though present, are insufficient in size and grade at the then prevailing market conditions to return a profit from production. The marketability of natural resources which may be acquired or discovered by Gold Canyon will be affected by numerous factors beyond the control of Gold Canyon. These factors include market fluctuations, the proximity and capacity of natural resource markets, government regulations, including regulations relating to prices, taxes, royalties, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Gold Canyon not receiving an adequate return on invested capital.

Fluctuation in Market Value of Gold Canyon's Shares. The market price of publicly-traded securities is affected by many variables not directly related to the corporate performance of Gold Canyon, including the market in which it is traded, the strength of the economy generally, the global economic situation and outlook, the availability and attractiveness of alternative investments, and the breadth of the public market for the securities. The effect of these and other factors on the market price of the common shares of Gold Canyon on the TSX-V in the future cannot be predicted.

Price and Volume Volatility. Trading volume in the Gold Canyon Shares has historically been limited with daily trading volumes varying significantly. The Gold Canyon Shares may experience extreme price and volume volatility which may result in losses to shareholders. Accordingly, the trading price of the Gold Canyon Shares could be subject to wide fluctuations in response to a variety of factors including announcement of material events such as changes relating to the management or interests in mineral properties, drilling and exploration results, political, legal and regulatory developments, changes in precious metal and rare earth metal prices and general and industry-specific economic conditions.

Additionally, the securities markets in Canada and the United States have recently experienced a high level of price and volume volatility. It is expected that such fluctuations in volume and price will continue to occur which may make it difficult for a shareholder to sell the Gold Canyon Shares at a price equal to or above the price at which the shares were purchased.

Additional Funding Requirements. Gold Canyon does not generate any revenues from production and does not have sufficient financial resources to undertake by itself all of its planned exploration and possible development programs. Gold Canyon has limited financial resources and has financed its operations primarily through the sale of securities such as common shares. Gold Canyon will need to continue its reliance on the sale of such securities for future financing, resulting in dilution to Gold Canyon's existing shareholders. The amount of additional funds required will depend largely on the success of Gold Canyon's exploration programs. Further exploration programs will depend on Gold Canyon's ability to obtain additional financing which may not be available under favorable terms, if at all. If adequate financing is not available, Gold Canyon may not be able to commence or continue with its exploration programs or to meet minimum expenditure requirements to prevent the full or partial loss of its mineral properties. Also, failure to meet Gold Canyon's share of costs incurred under joint venture agreements to which it is a party may result in a reduction of its interests in mineral properties. Furthermore, if other parties to such agreements do not meet their share of such costs, Gold Canyon may be unable to finance the cost required to complete recommended programs.

Dilution. Future issuance of the Gold Canyon Shares will result in dilution to the existing shareholders. Additionally, future sales of the Gold Canyon Shares into the public market may lower the market price which may result in losses to Gold Canyon's shareholders. Gold Canyon may, from time to time, issue stock options to purchase additional common shares in accordance with the policies of the TSX-V. Most of these common shares, including the common shares to be issued upon exercise of options, are freely tradable after a four-month restriction period. Sales of substantial amounts of the Gold Canyon Shares into the public market, or even the perception by the market that such sales may occur, may lower the market price of its common shares.

Reliance on Key Personnel. Gold Canyon's success depends in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse effect on Gold Canyon. Gold Canyon does not have key person insurance in effect for management. The contributions of these individuals to Gold Canyon's immediate operations are likely to be of central importance. In addition, the competition for qualified personnel in the mineral exploration industry is intense and there can be no assurance that Gold Canyon will be able to continue to attract and retain all personnel necessary for the development and operation of Gold Canyon's business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of Gold Canyon's management.

Conflicts of Interest. Certain of the directors and officers of Gold Canyon are directors or officers of other mineral resource companies and, to the extent that such other companies may participate in ventures in which Gold Canyon may participate or may wish to participate, the directors of Gold Canyon may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. Such other companies may also compete with Gold Canyon for the acquisition of mineral property rights. In the event that any such conflict of interest arises, a director or officer who has such a conflict will disclose the conflict to a meeting of the directors of Gold Canyon and, if the conflict involves a director, the director will abstain from voting for or against the approval of such participation or such terms. In appropriate cases, Gold Canyon will establish a special committee of independent directors to review a matter in which several directors, or management, may have a conflict. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will assign all or a portion of its interest in a particular program to another of these

companies due to the financial position of Gold Canyon making the assignment. In accordance with the provisions of the BCBCA the directors and officers of Gold Canyon are required to act honestly in good faith, with a view to the best interests of Gold Canyon. In determining whether or not Gold Canyon will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the potential benefits to Gold Canyon, the degree of risk to which Gold Canyon may be exposed and its financial position at that time.

Aboriginal Title and Rights Claims. Aboriginal title and rights may be claimed with respect to Crown properties or other types of tenure with respect to which mining rights have been conferred. Gold Canyon is not aware of any treaty land entitlement claims or Aboriginal land claims having been formally asserted or any legal actions relating to Aboriginal issues having been instituted with respect to the Springpole Gold Property. In 2014, the Supreme Court of Canada (the “SCC”) for the first time recognized the existence of aboriginal title over land in Canada. The SCC also found that provincial laws of general application may apply to land subject to aboriginal title, provided that certain conditions are met, including that the laws are not unreasonable, impose no undue hardship and do not deny the holders of such aboriginal title of certain rights. As a result, future court decisions may be required to determine whether and to what extent provincial laws, including law related to mining and mineral tenures granted by the Provincial Crown thereunder, apply on lands subject to aboriginal title. There can be no assurance that treaty or Aboriginal rights will not be asserted in the future in respect of the Springpole Gold Property, or any of Gold Canyon’s other properties. In addition, other parties may dispute Gold Canyon’s title to its properties and its properties may be subject to prior unregistered agreements or transfers or land claims by Aboriginal peoples, and title may be affected by undetected encumbrances or defects or government actions.

Uncertainty of Acquiring Necessary Permits and Licenses. The operations of Gold Canyon will require licenses and permits from various governmental authorities. There can be no assurance that Gold Canyon will be able to obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects, on reasonable terms or at all. Delays or a failure to obtain such licenses and permits, or a failure to comply with the terms of any such licenses and permits that Gold Canyon does obtain, could have a material adverse effect on Gold Canyon. Legislation and regulations implemented by the MNDM and the Ministry of Natural Resources and Forestry (“MNR”) directly affect the mining industry in the province of Ontario where Gold Canyon holds some of its mineral claims. Gold Canyon can carry out exploration work including drilling, trenching, heavy mineral studies, airborne geophysical surveys, extensive use of off road vehicles, establishment of a camp or other activities capable of causing ground disturbance, water quality impairments or disruption to wildlife or wildlife habitat, provided that it complies with applicable provincial and federal acts and regulations in so doing.

The Acts and Regulations which guide exploration activity in Ontario include the *Mining Act*, the *Public Lands Act*, the *Forest Fires Prevention Act*, *Lakes and Rivers Improvement Act*, *Crown Forest Sustainability Act*, *Fish and Wildlife Conservation Act*, *Occupational Health and Safety Act*, *Health Protection and Promotion Act*, *Environmental Protection Act*, *Ontario Water Resources Act* and the regulations to the *Gasoline Handling Act*.

Although Gold Canyon currently holds all approvals which it requires in order to carry out its current drilling on the Springpole Gold Property, Gold Canyon cannot be certain that it will receive the necessary permits on acceptable terms to conduct further exploration and to develop such property. The failure to obtain such permits, or delays in obtaining such permits, could increase Gold Canyon’s costs and delay its activities, and could adversely affect the operations of Gold Canyon.

Environmental Regulation. Gold Canyon’s operations may be subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in the imposition of fines and penalties. In addition, certain types of operations require the submission and approval of environmental impact assessments.

Environmental legislation is evolving in a manner that means standards are stricter, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has a potential to reduce the profitability of operations. Gold Canyon intends to comply fully with all environmental regulations. The current or future operations of Gold Canyon,

including development activities and commencement of production on its properties, require permits from various federal, provincial and local governmental authorities, and such operations are and will be governed by laws and regulations governing prospecting, development, mining, production, exports; taxes, labour standards, occupational health, waste disposal, toxic substances, land use, environmental protection, mine safety and other matters.

Such operations and exploration activities are also subject to substantial regulation under applicable laws by governmental agencies that may require Gold Canyon to obtain permits from various governmental agencies. There can be no assurance, however, that all permits that Gold Canyon may require for its operations and exploration activities will be obtainable on reasonable terms or on a timely basis or that such laws and regulations will not have an adverse effect on any mining project which Gold Canyon might undertake.

Failure to comply with applicable laws, regulations, and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations and, in particular, environmental laws. Amendments to current laws, regulations and permits governing operations and activities of mining companies, or more stringent implementation thereof, could have a material adverse impact on Gold Canyon and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in development of new mining properties.

Governmental Regulation. Exploration activities on Gold Canyon's properties are affected to varying degrees by: (i) government regulations relating to such matters as environmental protection, health, safety and labour; (ii) mining law reform; (iii) restrictions on production, price controls, and tax increases; (iv) maintenance of claims; (v) tenure; and (vi) expropriation of property. There is no assurance that future changes in such regulation, if any, will not adversely affect Gold Canyon's operations. Changes in such regulation could result in additional expenses and capital expenditures, availability of capital, competition, reserve uncertainty, potential conflicts of interest, title risks, dilution, and restrictions and delays in operations, the extent of which cannot be predicted.

Gold Canyon is at the exploration stage on all of its properties. Exploration on Gold Canyon's properties requires responsible best exploration practices to comply with company policy, government regulations, maintenance of claims and tenure. Gold Canyon is required to be registered to do business and have a valid prospecting license (required to prospect or explore for minerals on Crown Mineral Land or to stake a claim) in any Canadian province in which it is carrying out work. Mineral exploration primarily falls under provincial jurisdiction. However, Gold Canyon is also required to follow the regulations pertaining to the mineral exploration industry that fall under federal jurisdiction, such as the *Fisheries Act* (Canada). If any of Gold Canyon's projects are advanced to the development and production stage, those operations will also be subject to various laws and regulations concerning development, production, taxes, labour standards, environmental protection, mine safety and other matters.

Future Litigation. Gold Canyon is, and may in the future, be subject to claims or injunctive relief (including class action claims and claims from government regulatory bodies) based on allegations of negligence, breach of statutory duty, public nuisance or private nuisance or otherwise in connection with its operations or investigations relating thereto. While Gold Canyon is presently unable to quantify its potential liability under any of the above heads of damage, such liability may be material to Gold Canyon and may materially adversely affect its ability to continue operations. Gold Canyon maintains liability insurance to cover certain portions of potential claims. Delay and addition costs associated with claims for injunctive relief could adversely affect Gold Canyon's operations, financial condition and results of operations.

Availability of Drilling Equipment and Access. Mineral exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Gold Canyon and may delay exploration and development activities.

Infrastructure. Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important determinants which affect capital and operating costs. Unusual or infrequent weather phenomena, terrorism, sabotage,

government or other interference in the maintenance or provision of such infrastructure could adversely affect Gold Canyon's operations, financial condition and results of operations.

Competition. The mineral exploration industry is competitive in all its phases. Gold Canyon will compete with numerous other participants in the search for, and the acquisition, exploration and acquisition of, resource properties. Gold Canyon's competitors include mineral exploration and mining companies that have substantially greater financial resources, staff and facilities than Gold Canyon.

Insurance. Gold Canyon's involvement in the exploration for and development of mineral properties may result in Gold Canyon becoming subject to liability for environmental pollution, property damage, personal injury or other hazards. Any insurance obtained in accordance with industry standards to address certain of these risks has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not in all circumstances be insurable or, in certain circumstances, Gold Canyon may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to Gold Canyon. The occurrence of a significant event that Gold Canyon is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Gold Canyon's financial position, results of operations or prospects.

Dividends. To date, Gold Canyon has not paid any dividends on the outstanding Gold Canyon Shares. Any decision to pay dividends on its shares will be made by the board of directors on the basis of Gold Canyon's earnings, financial requirements and other conditions existing at such time.

Foreign Operations. To the extent that Gold Canyon has foreign interests or operations, such foreign interests or operations may operate in countries where there are added risks and uncertainties due to the different economic, cultural and political environments. Some of these risks include nationalization and expropriation, social unrest and political instability, environmental regulation, uncertainties in perfecting mineral titles, trade barriers and exchange controls and material changes in taxation. Further, developing country status or an unfavourable political climate may make it difficult for Gold Canyon to obtain financing for projects in some countries.

PROMOTERS

There is no person or company that has been, within the two most recently completed financial years or during the current financial year, a "promoter" of Gold Canyon or a subsidiary of Gold Canyon, as such term is defined in the *Securities Act* (British Columbia).

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

Gold Canyon was charged under the *Occupational Health and Safety Act* (Ontario) for a workplace accident relating to the operation of certain equipment in connection with the Springpole Gold Project that resulted in a worker being injured. Gold Canyon has engaged legal counsel and intends to defend itself against the charge.

To the knowledge of management of Gold Canyon, there are no other legal proceedings to which Gold Canyon is or was a party to or which any of its properties are or were the subject of, nor are any such proceedings known to be contemplated, during the recently completed financial year.

Regulatory Actions

To the knowledge of management of Gold Canyon, there have not been any penalties or sanctions imposed against Gold Canyon by a court relating to provincial and territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against Gold Canyon, and Gold Canyon has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Gold Canyon has entered into an accounting and administrative services arrangement with ASI Services, a company owned or controlled by Ron Schmitz, a current director of Gold Canyon, pursuant to which the staff of ASI Services provide accounting, secretarial and administrative services to Gold Canyon. During the most

recently completed financial year, Gold Canyon paid or accrued \$128,604 to ASI Services for such services.

As a result of the completion of the Gold Canyon Arrangement Akiko Levinson, the Chief Executive Officer and President of Gold Canyon, will receive a lump-sum payment in the amount of \$96,000 in lieu of notice of termination under her employment agreement with Gold Canyon.

As a result of the completion of the Gold Canyon Arrangement Lisa Sharp, the Chief Financial Officer of Gold Canyon, will receive a lump-sum payment in the amount of \$25,000 in lieu of notice of termination under her employment agreement with Gold Canyon.

Other than as set forth elsewhere in this Circular, none of the following persons has any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Gold Canyon:

- (a) a director or executive officer of Gold Canyon;
- (b) a person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of Gold Canyon's outstanding voting securities; and
- (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditors

Gold Canyon's auditors are Davidson & Company LLP, Chartered Accountants of 1200 - 609 Granville Street, Pacific Centre, Vancouver, British Columbia, V7Y 1G6.

Transfer Agents, Registrars, Trustees or Other Agents

Gold Canyon's transfer agent and registrar is Computershare Investor Services Inc., located at 510 Burrard Street, 2nd Floor, Vancouver, British Columbia V6C 3B9 and 100 University Avenue, 9th Floor, Toronto, Ontario M5J 2Y1. Registration facilities are maintained by Computershare Investor Services Inc. at its offices in Vancouver.

EXPERTS

Names of Experts

The following is a list of persons or companies named as having prepared or certified a statement, report or valuation in this Circular on behalf of Gold Canyon either directly or in a document incorporated by reference and whose profession or business gives authority to the statement, report or valuation made by the person or company:

- (a) Gold Canyon's independent auditors are Davidson & Company LLP, Chartered Accountants, who have issued an independent auditor's report relating to the financial statements of Gold Canyon for the financial years ended November 30, 2014 and 2013 and an independent auditor's report relating to the carve-out financial statements of Gold Canyon (Non-gold Exploration Business) for the financial years ended November 30, 2014 and 2013;
- (b) Dr. Gilles Arseneau (P.Geo), Dr. Adrian Dance (P.Eng.), John Duncan (P.Eng.), Chris Elliott (FAusIMM), Mark Liskowich (P.Geo.), Bruce Murphy (FSAIMM), Daniel Mackie (P.Geo.), Dr. Maritz Rykaart (P.Eng.), Dino Pilotto (P.Eng.), each a Qualified Person as defined by NI 43-101, who are or were employed or retained by SRK and prepared the Springpole PEA; and
- (c) Dr. Quinton Hennigh, Ph.D., P.Geo. prepared and supervised the preparation of the technical information on the Springpole Gold Project in this Schedule, the Management Discussion & Analysis for the financial years ended November 30, 2014 and 2013 and the six month period ending May 31, 2015; and is acting as a technical adviser to and a director of Gold Canyon.

Interest of Experts

Davidson & Company LLP have advised that they are independent of Gold Canyon in accordance with the rules of professional conduct of the Institute of Chartered Accountants of British Columbia and within the meaning of

PCAOB Rule 3520, Auditor Independence.

To the knowledge of Gold Canyon, neither SRK nor any of Dr. Gilles Arseneau, Dr. Adrian Dance, John Duncan, Chris Elliott, Mark Liskowich, Bruce Murphy, Daniel Mackie, Dr. Maritz Rykaart, or Dino Pilotto held any registered or beneficial interest, direct or indirect in any securities or other property of Gold Canyon when the Springpole PEA was prepared and no securities or other property of Gold Canyon was subsequently received or are to be received by such experts.

Dr. Quinton Hennigh directly or indirectly holds registered or beneficial interests in 600,000 Gold Canyon Shares (representing less than 1% of the issued and outstanding Common Shares as at the date of this Circular), and 950,000 stock options to acquire 950,000 Common Shares.

OTHER MATERIAL FACTS

Other than as described in this Circular in relation to the Gold Canyon Arrangement, Gold Canyon currently has no plans or proposals for any material changes in the affairs of Gold Canyon, such as any contract or agreement under negotiation, any proposal to liquidate Gold Canyon, to sell, lease or exchange all or a substantial part of its assets, to amalgamate it or to make any material changes in its business, corporate structure (debt or equity), management or personnel

SCHEDULE G - INFORMATION CONCERNING FIRST MINING

The following information is presented on a pre-Arrangement basis and reflects the business, financial and share capital position of First Mining. See “Forward-Looking Statements” in this Circular in respect of forward-looking statements that are included in this Schedule and in the documents incorporated by reference herein.

All capitalized terms used in this Schedule and not defined herein have the meaning ascribed to such terms in the “Glossary of Terms” or elsewhere in this Circular. Unless otherwise indicated herein, references to “\$”, “Cdn\$” or “Canadian dollars” are to Canadian dollars, and references to “US\$” or “U.S. dollars” are to United States dollars. See “Currency and Exchange Rate Information” in this Circular. The information contained in this Schedule unless otherwise indicated, is given as of September 28, 2015.

Information has been incorporated by reference in this Circular from documents filed with securities commissions or similar authorities in Canada. Copies of the documents set out in this Schedule “G” under the heading “Documents Incorporated by Reference” which are incorporated by reference in this Circular may be obtained on request without charge from the Corporate Secretary of First Mining, Suite 1805- 925 West Georgia Street, Vancouver, British Columbia V6C 3L2 and are also available electronically on SEDAR at www.sedar.com.

Gerald E. Ray, Ph. D., P. Geo., a qualified person as defined by NI 43-101, has reviewed and approved the scientific and technical content relating to the Miranda Property. Michael Cullen, P. Geo., a qualified person as defined by NI 43-101, has reviewed and approved the scientific and technical content relating to the Hope Brook Property.

PRELIMINARY NOTE

The information contained in this Schedule has been prepared by the management of First Mining and contains information in respect of the business and affairs of First Mining. Information provided by First Mining is the sole responsibility of First Mining, and Gold Canyon does not assume any responsibility for the accuracy or completeness of such information.

ORGANIZATIONAL STRUCTURE

First Mining was incorporated under the *Business Corporations Act* (Alberta) under the name “Parkdale Petroleum Ltd.” on April 4, 2005. On May 3, 2005, First Mining changed its name to “Albion Petroleum Ltd.” First Mining completed its initial public offering as a “capital pool company” under the policies of the TSX-V on September 30, 2005. On March 30, 2015, First Mining completed its “Qualifying Transaction” (as such term is defined under the policies of the TSX-V) and acquired all of the issued and outstanding common shares of KCP Minerals Inc. (formerly known as Sundance Minerals Ltd.) (“**Sundance**”) (the “**Sundance Acquisition**”). Sundance is now a wholly owned subsidiary of First Mining and the business of First Mining is the former business of Sundance. In connection with the Sundance Acquisition, First Mining changed its name to First Mining Finance Corp., completed a four-to-one (4:1) share consolidation and continued pursuant to the provisions of the *Business Corporations Act* (British Columbia).

On July 7, 2015, First Mining acquired all of the issued and outstanding shares of Coastal Gold Corp. (“**Coastal Gold**”) (the “**Coastal Gold Acquisition**”). Coastal Gold is now a wholly-owned subsidiary of First Mining and its flagship property is the Hope Brook Property located in southwestern Newfoundland.

First Mining is currently a reporting issuer in Alberta, British Columbia and Ontario and its shares are listed on the TSX-V.

The following table describes the direct and indirect subsidiaries of First Mining, their place of incorporation, continuance or formation and the percentage of voting securities to be beneficially owned, controlled or directed by First Mining.

Name of Subsidiary or Partnership	Percentage of Voting Securities Owned	Jurisdiction of Incorporation or Continuance
KCP Minerals Inc. (formerly known as Sundance Minerals Ltd.)	100%	British Columbia
0924682 B.C. Ltd.	100%	British Columbia

Minera Terra Plata, S.A. de C.V.	100%	Mexico
Minera Teocuitla S.A de C.V	100%	Mexico
Impulsora de Proyectos Mineros, S.A. de C.V.	100%	Mexico
Sundance Minerals USA Inc.	100%	USA
Foundation Resources Ltd.	100%	Bahamas
Foundation Resources Mongolia Ltd.	100%	Bahamas
Tsakhir Exploration LLC	100%	Mongolia
Sundance Minerals Mexico Ltd.	100%	British Virgin Islands
Coastal Gold Corp.	100%	Ontario
Castillion Resources Bolivia S.A.	100%	Bolivia
IronOne Inc.	100%	Ontario
Ridgemont Iron Ore Corp.	100%	British Columbia
Tucano Exploration Inc.	100%	Ontario
Ferus Resources Ltd.	100%	Ontario

DESCRIPTION OF THE BUSINESS OF FIRST MINING

Summary of the Business

Prior to completion of the Sundance Acquisition, First Mining's principal business was to identify and evaluate opportunities for the acquisition of an interest in assets or businesses for the completion of a Qualifying Transaction. Since the completion of the Sundance Acquisition, First Mining has acquired the Hope Brook Property through the Coastal Gold Acquisition and has focused on acquiring and exploring additional mineral properties, primarily gold, copper and silver. First Mining currently has a portfolio consisting of 17 properties in Mexico, one in Nevada and one in Newfoundland.

Principal Products

First Mining is an exploration and development company and is not in production. If it puts one of its properties into production, there is a global market into which First Mining could sell any minerals produced and, as a result, First Mining would not be dependent on a particular purchaser with regard to the sale of any minerals that it produces.

Competitive Conditions

The mining business is a competitive business. First Mining competes with numerous companies and individuals that have resources significantly in excess of the resources of First Mining, in the search for (i) attractive mineral properties; (ii) qualified service providers and labour; and (iii) equipment and suppliers. The ability of First Mining to acquire additional mineral properties in the future will depend on its ability to select and acquire suitable producing properties or prospects for development or exploration.

Employees

First Mining has six employees and consultants, including senior management. First Mining has not experienced, and does not expect to experience difficulty in attracting and retaining qualified personnel. However, no assurance can be given that a sufficient number of qualified employees can be retained by First Mining when necessary.

Environmental Protection

The current and future operations of First Mining, including exploration, acquisition and development activities, are subject to extensive laws and regulations governing environmental protection, employee health and safety, exploration, development, tenure, production, taxes, labour standards, occupational health, waste disposal, protection and remediation of environment, reclamation, mine safety, toxic substances and other matters. Compliance with such laws and regulations can increase the costs of, and potentially delay, planning, designing, drilling and developing First

Mining's properties.

THREE YEAR HISTORY

As disclosed above, prior to the Sundance Acquisition, First Mining's principal business was to identify and evaluate opportunities for the acquisition of an interest in assets or businesses for the completion of a Qualifying Transaction. Following the completion of the Sundance Acquisition, the principal business of First Mining is now the acquisition, exploration and development of mineral properties.

First Mining completed the Coastal Gold Acquisition in furtherance of the First Mining's principal business of the acquisition, exploration and development of mineral properties. As First Mining was largely inactive during the years immediately preceding the Sundance Acquisition, in order to provide full disclosure on First Mining, First Mining has provided historical information below for Sundance.

Interim Period ended June 30, 2015 and Years Ended December 31, 2014 and December 31, 2013

On July 7, 2015, First Mining completed the Coastal Gold Acquisition. Pursuant to an arrangement agreement entered into between First Mining and Coastal Gold (the "**Coastal Arrangement Agreement**"), Coastal Gold shareholders received 0.1625 common shares of First Mining for each common share of Coastal Gold.

On May 12, 2015, First Mining and Coastal Gold signed the Coastal Arrangement Agreement pursuant to which the parties agreed to complete the Coastal Gold Acquisition.

On March 30, 2015, First Mining completed the Sundance Acquisition. Pursuant to an arrangement agreement entered into between First Mining and Sundance (the "**Sundance Arrangement Agreement**"), Sundance shareholders received one common share of First Mining (on a post-consolidation basis) for each common share of Sundance. Immediately prior to the completion of the Sundance Acquisition, Sundance completed a private placement offering of 12,562,412 common shares for gross proceeds of \$5,024,965 (the "**Sundance Private Placement**"). In connection with the Sundance Private Placement, Sundance also issued an aggregate of 623,925 common share purchase warrants to certain brokers and finders (the "**Sundance Warrants**"). All of the Sundance common shares issued pursuant to the Sundance Private Placement and the Sundance Warrants were exchanged for common shares and common share purchase warrants, respectively, of First Mining on closing of the Sundance Acquisition. As disclosed below, between October and December 2014, Sundance issued an aggregate of 10,895,000 subscription receipts ("**Subscription Receipts**") at a price of \$0.25 per Subscription Receipt. The proceeds of this offering were held in escrow pending completion of the Sundance Acquisition. Immediately prior to completion of the Sundance Acquisition, each Subscription Receipt converted into one common share of Sundance, which was then exchanged for one common share of First Mining on completion of the Sundance Acquisition. Full details on the Sundance Acquisition are contained in the Filing Statement dated March 18, 2015 prepared in accordance with the policies of the TSX-V, which is available on SEDAR and is incorporated by reference into this Circular.

On July 1, 2014, Sundance and First Mining signed the Sundance Arrangement Agreement pursuant to which the parties agreed to complete the Sundance Acquisition. Immediately prior to the execution of the Sundance Arrangement Agreement, on July 1, 2014, Sundance acquired all of the issued and outstanding shares of 0924682 B.C. Ltd. ("**NumberCo**") and Minera Terra Plata, S.A. de C.V. ("**Terra Plata**") by issuing 14,509,279 Sundance common shares to Corporacion First Majestic S.A. de C.V., a wholly owned subsidiary of First Majestic Silver Corp. ("**First Majestic**"), in exchange for all of the issued and outstanding shares of Terra Plata, and 604,554 Sundance common shares to each of Keith Neumeyer and Ramon Davila for all of the issued and outstanding shares of NumberCo. The shares held by Corporacion First Majestic S.A. de C.V. were subsequently transferred to First Majestic.

In addition, on July 1, 2014 and July 17, 2014, Sundance issued 3,498,333 common shares at a price of \$0.15 for aggregate gross proceeds of \$524,750.

As disclosed above, between October and December 2014, Sundance issued 10,985,000 Subscription Receipts in three tranches for aggregate gross proceeds of \$2,723,750.

During the year ended December 31, 2013, Sundance entered into a loan agreement with First Majestic pursuant to which First Majestic advanced US\$150,000 (the "**Initial Loan**"). The Initial Loan carries interest at 9% per annum and is repayable within 30 days of demand by First Majestic. In March, 2014, First Majestic advanced an additional US\$350,000 to Sundance pursuant to the terms of a bridge loan agreement (the "**Second Loan**"). In January 2015,

First Majestic advanced an additional US\$500,000 to Sundance (the “**Third Loan**” and, together with the Initial Loan and the Second Loan, the “**First Majestic Loans**”). The Second Loan bears interest at 9% per annum and is payable within 120 days of demand by First Majestic. The Third Loan also bears interest at 9% per annum and is payable within 30 days of demand by First Majestic. The proceeds of the First Majestic Loans were used by Sundance primarily to fund outstanding property taxes in Mexico. The Initial Loan and the Second Loan are secured by a mortgage in favour of First Majestic over certain of First Mining’s properties.

Historical Information on Sundance

Since its inception in 2007, Sundance was focused on acquiring and exploring mineral properties, primarily gold, copper and silver in Mexico.

In 2008, Sundance purchased a 100% interest in the Turquoise Canyon (formerly Bald Mountain) property located in north central Nevada, U.S., for aggregate cash payments of US\$115,630.

In 2009, Sundance entered into an option agreement with Raul Diaz Unzueta (the “**Pluton Agreement**”), a related party, to acquire a 100% interest in the Pluton and Las Dos Amigos claims which form part of the Pluton Property in Durango State, Mexico. El Real, the third concession forming part of the Pluton Property, was acquired by Sundance in 2010 through staking. To date, Sundance has issued 1,000,000 shares, paid US\$30,000 and incurred at least US\$400,000 in exploration expenditures towards exercise of the option. To complete the option exercise under the Pluton Agreement, First Mining is required to make a final payment of US\$2,000,000 in cash or shares and incur a further US\$500,000 in exploration expenditures on or before May 5, 2017.

In March 2009, Sundance entered into an option agreement to acquire a 100% interest in the San Ricardo property (the “**San Ricardo Property**”), Sonora State, Mexico. Sundance completed its obligations under this option agreement in 2013 and now owns 100% of the San Ricardo Property.

In 2009, Sundance acquired 100% interests in the Puertecitos and Geranio properties through staking.

In 2010, Sundance acquired 100% interests in eight additional properties in Mexico (Miranda, Montana Negra, Aguacaliente, Lachatao, El Roble, Tierritas, Puertecitos and Los Tamales) through staking. During 2009 and 2011 Sundance staked additional land around San Ricardo property, significantly increasing the landholdings of San Ricardo property.

In 2011, Sundance acquired 100% interests in two more properties (El Apache and Socorro) through staking and in 2012 Sundance staked the Batacosa property, all of them in Mexico.

On August 17, 2012, Sundance, through Minera Teocuitla S.A. de C.V. signed an option agreement with Paget Minerals Corp. (“**Paget**”) granting Paget the right to earn an initial 51% interest in the San Ricardo concessions by incurring work costs in the aggregate amount of US\$5,500,000 (the “**Paget Option Agreement**”). During the year ended December 31, 2012, Paget completed their initial requirement to fund US\$100,000 in work costs related to the San Ricardo concessions. In November 2014, Paget notified Sundance that Paget was unable to continue with the work at the San Ricardo property and therefore relinquishing its rights under the Paget Option Agreement.

In early 2014, owing to the lack of merit, Sundance dropped the Aguacaliente property.

MINERAL PROPERTIES

First Mining currently has two material mining properties, being the Hope Brook Property located in Newfoundland, Canada and the Miranda Property located in Sonora State, Mexico.

The Hope Brook Property

The following disclosure with respect to the Hope Brook Property has been derived from a technical report on the Hope Brook Property titled “2015 Mineral Resource Estimate Technical Report Hope Brook Gold Project Newfoundland and Labrador Canada Prepared for Coastal Gold Corp.”, dated January 12, 2015 (the “**Hope Brook Technical Report**”), which is incorporated by reference into this Circular. The Hope Brook Technical Report was prepared by Michael Cullen, P. Geo., Mercator Geological Services Limited (“**Mercator**”) a qualified person for the purposes of NI 43-101. First Mining obtained its interest in the Hope Brook Property through the Coastal Gold Acquisition. A summary of the Hope Brook Technical Report is reproduced below and is qualified in its entirety by the disclosure in the Hope Brook Technical Report.

Summary of the Hope Brook Technical Report

Coastal Gold, now a wholly owned subsidiary of First Mining, retained Mercator in September 2014 to prepare an independent mineral resource estimate for Coastal Gold's Hope Brook gold deposit, in accordance with requirements of NI 43-101. The Hope Brook deposit is located on the southwest coast of the island of Newfoundland, in the province of Newfoundland and Labrador, Canada. The Coastal Gold property addressed in the Hope Brook Technical Report consists of 1,056 mineral exploration claims that cover 26,400 hectares of surface area.

The current resource estimate follows up three previous estimates completed for Coastal Gold in 2012 and 2013 and focuses specifically on assessment of higher grade mineral resources that could be amenable to exploitation using underground mining methods. No new core drilling results are included in the Hope Brook Technical Report, but upgrading of various modeling parameters and elimination of assessment of open pit mining opportunities distinguish this resource model from those previously disclosed.

The Hope Brook gold deposit was discovered by the Selco Division of BP Resources Canada Ltd. ("BP") in 1983 and is reported in government records to have produced 752,163 ounces of gold from combined open pit and underground operations between 1987 and 1997. A subsidiary of BP operated the mine between 1987 and 1991 and Royal Oak Mines Ltd. operated between 1992 and 1997. The deposit is hosted by pyritic silicified zones occurring within a deformed, strike-extensive advanced argillic alteration zone characterized by presence of silica, sericite, pyrophyllite, kaolinite, alunite, pyrite, chalcopyrite and gold.

Gold mineralization predominantly occurs in silicified, Late Proterozoic sedimentary and volcanic rocks of the Whittle Hill Sandstone – Third Pond Tuff succession and also in altered quartz feldspar porphyry dikes and sills that intruded this section. The deposit has generally been considered a highly deformed example of a high sulphidation type, structurally focused gold system related to emplacement of the late Proterozoic Roti Intrusive Suite. Main stage gold mineralization pre-dated structural telescoping of the sequences and Devonian granite emplacement post-dated regional shear zone development and imparted thermal metamorphic effects.

Validated results for 689 drill holes totaling 141,862 m of drilling and including 138 holes totaling 39,250 m of drilling by Coastal Gold support the new mineral resource estimate that appears below. The estimate reflects a 3.0 grams per tonne cutoff value and includes 5.5 million tonnes of indicated resources grading 4.77 g/t and containing 844,000 ounces of gold. Inferred resources total 836,000 tonnes grading 4.11 g/t and contain 110,000 ounces of gold.

Mineral Resource Estimate for Gold at 3 g/t Cut-off, Hope Brook Gold Project			
Effective Date: January 12, 2015			
Resource Category	Tonnes (Rounded)	Gold Grade (g/t)	Gold (Oz – Rounded)
Indicated	5,500,000	4.77	844,000
Inferred	836,000	4.11	110,000

Notes:

- (1) Includes only Mine Zone and 240 Zone areas.
- (2) The above mineral resource estimate is based on a partial percentage block model with dike material removed. Dike percent is estimated at 18% for the Mine Zone and 0 % for the 240 Zone.
- (3) Gold grades reflect application of domain-specific raw assay capping factors that range between 55 g/t and 3 g/t.
- (4) Rounding of tonnes as may result in apparent differences between tonnes, grade and contained ounces.
- (5) Mineral resources that are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental permitting, legal, title, taxation, sociopolitical, marketing, or other relevant issues.

Mineral resources tabulated above include both Mine Zone and 240 Zone tonnages. The Mine Zone incorporates the former Hope Brook mine and surrounding areas, while the 240 Zone is located approximately 1.4 km southwest of the former mine. The majority of indicated resources are in the Mine Zone whereas the majority of inferred resources occur in the 240 Zone. Copper is not included in the current resource estimate but was reported previously in the 2013 Mineral Resource Estimate Technical Report for the Hope Brook Property with an effective date of December 4, 2013 and a report date of January 20, 2014 which was prepared for Coastal Gold by AGP Mining Consultants Inc. and Mercator as an exploration target defined under NI 43-101 and the CIM Standards.

A two-phase exploration program has been proposed to further assess and expand both bedrock and tailings mineral

resources at the Hope Brook Property, to more completely assess exploration potential of the exploration holdings, and to move the project forward through both preliminary economic assessment and pre-feasibility study assessments. The first phase of recommended work includes bedrock and tailings drilling programs, regional property exploration programs, updating of NI 43-101 mineral resource estimates, and completion of additional mafic sorting studies. Phase I concludes with completion of a preliminary economic assessment. Phase I recommended programs have an estimated budget of \$3.8 million. The second phase is devoted primarily to completion of a pre-feasibility study for the main Hope Brook project. It recognizes necessity for completion of additional deposit drilling, environmental, engineering and metallurgical programs that may be necessary to support a pre-feasibility study. It also includes continued exploration of highest priority exploration target areas elsewhere on the Coastal Gold property that are identified during Phase I programs. Phase II recommended programs have an estimated budget of \$4.0 million

The Miranda Property

The following disclosure with respect to the Miranda Property has been derived from a technical report on the Miranda Property titled “Geology & Mineralization at the Miranda Gold Property, Sonora State, Northern Mexico”, dated October 15, 2014 (the “**Miranda Technical Report**”), which is incorporated by reference into this Circular. The Miranda Technical Report was prepared by Gerald E. Ray, Ph.D., P. Geo., a qualified person for the purposes of NI 43-101. First Mining obtained its interest in the Miranda Property through the Sundance Acquisition. A summary of the Miranda Technical Report is reproduced below and is qualified in its entirety by the disclosure in the Miranda Technical Report.

Summary of the Miranda Report

The Miranda Gold Property comprises a package of four active exploration claims, namely Miranda (T240024), Miranda 1 (T238480), La Arena (T238673) and Miranda 2 (T240244). They total 16,035.23 hectares and are 100% owned by Sundance Minerals Ltd. They are located in the Sonora State of northern Mexico at UTM Zone 12R, 341400E-3394400N (NAD27 Mexico Datum) approximately 128 km south of Sonoyta on the US border, 62 km west of Caborca and 163 km west of Magdalena. Access from Caborca can be made by taking the paved federal road No. 2 northwest towards Sonoyta and then close to the town of San Francisco, driving 8 km south on a dirt road to the property. The two nearest communities to the Miranda property are the village of La Alameda which lies 13 km WNW of Miranda at UTM 329615E-3401205N, and the town of San Francisco, which lies at UTM 336200E-3409060N, approximately 8 km NNW of Miranda.

Sundance, a wholly-owned subsidiary of First Mining, holds a 100% interest in all four of the Miranda claims which they acquired through their Mexican subsidiary Minera Teocuitla. Sundance obtained the Miranda (T240024) claim by winning a lottery held by the Mexican Direccion de Minas; Sundance then staked the other three claims (Miranda 1, Miranda 2 and La Arena).

Title has been granted for all the concessions. The title numbers, grant dates, expirations and sizes are as follows:

Concession	Title	Date Issued	Expiry Date	Hectares
Miranda	240024	3/29/2012	3/28/2062	4,552.01
Miranda 1	238480	9/23/2011	9/22/2061	2,266.29
La Arena	238673	11/10/2011	10/10/2061	9,138.21
Miranda 2	240244	4/26/2012	4/25/2062	78.72

TOTAL AREA = 16,035.23 hectares.

As of the date of the Miranda Technical Report, Sundance had spent US\$343,387 on exploration and other expenses on the Miranda claims. Taxes are generated the moment a claim title is granted and are paid twice a year, in January and July. In an email dated the July 9, 2014, Senor Raul Diaz, Vice President of Exploration of First Mining, informed the author that Minera Teocuitla had paid all the corresponding taxes up to the first semester of 2014 for all four concessions listed above and that no other duties, fees, environmental liabilities or debts are due at this time. This email also informed the author that Sundance owns, through its Mexican subsidiary Minera Teocuitla, 100% of the mining rights derived from the claims and concessions granted. In written correspondence dated the July 20, 2014, Christopher Osterman, the Chief Executive Officer of First Mining, informed the author that to the best of his

knowledge, there are no liens or other outstanding third party debts, or current or pending litigation that may be material to the Miranda property assets.

The easternmost claim, Miranda, (T240024) contains three small privately held internal fractions, one of which (the El Tejon Claim) includes the old Gigio gold mine workings. In addition, there is the so-called Tejon Mine which comprises a large number of pits and trenches scattered over a wide area. Some of these Tejon workings lie in the privately held El Tejon Claim but others extend southwards onto the Miranda property. Although some of the Tejon trenches on Miranda ground contain narrow gold-rich veins assaying between 2 and 15 grams per tonne gold, First Mining believes its property has a high potential for low-grade bulk tonnage gold mineralization, and this is the main focus of their exploration.

The Miranda property lies in an area of Basin and Range topography. The western parts are flat and alluvial-covered with a mean elevation of approximately 200 to 240 metres above sea level. Further east, there are low, rolling hills ranging between 240 and an estimated 400 metres above sea level. All parts of the property are accessible by foot due to the flat to moderately undulating topography. There are many dirt roads and tracks, particularly in the western parts, that can be driven by 4-wheel-drive vehicles. The climate is arid with an average year-round temperature of 16° to 23°C. Daytime summer temperatures may exceed 40° C, while the winters are mild with occasional frosts at night. Work can be carried out most of the year. Rainfall averages 42 centimetres (16.9 inches) per year. Subsurface artesian water is present and bore-hole water supports some local cattle ranching. Pylons carrying high-voltage electrical power cross the property.

The Caborca district has had a long history of both underground and open pit gold and copper mining. Consequently, it has an extensive mining and prospecting culture and is a source of experienced contract labor. There are numerous small gold-silver workings in the Miranda area, although most are not currently producing mines. The mineralization is dominated by gold with variable quantities of silver, antimony, arsenic and sporadic copper hosted by veins, breccias or iron oxide zones. The old inactive mines include the San Carlos, San Miguel, San Jose, La Escondida and Los Viejitos workings. A few kilometres south of the Miranda property, the small San Felix gold mine is reportedly still in operation but there is no NI 43-101 compliant production data available. Furthermore, the reader is cautioned that no gold mineralization similar to that worked at San Felix has been confirmed at Miranda. Northeast of Miranda, there is also the historic El Antimonio mining district that produced antimony with minor gold and silver, but operations there are currently shut down. The reader should note that, apart from a brief visit to the Gigio Mine in the privately held El Tejon claim, the author has not independently verified the geological or mineralogical data of any of the historic or producing mines or adjacent properties mentioned in this report.

The Miranda property contains numerous historic pits, trenches and old shallow workings, and within the three small privately owned internal fractions there is the defunct Gigio gold mine. In addition, there are the widely scattered pits and trenches that comprise the so-called Tejon Mine, and some of these workings with higher-grade gold veins lie on the Miranda ground. However, nothing is known about any of this past exploration, and there is no evidence that any drilling or recent exploration has occurred on the Miranda property. Most old workings contain gold, but the reader is cautioned that no mineral reserves or resources have yet been identified at Miranda.

Geologically, the property lies close to the southern boundary of the NW-WNW Mojave-Sonora mega-shear that exceeds 1,000 km in length, passing through California, Arizona, Sonora and beyond. Some intrusive granitoid and gneissic plutons in the mega-shear host "orogenic-mesothermal-type" gold mineralization, as seen at the large open pit La Herradura Mine which lies 47 km NW of Miranda. Searching for intrusion-hosted bulk tonnage heap leachable gold deposits will be the main focus of Sundance's exploration at Miranda.

The westernmost parts of the property are largely underlain by alluvium, as are substantial parts of the two more easterly claims. Much of this covered area is believed to be underlain by intrusive granitoid rocks. Further east, exposures at lower elevations mostly comprise a coarse-grained granodiorite of presumed Cretaceous age. It is structurally overlain (with possible intrusive contacts) by a package of presumed Jurassic sedimentary and volcanic rocks that generally outcrop at higher elevation. Locally, both the granodiorite and the sedimentary rocks host structurally-controlled gold-bearing quartz stockworks, sheeted veins and breccias. From top to bottom the following structural and/or stratigraphic succession is recognized:

(4) Andesite volcanic flows

POSSIBLE UNCONFORMITY

(3) Quartzites

(2) Sandstones, shales and siltstones ± thin limestones

probable intrusive contact

(1) Granodiorite (?Cretaceous)

Gold mineralization at Miranda occurs mainly in a variety of quartz-vein types that are controlled by fractures, faults and other brittle structures. Most individual quartz veins are less than 35 cm thick, and those developed in stockworks or in closely-spaced crackle breccias are generally no more than 2 cm wide. Structurally, there appears to be several sets that strike NW, E-W, NE-ESE, or N-S, and their dip ranges from shallow to steep.

Since the more massive granodiorite hosts many of the quartz vein stockworks and crackle breccias, it is regarded to be the most favorable host for bulk mineable gold mineralization. Granodiorite-hosted veins are seen at many localities on the Miranda property, including at one trench that makes up part of the so-called Tejon Mine. Here the granodiorite is cut by a steep 40 cm-wide, E-W trending fault that contains sheeted and brecciated quartz veins; two vein samples respectively assayed 2.11 and 15.85 grams per tonne gold and 28 and 34 grams per tonne silver. By contrast, stockworks in the overlying bedded sedimentary rocks are less common; instead, much of the veining in these supracrustal rocks is developed along steep linear brittle faults, as seen at the privately held Gigio Mine workings.

After acquiring the claims, Sundance began an initial phase of exploration in early 2011 which included (i) geological mapping and prospecting; (ii) reconnaissance geochemical-assay rock channel and grab sampling; and (iii) completing an airborne magnetometer and ZTEM (Z-Axis Tipper Electromagnetic) geophysical survey over the property to outline any gold-bearing bulk-tonnage drill targets. The three components of this initial phase were completed by July 2011, and the total expenditure on the program up to June 2015 was US\$343,387. The Miranda property is an early-stage, “grassroots” exploration project. No exploration by Sundance has taken place anywhere on the property since the completion in 2011 of rock chip-sampling and the ZTEM helicopter-borne geophysical survey.

The initial reconnaissance geochemical program completed by Sundance involved collecting 102 chip channel or grab rock samples in addition to the 8 samples later collected by the author. All samples were submitted to the certified ALS Chemex laboratory in Hermosillo, Mexico, for crushing preparation. The pulverized powders were then assayed for precious and base metals at the ALS Chemex laboratory in Vancouver, Canada.

Of the 102 samples collected by the Sundance crew, 86 were barren but 15 samples contained between 0.2 and 2.9 g/t gold. However, more than 80 percent of the entire batch contained enhanced values of arsenic and antimony, even in samples where the gold values were low. For the eight (8) granodiorite-hosted vein samples collected by the author, three were barren but the remaining five samples assayed between 0.49 and 15.85 g/t gold; silver values in the eight samples ranged from <0.2 g/t to 34.5 g/t. Assays in both batches of samples collected by Sundance and the author show there is a positive correlation between gold, silver, arsenic and antimony. Precious metal mineralization is associated with a sporadic enhancement in copper (max 1805 ppm), zinc (max 0.7%), lead (max 4%), arsenic (max 8230 ppm), bismuth (max 223 ppm) and antimony (max >1% ppm). Based on these favorable assay results, Sundance decided to continue its search for a bulk tonnage gold deposit.

In April 2011, Sundance commissioned Geotech Ltd. to conduct a 558 km line ZTEM detailed helicopter-borne survey which also included magnetometry instruments. In July 2011, Sundance received the final interpretations of the airborne magnetic and ZTEM surveys. Using this information and the geochemical and geological data Sundance have selected three favorable preliminary targets which they plan to test by drilling.

Sundance plans a two phase exploration program to test the preliminary targets outlined by the geological mapping, geochemical sampling and geophysics conducted to date. The first phase will include structural mapping, additional geochemical sampling and then reverse circulation (“RC”) drilling. Because much of the property area is covered by gravels, the program will include a geochemical survey to refine and better delineate drilling targets. Mobile Metal Ion (“MMI”) and Soil Gas Hydrocarbons (“SGH”) surveys have demonstrated the capacity to detect anomalies under cover and will serve to correlate geophysical anomalies to geochemical signatures as well as to identify drill targets. Selected targets will be tested with RC drilling. This first phase is estimated to cost US\$352,500.

A second phase of exploration, which is contingent upon the results of the first phase, is estimated to cost US\$1,300,000. It will include further geochemical sampling over the San Judas and SoMi target areas, followed by diamond and RC drilling. The estimated costs for Phases 1 and 2 are itemized below.

Phase I:

Structural mapping	US\$35,000
MMI survey (2,000 samples @ \$50/sample)	US\$100,000
RC drilling (2,000 m @ US\$70/m)	US\$140,000
Project geologist (60 days @ \$300/day)	US\$18,000
Camp, meals, transportation	US\$7,500
Assays (800 samples @ \$25/sample)	US\$20,000
Miscellaneous and contingencies 10%	US\$32,000
Total stage 1 estimated cost	US\$ 352,500

Phase 2:

MMI survey (1,200 samples @ \$50/sample)	US\$60,000
RC drilling (10,000 m @ US\$70/m)	US\$700,000
Diamond drilling (3,000 m @ \$125/m)	US\$375,000
Camp, meals, transportation	US\$15,000
Assays (5,000 samples @ \$30/sample)	US\$150,000
Total stage 2 estimated cost	US\$ 1,300,000

Other Mineral Properties

San Ricardo, Sonora, Mexico

The San Ricardo property consists of eight claims covering 37,400 hectares, 100% owned by Sundance. The San Ricardo property is an epithermal gold deposit, similar to the style of mineralization at the Mercedes mine 50 km to the northeast.

The San Ricardo property was subject to the Paget Option Agreement. Under that option agreement, all underground workings were opened up and saw sampled and several hundred metres of trenches were been excavated and saw sampled. Additionally, a fourteen hole diamond drill program was completed in 2012 with the most significant hole yielding 2.3 m at a grade of 23.1 g/t gold (the results of the drill program ranged from nil g/t to 23.1 g/t gold). In November 2014, Paget provided notice that it was relinquishing its rights under the Paget Option Agreement. In March 2015, First Mining received 882,968 common shares of Paget in exchange for releasing Paget from its obligations under the Paget Option Agreement.

Los Tamales, Sonora, Mexico

The Los Tamales property is a porphyry copper-moly system 125 km southwest of Tucson, Arizona and 28 km south of the US-Mexican border. Discovered by water well sampling during a joint United States Geological Survey and Servicios Geologicos Mexicanos effort in the 1970's, the Los Tamales Property was the subject of two USGS open-file reports 94-685 and 84-289. The Mexican state company Azuferera Panamericana carried out a three hole, 1,000 metre diamond drill program in the 1970's.

Dense stockworks of quartz-chalcopyrite-molybdenum veinlets outcrop in a potassically altered granite in the northwest portion of the 3,850 ha property, whereas widespread quartz-sericite-pyrite-tourmaline alteration occurs in a rhyolite porphyry to the south. Largely oxidized, this alteration area presents an additional target for an enrichment zone in the subsurface. Sundance's target at Los Tamales is a major porphyry copper-moly system. Although the outcropping mineralization is in the 0.25% and 0.35% Cu range, Sundance believes the combination of a low strip ratio of outcropping mineralization, and the proximity to existing porphyry copper operations and supply infrastructure in Tucson will compensate for the lower grades.

Five diamond drill holes tested outcropping mineralization in 2013 over a 5 km strike length and all holes yielded chalcopyrite and molybdenite at sub-economic grades. The property is 100% owned by Sundance.

Geranio, Oaxaca, Mexico

The Geranio property, located in Oaxaca, Mexico, was purchased 100% by Sundance pursuant to an agreement with

an arm's length party on December 18, 2009. The Geranio property consists of six claims known as La Ramita, Geranio, Violeta, Azucena, El Jilguero and La Orquidea, covering 540 hectares. Additionally, Sundance also staked a much larger block of ground to the north, east and south of the Natividad system.

The Geranio project lies adjacent and directly north of the historic Natividad Mining District, 70 km north of the city of Oaxaca in southern Mexico. Natividad is a series at least five bonanza grade gold and silver veins in a black shale host rock which over the last 70 years has produced 1.5 million ounces of gold equivalent. The Geranio property covers approximately 1,200 metres of strike length of the northern extension of the Natividad vein system.

First Mining's objective is to delineate another Natividad mineralized system with comparable precious metal contents.

Pluton, Durango, Mexico

The Pluton Property is a 17,124 hectare-property consisting of three claims known as Pluton, El Real and Las Dos Amigos, 100% controlled by First Mining (see the option disclosure below) with the potential to host a large silver-rich, high-grade polymetallic (Pb, Zn, Au), carbonate replacement/skarn deposit. The Pluton Property is located within the historic "Ojuela-Mapimi Mining District", and also along the eastern front of the Sierra Madre Oriental in which recent exploration has led to the discovery of the giant related deposits Peñasquito and Camino Rojo in Zacatecas, approximately 200 Km east of Mapimi. With five preliminary targets outlined under cover and significant ground unexplored, the Pluton Property is a prime prospect for high-return economic mineralization.

Based on soil geochemistry, a NSAMT survey and a ZTEM survey, a 3,925 m diamond drill hole program managed by Sundance was completed in 2011.

In 2009, Sundance entered into an option agreement with Raul Diaz Unzueta, a related party to Sundance, to acquire a 100% interest in the Pluton and Las Dos Amigos concessions, which form part of the Pluton Property. To date Sundance has issued 1,000,000 shares, paid US\$30,000 and incurred at least US\$400,000 in exploration expenditures towards exercise of the option. To complete the option exercise, First Mining is required to make a final payment of US\$2,000,000 in cash or shares and incur a further US\$500,000 in exploration expenditures on or before May 5, 2017. El Real, the third concession forming the Pluton Property, was acquired by Sundance in 2010 through staking.

Turquoise Canyon, Nevada

The 100% owned Turquoise Canyon property (formerly the Bald Mountain property) consists of 188 unpatented claims totaling 3,872 acres located along the Battle Mountain-Eureka Trend.

The target at Turquoise Canyon is a Carlin-type deposit in the lower plate carbonate rocks underlying the Roberts Mountain Thrust. Sundance conducted induced polarization, gravity and ZTEM surveys, which have traced the Roberts Mountain Thrust under the Turquoise Canyon property. A gravity high and anomalous conductive/polarizable anomalies at the southwest corner of the property are high priority drill targets. Six other potential drill targets were interpreted from two induced polarization/resistivity lines run over the property. All geophysical surveys indicate that the target lower plate carbonate rocks are within 200 metres of the surface in the southwest portion of the claim block. An initial 100 m block interpretation of the ZTEM survey indicates an antiformal conductive horizon in the subsurface along the Roberts Mountain Thrust.

The Peñasco Quemado, Sonora, Mexico

The Peñasco Quemado property consists of 22,998 hectares in eight contiguous mining claims located in north-central Sonora, Mexico, 60 km south of the town of Sasabe in the US border within the Sierra Madre Occidental metallogenic province, which extends along western Mexico from the border of Sonora and Arizona to the state of Jalisco. Peñasco Quemado is a silver-manganese deposit in conglomerate rocks partially drilled by Silvermex. Several untested targets occur in the property. The concessions are held through Minera Terra Plata a Mexican subsidiary 100% owned by First Mining.

La Frazada, Nayarit, Mexico

La Frazada consists of a 299 hectares concession along the South West margin of the Sierra Madre Occidental, in the district of Real del Zopilote, in the state of Nayarit. The concession is held by Terra Plata and encompasses the past producing La Frazada Silver Mine. The project is located approximately 300 km northwest of Guadalajara and consists in one concession which totals 299 hectares. The La Frazada Mine is located in the historic mining district of 'Real del Zopilote' within the state of Nayarit, Mexico. The primary mineralized zones are La Jabalina and La

Frazada Veins. These two parallel structures lie between 10 and 15 metres apart and vary in width from 3 to 15 metres.

Los Lobos Silver Project, Sonora, Mexico

Terra Plata also owns 100% of the Los Lobos Silver Project in Sonora State, Mexico. The Los Lobos property consists of 11,558 hectares. The Los Lobos Silver Project lies along the Sea of Cortez and is approximately 90 km from Puerto Peñasco, the largest major centre in the region in the northern and southern portion of the Lobos property. The regional north-west to south-east trend contains high-grade silver epithermal mineralization exposed for 350 metres before plunging below the volcanic sequence.

The Margaritas Project

Margaritas is a 500 hectare property 100% owned by a subsidiary of First Mining consisting of two mining concessions in the state of Durango, approximately 150 kilometres from Durango city. The project is located in the Barrancas subprovince of the Sierra Madre Occidental. Some limited gold mining by artisanal prospectors is known to have taken place on the project in the early 20th century and the project contains a known vein with quartz, argillic alteration striking for at least 1.8 kilometres (as per the Mexican Geological Service).

DIVIDENDS

The constating documents of First Mining do not limit First Mining's ability to pay dividends on the First Mining Shares. However, First Mining has not paid any dividends since incorporation and does not expect to pay dividends in the foreseeable future. Payment of dividends in the future will be made at the discretion of the board of directors of First Mining.

DESCRIPTION OF THE FIRST MINING SHARES

The authorized capital of First Mining consists of an unlimited number of common shares and an unlimited number of preferred shares. As of the date of this Circular, there were 101,534,112 First Mining Shares issued and outstanding and no preferred shares issued and outstanding. Holders of First Mining Shares are entitled to receive notice of and to attend any meetings of shareholders and shall have one vote per share at all meetings, except meetings at which only holders of another class or series of shares are entitled to vote separately as such class or series. Holders of First Mining Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the First Mining board of directors and, upon liquidation, dissolution or winding up of First Mining, are entitled to receive on a pro rata basis the net assets of First Mining after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of First Mining Shares. The First Mining Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

PRIOR SALES

The following table summarizes the issuances of First Mining Shares within the twelve months prior to the date hereof.

<u>Date</u>	<u>First Mining Shares issued pursuant to</u>	<u>Price per Security (Cdn\$)</u>	<u>Number of Securities</u>
July 7, 2015	Coastal Gold Acquisition	\$0.51 ⁽¹⁾	27,499,465
March 30, 2015	Sundance Acquisition	\$0.40 ⁽¹⁾	31,590,892
June 30, 2015	Warrant Exercise	\$0.40	9,800
July 2, 2015	Warrant Exercise	\$0.40	10,000
July 6, 2015	Warrant Exercise	\$0.40	3,000
August 5, 2015	Warrant Exercise	\$0.40	1,650
September 28, 2015	Option Exercise	\$0.31	243,750

Notes:

⁽¹⁾ Deemed price per share.

On July 7, 2015, in connection with the Coastal Gold Acquisition, First Mining issued an aggregate of 2,248,357 options to acquire First Mining Shares to former Coastal Gold optionholders, of which 120,252 expired on August 16, 2015, 13,000 expired on September 13, 2015 and the remaining of which expire either on or before October 5, 2015.

On March 30, 2015, First Mining issued 623,925 common shares purchase warrants in connection with the Sundance Acquisition. Each warrant is exercisable into one common share of First Mining for 18 months at an exercise price of \$0.40. In addition, on March 30, 2015, First Mining issued an aggregate of 2,550,000 incentive stock options to its directors and officers and on July 27, 2015, First Mining issued an aggregate of 980,000 incentive stock options to its directors, officers, employees and consultants and on September 9, 2015, First Mining issued 100,000 incentive stock options to an employee. Each stock option is exercisable into one common share for a period of five years at an exercise price of \$0.40.

TRADING PRICE AND VOLUME OF THE FIRST MINING SHARES

The First Mining Shares trade on the TSX-V under the symbol “FF” and on the OTCQB trading platform under the symbol FFMGF. The First Mining Shares commenced trading on the TSX-V on April 6, 2015, following completion of the Sundance Acquisition (which, as disclosed elsewhere in this Circular, constituted First Mining’s Qualifying Transaction under TSX-V policies).

TSX-V

(prices in Canadian dollars)

	<u>High</u>	<u>Low</u>	<u>Volume</u>
September 1 - 28, 2015	\$0.445	\$0.25	16,636,369
August 2015	\$0.39	\$0.31	7,317,880
July 2015	\$0.60	\$0.34	14,857,269
June 2015	\$0.51	\$0.32	5,775,962
May 2015	\$0.40	\$0.305	3,152,587
April 6- April 30, 2015	\$0.49	\$0.40	6,038,068

The closing price of the First Mining common shares on the TSX-V on August 31, 2015, the last trading day immediately before the announcement of the arrangements with Coastal Gold and PC Gold, was \$0.35.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Securityholdings

The names and province or state and country of residence of the directors and executive officers of First Mining, positions held by them with First Mining and their principal occupations during the past five years are as set forth below. The term of office of each of the present directors expires at the next annual general meeting of shareholders. After each such meeting, the Board of Directors appoints First Mining’s officers and committees for the ensuing year.

Name and Municipality of Residence	Position Held	Principal Occupation	Number and Percentage of First Mining Shares ⁽¹⁾
Keith Neumeyer ⁽²⁾⁽³⁾⁽⁴⁾ Zug, Switzerland	Director and Chairman since March 30, 2015	Chief Executive Officer, President and a Director of First Majestic Silver Corp. 2002 to Present.	4,751,054 (4.7%)
Chris Osterman Arizona, USA	Director and Chief Executive Officer since March 30, 2015	Director and Chief Executive Officer of First Mining Finance Corp., March 30, 2015 to present. Director and Chief Executive Officer of KCP Minerals Inc. (formerly known as Sundance Minerals Ltd.) 2007 to Present.	1,743,083 (1.7%)

Patrick Donnelly Vancouver, British Columbia	President since March 30, 2015	Director and Chief Executive Officer of First Mining Finance Corp., March 30, 2015 to present. President of KCP Minerals Inc. (formerly known as Sundance Minerals Ltd.), January 2015 to Present; VP Corporate Development of Nova Copper Inc., August 2012 to August 2014; VP, Corporate Development of Hana Mining Ltd., July 2010 to August 2012	Nil
Andrew Poon Vancouver, British Columbia	Chief Financial Officer since March 30, 2015	VP Finance, First Majestic Silver Corp., January 2015 to present; Director of Finance of First Majestic Silver Corp. 2007 to 2014	333,333 (0.3%)
Raymond Polman ⁽²⁾⁽³⁾⁽⁴⁾ Vancouver, British Columbia	Director since March 30, 2015	Chief Financial Officer of First Majestic Silver Corp. 2007 to Present	333,333 (0.3%)
Ramon Davila Durango, Mexico	Director since March 30, 2015	Chief Operating Officer of First Majestic Silver Corp. 2004 to 2014; Director of First Majestic Silver Corp. 2004 to Present	1,271,221 (1.3%)
Raul Diaz Tennessee, USA	Director and Vice-President Exploration since March 30, 2015	Director and Vice-President of First Mining Silver Corp., March 30, 2015 to present. Director and Vice-President, Exploration of KCP Minerals Inc. (formerly known as Sundance Minerals Ltd.) 2007 to March 2015	831,748 (0.8%)
David Shaw ⁽²⁾⁽³⁾⁽⁴⁾ Vancouver, British Columbia	Director since April 4, 2006	Self-employed technical and financial resource industry consultant from 1997 to present. Independent Director of First Majestic Silver Corp. January 2005 to present.	513,250 (0.5%)
Connie Lillico Vancouver, British Columbia	Corporate Secretary since March 30, 2015	Corporate Secretary of First Majestic Silver Corp. 2007 to Present	50,000 (0.04%)

Notes:

- (1) The information as to common shares beneficially owned or controlled has been provided by the nominees themselves.
- (2) A member of the audit committee.
- (3) A member of the compensation committee.
- (4) A member of the corporate governance committee.

The directors and officers of First Mining, as a group, beneficially own, directly or indirectly, or exercise control over 9,827,022 common shares, representing approximately 9.7% of the issued and outstanding First Mining Shares as of the date hereof.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer (a) is, as at the date of this Circular, or has been, within ten years before the date of this document, a director or executive officer of any corporation (including First Mining) that, while that person was acting in that capacity: (i) was the subject of a cease trade or similar order or an order that denied the relevant

corporation access to any exemption under the securities legislation, for a period of more than 30 consecutive days; (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in First Mining being the subject of a cease trade order or similar order or an order that denied the relevant Corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days.

No director or executive officer (a) is, as at the date of this Circular or has been, within ten years before the date of this document, a director, chief executive officer or chief financial officer of any corporation (including First Mining) that, while that person was acting in that capacity: (i) was the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under the securities legislation, for a period of more than 30 consecutive days or; (ii) was subject to an event that resulted, after the director executive officer ceased to be a director, chief executive officer or chief financial officer in the corporation being the subject of a cease trade order or similar order or an order that denied the relevant corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days.

No director executive officer or shareholder holding a sufficient number of securities of First Mining to materially affect the control of First Mining (a) is, as at the date of this Circular, or has been within ten years before the date of the Circular, a director or executive officer of any corporation (including First Mining) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the ten years before the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of First Mining, or a shareholder holding sufficient number of securities of First Mining to affect materially the control of First Mining, has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of First Mining's directors and officers serve or may agree to serve as directors or officers of other reporting companies or have significant shareholdings in other reporting companies. For a list of the other reporting issuers in which directors of First Mining also serve as directors, please see the directors' and insider's profile available on SEDI at www.sedi.ca. To the extent that such other companies may participate in ventures in which First Mining may participate, the directors of First Mining may have a conflict of interest in negotiating and concluding terms regarding the extent of such participation. In the event that such a conflict of interest arises at a meeting of First Mining's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular corporation will assign all or a portion of its interest in a particular program to another of these companies due to the financial position of First Mining making the assignment. Under the laws of Canada, the directors of First Mining are required to act honestly, in good faith and in the best interests of First Mining. In determining whether or not First Mining will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which First Mining may be exposed and its financial position at that time.

Additional Information regarding Management

Keith Neumeyer, Director and Chairman. Mr. Neumeyer has worked in the investment community since 1984. He began his career at a number of Canadian national brokerage firms. Mr. Neumeyer moved on to work with several publically traded companies in the resource and high technology sectors. His roles have included senior management positions and directorships responsible in areas of finance, business development, strategic planning and corporate restructuring. Mr. Neumeyer was the original and founding President of First Quantum Minerals Ltd. (T-FM). Mr. Neumeyer founded First Majestic in 2002 and has served as its President, Chief Executive Officer and a director since that time. Mr. Neumeyer has also listed a number of companies on the Toronto Stock Exchange and as such has

extensive experience dealing with the financial, regulatory, legal and accounting issues that are relevant in the investment community.

Chris Osterman, Director, Chief Executive Officer. Dr. Osterman has thirty years' experience in both metal production and exploration in North and South America, Africa, and Asia. Most recently, Dr. Osterman played an integral role in the discovery and development of the San Jose silver deposit in Oaxaca, Mexico; and the Zuun Mod molybdenum deposit in Mongolia. Dr. Osterman's area of expertise lies in new project reconnaissance and exploration strategy. Dr. Osterman completed a PhD at the Colorado School of Mines focusing on sediment-hosted copper deposits in Namibia.

Patrick Donnelly, President. Mr. Donnelly has a broad range of experience in mineral exploration and capital markets. He began his career as a project geologist almost 20 years ago exploring for precious and base metals, and diamonds in Western and Northern Canada. Subsequently, Mr. Donnelly worked for a Canadian securities firm as a base metals mining analyst. Mr. Donnelly also served as Vice President of Corporate Development for an emerging copper development company with assets in Southern Africa. In his latest role, he held the position of Vice President Corporate Communications with copper development company with assets in Alaska. He holds a B.Sc. in Geology (Honors) from the University of British Columbia and has a MBA from the University of Toronto.

Raul Diaz, Director and Vice-President Exploration. Mr. Diaz has thirty years in mineral exploration and management in Latin America, a twenty year veteran with the Peñoles Corporation where he discovered the 2 MOz Au Bermejil Au deposit Mexico, now part of GoldCorp's Los Filos operation, and the 2 MOz Au Capaccorco deposit in Peru. Mr. Diaz was the Peru Country manager and director for Peñoles and was most recently General Manager and director of Continuum Resources Mexico. Mr. Diaz has a unique ability to understand and negotiate with local community groups, an increasingly important aspect of the mining business in a world where land-use issues have the potential to hold up and even halt project development. Mr. Diaz holds a Bachelor of Geological Engineering from the University of Mexico and a Masters of Science from the University of Arizona.

Andrew Poon, Chief Financial Officer. Mr. Poon is a Chartered Accountant with over 24 years of public accounting and corporate finance experience in the Canadian and U.S. financial markets. Recent experience includes serving as the VP of Finance of First Majestic Silver Corp. since January 2015 and, prior to being appointed to that position, serving as the Director of Finance of First Majestic Silver Corp. for over six years. First Majestic Silver Corp. is a senior silver producer operating in Mexico and listed on the TSX, NYSE and the Mexican Stock Exchange. Prior to First Majestic, he served four years as the Chief Financial Officer of Huckleberry Mines Ltd., a copper producer in British Columbia. Mr. Poon also brings seven years of prior public accounting experience with Deloitte LLP. He has a Bachelor of Commerce degree from the University of Alberta and is a member of the Chartered Accountants of British Columbia and Alberta.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular and during the financial year ended December 31, 2014, no director or executive officer of First Mining (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) First Mining or its subsidiaries, or (ii) any other entity which is, or was at any time during the financial year ended December 31, 2014, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by First Mining or its subsidiaries.

RISK FACTORS

An investment in First Mining involves a significant degree of risk and should be considered speculative due to the nature of First Mining's business and the present stage of its development. In evaluating the proposed transaction, Gold Canyon Shareholders should carefully consider all of the information in this section and the documents incorporated by reference herein, and, in particular, should evaluate the risk factors set out below. However, such risks may not be the only risks faced by First Mining. Risks and uncertainties not presently known by First Mining or which are presently considered immaterial may also adversely affect First Mining's business, properties, results of operations and/or condition (financial or otherwise).

Nature of Mineral Exploration and Mining

Development of the Hope Brook Property, the Miranda Property or the other properties will occur only if satisfactory exploration results are obtained. Mineral exploration and development involves a high degree of risk and few

properties that are explored are ultimately developed into producing mines. There is, therefore, no assurance that First Mining's mineral exploration and development activities will result in any commercially viable mineral discoveries. The long-term profitability of First Mining's operations will be, in part, directly related to the cost and success of its exploration programs, which may be affected by a number of factors out of First Mining's control.

Substantial expenditures are required to establish reserves through drilling and, if warranted, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations, or at all, or that the funds required for development can be obtained on a timely basis. Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge, and careful evaluation may not be able to overcome.

Limited Operating History and Financial Resources

First Mining has a limited operating history, will have no operating revenues and is unlikely to generate any revenues from operations in the immediate future.

Mineral Deposits and Production Costs; Commodity Prices

The economics of developing mineral deposits are affected by many factors including variations in the grade of ore mined, the cost of operations, and fluctuations in the sales price of products. The value of First Mining's mineral property interests is heavily influenced by metal prices. Metal prices can and do change by substantial amounts over short periods of time, and are affected by numerous factors that will be beyond the control of First Mining, including changes in the level of supply and demand, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production arising from improved mining and production methods and new discoveries. There can be no assurance that the prices of mineral products will be sufficient to ensure that First Mining's properties can be mined profitably. Depending on the price received for minerals produced, First Mining may determine that it is impractical to commence or continue commercial production.

The grade of any ore ultimately mined from a mineral deposit may differ from that predicted from drilling results. Production volumes and costs can be affected by such factors as the proximity and capacity of processing facilities, permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short-term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on the results of operations. Moreover, there can be no assurance that any minerals recovered in small scale laboratory tests will be achieved under production scale conditions. Although precautions to minimize risks will be taken, processing operations are subject to hazards such as equipment failure or failure of tailings impoundment facilities, which may result in environmental pollution and consequent liability.

The Exploration and Development of Mineral Resources is Highly Speculative

Resource exploration and development is a highly speculative and risky business and few properties that are explored are ultimately developed into producing mines. Advancing properties from exploration into the development and production stages requires significant capital and time, and successful commercial production from a property, if any, will be subject to completing feasibility studies, permitting and construction of the mine, processing plants, roads and other related works and infrastructure, including road and rail access. As a result, First Mining will be subject to all of the risks associated with developing and establishing new mining operations, including:

- the completion of feasibility studies to verify reserves and commercial viability, including the ability to find sufficient quantities and qualities of mineralization to support a commercial mining operation;
- the timing and cost, which can be considerable, of further exploration, preparing feasibility studies, permitting and construction of infrastructure, mining and processing facilities;
- the availability and cost of drill equipment, exploration personnel, skilled labour and mining and processing equipment, if required;
- the availability and cost of appropriate smelting and/or refining arrangements, if required, and securing a commercially viable sales outlet for First Mining's products;

- compliance with environmental and other governmental approval and permit requirements, including the timing of the receipt of those approvals and permits;
- the availability and terms of funds to finance exploration, development and construction activities;
- potential increases in exploration, construction and operating costs due to changes in the cost or availability of fuel, power, water, materials and supplies;
- potential opposition from non-governmental organizations, environmental groups or local groups, which may delay or prevent development activities;
- potential shortages in mineral-processing, construction and other facilities-related supplies; and
- market fluctuations.

The costs, timing and complexities of exploration, development and mine construction activities may be increased by the remote location of the properties and demand by other mineral exploration and mining companies. Cost estimates may increase significantly as more detailed engineering work and studies are completed on a mineral property. It is common in new mining operations to experience unexpected costs, problems and delays during development, construction and mine start-up. In addition, delays in the commencement of mineral production often occur. Accordingly, no assurance can be given that minerals will be discovered in sufficient quantity or quality to justify commercial operations or that First Mining's activities in Mexico, Canada or other jurisdictions in which it acquires mineral properties will result in profitable mining operations.

Governmental Regulations, Licenses and Permits

First Mining's mining, exploration and development projects are located in Mexico, the United States and Canada and are subject to extensive laws and regulations governing various matters including, but not limited to, exploration, development, production, price controls, exports, taxes, mining royalties, labour standards, expropriation of property, maintenance of claims, land use, land claims of local people, water use, waste disposal, protection and remediation of the environment, reclamation, historic and cultural resource preservation, mine safety, occupational health, and the management and use of toxic substances and explosives, including handling, storage and transportation of hazardous substances.

Such laws and regulations may require First Mining to obtain licenses and permits from various governmental authorities. Failure to comply with applicable laws and regulations, including licensing and permitting requirements, may result in civil or criminal fines, penalties or enforcement actions, including orders issued by regulatory or judicial authorities enjoining or curtailing operations, requiring corrective measures, requiring the installation of additional equipment, requiring remedial actions or imposing additional local or foreign parties as joint venture partners, any of which could result in significant expenditures or loss of income by First Mining. The Resulting Issuer may also be required to compensate private parties suffering loss or damage by reason of a breach of such laws, regulations, licensing requirements or permitting requirements.

First Mining's income and its mining, exploration and development projects could be adversely affected by amendments to such laws and regulations, by future laws and regulations, by more stringent enforcement of current laws and regulations, by changes in the policies of Mexico, Canada and the US affecting foreign trade, investment, mining and repatriation of financial assets, by shifts in political attitudes in Mexico and by exchange controls and currency fluctuations. The effect, if any, of these factors cannot be accurately predicted. Further, there can be no assurance that First Mining will be able to obtain or maintain all necessary licenses and permits that may be required to carry out exploration, development and mining operations at its projects.

The costs of discovering, evaluating, planning, designing, developing, constructing, operating and closing First Mining's mining, exploration and development activities and operations in compliance with such laws and regulations are significant. It is possible that the costs and delays associated with compliance with such laws and regulations could become such that First Mining would not proceed with mining, exploration and development at one or more of its properties. Moreover, it is possible that future regulatory developments, such as new taxes or fees or increases in existing taxes or fees or amendments to the way in which such taxes or fees are calculated or the imposition of increasingly strict environmental protection laws, regulations and enforcement policies thereunder, and claims for damages to property and persons resulting from First Mining's mining, exploration and development projects could

result in substantial costs and liabilities for First Mining such that it would not proceed with mining, exploration and development at one or more of its properties.

Title to Properties

The validity of mining or exploration titles or claims or rights, which constitute most of First Mining's property holdings, can be uncertain and may be contested. First Mining has used its reasonable commercial efforts to investigate its title or claims to its various properties, however, no assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining titles or claims and that such exploration and mining titles or claims will not be challenged or impugned by third parties.

Although First Mining has obtained title opinions for certain material properties, there is no guarantee that title to such properties will not be challenged or impugned. First Mining's properties may be subject to prior unregistered liens, agreements or transfers, native land claims, aboriginal land claims or undetected title defects.

Mining laws in Mexico are developing and changes in such laws could materially impact First Mining's rights to its various properties or interests therein. In Mexico, legal rights applicable to mining concessions are different and separate from legal rights applicable to surface lands; accordingly, title holders of mining concessions must agree with surface land owners on compensation in respect of mining activities conducted on such land.

Surface Rights in Mexico

First Mining does not own the surface land associated with its mineral claims in Mexico and therefore does not own the surface rights to its mineral claims. Mexican law allows equal right of property access to the owner of the surface rights and the owner of the mining rights. However, when the explorer/miner is not the owner of the surface rights, the owner of the surface rights and the owner of the mineral rights must agree on the terms by which the concession holder may access the property. If an agreement cannot be reached, then the concession holder is required to gain access to the surface through other means including expropriation, ocupacion temporal (temporal occupation) or servidumbre de terrenos indispensables (right of way on necessary land). Written surface access agreements are required for and at the time of application for environmental permits and for exploration with drilling or trenching.

Aboriginal Land Claims in Canada

Canadian court decisions have recognized the existence of aboriginal title and rights, which may include title or rights of use to lands historically used or occupied by aboriginals. Courts have held that the Crown has an obligation to consult with Aboriginal groups when the Crown has knowledge of either existing rights or the potential existence of aboriginal title or rights and is contemplating actions that may potentially impact such title or rights. Failure of the government of Newfoundland and Labrador to adequately discharge its obligations to aboriginal groups may affect the validity of its actions in dealing with public rights, including the granting of Crown mineral tenures.

In 2014, the Supreme Court of Canada (the "SCC") for the first time recognized the existence of aboriginal title over land in Canada. The SCC also found that provincial laws of general application may apply to land subject to aboriginal title, provided that certain conditions are met, including that the laws are not unreasonable, impose no undue hardship and do not deny the holders of such aboriginal title of certain rights. As a result, future court decisions may be required to determine whether and to what extent provincial laws, including law related to mining and mineral tenures granted by the Provincial Crown thereunder, apply on lands subject to aboriginal title. There can be no assurance that aboriginal title will not in the future be recognized over all or any portion of the area of the Hope Brook Project in Newfoundland, Canada or any future mineral projects acquired by First Mining. There can be no assurance that aboriginal claims will not in the future have a material adverse effect on First Mining's mineral projects or its ability to secure other mineral projects.

Environmental and Health and Safety Regulation

First Mining's operations are subject to extensive laws and regulations governing environmental protection and employee health and safety promulgated by governments and government agencies from time to time. Environmental regulation provides for restrictions on, and the prohibition of, spills and the release and emission of various substances related to mining industry operations which could result in environmental pollution. Further, a number of governments have introduced or are moving to introduce climate change regulation.

Environmental laws and regulations are complex and have tended to become more stringent over time. First Mining is required to obtain governmental permits and in some instances air, water quality, and mine reclamation permits. Although First Mining makes provisions for reclamation costs, it cannot be assured that these provisions will be adequate to discharge its future obligations for these costs. Failure to comply with applicable environmental and health and safety laws may result in injunctions, damages, suspension or revocation of permits and imposition of penalties. Environmental regulation is evolving in a manner resulting in stricter standards and the enforcement of, and fines and penalties for, non-compliance are becoming more stringent. In addition, certain types of operations require submissions of, and approval of, environmental impact assessments. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees.

Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, the cost of compliance with environmental regulation and changes in environmental regulation have the potential to result in increased cost of operations, reducing the profitability of First Mining's operations.

There can be no assurance that First Mining will be at all times in complete compliance with such laws, regulations and permits, or that the costs of complying with current and future environmental and health and safety laws and permits will not materially and adversely affect First Mining's business, results of operations or financial condition.

Obtaining Future Financing

The further exploitation, development and exploration of mineral properties in which First Mining holds interests or which First Mining acquires may depend upon its ability to obtain financing through equity financing or debt financing, joint ventures or other means. There is no assurance that First Mining will be successful in obtaining required financing as and when needed. Volatile precious metals and equity markets may make it difficult or impossible for First Mining to obtain further financing on favourable terms or at all.

Stress in the Global Economy

Reduction in credit, combined with reduced economic activity and the fluctuations in the United States dollar, may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and First Mining will be dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on First Mining's businesses, operating results, and financial condition.

Permits and Licenses

The operations of First Mining will require licenses and permits from various governmental and non-governmental authorities. As of the date of this Circular, First Mining has not obtained the necessary exploration, drilling and other permits with respect to implementing the work program recommended by the Miranda Technical Report. First Mining will obtain, at the appropriate time, all necessary licenses and permits required under applicable laws and regulations to carry on with activities which it proposes to conduct. However, such licenses and permits are subject to change in regulations and in various operating circumstances. There can be no assurance that First Mining will be able to obtain all necessary licenses, permits or approvals required to carry out exploration, development and mining operations on its projects.

Competition

The mineral exploration and mining business is competitive in all of its phases. First Mining will compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources than First Mining, in the search for and the acquisition of attractive mineral properties. The ability of First Mining to acquire properties in the future will depend not only on its ability to develop its present properties, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that First Mining will continue to be able to compete successfully with the competition in acquiring such properties or prospects.

Dependence on Key Individuals

First Mining is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on First Mining. First Mining does not maintain key-person insurance on the lives of any of their key personnel. In addition, while certain of First Mining's officers and directors have experience in the exploration of mineral producing properties, First Mining is highly dependent upon contractors and third parties in the performance of its exploration and development activities. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of First Mining or be available upon commercially acceptable terms.

Unknown Environmental Risks for Past Activities

Exploration and mining operations involve a potential risk of releases of metals, chemicals, fuels, liquids having acidic properties and other contaminants to soil, surface water and groundwater. In recent years, regulatory requirements and improved technology have significantly reduced those risks, however, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. First Mining may be liable for environmental contamination and natural resource damages relating to properties that it will hold an interest in, or at which environmental contamination occurred while or before First Mining owned, operated or acquired an interest in the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

Cost of Land Reclamation

It is difficult to determine the exact amounts that will be required to complete all land reclamation activities on First Mining's properties, whether as a result of past and current exploration activities or in the future as a result of mine development and production. Reclamation bonds and other forms of financial assurance represents only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of First Mining.

Political Regulatory Risks

Any changes in government policy may result in changes to laws affecting ownership of assets, mining policies, monetary policies, taxation, rates of exchange, environmental regulations, labour relations, repatriation of income and return of capital. This may affect both First Mining's ability to undertake exploration and development activities in respect of present and future properties in the manner currently contemplated, as well as its ability to continue to explore, develop and operate those properties in which it has interests or in respect of which it has obtained exploration and development rights to date. The possibility that future governments may adopt substantially different policies, which might extend to expropriation of assets, cannot be ruled out.

Political and Country Risk

Certain of First Mining's operations are in Mexico, and as such First Mining's operations are exposed to various levels of political and economic risks by factors outside of First Mining's control. These potential factors include, but are not limited to: royalty and tax increases or claims by governmental bodies, expropriation or nationalization, foreign exchange controls, high rates of inflation, extreme fluctuations in currency exchange rates, import and export regulations, cancellation or renegotiation of contracts and environmental and permitting regulations. First Mining has no political risk insurance coverage against these risks.

First Mining is unable to determine the impact of these risks on its future financial position or results of operations. Changes, if any, in mining or investment policies or shifts in political attitude in foreign countries may substantively affect First Mining's exploration, development and production activities.

Local Groups and Civil Disobedience

An Ejido is a communal ownership of land recognized by the federal laws in Mexico. While mineral rights are administered by the federal government through federally issued mining concessions, an Ejido controls surface rights over communal property through a board of directors which is headed by a president. An Ejido may sell or lease lands directly to a private entity, it also may allow individual members of the Ejido to obtain title to specific parcels of

land and thus the right to rent or sell the land.

In the event that First Mining conducts activities in areas where no agreements exist with owners which are Ejidos, First Mining may face some form of protest, road blocks, or other forms of public expressions against First Mining's activities. If First Mining is not able to reach an agreement for the use of the lands with the Ejido, First Mining may be required to modify its operations or plans for the development of its Properties.

Violence and other Criminal Activities in Mexico

Certain areas of Mexico have experienced outbreaks of localized violence and thefts associated with drug cartels in various regions. Any increase in the level of violence, or a concentration of violence in areas where the projects and properties of First Mining are located, could have an adverse effect on the results and the financial situation of First Mining.

Currency Risk

Currency fluctuations may affect the cash flow which First Mining may realize from its operations, since most mineral commodities are sold in a world market in US dollars.

Conflicts of Interest

The directors and officers of First Mining are directors and officers of other companies, some of which are in the same business as First Mining. The directors and officers of First Mining are required by law to act in the best interests of First Mining. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to First Mining may result in a breach of their obligations to the other companies, and in certain circumstances this could expose First Mining to liability to those other companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of First Mining. Such conflicting legal obligations may expose First Mining to liability to others and impair its ability to achieve its business objectives.

Insurance

First Mining does not have insurance to adequately protect itself against certain risks associated with mineral exploration. Even if it were to obtain insurance, First Mining will remain at risk and will be potentially subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of premium costs or other reasons.

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and First Mining may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, it could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of First Mining.

Influence of Third Party Stakeholders

The lands in which First Mining will hold interests, or the exploration equipment and road or other means of access which First Mining intends to utilize in carrying out work programs or general exploration mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, the work programs of First Mining may be delayed even if such claims are not meritorious. Such delays may result in significant financial loss and loss of opportunity for First Mining.

Issuance of Debt

First Mining may issue debt or enter into transactions that may be financed partially or wholly with debt, which may increase First Mining's debt levels above industry standards. The Resulting Issuer's articles do not limit the amount of indebtedness that First Mining may incur. The level of First Mining's, indebtedness from time to time could impair First Mining's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Dividends

First Mining has not paid dividends prior to the date hereof and there can be no assurance that First Mining will pay dividends in the future. Dividend payments of First Mining will be at the discretion of First Mining Board. Dividends depend on the financial condition of First Mining and other factors.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Except as disclosed below, to the best of First Mining's knowledge, there were no legal proceedings during the annual period ended December 31, 2014 to which First Mining was a party or of which any of First Mining's property was subject that would have had a material adverse effect on the First Mining, nor are there any such legal proceedings existing or contemplated to which First Mining is a party or of which First Mining's property is subject that would have a material adverse effect on First Mining.

In connection with the Coastal Gold Acquisition, First Mining assumed approximately \$965,000 in unpaid liabilities of Coastal Gold, of which approximately \$775,000 remains outstanding. On September 8, 2015, certain of these creditors brought a legal action against Coastal Gold (now a wholly owned subsidiary of First Mining) claiming, amongst other things, damages in the amount of approximately \$485,000 for breach of contract.

There have been no penalties or sanctions imposed against First Mining by a court relating to securities legislation or by a securities regulatory authority during the year ended December 31, 2014, or any other time that would likely be considered important to a reasonable investor making an investment decision in First Mining. First Mining has not entered into any settlement agreements with a court relating to securities legislation or with a securities regulatory authority during the year ended December 31, 2014.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than transactions carried out in the ordinary course of business of First Mining or disclosed elsewhere in this Circular, none of the directors or executive officers of First Mining, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, more than 10% of the outstanding First Mining Shares, nor an associate or affiliate of any of the foregoing persons has had, during the three most recently completed financial years of First Mining or during the current financial year, any material interest, direct or indirect, in any transactions that materially affected or would materially affect First Mining.

TRANSFER AGENT AND REGISTRAR AND AUDITOR

The registrar and transfer agent for First Mining is Computershare Trust Company of Canada at its principal office in Vancouver, British Columbia, Canada.

BDO Canada LLP, Chartered Accountants, of 600 Cathedral Place- 925 West Georgia Street, Vancouver, BC V6C 3L2 are the auditors of First Mining.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, each of which has been filed by First Mining and is available under its profile on SEDAR at www.sedar.com, are specifically incorporated by reference into, and form an integral part of, this Circular:

- (a) the material change report of First Mining dated September 10, 2015;
- (b) the material change report of First Mining dated July 8, 2015;
- (c) the interim financial statements of First Mining for the period ended June 30, 2015;
- (d) the management's discussion and analysis of First Mining for the period ending June 30, 2015;
- (e) the management information circular of First Mining dated May 19, 2015 for the year ended December 31, 2014;
- (f) the material change report of First Mining dated May 12, 2015;
- (g) the material change report of First Mining dated April 10, 2015;
- (h) the Filing Statement of First Mining dated March 18, 2015 prepared in connection with the Sundance

Acquisition which includes the audited financial statements of Sundance for the years ended December 31, 2013 and December 31, 2012;

- (i) the audited financial statements of First Mining for the years ended December 31, 2014, December 31, 2013 and December 31, 2012;
- (j) the management's discussion and analysis of First Mining for the years ended December 31, 2014, December 31, 2013 and December 31, 2012;
- (k) the audited financial statements of Sundance for the year ended December 31, 2014;
- (l) the Miranda Technical Report; and
- (m) the Hope Brook Technical Report.

All documents of the type referred to above and any business acquisition reports, material change reports and financial statements filed by First Mining with any securities commission or similar regulatory authority in Canada subsequent to the date of this Circular and prior to the date of the Meeting shall be deemed to be incorporated by reference into this Circular.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained herein, or in any other subsequently filed document which also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular.

INTERESTS OF EXPERTS

Gerald E. Ray prepared the Miranda Technical Report dated October 15, 2014 which is referred to in this Circular. Mr. Ray is a qualified person as defined by NI 43-101 and is independent of First Mining.

Michael Cullen prepared the 2015 Hope Brook Technical Report dated January 12, 2015 which is referred to in this Circular. Mr. Cullen is a qualified person as defined by NI 43-101 and is independent of First Mining.

BDO Canada LLP, First Mining's current auditors, are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

Crowe Mackay LLP, First Mining's former auditors, are independent within the meaning of the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

The aforementioned firms and persons held either less than one percent or no securities of First Mining or of any associate or affiliate of First Mining when they prepared the technical reports or information referred to, or following the preparation of such reports or information.

None of the aforementioned firms or persons, nor any directors, officers or employees of such firms, are currently, or are expected to be elected, appointed or employed as, a director, officer or employee of First Mining or of any associate or affiliate of First Mining.

SCHEDULE H - INFORMATION CONCERNING PC GOLD

The following information concerning PC Gold is presented on a pre-PC Gold Arrangement (as hereinafter defined) basis and reflects the current business, financial and share capital position of PC Gold. See “Forward-Looking Statements” in this Circular in respect of forward-looking statements that are included in this Schedule and in the documents incorporated by reference herein.

All capitalized terms used in this Schedule and not defined herein have the meaning ascribed to such terms in the “Glossary of Defined Terms” or elsewhere in this Circular. Unless otherwise indicated herein, references to “\$”, “Cdn\$” or “Canadian dollars” are to Canadian dollars, and references to “US\$” or “U.S. dollars” are to United States dollars. See “Currency and Exchange Rate Information” in this Circular. The information contained in this Schedule unless otherwise indicated, is given as of September 28, 2015.

Information has been incorporated by reference in this Circular from documents filed by PC Gold with securities commissions or similar authorities in Canada. Copies of the documents set out in this Schedule under the heading “*Documents Incorporated by Reference*” which are incorporated by reference in this Circular may be obtained on request without charge from the Corporate Secretary of PC Gold, 141 Adelaide Street West, Suite 1210, Toronto, Ontario, M5H 3L5 and are also available electronically on SEDAR at www.sedar.com.

Neil Pettigrew, M.Sc., P.Geo., Vice President, Exploration for PC Gold, is the qualified person as defined by NI 43-101 and has reviewed and approved the scientific and technical content relating to the Pickle Crow Project included in this Schedule.

The information contained in this Schedule has been prepared by the management of PC Gold and contains information in respect of the business and affairs of PC Gold. Information provided by PC Gold is the sole responsibility of PC Gold, and Gold Canyon does not assume any responsibility for the accuracy or completeness of such information.

CORPORATE STRUCTURE

PC Gold was incorporated on October 17, 2007 under the *Business Corporations Act* (Ontario).

PC Gold’s head office and principal place of business is located at 141 Adelaide Street West, Suite 1210, Toronto, Ontario, Canada, M5H 3L5. PC Gold’s registered office is located at 365 Bay Street, Suite 800, Toronto, Ontario, Canada, M5H 2V1.

PC Gold has no subsidiaries.

DESCRIPTION OF THE BUSINESS

Summary of the Business

PC Gold was incorporated in October 2007 to acquire, explore and develop the Pickle Crow gold project in northwestern Ontario (the “**Pickle Crow Project**”). In May 2008, PC Gold completed the acquisition of the Pickle Crow Project by acquiring a 100% interest in a mining lease expiring July 31, 2067 which covers the Pickle Crow Project, consisting at the time of acquisition of 97 patented mineral claims totalling 1,533 hectares (3,788 acres) located in Connell and McCullagh Townships, Patricia Mining Division, near the town of Pickle Lake, Ontario, hosting the past producing Pickle Crow gold mine, together with all surface infrastructure including a mill, stockpiles, equipment, onsite exploration office and mine dry, tailings and settling ponds. At the same time, PC Gold completed an initial public offering and listing on the Toronto Stock Exchange (the “**TSX**”).

After acquiring the Pickle Crow Project, PC Gold carried out a major exploration program at the project with the principal early stage objectives of quantifying to current NI 43-101 standards resources remaining within or in close proximity to the historical mine workings, extending known gold zones, and making new discoveries, both lateral to the workings and at depth below the old mine. In furthering these objectives, PC Gold has digitized historical data sets, developed a comprehensive 3D mine model, and carried out geophysical surveys, mapping, sampling, trenching, and extensive surface-based diamond drilling. Diamond drilling has focused on extending known gold zones laterally and below the old mine workings, and exploring for new discoveries both within the core mine trend area, and off trend on the wider Pickle Crow Project. Collectively, PC Gold’s activities have been

intended to advance the Pickle Crow Project along a pathway from early stage surface-based exploration, through an advanced (predominantly underground-based) exploration stage, and toward a possible future redevelopment decision.

As the culmination of this exploration program, in April 2011, PC Gold disclosed a 1.26 million ounce inferred gold resource (10,150,000 tonnes averaging 3.9 g/t gold) for the Pickle Crow Project. This includes a higher grade underground component comprising 1.1 million ounces averaging 5.4 g/t gold, including a high grade vein component of 600,000 ounces averaging 9.3 g/t gold.

PC Gold has also subsequently acquired further patented and unpatented claims bringing PC Gold's total land holdings to 21,690 hectares (53,597 acres), inclusive of five optioned claims covering 784 hectares.

With the principal early stage objectives as set out above achieved, subject to raising the necessary financing, PC Gold has been preparing for the next stage of advanced exploration, which PC Gold has expected may include dewatering and reconditioning of the historical workings at the Pickle Crow Project. PC Gold has also expected this to be followed by a program of underground exploration and resource definition drilling designed to better define and lift current NI 43-101 inferred resources into higher confidence categories, expand known zones, and explore untested areas which cannot be easily accessed from the surface. Subject to raising the necessary financing and the success of this advanced exploration stage, PC Gold has expected to carry out appropriate engineering and economic studies which would allow for an informed decision on the possible redevelopment of the Pickle Crow Project. PC Gold has also been investigating the feasibility of commissioning the onsite 225 tpd mill and building a ramp access mine separate from the historical workings on the No. 22 and 23 veins of the Pickle Crow Project.

Principal Products

PC Gold is an exploration and development company and is not in production. If it puts the Pickle Crow Project into production, there is a global market into which PC Gold could sell any minerals produced and, as a result, PC Gold would not be dependent on a particular purchaser with regard to the sale of any minerals that it produces.

Competitive Conditions

The mining business is a competitive business. PC Gold competes with numerous companies and individuals that have resources significantly in excess of the resources of PC Gold, in the search for: (i) attractive mineral properties; (ii) qualified service providers and labour; and (iii) equipment and suppliers. The ability of PC Gold to acquire additional mineral properties in the future will depend on its ability to select and acquire suitable producing properties or prospects for development or exploration.

Employees and Consultants

PC Gold has one full time employee. In addition, depending on the scale and nature of exploration activities from time to time, it retains up to 25 geologists, engineers, technicians, IT, financial and corporate secretarial and other consultants on a contract basis.

Environmental Protection

The current and future operations of PC Gold, including exploration, acquisition and development activities, are subject to extensive laws and regulations governing environmental protection, employee health and safety, exploration, development, tenure, production, taxes, labour standards, occupational health, waste disposal, protection and remediation of environment, reclamation, mine safety, toxic substances and other matters. Compliance with such laws and regulations can increase the costs of, and potentially delay, planning, designing, drilling and developing PC Gold's properties.

Three Year History

As described above, PC Gold's principal business has been the acquisition, exploration and development of the Pickle Crow Project. After acquiring the Pickle Crow Project in 2008, PC Gold carried out a major exploration program at the project which culminated in the disclosure of an inferred gold resource for the Pickle Crow Project in April 2011. Since that time, PC Gold has been preparing for the next stage of advanced exploration and to

carry out appropriate engineering and economic studies which would allow for an informed decision on the possible redevelopment of the Pickle Crow Project, and has also been investigating the feasibility of commissioning the onsite 225 tpd mill and building a ramp access mine separate from the historical workings on the No. 22 and 23 veins of the Pickle Crow Project. However, given global economic conditions and the state of the commodities and capital markets since 2011, PC Gold has been unable to raise sufficient financing for these objectives and the majority of PC Gold's activities during the past three years have been focused on sourcing financing or other strategic alternatives to maintain PC Gold's existence and attempt to advance these objectives. Set out below is a summary of the material developments for PC Gold during the past three fiscal years ended June 30, 2015.

Year Ended June 30, 2013

On July 1, 2012, Peter Hooper was appointed President and Chief Executive Officer of PC Gold, replacing Jean-Pierre (JP) Chauvin, who resigned as interim President and Chief Executive Officer of PC Gold but remained a director of PC Gold. In addition, Philip Gibbs was appointed Chief Financial Officer of PC Gold, replacing Miles Nagamatsu, who resigned as Chief Financial Officer of PC Gold.

Year Ended June 30, 2014

On October 23, 2013, Richard Brissenden and Jim Blake, Q.C. were appointed as directors of PC Gold, and Nelson Baker, Jean-Pierre (JP) Chauvin, William Fisher and James White resigned as directors of PC Gold.

On January 9, 2014, PC Gold completed a non-brokered private placement financing through the issuance to arm's length lenders of \$600,000 principal amount of senior secured debentures (the "**Debentures**"), at an aggregate purchase price and gross proceeds of \$500,000. The Debentures bear interest at a rate of 4.0% per annum, payable quarterly in arrears, and had a maturity date of July 8, 2015. PC Gold's obligations under the Debentures are direct secured obligations ranking senior to all indebtedness, subject to certain permitted encumbrances. As additional consideration for their loans, the lenders were also issued an aggregate of 2,000,000 common shares in the capital of PC Gold ("**PC Gold Shares**"). The funds raised from the placement were used for general corporate and working capital purposes to enable PC Gold to continue to seek additional financing or strategic transactions for the development of the Pickle Crow Project.

On March 10, 2014, PC Gold voluntarily delisted from the TSX and on March 11, 2014, the PC Gold Shares began trading on the TSX-V.

On May 8, 2014, PC Gold completed a brokered private placement financing for aggregate gross proceeds of \$700,000 through the issuance of 14,000,000 "flow-through" units, at a price of \$0.05 per unit. Each unit was comprised of one "flow-through" PC Gold Share and one non-flow through PC Gold common share purchase warrant (a "**PC Gold Warrant**"), each exercisable to acquire one PC Gold Share at a price of \$0.05 for a period of 48 months. In connection with the placement, IBK acted as agent to PC Gold and was paid a cash commission of \$63,000 and issued 1,400,000 non-transferable broker warrants, each exercisable to acquire one unit at a price of \$0.05 per unit for a period of 48 months, with each unit consisting of one PC Gold Share and one PC Gold Warrant, with each PC Gold Warrant being exercisable to acquire one PC Gold Share at a price of \$0.05 for a period of 48 months. The proceeds of the financing were used to fund drilling of the No. 22 and 23 vein system at the Pickle Crow Project.

On May 20, 2014, PC Gold announced that a shallow drilling program was underway at the Pickle Crow Project, targeting the near surface areas of the No. 22 and 23 vein system. The program was intended to expand the strike length and increase the drill density from surface to approximately 150m depth on both the No. 22 vein (discovered in 2011) and 23 vein (discovered in 2012), with the objective of proving up sufficient near-surface resources which would allow PC Gold to finalize an economic study evaluating the viability of commissioning the onsite 225 ton per day mill. PC Gold had previously drilled 44 holes totaling 7,242 metres on the No. 22 and 23 veins in 2011-2012. The No. 22 and 23 veins are similar to other past producing Shaft 3 veins which provided the bulk of the ore during the later years of the Pickle Crow mine.

Year Ended June 30, 2015

On July 22, 2014, PC Gold announced the final results from the Spring 2014 drill program, which totalled 21 holes for 4,026 metres and which targeted the shallow No. 22 and 23 veins of the Pickle Crow Project. Following

this program, a total of 62 holes totaling 11,167 metres have now tested the No. 22-23 Vein area. Abundant visible gold occurs in the both veins with over 50% of the vein intercepts returning visible gold.

On September 15, 2014, PC Gold disclosed an initial mineral resource estimate for the No. 22 and 23 veins located on the Pickle Crow Project, as a result of which the underground high grade vein component of the inferred mineral resources on the property increased to 2,165,000 tonnes averaging 9.1 g/t Au for 637,000 ounces of contained gold (cut and diluted). The resource estimate for the No 22 and 23 veins was prepared as an interim / internal update to PC Gold's initial resource estimate for the Pickle Crow Project (1.26 million ounces at 3.9 g/t Au) in April 2011.

On September 26, 2014, PC Gold announced that it had completed the acquisition of additional mining claims adjacent to the Pickle Crow Project comprised of:

- (i) 28 unpatented mining claims totalling 5,600 hectares located adjacent to the Pickle Crow Project purchased from Metalcorp Limited. As consideration for the claims, PC Gold issued 6,000,000 PC Gold Shares to the vendor and agreed to pay the vendor \$65,000 in cash, payable \$25,000 on the first anniversary from closing, \$25,000 on the second anniversary from closing and \$15,000 on the third anniversary from closing. PC Gold also agreed to pay the vendor the amount of \$1,000,000 upon the commencement of any commercial production from the claims, payable in cash or, at the option of PC Gold, in PC Gold Shares valued at their market price when PC Gold becomes obligated to pay such additional consideration. Certain of the claims are subject to a 2% net smelter royalty, one-half of which may be purchased by PC Gold at any time for \$2.0 million. The balance of the claims are subject to a 1% net smelter royalty, one-half of which may be purchased by PC Gold at any time for \$1.0 million. The net smelter royalty purchase consideration may be paid in cash or, at the option of PC Gold, in PC Gold Shares valued at their market price when PC Gold becomes obligated to pay such consideration. The claims subject to the 1% net smelter royalty are also subject to an existing 2% net smelter royalty in favour of certain third parties;
- (ii) 8 patented mining claims (mineral rights only) and 21 unpatented mining claims totalling 4,106 hectares located adjacent to the Pickle Crow Project purchased from Frontline Gold Corporation. As consideration for the claims, PC Gold issued 2,500,000 PC Gold Shares to the vendor. In addition, PC Gold has agreed to pay the vendor the amount of \$200,000 in the event that a NI 43-101 compliant resource in excess of 250,000 ounces of gold is calculated in respect of the claims, which may be satisfied in cash or additional PC Gold Shares valued at the market price prevailing when any such additional consideration becomes payable. The claims are subject to a 2% net smelter royalty, one-half of which may be purchased by PC Gold at any time for \$1.0 million; and
- (iii) 38 unpatented mining claims from GoldON Resources Ltd., as well as all of the vendor's rights, interest and obligations under an option agreement between the vendor and an arm's length third party in respect of an additional 5 unpatented mining claims, all totalling 6,480 hectares located adjacent to the Pickle Crow Project and covering key ground between the past producing Pickle Crow mine and the Central Patricia mine, as well as ground adjacent to the past producing Dona Lake mine. As consideration for the claims and assignment of the option agreement, PC Gold issued 4,000,000 PC Gold Shares to the vendor. Under the terms of the option agreement, as subsequently amended, PC Gold has an exclusive option to acquire a 100% interest in and to the 5 optioned claims, subject to a 2% net smelter royalty, upon the issuance of 300,000 PC Gold Shares to the optionor and payments to the optionor of \$15,000 on or before March 28, 2016, \$20,000 on or before March 28, 2017 and \$20,000 on or before March 28, 2018. Certain of the 38 acquired claims are subject to either a 2% or 3% net smelter royalty payable to arm's length third parties.

On February 24, 2015, PC Gold announced that it had established a special committee of independent directors of PC Gold, with the mandate to evaluate strategic alternatives regarding the Pickle Crow Project, to deliver recommendations to the PC Gold Board of Directors, and to negotiate potential transactions which may materialize and which may be confirmed by the PC Gold Board of Directors as being in the best interests of PC Gold.

On April 2, 2015, PC Gold completed a brokered private placement for aggregate gross proceeds of \$313,000 through the issuance of 6,260,000 units at a price of \$0.05 per unit. Each unit was comprised of one PC Gold Share and one PC Gold Warrant, each exercisable to acquire one PC Gold Share at a price of \$0.05 for a period of

48 months. In connection with the placement, IBK acted as agent to PC Gold and was paid a net cash commission of \$24,795 and issued 626,000 broker warrants, each exercisable to acquire one unit at a price of \$0.05 for a period of 48 months, with each unit consisting of one PC Gold Share and one PC Gold Warrant, each being exercisable to acquire one PC Gold Share at a price of \$0.05 for a period of 48 months. The proceeds of the financing were to be used for working capital and general corporate purposes.

On July 8, 2015, PC Gold announced that it had negotiated the extension of the maturity date for the Debentures due to mature on July 8, 2015 to extend the maturity date on a month to month basis.

Subsequent to the end of the fiscal year, on August 31, 2015, PC Gold entered into an arrangement agreement (the “**Arrangement Agreement**”) with First Mining in respect of the PC Gold Arrangement. On the same date and in connection with the PC Gold Arrangement, PC Gold entered into an amendment for a further extension of the maturity date for the Debentures such that \$300,000 of the principal amount, together with any accrued and unpaid interest on the Debentures, will be paid on the earlier of December 31, 2015 and the closing of the PC Gold Arrangement, and the balance of \$300,000 principal amount, together with any accrued and unpaid interest on the Debentures, will be paid no later than July 1, 2016, provided that if PC Gold and/or First Mining terminate the Arrangement Agreement, the entire amount of the Debentures will be immediately due and payable on demand by the holders of the Debentures.

MINERAL PROPERTIES

PC Gold has a single material mining property, being the Pickle Crow Project located in Connell and McCullagh Townships, Patricia Mining Division, near the town of Pickle Lake, Ontario, hosting the past producing Pickle Crow gold mine.

The following disclosure with respect to the Pickle Crow Project has been derived from the PC Gold Technical Report entitled: “*A Mineral Resource Estimate for the Pickle Crow Project, Patricia Mining Division, Northwestern Ontario, Canada*” dated June 2, 2011, which is incorporated by reference into this Circular. The PC Gold Technical Report was authored by B. Terrence Hennessey, P.Geo., Alan J. San Martin, MAusIMM, and Sam J. Shoemaker, B.Sc., MAusIMM, Reg. Mem. SME, of Micon International Limited (“**Micon**”). The resource estimate component of the report was completed by Sean Horan of Fladgate Exploration Consulting Corporation (“**Fladgate**”) of Thunder Bay, Ontario with the assistance of other Fladgate professional staff, and audited and approved by Micon. Mr. Neil Pettigrew, M.Sc., P.Geo., Vice President, Exploration for PC Gold and PC Gold’s qualified person, is also a partner in Fladgate. A summary of the PC Gold Technical Report is reproduced below and is qualified in its entirety by the disclosure in the PC Gold Technical Report. The Technical Report is available under PC Gold’s SEDAR profile at www.sedar.com.

In addition to the Pickle Crow Project, PC Gold acquired various mining claims located adjacent to the Pickle Crow Project as described above in “*Description of the Business - Three Year History - Year Ended June 30, 2015*”.

Summary of the PC Gold Technical Report

The Pickle Crow Project is located at 51° 31’ North latitude and 90° West longitude, approximately 400 kilometres (249 miles) northwest of Thunder Bay, Ontario (about six hours drive by paved road), in Connell and McCullagh Townships, Patricia Mining Division, near the town of Pickle Lake, Ontario. The Pickle Crow Project consists of a mix of contiguous patented and non-patented mining claims covering a total of 4,117 hectares (10,173 acres). The core area encompassing the past producing Pickle Crow gold mine has dimensions of approximately 4 kilometres SW-NE by 1.5 kilometres SE-NW (2.5 by 0.9 miles), and comprises 97 patented mining claims covering 1,533 hectares (3,788 acres).

Registered mineral and surface rights for the Pickle Crow Project are owned by Teck Resources Limited (“**Teck**”). PC Gold’s interest in the Pickle Crow Project is a 100% leasehold interest acquired in May 2008 and governed by a mining lease with Teck (the “**Mining Lease**”). At the time of acquisition, the Pickle Crow Project consisted of 97 patented mineral claims totalling 1,533 hectares (3,788 acres). The Mining Lease was originally entered into on July 3, 1968 between Pickle Crow Gold Mines Limited, a predecessor to Teck as lessor, and Pickle Crow Explorations Limited, a predecessor to PC Gold as lessee. The Mining Lease has a term of 99 years expiring July 31, 2067 and, among other things, provides as follows:

- the lessee of the Pickle Crow Project has the exclusive right to enter into and upon the Pickle Crow Project during the term of the Mining Lease and to explore for, develop, mine, remove, leach in place, treat, produce, ship, sell or otherwise dispose of for its own account all ores, minerals and metals which may be found therein or thereon, and may in its sole discretion make use of the Pickle Crow Project consistent with such purposes, including, without limitation, the construction of drains, dams, reservoirs, roads, railways, conveyors, plants, buildings, docks and aircraft landing areas, and the erection thereon or therein of all buildings, furnaces, structures, engines, pumps, machinery and appliances necessary or desirable for such purposes;
- the lessee has complete discretion and control with respect to any prospecting, exploration, development or other mining work carried out on the Pickle Crow Project;
- the lessee must pay the lessor the amount of \$1.00 annually during the term of the Mining Lease (which is until the expiry of the Mining Lease), and must pay all provincial land taxes and other taxes, fees or assessments and do all things necessary to maintain the Pickle Crow Project in good standing;
- the lessee shall indemnify the lessor against all liabilities, claims and causes of action for injury to or death of persons, and damage to or loss or destruction of property resulting from the use or occupancy of the Pickle Crow Project by the lessee or its operations;
- the lessee may at any time assign or sublet all or part of its rights under the Mining Lease; and
- the lessee shall have a first right of refusal to purchase the lessor's rights in the Pickle Crow Project in the event the lessor receives any bona fide offer to purchase all or any part of the Pickle Crow Project.

PC Gold's 100% leasehold interest in the Pickle Crow Project is additionally subject to two net smelter return ("NSR") royalties totalling 1.25%. Options which PC Gold had to purchase these royalties expired unexercised in May 2013. There are no other royalties, back-in rights or encumbrances on the Pickle Crow Project. Subsequent to May 13, 2008, PC Gold staked an additional 2,584 hectares (6,385 acres) to increase its holdings in the Pickle Crow Project from 1,533 hectares (3,788 acres) to 4,117 hectares (10,173 acres).

The Pickle Crow Project has paved road access to within 6.5 kilometres (4 miles) of the site of the past producing Pickle Crow gold mine, with the remainder of the journey on good gravel road. The nearby community of Pickle Lake has modern housing as well as basic educational, medical, recreational and shopping facilities. There is a paved municipal airport at Pickle Lake with scheduled daily flights to Thunder Bay, as well as a float plane base.

The Pickle Crow Project has significant on site permanent facilities including a 225 tonne per day mill, electrical generators, exploration office and dry trailers, fuel storage tanks, a tailings impoundment area, and substantial underground workings including some 52 kilometres (32 miles) of underground development, three shafts and two winzes (now flooded). Other facilities and services such as telephone, electricity and a fresh water supply are all situated either on, or within several kilometres of, the Pickle Crow Project. Labour, industrial supplies and services for mining and exploration activities are readily available in the region.

Climatic conditions are typical of north western Ontario. Pickle Crow Project topography is characterized by low to moderate relief and undulating terrain with elevations to approximately 360 metres (1,181 feet) above sea level. The main drainage feature in the area is the Kawinogans (Crow) River which is part of the major Attawapiskat River drainage system which flows eastward into James Bay. Extensive areas of the Pickle Crow Project are covered by glacial overburden, wetlands (muskeg and open swamp) and water bodies, although the core "mine trend" portion of the Pickle Crow Project occupies a low ridge with good drainage and abundant outcrop. Exploration on the Pickle Crow Project can be carried out year-round in the core areas, but is limited by muskeg swamp in areas off-trend to the north and south to winter months, when frozen conditions facilitate access, or the use of helicopter support. Features related to the historic mining activities such as waste rock and tailings areas, disused surface pits, building sites and access roads now occupy a substantial part of the Pickle Crow Project.

The Pickle Crow gold mine was well known when in production, and remains well known in the industry today. It operated continuously from April 23, 1935 through September 1966 and produced in total 45 tonnes (1,446,214 Troy oz.) of gold and about 5.25 tonnes (168,757 Troy oz.) of silver from 2,785,488 tonnes (3,070,475 tons) of ore milled. Average recovered grade over the life of the mine was 16.14 g/t Au (0.47 oz/T Au) and 1.88 g/t Ag

(0.06 oz/T Ag). However, squeezed between the declining real gold price (\$35/oz) and the increasing cost profile of the operations, the mine recorded its first operational loss in 1964 and closed in 1966.

Gold occurrences in the Pickle Crow Project are classic examples of shear-zone-hosted, Archean age, lode gold deposits. Gold mineralization on the Pickle Crow Project is orogenic in nature and occurs in complexly folded and sheared, mainly tholeiitic, volcanic rocks of the Pickle Crow assemblage near its contact with calc-alkaline volcanic/volcaniclastic rocks of the Confederation assemblage. Host rocks for the mineralization include tholeiitic lavas, banded iron formation, intermediate volcanic/volcaniclastic rocks and quartz feldspar porphyry.

From the inception of PC Gold's drilling activities on the Pickle Crow Project in August 2008 until the release of the PC Gold Technical Report, a total of 93,878 metres of predominantly NQ-diameter drilling has been accomplished in a total of 333 holes, wedge holes and hole extensions. 265 of these holes have been drilled on targets in the core mine trend, and 68 on targets elsewhere on the Pickle Crow Project.

The main highlight of the report is an NI 43-101 inferred category resource estimate for the Pickle Crow Project totalling 1.26 million ounces of gold (10,150,000 tonnes averaging 3.9 g/t Au) (cut, diluted, constrained), the higher grade underground component of which is 1.1 million ounces (6,522,000 tonnes averaging 5.4 g/t Au), including a high grade vein component of 600,000 ounces (2,102,000 tonnes at 9.3 g/t Au). The initial mineral resource is restricted to the historical Pickle Crow mine proper and encompasses three areas (Shaft 1, Shaft 3, and Albany Shaft – all interconnected underground) totaling 17 separate mineralized zones, including banded iron formation "BIF" hosted, conduit-style (shear zone) hosted, and high-grade quartz vein hosted mineralization. The detailed breakout by shaft and zone is shown in the table, below. The mineral resource does not include mineralized zones located away from the mine such as the Powder House and new Central Pat East Zone, which provide near term avenues for further expanding the total resources present on the Pickle Crow Project. The mineral resource extends from surface to a maximum depth of 1,500 metres at Shaft 1, 930 metres at Shaft 3, and 370 metres at the shallow Albany Shaft.

DIVIDENDS

The constating documents of PC Gold do not limit PC Gold's ability to pay dividends on the PC Gold Shares. However, PC Gold has not paid any dividends since incorporation and does not expect to pay dividends in the foreseeable future. Payment of dividends in the future will be made at the discretion of the board of directors of PC Gold.

DESCRIPTION OF THE PC GOLD SHARES

PC Gold is authorized to issue an unlimited number of PC Gold Shares. As of the date of this Circular, there are 108,146,667 PC Gold Shares issued and outstanding. As of the date of this Circular, PC Gold also has PC Gold Warrants exercisable to acquire 22,286,000 PC Gold Shares and stock options exercisable to acquire 6,950,000 PC Gold Shares issued and outstanding.

Holder of PC Gold Shares are entitled to receive notice of and to attend any meetings of shareholders and shall have one vote per share at all meetings, except meetings at which only holders of another class or series of shares are entitled to vote separately as such class or series. Holders of PC Gold Shares are entitled to receive on a pro rata basis such dividends, if any, as and when declared by the PC Gold board of directors and, upon liquidation, dissolution or winding up of PC Gold, are entitled to receive on a pro rata basis the net assets of PC Gold after payment of debts and other liabilities, in each case subject to the rights, privileges, restrictions and conditions attaching to any other series or class of shares ranking senior in priority to or on a pro rata basis with the holders of PC Gold Shares. The PC Gold Shares do not carry any pre-emptive, subscription, redemption or conversion rights, nor do they contain any sinking or purchase fund provisions.

PRIOR SALES

PC Gold has not issued or sold any PC Gold Shares during the 12 month period prior to the date of this Circular other than the following:

- On April 2, 2015, PC Gold completed a brokered private placement for aggregate gross proceeds of \$313,000 through the issuance of 6,260,000 units at a price of \$0.05 per unit. Each unit was comprised of one PC Gold Share and one PC Gold Warrant, each exercisable to acquire one PC Gold Share at a price

of \$0.05 for a period of 48 months. In connection with the placement, IBK acted as agent to PC Gold and was paid a net cash commission of \$24,795 and issued 626,000 broker warrants, each exercisable to acquire one unit at a price of \$0.05 for a period of 48 months, with each unit consisting of one PC Gold Share and one PC Gold Warrant, each being exercisable to acquire one PC Gold Share at a price of \$0.05 for a period of 48 months.

- On September 25, 2014, PC Gold issued 6,000,000 PC Gold Shares as partial consideration for the acquisition of 28 unpatented mining claims totalling 5,600 hectares located adjacent to the Pickle Crow Project purchased from Metalcorp Limited.

TRADING PRICE AND VOLUME OF THE PC GOLD SHARES

The PC Gold Shares are listed and traded on the TSX-V under the symbol “PKL”. The following table sets forth, for the periods indicated, the reported high and low trading prices and the aggregate volume of trading of the PC Gold Shares on the TSX-V.

	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
September 2015	\$0.075	\$0.05	15,330,226
August 2015	\$0.03	\$0.02	1,691,000
July 2015	\$0.04	\$0.03	861,000
June 2015	\$0.04	\$0.03	2,648,700
May 2015	\$0.04	\$0.03	941,400
April 2015	\$0.04	\$0.03	5,262,900
March 2015	\$0.05	\$0.04	2,673,600
February 2015	\$0.06	\$0.05	512,500
January 2015	\$0.06	\$0.05	1,912,300
December 2014	\$0.06	\$0.05	5,218,900
November 2014	\$0.05	\$0.03	2,599,300
October 2014	\$0.06	\$0.04	902,800

The closing price of the PC Gold Shares on the TSX-V on August 31, 2015, the last trading day immediately before the announcement of the plan of arrangement with First Mining, was \$0.03. The closing price of the PC Gold Shares on the TSX-V on October 2, 2015, the last trading day immediately before the date of this Circular, was \$0.07.

DIRECTORS AND OFFICERS

Name, Occupation and Securityholdings

The following table discloses the name and municipality of residence of the directors and officers of PC Gold, all positions and offices with PC Gold held by each of them, if a director, the date on which each of them first became a director of the Corporation, the present principal occupation or employment of each of them and the number of PC Gold Shares beneficially owned, or controlled or directed, directly or indirectly, by each of them. PC Gold has an Audit Committee, the members of which are indicated below.

Name and Municipality of Residence	Position with the Corporation	Director Since	Present Principal Occupation	Number of PC Gold Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly⁽¹⁾
H.J. (Jim) Blake, Q.C. ⁽²⁾ Toronto, Ontario	Director	October 23, 2013	Lawyer	Nil

Richard Brissenden ⁽²⁾ Toronto, Ontario Canada	Director	October 23, 2013	Corporate Director	1,250,000
Peter Hooper Toronto, Ontario	President and Chief Executive Officer and Director	November 1, 2011	President and Chief Executive Officer of PC Gold	780,000
Anthony P.L. Lloyd ⁽²⁾ Toronto, Ontario	Director (Chairman)	January 18, 2008	Corporate Director	775,000 ⁽³⁾
Philip Gibbs Toronto, Ontario	Chief Financial Officer	N/A	Chief Financial Officer of PC Gold and Other Issuers	10,000
Neil Pettigrew Thunder Bay, Ontario	Vice President, Exploration	N/A	Partner, Fladgate Exploration Consulting Corporation	Nil
Shaun Drake Toronto, Ontario	Corporate Secretary	N/A	Partner, DSA Corporate Services	Nil

Notes:

- (1) This information, not being within the knowledge of the Corporation, has been furnished by the respective director or nominee.
- (2) Member of the Audit Committee.
- (3) Includes 25,000 PC Gold Shares owned through a Spousal RRSP.

Set forth below are biographies for the directors and officers of PC Gold, which contain additional details with respect to their principal occupations during the previous five years:

H.J. (Jim) Blake, Q.C., Director - Jim Blake, Q.C., is based in Toronto and is a senior law partner of McLean & Kerr LLP. He received his LL.M. in Business Law from Osgoode Hall Law School, York University in 1970. His principal business focus is corporate/commercial/securities law, including financings, mergers and acquisitions. In his capacity as Chair of the Natural Resources & Energy Section of the Ontario Bar Association, Jim presented the views of the Ontario Bar Association to the Ontario government on the modernization amendments to Ontario's *Mining Act* which resulted in the *Mining Amendments Act, 2009*. Jim currently serves as a director and/or officer of several public and private companies. Jim has written and lectured extensively on the legal and fiduciary duties of corporate directors and officers and on business law matters.

Richard Brissenden, Director - Richard Brissenden is a Chartered Accountant (Ontario) and a graduate from the Director's Education Program of the Canadian Institute of Corporate Directors with an ICD.D designation, with more than 30 years of experience in the mining and exploration sector. He has extensive experience in moving projects forward from the exploration stage through to production and has spent considerable time exploring for precious metals. Mr. Brissenden is the Chairman and a director of Banro Corporation. Mr. Brissenden also currently serves as a director and member of the audit committee of several mining and exploration companies, including Corona Gold Corporation, Lexam VG Gold Inc., McEwen Mining Inc. and Ryan Gold Inc. From 1996 to 2014, he was the President and a director of Regal Consolidated Ventures Limited, a mineral exploration company. He also formerly served as a board member for other mining companies which include Excellon Resources Inc. (1990 - 2009) where he was Chairman (1991 - 2006) and President (2006 - 2008) and Hudbay Minerals Inc. (2003 - 2006).

Peter Hooper, President, CEO and Director - A graduate in mining engineering from South Africa's Witwatersrand University, Mr. Hooper has broad-based experience permitting, building, and operating mines, including hands-on expertise in mine management, engineering, operations and production. His practical work experience spans five continents: North America (Eldorado Nuclear, Sherritt Gordon, J.S. Redpath, Dynatec Engineering); Africa (Rustenburg Platinum, Consolidated Murchison, Prestea Gold Mines, Kilo Gold Mines, PMI Resources, and Nevsun Resources); China (AFCAN Mining); Australia (Consolidated Rio Australia); and South America (Latin Gold, Macusani Yellowcake). Mr. Hooper has served as the President and Chief Executive Officer of the Corporation since July 1, 2012. Prior to that, he served as the Chief Operating Officer of the Corporation from September 26, 2011 until his appointment as President and Chief Executive Officer. From

November 2006 until September 2012, Mr. Hooper served as the President and Chief Executive Officer of Macusani Yellowcake Inc. (TSXV:YEL).

Anthony P.L. Lloyd, Chairman and Director - Mr. Lloyd has over 35 years' experience in corporate finance and private equity financing both as a principal and advisor in a broad range of public and private market transactions. He has served as an executive with Slater, Walker of Canada Ltd., Harlequin Enterprises, and Cavendish Investing, and from 1985 to 2000 he was a Senior Partner of Capital Canada Limited, a Toronto-based investment bank. He is currently President of Rivenhall Capital Limited, a private financial advisory firm. Mr. Lloyd has been a corporate director since 2001 and subsequently a board member of a number of public and private companies. He currently serves on the board of Mawson West Limited (TSX:MWE), is Chair of the Independent Review Committee of the TSX-listed Bloom Funds and is a director of Noranda Income Fund (TSX:NIF.UN). Mr. Lloyd graduated from The Royal School of Mines in 1968 with a B.Sc. (Hons.) in mining engineering, and in 1972 with an MBA from Columbia University. He holds the ICD.D designation from the Institute of Corporate Directors.

Philip Gibbs, CFO - Mr. Gibbs has served as Chief Financial Officer to various companies other than PC Gold, including Plateau Uranium Inc., Asante Gold Corporation and Kilo Goldmines Ltd. Mr. Gibbs served as Chief Financial Officer of PMI Gold Corporation from March 2008 to June 2011.

Neil Pettigrew, Vice President, Exploration - Mr. Pettigrew is a partner in Fladgate Exploration Consulting Corporation since June 2007. Prior to that, he served as a Precambrian Geoscientist with the Ontario Geological Survey from January 2006 to May 2007, a Project Geologist with Rainy River Resources from September 2005 to January 2006, and a Project Geologist with Temex Resources from May 2003 to September 2005.

Shaun Drake, Corporate Secretary - Mr. Drake is a partner in DSA Corporate Services since February 2009. Prior to that, he was a partner in Marrelli & Drake Corporate Services from 2004 to 2009.

The directors and officers of PC Gold, as a group, beneficially own, directly or indirectly, or exercise control over 2,815,000 PC Gold Shares, representing approximately 2.6% of the issued and outstanding PC Gold Shares as of the date hereof.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed herein, no director or executive officer (a) is, as at the date of this Circular, or has been, within ten years before the date of this document, a director or executive officer of any corporation (including PC Gold) that, while that person was acting in that capacity: (i) was the subject of a cease trade or similar order or an order that denied the relevant corporation access to any exemption under the securities legislation, for a period of more than 30 consecutive days; (ii) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in PC Gold being the subject of a cease trade order or similar order or an order that denied the relevant Corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days.

Richard Brissenden, a director of PC Gold, was a director and officer of Regal Consolidated Ventures Limited from 1996 to 2014, which is subject to cease-trade orders issued by the Ontario Securities Commission on June 12, 2001 and the Alberta Securities Commission on October 12, 2001, in respect of failure to file financial statements.

No director executive officer or shareholder holding a sufficient number of securities of PC Gold to materially affect the control of PC Gold (a) is, as at the date of this Circular, or has been within ten years before the date of the Circular, a director or executive officer of any corporation (including PC Gold) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, or (b) has, within the ten years before the date of this document, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

No director or executive officer of PC Gold, or a shareholder holding sufficient number of securities of PC Gold to affect materially the control of PC Gold, has been subject to: (i) any penalties or sanctions imposed by a court

relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Except as set out below, as of the date hereof, PC Gold is not aware of any material conflicts of interest with any current director or officer of PC Gold.

PC Gold has retained Fladgate for the provision of various geological consulting services to PC Gold. Neil Pettigrew, Vice President, Exploration of PC Gold, provides his services to PC Gold through Fladgate and is a part owner and employee of Fladgate. Situations may arise where the interests of Fladgate or Mr. Pettigrew's interests in Fladgate may actually or potentially conflict with the interests of PC Gold. However, the services to be provided to PC Gold by Fladgate, including Mr. Pettigrew's services, and the fees to be paid to Fladgate for such services, are subject to oversight and approval by the Chief Executive Officer of PC Gold. PC Gold expects that such oversight and approval will minimize the potential for conflicts of interest and resolve or deal with any potential conflicts of interest in a manner which protects the interests of PC Gold and its shareholders.

Certain of the current directors and officers of PC Gold serve as directors or officers of, or provide consulting services to, other resource companies or may have significant shareholdings in other public or private resource companies which may compete with PC Gold. Situations may arise in connection with potential acquisitions, investments or other transactions where the interests of these directors may actually or potentially conflict with the interests of PC Gold. PC Gold has established procedures and practices to minimize the frequency and extent of conflicts of interest and to resolve or deal with them in a manner which protects the interests of PC Gold and its shareholders, including disclosure of actual or perceived conflicts and having independent directors review and deal with such conflicts. The *Business Corporations Act* (Ontario) requires written disclosure if a director or officer of PC Gold is a party to a material contract or proposed material contract or is a director or officer of, or has a material interest in, any material contract or proposed material contract, with PC Gold and subject to certain exceptions, requires the director to abstain from voting on the matter.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular and during the financial year ended June 30, 2015, no director or executive officer of PC Gold (and each of their associates and/or affiliates) was indebted, including under any securities purchase or other program, to (i) PC Gold, or (ii) any other entity which is, or was at any time during the financial year ended June 30, 2015, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by PC Gold.

RISK FACTORS

An investment in PC Gold involves a significant degree of risk and should be considered speculative due to the nature of PC Gold's business and the present stage of its development. Gold Canyon shareholders should carefully consider all of the information in this section and the documents incorporated by reference herein, and, in particular, should evaluate the risk factors set out below. However, such risks may not be the only risks faced by PC Gold. Risks and uncertainties not presently known by PC Gold or which are presently considered immaterial may also adversely affect PC Gold's business, properties, results of operations and/or condition (financial or otherwise).

Exploration Stage Company and Single Asset

PC Gold is in the early stage of development. PC Gold is engaged in the business of exploring and developing a single asset, the Pickle Crow Project. Although management believes the Pickle Crow Project has sufficient merit to justify focusing all PC Gold's limited resources on it, PC Gold will in consequence be exposed to some heightened degree of risk due to the lack of property diversification. Development of the Pickle Crow Project will only follow upon obtaining satisfactory results from the ongoing exploration and development program and any subsequent work and studies that may be required. There can be no assurance that any of PC Gold's planned exploration and development activities on the Pickle Crow Project will ever lead to a resumption of gold production from the project.

Limited Financial Resources

PC Gold has no operating revenues and is unlikely to generate any revenues from operations in the immediate future. PC Gold wishes to implement a major exploration and development program on the Pickle Crow Project and will in the future require additional capital for its exploration activities. PC Gold has limited financial resources, conditions in capital markets are highly volatile, and there is no assurance that sufficient additional funding will be available to enable it to fulfill its obligations or for further exploration and development on acceptable terms or at all. Failure to obtain additional funding on a timely basis could result in delay or indefinite postponement of further exploration and development and could cause PC Gold to reduce or terminate its operations.

Nature of Mineral Exploration and Mining

Development of the Pickle Crow Project will occur only if satisfactory exploration results are obtained. Mineral exploration and development involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is, therefore, no assurance that PC Gold's mineral exploration and development activities will result in any commercially viable mineral discoveries. The long-term profitability of PC Gold's operations will be, in part, directly related to the cost and success of its exploration programs, which may be affected by a number of factors out of PC Gold's control.

Substantial expenditures are required to establish reserves through drilling and, if warranted, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Substantial expenditures will be required to lift current NI 43-101 inferred resources for the Pickle Crow Project into higher confidence categories, to establish ore reserves by drilling, drifting, sampling and other techniques, and to prove the efficacy of mining and processing procedures. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations, or at all, or that the funds required for development can be obtained on a timely basis. Mineral exploration is subject to a high degree of risk, which even a combination of experience, knowledge, and careful evaluation may not be able to overcome.

Mineral Deposits and Production Costs; Commodity Prices

The economics of developing mineral deposits are affected by many factors including variations in the grade of ore mined, the cost of operations, and fluctuations in the sales price of products. The value of PC Gold's mineral property interests is heavily influenced by metal prices. Metal prices can and do change by substantial amounts over short periods of time, and are affected by numerous factors that will be beyond the control of PC Gold, including changes in the level of supply and demand, international economic and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumption patterns, speculative activities and increased production arising from improved mining and production methods and new discoveries. There can be no assurance that the prices of mineral products will be sufficient to ensure that the Pickle Crow Project can be mined profitably. Depending on the price received for minerals produced, PC Gold may determine that it is impractical to commence or continue commercial production.

The grade of any ore ultimately mined from a mineral deposit may differ from that predicted from drilling results. Production volumes and costs can be affected by such factors as the proximity and capacity of processing facilities, permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. Short-term factors relating to ore reserves, such as the need for orderly development of ore bodies or the processing of new or different grades, may also have an adverse effect on the results of operations. Moreover, there can be no assurance that any minerals recovered in small scale laboratory tests will be achieved under production scale conditions. Although precautions to minimize risks will be taken, processing operations are subject to hazards such as equipment failure or failure of tailings impoundment facilities, which may result in environmental pollution and consequent liability.

The Exploration and Development of Mineral Resources is Highly Speculative

Resource exploration and development is a highly speculative and risky business and few properties that are

explored are ultimately developed into producing mines. Advancing properties from exploration into the development and production stages requires significant capital and time, and successful commercial production from a property, if any, will be subject to completing feasibility studies, permitting and construction of the mine, processing plants, roads and other related works and infrastructure, including road and rail access. As a result, PC Gold will be subject to all of the risks associated with developing and establishing new mining operations, including:

- the completion of feasibility studies to verify reserves and commercial viability, including the ability to find sufficient quantities and qualities of mineralization to support a commercial mining operation;
- the timing and cost, which can be considerable, of further exploration, preparing feasibility studies, permitting and construction of infrastructure, mining and processing facilities;
- the availability and cost of drill equipment, exploration personnel, skilled labour and mining and processing equipment, if required;
- the availability and cost of appropriate smelting and/or refining arrangements, if required, and securing a commercially viable sales outlet for PC Gold's products;
- compliance with environmental and other governmental approval and permit requirements, including the timing of the receipt of those approvals and permits;
- the availability and terms of funds to finance exploration, development and construction activities;
- potential increases in exploration, construction and operating costs due to changes in the cost or availability of fuel, power, water, materials and supplies;
- potential opposition from non-governmental organizations, environmental groups or local groups, which may delay or prevent development activities;
- potential shortages in mineral-processing, construction and other facilities-related supplies; and
- market fluctuations.

The costs, timing and complexities of exploration, development and mine construction activities may be increased by the remote location of the properties and demand by other mineral exploration and mining companies. Cost estimates may increase significantly as more detailed engineering work and studies are completed on a mineral property. It is common in new mining operations to experience unexpected costs, problems and delays during development, construction and mine start-up. In addition, delays in the commencement of mineral production often occur. Accordingly, no assurance can be given that minerals will be discovered in sufficient quantity or quality to justify commercial operations or that PC Gold's activities will result in profitable mining operations.

Title to Properties

The validity of mining or exploration titles or claims or rights, which constitute most of PC Gold's property holdings, can be uncertain and may be contested. PC Gold has used its reasonable commercial efforts to investigate its title or claims to its various properties, however, no assurance can be given that applicable governments will not revoke or significantly alter the conditions of the applicable exploration and mining titles or claims and that such exploration and mining titles or claims will not be challenged or impugned by third parties.

Although PC Gold has obtained title opinions for certain material properties, there is no guarantee that title to such properties will not be challenged or impugned. PC Gold's properties may be subject to prior unregistered liens, agreements or transfers, native land claims, aboriginal land claims or undetected title defects.

Environmental and Health and Safety Regulation

PC Gold's operations are subject to extensive laws and regulations governing environmental protection and employee health and safety promulgated by governments and government agencies from time to time. Environmental regulation provides for restrictions on, and the prohibition of, spills and the release and emission of various substances related to mining industry operations which could result in environmental pollution. Further, a number of governments have introduced or are moving to introduce climate change regulation.

Environmental laws and regulations are complex and have tended to become more stringent over time. PC Gold is required to obtain governmental permits and in some instances air, water quality, and mine reclamation permits. Although PC Gold makes provisions for reclamation costs, it cannot be assured that these provisions will be adequate to discharge its future obligations for these costs. Failure to comply with applicable environmental and health and safety laws may result in injunctions, damages, suspension or revocation of permits and imposition of penalties. Environmental regulation is evolving in a manner resulting in stricter standards and the enforcement of, and fines and penalties for, non-compliance are becoming more stringent. In addition, certain types of operations require submissions of, and approval of, environmental impact assessments. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees.

Some of the costs associated with reducing emissions can be offset by increased energy efficiency and technological innovation. However, the cost of compliance with environmental regulation and changes in environmental regulation have the potential to result in increased cost of operations, reducing the profitability of PC Gold's operations.

There can be no assurance that PC Gold will be at all times in complete compliance with such laws, regulations and permits, or that the costs of complying with current and future environmental and health and safety laws and permits will not materially and adversely affect PC Gold's business, results of operations or financial condition.

At the present time, PC Gold is not aware of any material environmental liabilities that would prevent it from carrying out its exploration activities on the Pickle Crow Project. In preparation for the next stage of advanced, largely underground-based exploration previously discussed, PC Gold must secure from the Ontario Ministry of the Environment ("OME") permits to allow for the dewatering of the presently flooded underground workings. These required permits include a Permit To Take Water (PTTW), an air emissions Environmental Compliance Approval ("ECA"), and an industrial sewage works ECA for the mine dewatering, on-site settling ponds and tailings management facilities. PC Gold has retained True Grit Consulting Ltd. of Thunder Bay, Ontario, to oversee the process of obtaining these permits.

In order to engage in the contemplated program of advanced underground exploration, PC Gold must also complete an "Inactive Production" closure plan previously filed by Cantera Mining Limited, a previous owner of the Pickle Crow Project, in 2002 as an incomplete "Production" closure plan with the MNDMF. To this end, PC Gold has retained DST Consulting Engineers to prepare a closure plan amendment for submission to the MNDMF. This work, now underway, involves additional site assessment and environmental monitoring (soils, groundwater, surface water and aquatic resources), development of rehabilitation plans, and other measures required for the further advancement of the Pickle Crow Project. Completion of the amendment to the Pickle Crow closure plan, and receipt of the necessary permits from the OME, is required for the continuance of exploration activities on the Pickle Crow Project. Although PC Gold does not at this juncture anticipate any difficulties in this regard, completion of the amendment to the closure plan cannot be considered a foregone conclusion.

The Pickle Crow Project has, over the course of the past two decades, been subject to several environmental studies which examined water quality and the health of aquatic populations in the watershed encompassing the project. These studies indicated that in spite of the history of mining on the Pickle Crow Project, including a significant volume of historical tailings sitting in four tailings basins on surface and extensive areas of flooded mine workings, water quality samples generally meet provincial water quality standards. This appears to be due in part to the generally low sulphide content and natural buffering effect of the carbonate minerals found in the vein ore historically mined. Additional environmental studies will, however, be required as PC Gold's anticipated exploration and development programs unfold. It is always possible that, as work proceeds, environmental hazards may be identified on the Pickle Crow Project which are at present unknown to PC Gold and which may have the potential to negatively impact PC Gold's exploration and development plans for the project.

Unknown Environmental Risks for Past Activities

Exploration and mining operations involve a potential risk of releases of metals, chemicals, fuels, liquids having acidic properties and other contaminants to soil, surface water and groundwater. In recent years, regulatory requirements and improved technology have significantly reduced those risks, however, those risks have not been eliminated, and the risk of environmental contamination from present and past exploration or mining activities exists for mining companies. PC Gold may be liable for environmental contamination and natural resource

damages relating to properties that it will hold an interest in, or at which environmental contamination occurred while or before PC Gold owned, operated or acquired an interest in the properties. No assurance can be given that potential liabilities for such contamination or damages caused by past activities at these properties do not exist.

Cost of Land Reclamation

It is difficult to determine the exact amounts that will be required to complete all land reclamation activities on the Pickle Crow Project, whether as a result of past and current exploration activities or in the future as a result of mine development and production. Reclamation bonds and other forms of financial assurance represents only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of PC Gold.

Permits and Licenses

The operations of PC Gold will require licenses and permits from various governmental and non-governmental authorities. As of the date of this Circular, PC Gold has not obtained the necessary exploration, drilling and other permits with respect to implementing the next stage of exploration and development for the Pickle Crow Project. PC Gold will obtain, at the appropriate time, all necessary licenses and permits required under applicable laws and regulations to carry on with activities which it proposes to conduct. However, such licenses and permits are subject to change in regulations and in various operating circumstances. There can be no assurance that PC Gold will be able to obtain all necessary licenses, permits or approvals required to carry out exploration, development and mining operations on the Pickle Crow Project.

Dependence on Key Individuals

PC Gold is dependent on a relatively small number of key personnel, the loss of any one of whom could have an adverse effect on PC Gold. PC Gold does not maintain key-person insurance on the lives of any of their key personnel. In addition, while certain of PC Gold's officers and directors have experience in the exploration of mineral producing properties, PC Gold is highly dependent upon contractors and third parties in the performance of its exploration and development activities. There can be no guarantee that such contractors and third parties will be available to carry out such activities on behalf of PC Gold or be available upon commercially acceptable terms.

Obtaining Future Financing

The further exploitation, development and exploration of the Pickle Crow Project depends upon its ability to obtain financing through equity financing or debt financing, joint ventures or other means. There is no assurance that PC Gold will be successful in obtaining required financing as and when needed. Volatile precious metals and equity markets may make it difficult or impossible for PC Gold to obtain further financing on favourable terms or at all.

Stress in the Global Economy

Reduction in credit, combined with reduced economic activity and the fluctuations in the United States dollar, may adversely affect businesses and industries that purchase commodities, affecting commodity prices in more significant and unpredictable ways than the normal risks associated with commodity prices. The availability of services such as drilling contractors and geological service companies and/or the terms on which these services are provided may be adversely affected by the economic impact on the service providers. The adverse effects on the capital markets generally make the raising of capital by equity or debt financing much more difficult and PC Gold will be dependent upon the capital markets to raise financing. Any of these events, or any other events caused by turmoil in world financial markets, may have a material adverse effect on PC Gold's businesses, operating results, and financial condition.

Government Regulation

The exploration and development activities of PC Gold require licenses, permits or other approvals from various

federal, provincial and local governmental authorities and such operations are or will be governed by laws and regulations relating to prospecting, development, mining, production, taxes, labour standards, occupational health and safety, waste disposal, toxic substances, land use, water use, environmental protection, land claims of indigenous people and other matters. PC Gold believes that the Pickle Crow Project is in substantial compliance with all material laws and regulations which currently apply to its activities. There can be no assurance, however, that PC Gold will obtain on reasonable terms or at all the permits and approvals, and the renewals thereof, which it may require for the conduct of its future operations or that compliance with applicable laws, regulations, permits and approvals will not have an adverse effect on plans to explore and develop the project. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in exploration and development activities may be required to compensate those suffering loss or damage by reason of the exploration and development activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

Possible future environmental and mineral tax legislation, regulations and actions could cause additional expense, capital expenditures, restrictions and delay of PC Gold's planned exploration and operations, the extent of which cannot be predicted. In particular, prospective investors should note the Ontario government's new *Far North Act*, which received royal assent on October 25, 2010, and proposed changes to the *Mining Act* (Ontario) stemming from *An Act to Amend the Mining Act*, which received royal assent on October 28, 2009. Although the timelines and implications of this initiative are presently unclear, the updated *Mining Act* (Ontario) is expected to include provisions for the establishment of parkland in large areas north of 51 degrees, in addition to mandating consultations with First Nations communities affected by exploration and mining activities. The Pickle Crow Project is north of 51 degrees and may be adversely affected by the future provisions of the revised *Mining Act* (Ontario). However, as a long established mining camp, exploration and mining activity in the area is expected to be grandfathered. Moreover, PC Gold has engaged in a meaningful process of consultation and mutually beneficial cooperation with Mishkeegogamang First Nation, on whose traditional lands the Pickle Crow Project is located, and has an exploration Memorandum of Understanding in place with the Band.

Aboriginal Land Claims

The potential exists for disruption of mineral exploration and development activities across broad swaths of the Province of Ontario, due to unresolved historical land claims issues and grievances on the part of First Nations communities, on whose traditional lands many of these activities take place. Canadian court decisions have recognized the existence of aboriginal title and rights, which may include title or rights of use to lands historically used or occupied by aboriginals. Courts have held that the Crown has an obligation to consult with Aboriginal groups when the Crown has knowledge of either existing rights or the potential existence of aboriginal title or rights and is contemplating actions that may potentially impact such title or rights. Failure of the government of Ontario to adequately discharge its obligations to aboriginal groups may affect the validity of its actions in dealing with public rights, including the granting of Crown mineral tenures.

In 2014, the Supreme Court of Canada (the "SCC") for the first time recognized the existence of aboriginal title over land in Canada. The SCC also found that provincial laws of general application may apply to land subject to aboriginal title, provided that certain conditions are met, including that the laws are not unreasonable, impose no undue hardship and do not deny the holders of such aboriginal title of certain rights. As a result, future court decisions may be required to determine whether and to what extent provincial laws, including law related to mining and mineral tenures granted by the Provincial Crown thereunder, apply on lands subject to aboriginal title. There can be no assurance that aboriginal title will not in the future be recognized over all or any portion of the area of the Pickle Crow Project. There can be no assurance that aboriginal claims will not in the future have a material adverse effect on PC Gold's mineral projects or its ability to secure other mineral projects.

The Pickle Crow Project falls within the lands traditionally used by Mishkeegogamang First Nation. PC Gold has sought to ensure that its exploration and development activities in the Pickle Lake area provide real benefits to local communities. With that objective in mind, PC Gold signed, on May 11, 2009, an Exploration Memorandum of Understanding (the "MOU") with Mishkeegogamang First Nation. Although the MOU has established the foundation for a positive and mutually beneficial relationship between PC Gold and this historic First Nation community, and aligned the interests of both parties toward ensuring the success of exploration activities on the

Pickle Crow Project, there can be no assurances that circumstances will not in future arise that may undermine the current excellent relationship that exists between the community of Mishkeegogamang First Nation and PC Gold.

Competition

The mineral exploration and mining business is competitive in all of its phases. PC Gold will compete with numerous other companies and individuals, including competitors with greater financial, technical and other resources than PC Gold, in the search for and the acquisition of attractive mineral properties. The ability of PC Gold to acquire properties in the future will depend not only on its ability to develop the Pickle Crow Project, but also on its ability to select and acquire suitable properties or prospects for mineral exploration. There is no assurance that PC Gold will continue to be able to compete successfully with the competition in acquiring such properties or prospects.

Insurance

PC Gold does not have insurance to adequately protect itself against certain risks associated with mineral exploration. Even if it were to obtain insurance, PC Gold will remain at risk and will be potentially subject to liability for hazards which it cannot insure against or which it may elect not to insure against because of premium costs or other reasons.

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fires, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and PC Gold may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, it could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of PC Gold.

Conflicts of Interest

The directors and officers of PC Gold are directors and officers of other companies, some of which are in the same business as PC Gold. The directors and officers of PC Gold are required by law to act in the best interests of PC Gold. They have the same obligations to the other companies in respect of which they act as directors and officers. Discharge by the directors and officers of their obligations to PC Gold may result in a breach of their obligations to the other companies, and in certain circumstances this could expose PC Gold to liability to those other companies. Similarly, discharge by the directors and officers of their obligations to the other companies could result in a breach of their obligation to act in the best interests of PC Gold. Such conflicting legal obligations may expose PC Gold to liability to others and impair its ability to achieve its business objectives.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than transactions carried out in the ordinary course of business of PC Gold or disclosed elsewhere in this Circular, none of the directors or executive officers of PC Gold, any shareholder directly or indirectly beneficially owning, or exercising control or direction over, more than 10% of the outstanding PC Gold Shares, nor an associate or affiliate of any of the foregoing persons has had, during the three most recently completed financial years of PC Gold or during the current financial year, any material interest, direct or indirect, in any transactions that materially affected or would materially affect PC Gold.

TRANSFER AGENT AND REGISTRAR AND AUDITOR

The registrar and transfer agent for PC Gold is TMX Equity Transfer Services Inc. at its principal office in Vancouver, British Columbia, Canada.

Collins Barrow Toronto LLP, Chartered Professional Accountants, are the auditors of PC Gold and audited PC Gold's financial statements for the years ended June 30, 2015, 2014 and 2013.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, each of which has been filed by PC Gold and is available under its profile on SEDAR at www.sedar.com, are specifically incorporated by reference into, and form an integral part of, this Circular:

- (n) the material change report of PC Gold dated September 10, 2015 relating to the announcement of the PC Gold Arrangement;
- (o) the audited financial statements of PC Gold for the years ended June 30, 2015, June 30, 2014 and June 30, 2013;
- (p) the management's discussion and analysis of PC Gold for the years ended June 30, 2015, June 30, 2014 and June 30, 2013;
- (q) the management information circular of PC Gold dated November 10, 2014 in respect of the annual meeting of shareholders of PC Gold held on December 16, 2014;
- (r) the material change report of PC Gold dated April 9, 2015 with respect to the completion of a brokered private placement;
- (s) the material change report of PC Gold dated April 10, 2015; and
- (t) the PC Gold Technical Report.

All documents of the type referred to above and any business acquisition reports, material change reports and financial statements filed by PC Gold with any securities commission or similar regulatory authority in Canada subsequent to the date of this Circular and prior to the date of the Meeting shall be deemed to be incorporated by reference into this Circular.

Any statement contained herein or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this Circular to the extent that a statement contained herein, or in any other subsequently filed document which also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Circular.

INTERESTS OF EXPERTS

B. Terrence Hennessey, P.Geo., Alan J. San Martin, MAusIMM, and Sam J. Shoemaker, B.Sc., MAusIMM, Reg. Mem. SME, of Micon, authored the PC Gold Technical Report. Messrs. Hennessey, San Martin, and Shoemaker were at the time the PC Gold Technical Report was prepared, and continue to be, all independent qualified persons under NI 43-101 and, as of the date the PC Gold Technical Report was prepared and as of the date hereof, to PC Gold's knowledge, none of Messrs. Hennessey, San Martin, and Shoemaker nor any of the directors, officers, principals and associates of Micon own beneficially, directly or indirectly, or exercise control or direction over, any of the securities or other property of PC Gold.

Neil Pettigrew, M.Sc., P.Geo., Vice President, Exploration for PC Gold, is the qualified person as defined by NI 43-101 and has reviewed and approved the scientific and technical content relating to the Pickle Crow Project included in this Schedule. To the Company's knowledge, Mr. Pettigrew does not own beneficially, directly or indirectly, or exercise control or direction over, any of the securities or other property of the Company other than PC Gold Options exercisable to acquire 600,000 PC Gold Shares.

Collins Barrow Toronto LLP has advised that they are independent with respect to PC Gold within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

**SCHEDULE I -
INFORMATION CONCERNING THE COMBINED COMPANY**

GENERAL

On completion of the Gold Canyon Arrangement and PC Gold Arrangement, First Mining will continue to be a corporation existing under the BCBCA and the former Gold Canyon Shareholders and PC Gold Shareholders will be shareholders of First Mining.

After completion of the transactions, the business and operations of Gold Canyon and PC Gold will be managed and operated as subsidiaries of First Mining. First Mining expects that the business and operations of First Mining, Gold Canyon and PC Gold will be consolidated and the principal executive office will be located at First Mining's current head office, being Suite 1805- 925 West Georgia Street, Vancouver, British Columbia V6C 3L2.

ORGANIZATIONAL STRUCTURE

The following table describes the direct and indirect subsidiaries of First Mining, their place of incorporation, continuance or formation and the percentage of voting securities to be beneficially owned, controlled or directed by First Mining following completion of the Gold Canyon Arrangement and PC Gold Arrangement

.Name of Subsidiary or Partnership	Percentage of Voting Securities Owned	Jurisdiction of Incorporation or Continuance
KCP Minerals Inc. (formerly known as Sundance Minerals Ltd.)	100%	British Columbia
0924682 B.C. Ltd.	100%	British Columbia
Minera Terra Plata, S.A. de C.V.	100%	Mexico
Minera Teocuitla S.A de C.V	100%	Mexico
Impulsora de Proyectos Mineros, S.A. de C.V.	100%	Mexico
Sundance Minerals USA Inc.	100%	USA
Foundation Resources Ltd.	100%	Bahamas
Foundation Resources Mongolia Ltd.	100%	Bahamas
Tsakhir Exploration LLC	100%	Mongolia
Coastal Gold Corp.	100%	Ontario
Castillion Resources Bolivia S.A.	100%	Bolivia
IronOne Inc.	100%	Ontario
Ridgemont Iron Ore Corp.	100%	British Columbia
Tucano Exploration Inc.	100%	Ontario
Sundance Minerals Mexico Ltd.	100%	British Virgin Islands
Ferus Resources Ltd.	100%	Ontario
PC Gold Inc.	100%	Ontario
Gold Canyon Resources Inc.	100%	British Columbia
Gold Canyon Resources USA Inc.	100%	Colorado
Springpole Mining USA Inc.	100%	Colorado

DIRECTORS AND EXECUTIVE OFFICERS OF THE COMBINED COMPANY

Information about the current directors and executive officers of First Mining is as set forth in Schedule "G" under the heading "Information Concerning First Mining - Directors and Executive Officers". Following the Effective Date, it is anticipated that the First Mining Board will be comprised of seven directors, who are expected to be the current six members of the First Mining Board and Jayant Bhandari, who is a current director of Gold Canyon. Mr. Bhandari's biography is below.

Jayant Bhandari, Proposed Director. Mr. Bhandari has been an Asian-based institutional investor adviser for the last three years. Prior to that he worked for six years with US Global Investors in the United States, a boutique natural resource investment firm, and for one year with Casey Research. Prior to his involvement in the investment industry he established and managed Indian subsidiary operations of two European companies. He received his MBA from Manchester Business School (UK) and holds a Bachelor of Engineering from SGSITS (India). He frequently writes on cultural, political and social issues in several publications.

The directors and officers of Gold Canyon and PC Gold will be replaced with directors and officers as determined by First Mining.

DESCRIPTION OF SHARE CAPITAL

The authorized share capital of First Mining following completion of the Arrangement will continue to be as described in Schedule “G” under the heading “Information Concerning First Mining - Description of First Mining Shares” and the rights and restrictions of the First Mining Shares will remain unchanged. The capitalization of First Mining will change as a result of the consummation of the Gold Canyon Arrangement and the PC Gold Arrangement to reflect the issuance of the First Mining Shares, the Gold Canyon Replacement Options, the PC Gold Replacement Options and the Gold Canyon Replacement Warrants and the PC Gold Replacement Warrants as contemplated in the Gold Canyon Arrangement Agreement and PC Gold Arrangement Agreement.

SELECTED FIRST MINING UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL INFORMATION

The selected unaudited pro forma consolidated financial information of First Mining set forth below should be read in conjunction with First Mining’s unaudited pro forma condensed consolidated financial statements and the accompanying notes thereto attached as Schedule “J” to this Circular.

The summary unaudited pro forma consolidated financial information is not intended to be indicative of the results that would actually have occurred, or the results expected in future periods, had the events reflected herein occurred on the dates indicated. Actual amounts recorded upon consummation of the Gold Canyon Arrangement and PC Gold Arrangement will differ from the pro forma information presented below. No attempt has been made to calculate or estimate potential synergies between First Mining, Gold Canyon or PC Gold.

All amounts are in thousands of dollars.

	<u>As at June 30, 2015⁽¹⁾</u>	
Statement of Financial Position		
Cash and cash equivalents		\$2,509,297
Total current assets		\$2,905,604
Mineral Properties		\$99,974,588
Total assets		\$103,314,556
Total current liabilities		\$4,544,117
Total liabilities		\$14,113,713
Total equity		\$89,200,843
Total liabilities and equity		\$103,314,556
	Six months ended	Year ended
	June 30, 2015⁽¹⁾	December 31, 2014⁽¹⁾
Statement of Comprehensive Loss		
General and administrative expenses	\$4,214,179	\$4,031,938
Write-down of mineral property	-	\$256,638
Charge relating to public company listing	\$636,987	\$560,061

Gain on debt settlement and fair value adjustment	(\$1,416,655)	(\$1,521,021)
Foreign exchange loss (gain)	\$56,955	(\$73,220)
Interest and other expense	\$130,428	\$194,389
Net loss for the year	\$3,621,894	\$3,175,896
Loss per share	\$0.01	\$0.01

Notes:

⁽¹⁾ Totals may not sum due to rounding.

POST-ARRANGEMENT SHAREHOLDINGS AND PRINCIPAL SHAREHOLDERS

Assuming that no Gold Canyon Optionholders exercise their Gold Canyon Options and no PC Gold Optionholders exercise their PC Gold Options before completion of the Gold Canyon Arrangement and PC Gold Arrangement, respectively, it is expected that pursuant to the Gold Canyon Arrangement, Gold Canyon Shareholders will receive approximately 160,629,993 First Mining Shares in exchange for all of the outstanding Gold Canyon Shares and PC Gold Shareholders will receive approximately 27,804,508 First Mining Shares in exchange for all of the outstanding PC Gold Shares.

Immediately following completion of the Gold Canyon Arrangement and the PC Gold Arrangement, current First Mining shareholders will hold approximately 35.0% of the First Mining Shares issued and outstanding, while the former Gold Canyon Shareholders will hold approximately 55.4% of the First Mining Shares issued and outstanding and PC Gold Shareholders will hold approximately 9.6% of the First Mining Shares issued and outstanding (all on a non-diluted basis).

To the knowledge of the directors and officers of First Mining, following completion of the Gold Canyon Arrangement and the PC Gold Arrangement, there will be no person or company that beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of First Mining carrying 10% or more of the voting rights attached to any class of voting securities of First Mining.

**SCHEDULE J -
FIRST MINING UNAUDITED PRO FORMA FINANCIAL STATEMENTS**

(See Attached)

FIRST MINING FINANCE CORP.

PRO FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the six month period ended June 30, 2015

and for the year ended December 31, 2014

(Expressed in Canadian Dollars) Unaudited

FIRST MINING FINANCE CORP.
Pro Forma Condensed Consolidated Statement of Financial Position
As at June 30, 2015

(Unaudited) (Expressed in Canadian Dollars, unless otherwise stated)

	First Mining Finance Corp. \$	Coastal Gold Corp. \$	Gold Canyon Resources Inc. \$	PC Gold Inc. \$	Note	Pro Forma Adjustments \$	Pro Forma Consolidation \$
Current Assets							
Cash and cash equivalents	4,605,207	2,978	1,416,456	118,450	3(c,d,f) 4(c,d) 5(b,c,d)	(1,096,250) (1,825,000) (712,544)	2,509,297
Receivables and prepaid expenses	209,376	72,347	46,176	47,393		-	375,292
Marketable securities	11,015	-	10,000	-		-	21,015
Loan receivable	959,070	-	28,750	-	3(f), 5(b)	(987,820)	-
Total Current Assets	5,784,668	75,325	1,501,382	165,843		(4,621,614)	2,905,604
Mineral properties	7,668,722	3,358,510	75,241,014	10,544,505	3,4,5 (e) 3,4,5 (b,e)	(89,144,029) 92,305,866	99,974,588
Equipment	5,311	105,645	13,278	3,248		-	127,482
Value added tax receivables	193,557	-	-	-		-	193,557
Reclamation deposit	-	-	-	113,325		-	113,325
Deferred acquisition costs	513,420	-	-	-	5 (b)	(513,420)	-
Total Non - Current Assets	8,381,010	3,464,155	75,254,292	10,661,078		2,648,417	100,408,952
Total Assets	14,165,678	3,539,480	76,755,674	10,826,921		(1,973,197)	103,314,556
Current Liabilities							
Trade and other payables	502,435	1,258,880	239,580	487,401	4(d),4(f) 3,4,5 (d)	(290,994) 700,000	2,897,302
Loan payable	1,349,501	325,964	-	597,314	4(d) 5(d)	(300,000) (325,964)	1,646,815
Total Current Liabilities	1,851,936	1,584,844	239,580	1,084,715		(216,958)	4,544,117
Deferred tax liabilities	-	-	6,457,501	-	4(e)	3,112,095	9,569,596
Deferred lease inducement	-	-	-	9,006	4(f)	(9,006)	-
Total Liabilities	1,851,936	1,584,844	6,697,081	1,093,721		2,886,131	14,113,713
Shareholders' Equity							
Share capital	19,280,971	78,382,757	91,523,496	54,588,884	3(b) 3(g) 4(b) 4(g) 5(b) 5(f)	56,220,498 (91,523,496) 9,733,200 (54,588,884) 10,312,299 (78,382,757)	95,546,968
Warrant/share based payments	1,133,875	699,771	21,478,210	6,408,247	3(b) 3(g) 4(b) 4(g) 5(b) 5(g)	3,656,372 (21,478,210) 1,378,324 (6,408,247) 98,504 (699,771)	6,267,075
Accumulated deficit	(8,101,104)	(77,127,892)	(42,943,113)	(51,263,931)	3,4,(g) 5(f) 3,4,5(d) 4(e)	171,334,935 (1,400,000) (3,112,095)	(12,613,200)
Total Shareholders' Equity	12,313,742	1,954,636	70,058,593	9,733,200		(4,859,328)	89,200,843
Total Liabilities/Shareholders' Equity	14,165,678	3,539,480	76,755,674	10,826,921		(1,973,197)	103,314,556

See accompanying notes to the pro forma condensed consolidated financial statements

FIRST MINING FINANCE CORP.**Pro Forma Condensed Consolidated Statement of Loss and Comprehensive Loss**

For the six months ended June 30, 2015

(Unaudited) (Expressed in Canadian Dollars, unless otherwise stated)

	First Mining Finance Corp. \$	Coastal Gold Corp. \$	Gold Canyon Resources Inc. \$	PC Gold Inc. \$	Note	Pro Forma Adjustments \$	Pro Forma Consolidation \$
General and Administrative Expenses							
Administrative and office	54,649	106,048	71,067	54,866	3/4/5 (d)	50,000	336,630
Depreciation	3,817	-	1,665	2,564		-	8,046
Exploration and evaluation	43,014	-	-	-		-	43,014
Investor relations and marketing	116,944	-	86,958	20,029		-	223,931
Professional fees	187,695	268,742	131,960	11,314	3/4/5 (d)	1,325,000	1,924,711
Salaries and consultants	168,605	-	194,587	91,025		-	454,217
Share-based payments	678,681	90,506	92,926	103,252		-	965,365
Transfer agent and filing fees	42,958	-	56,139	12,976	3/4/5 (d)	25,000	137,073
Travel and accommodation	93,637	-	27,555	-		-	121,192
Loss Before Other Items	1,390,000	465,296	662,857	296,026		-	4,214,179
Charge related to public company listing	636,987	-	-	-		-	636,987
Write-down of mineral properties	-	14,320,519	-	43,235,675	4/5 (e)	(57,556,194)	-
Foreign exchange loss (gain)	84,008	-	(27,053)	-		-	56,955
Gain on debt settlement	(95,556)	(1,321,099)	-	-		-	(1,416,655)
Interest and other expenses	59,167	12,188	-	93,132		-	164,487
Other (income) loss	(10,224)	1,000	(24,835)	-		-	(34,059)
Loss Before Tax	2,064,382	13,477,904	610,969	43,624,833		(56,156,194)	3,621,894
Deferred income tax recovery	-	-	-	(3,112,095)	4(e)	3,112,095	-
Net Loss And Comprehensive Loss	2,064,382	13,477,904	610,969	40,512,738		(53,044,099)	3,621,894
Basic and diluted loss per share	0.03	0.08	0.00	0.40		-	0.01
Weighted average number of common shares outstanding – basic and diluted	60,154,505	169,227,476	156,156,419	101,626,787		-	289,700,417

See accompanying notes to the pro forma condensed consolidated financial statements

FIRST MINING FINANCE CORP.
Pro Forma Condensed Consolidated Statement of Loss and Comprehensive Loss
For the year ended December 31, 2014

(Unaudited) (Expressed in Canadian Dollars, unless otherwise stated)

	First Mining Finance Corp. \$	KCP Minerals Ltd. \$	Coastal Gold Corp. \$	Gold Canyon Resources Inc. \$	PC Gold Inc. \$	Note	Pro Forma Adjustments \$	Pro Forma Consolidation \$
General and Administrative Expenses								
Administrative and office	17,678	50,742	194,216	106,712	118,933		-	488,281
Depreciation	-	9,234	-	4,517	3,590		-	17,341
Exploration and evaluation	-	113,338	-	50,726	-		-	164,064
Investor relations and marketing	-	-	-	25,303	68,552		-	93,855
Professional fees	132,856	244,403	759,724	260,737	82,632		-	1,480,352
Salaries and consultants	-	170,295	-	362,721	199,118		-	732,134
Share-based payments	-	-	90,506	605,073	81,016		-	776,595
Transfer agent and filing fees	14,380	4,739	-	74,577	96,881		-	190,577
Travel and accommodation	14,982	15,400	-	47,582	10,775		-	88,739
Loss Before Other Items	179,896	608,151	1,044,446	1,537,948	661,497		-	4,031,938
Charge related to public company listing	-	-	-	-	-	6(a)	560,061	560,061
Write-down of mineral properties	-	256,638	14,423,091	-	-	5(e)	(14,423,091)	256,638
Foreign exchange (gain) loss	-	(45,637)	-	(27,583)	-		-	(73,220)
Gain on fair value adjustment of derivative liability	-	(110,088)	-	-	-		-	(110,088)
Gain on debt settlement	-	-	(1,321,099)	-	-	6(c)	(89,834)	(1,410,933)
Interest and other expenses	-	50,403	79,994	-	120,149		-	250,546
Other income	-	-	(41)	(56,116)	-		-	(56,157)
Loss Before Tax	179,896	759,467	14,226,391	1,454,249	781,646		(13,952,864)	3,448,785
Deferred income tax recovery	-	-	-	(110,000)	(162,889)		-	(272,889)
Net Loss And Comprehensive Loss	179,896	759,467	14,226,391	1,344,249	618,757		(13,952,864)	3,175,896
Basic and diluted loss per share	0.02	0.02	0.09	0.01	0.01		-	0.01
Weighted average number of common shares outstanding – basic and diluted	10,768,500	36,268,709	151,800,513	148,549,539	98,514,384		-	289,700,417

See accompanying notes to the pro forma condensed consolidated financial statements

FIRST MINING FINANCE CORP.

Notes to the Pro Forma Condensed Consolidated Financial Statements

(unaudited) (Expressed in Canadian dollars, unless otherwise stated)

1. DESCRIPTION OF TRANSACTION

On September 1, 2015, First Mining Finance Corp. (“First Mining” or “FMF”), entered into an arrangement agreement with Gold Canyon Resources Inc. (“Gold Canyon”) pursuant to which FMF will acquire all of the outstanding shares of Gold Canyon by way of a plan of arrangement under Business Corporations Act (British Columbia) (the “Gold Canyon Transaction”). In addition, on September 1, 2015, First Mining entered into an arrangement agreement with PC Gold Inc. (“PC Gold”) pursuant to which FMF will acquire all of the outstanding shares of PC Gold by way of a plan of arrangement under the Business Corporations Act (Ontario) (the “PC Gold Transaction” and, together with the Gold Canyon Transaction, the “Transactions”).

Pursuant to the agreements, and subject to shareholder and regulatory approval, Gold Canyon and PC Gold will be wholly-owned subsidiaries of FMF. FMF will acquire each outstanding common share of Gold Canyon and PC Gold for one FMF common share and 0.2571 FMF common share respectively. Following completion of the Transactions, each outstanding stock option to purchase Gold Canyon and PC common shares will be exercisable to purchase FMF common shares in the exchange ratios outlined previously. Upon completion of the Transactions, FMF will own Gold Canyon and PC Gold and their 100% interest in the Springpole Gold Project and Pickle Crow Gold Project, both located in northern Ontario.

On July 1, 2014, FMF (formerly Albion Petroleum Ltd.) entered into an arrangement agreement (the “Arrangement Agreement”) with KCP Minerals Ltd. (“KCP”) (formerly “Sundance Minerals Ltd.”), a private exploration company focusing on precious and base metal projects in Mexico and the United States. Pursuant to the Arrangement Agreement, FMF agreed to acquire all of the issued and outstanding common shares and warrants of KCP in exchange for common shares and warrants of FMF pursuant to a statutory plan of arrangement (the “Arrangement”). On December 31, 2014, FMF and KCP entered into an amendment to the Arrangement Agreement (the “Amendment”) in order to, among other things, extend the deadline for the closing of the Arrangement to March 30, 2015 and to fix the ratio at which the KCP common shares and warrants will be exchanged for FMF common shares and warrants (on a post-consolidation basis) at a one-for-one basis. It was a condition precedent to the Arrangement that FMF common shares be consolidated on a four-for-one basis immediately prior to the Arrangement.

On March 30, 2015, FMF completed the acquisition of KCP through a reverse takeover arrangement (the “RTO Transaction”), constituting a qualifying transaction under the applicable policies of the TSX Venture Exchange.

On July 7, 2015, FMF completed the acquisition of Coastal Gold Corp. (“Coastal”) by way of a plan of arrangement under the Business Corporations Act (Ontario) (the “Coastal Transaction”). Upon completion, FMF owned the Hope Brook Gold Project in southwestern Newfoundland.

2. BASIS OF PRESENTATION

These unaudited pro forma condensed consolidated financial statements have been prepared for illustrative purposes only, and are not intended to reflect the financial position or results of operations which would have actually resulted if the events reflected herein had been in effect at the dates indicated.

The unaudited pro-forma consolidated financial statements as at and for the six months ended June 30, 2015 have been prepared under International Accounting Standard 34, Interim Financial Reporting (“IAS 34”):

- The unaudited condensed interim consolidated statement of financial position of FMF as of June 30, 2015;
- The unaudited condensed interim consolidated statement of loss and comprehensive loss of FMF for the six month period ended June 30, 2015;
- The unaudited condensed interim consolidated statement of financial position of Gold Canyon as of May 31, 2015;
- The unaudited condensed interim consolidated statement of loss and comprehensive loss of Gold Canyon for the six month period ended May 31, 2015;
- The audited statement of financial position of PC Gold as of June 30, 2015;

FIRST MINING FINANCE CORP.

Notes to the Pro Forma Condensed Consolidated Financial Statements

(unaudited) (Expressed in Canadian dollars, unless otherwise stated)

2. BASIS OF PRESENTATION (Continued)

- The audited statement of loss and comprehensive loss of PC Gold for the year ended June 30, 2015 and the unaudited condensed interim statement of loss and comprehensive loss of PC Gold for the six month period ended December 31, 2014;
- The unaudited condensed interim consolidated statement of financial position of Coastal as of March 31, 2015; and;
- The unaudited condensed interim consolidated statement of loss and comprehensive loss of Coastal for the six month period ended March 31, 2015.

The unaudited pro-forma consolidated financial statements of loss and comprehensive loss for the year ended December 31, 2014 have been prepared under International Financial Reporting Standards ("IFRS"):

- The audited consolidated statement of loss and comprehensive loss of FMF for the year ended December 31, 2014;
- The audited consolidated statement of loss and comprehensive loss of KCP for the year ended December 31, 2014;
- The audited consolidated statement of loss and comprehensive loss of Gold Canyon for the year ended November 30, 2014;
- The audited statement of loss and comprehensive loss of PC Gold for the year ended June 30, 2014, the unaudited condensed interim statement of loss and comprehensive loss of PC Gold for the six month period ended December 31, 2014 and December 31, 2013 prepared under IAS 34; and;
- The audited consolidated statement of loss and comprehensive loss of Coastal for the year ended December 31, 2014.

These unaudited pro forma condensed consolidated financial statements have been prepared by the management of FMF using accounting policies that are in accordance with IFRS as issued by the International Accounting Standards Board.

Note that the Coastal financial information has been included in these pro forma condensed consolidated financial statements of FMF for presentation purposes and to assist the reader given the Coastal transaction was not deemed significant under the securities legislation for inclusion in the information circulars of either Gold Canyon or PC Gold.

The accounting policies used in the preparation of these unaudited pro forma condensed consolidated financial statements are as set out on KCP's audited financial statements as at and for the year ended December 31, 2014. In preparing the unaudited pro forma condensed consolidated financial information, consideration was given to identifying accounting policy differences between FMF, KCP, Coastal, Gold Canyon and PC Gold where the impact was potentially material and could be reasonably estimated. Accounting policy differences may be identified after consummation and integration of the proposed acquisition. However, the significant accounting policies of KCP, after giving effect to the pro forma adjustments, are believed to conform in all material respects to those of FMF, Coastal, Gold Canyon and PC Gold.

Actual amounts recorded once the Transactions are completed will likely differ from those recorded in the unaudited pro forma condensed consolidated financial statements. Any potential synergies that may be realized and integration costs that may be incurred upon consummation of the Transactions have been excluded from these unaudited pro forma condensed consolidated financial statements. Further, these unaudited pro forma condensed consolidated financial statements are not necessarily indicative of the financial position or results of operations that may be obtained in the future. These differences may be material.

These unaudited pro forma condensed consolidated financial statements do not include all of the information and disclosures required by IFRS for annual consolidated financial statements and therefore, should be read in conjunction with the financial statements and other information available to FMF, as referred to above.

FIRST MINING FINANCE CORP.**Notes to the Pro Forma Condensed Consolidated Financial Statements**

(unaudited) (Expressed in Canadian dollars, unless otherwise stated)

3. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS – GOLD CANYON TRANSACTION

The unaudited pro forma condensed consolidated financial statements give effect to the following assumptions and transactions:

- a) The Gold Canyon Transaction will be recorded for accounting purposes as an asset acquisition. In consideration for the acquisition of Gold Canyon, FMF will acquire each outstanding Gold Canyon common share for one FMF share (the "Gold Canyon Exchange Ratio"). The Gold Canyon Exchange Ratio represents \$0.35 per Gold Canyon common share, based on the 30 trading day volume-weighted average price ("VWAP") of Gold Canyon on August 31, 2015. The Board of Directors of each company has unanimously approved the Gold Canyon Transaction.
- b) As a result of the Gold Canyon Transaction, FMF will issue 160,629,993 common shares valued at \$0.35 per share, as consideration of \$56,220,498. Consideration for the Gold Canyon Transaction will also include the fair value of Gold Canyon's replacement warrants and options of \$2,804,991 and \$851,381 respectively, based on the Black-Scholes option pricing model. Upon completion of the Transactions, existing FMF and Gold Canyon shareholders will own approximately 35.0% and 55.4% of the combined company, respectively, on a basic shares outstanding basis. The residual 9.6% being ascribed to PC Gold shareholders per the Transactions (See note 4).

The Black-Scholes model used the following weighted average assumptions:

Weighted average fair value	\$	0.14
Weighted average exercise price	\$	0.37
Average risk-free interest rate (%)		0.45%
Expected life (years)		1.33
Expected volatility (%)		87.00%

For the purpose of determining the value of the purchase price consideration, the total number of outstanding shares, warrants and options have been derived from the latest published financial statements of Gold Canyon as at May 31, 2015. The value of the purchase consideration for accounting purposes will differ from the amount assumed in the unaudited pro forma consolidated financial statement information for changes in the number of outstanding shares and options as of the transaction closing date.

The allocation of the Gold Canyon purchase price is as follows:

Purchase price consideration paid:		
Common shares issued	\$	56,220,498
Warrants issued		2,804,991
Options issued		851,381
Transaction costs		450,000
	\$	60,326,870
Allocation of purchase price:		
Cash and cash equivalents	\$	916,456
Amounts receivable and prepaid		46,176
Equipment		13,278
Mineral properties		66,009,291
Other assets		38,750
Liabilities – accounts payable/deferred tax		(6,697,081)
	\$	60,326,870

- c) Management has estimated that FMF will incur approximately \$450,000 of transaction costs, in connection with the Gold Canyon Transaction. These transaction costs have been capitalized to the property. In addition \$500,000 in cash will be provided to New Gold Canyon ("SpinCo") per the terms of the Agreement, which includes the transfer of Gold Canyon's early stage non-gold exploration properties.

FIRST MINING FINANCE CORP.

Notes to the Pro Forma Condensed Consolidated Financial Statements

(unaudited) (Expressed in Canadian dollars, unless otherwise stated)

3. PRO FORMA ADJUSTMENTS AND ASSUMPTIONS – GOLD CANYON TRANSACTION (continued)

- d) Management has estimated that Gold Canyon will incur approximately \$350,000 of fees in connection with the Gold Canyon Transaction, 50% of which is included in accounts payable.
- e) The adjustment to the purchase consideration when compared to the carrying values of net assets of Gold Canyon (exclusive of \$75,191,014 mineral properties) in the amount of \$66,009,291 has been assigned to the acquired mineral properties.
- f) Reclassification of restricted cash to cash and cash equivalents relating to corporate credit card collateral.
- g) Equity balances of Gold Canyon are eliminated.

4. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS – PC GOLD TRANSACTION

The unaudited pro forma condensed consolidated financial statements give effect to the following assumptions and transactions:

- a) The PC Gold Transaction will be recorded for accounting purposes as an asset acquisition. In consideration for the acquisition of PC Gold, FMF will acquire each outstanding PC Gold common share for 0.2571 of a FMF share (the “PC Gold Exchange Ratio”). The PC Gold Exchange Ratio represents \$0.09 per PC Gold common share, a 255% premium based on the 30 trading day VWAP of PC Gold on August 31, 2015. The Board of Directors of each company has unanimously approved the PC Gold Transaction.
- b) As a result of the PC Gold Transaction, FMF will issue 27,804,508 common shares valued at \$0.35 per share, as consideration of \$9,733,200. Consideration for the PC Gold Transaction will also include the fair value of PC Gold’s replacement warrants and options of \$1,152,498 and \$225,825 respectively, based on the Black-Scholes option pricing model. Upon completion of the Transactions, existing FMF and PC Gold shareholders will own approximately 35% and 9.6% of the combined company, respectively, on a basic shares outstanding basis. The remaining 55.4% being ascribed to Gold Canyon shareholders per the Transactions (See note 3).

The Black-Scholes model used the following weighted average assumptions:

Weighted average fair value	\$	0.13
Weighted average exercise price	\$	0.31
Average risk-free interest rate (%)		0.45%
Expected life (years)		0.58
Expected volatility (%)		87.00%

For the purpose of determining the value of the purchase price consideration, the total number of outstanding shares, warrants and options have been derived from the latest published financial statements of PC Gold as at June 30, 2015. The value of the purchase consideration for accounting purposes will differ from the amount assumed in the unaudited pro forma consolidated financial statement information for changes in the number of outstanding shares and options as of the transaction closing date.

FIRST MINING FINANCE CORP.**Notes to the Pro Forma Condensed Consolidated Financial Statements**

(unaudited) (Expressed in Canadian dollars, unless otherwise stated)

4. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS – PC GOLD TRANSACTION (continued)

The allocation of the PC Gold purchase price is as follows:

Purchase price consideration paid:	
Common shares issued	\$ 9,733,200
Warrants issued	1,152,498
Options issued	225,825
Transaction costs	1,000,000
	<u>\$ 12,111,523</u>
Allocation of purchase price:	
Cash and cash equivalents	\$ 118,450
Amounts received and prepaid	47,393
Equipment	3,248
Mineral properties	12,922,828
Other assets	113,325
Liabilities – accounts payable	(1,093,721)
	<u>\$ 12,111,523</u>

- c) Management has estimated that FMF will incur approximately \$1,000,000 of transaction costs, in connection with the PC Gold Transaction. These transaction costs have been capitalized to the property. In addition, \$300,000 will be paid against both the outstanding debenture and certain accounts payable post-closing.
- d) Management has estimated that PC Gold will incur approximately \$450,000 of fees in connection with the PC Gold Transaction, 50% of which is included in accounts payable.
- e) The adjustment to the purchase consideration when compared to the carrying values of net assets of PC Gold (exclusive of \$10,544,505 mineral properties) in the amount of \$12,111,523 has been assigned to the acquired mineral properties. The impairment charge of \$43,235,675 has been reversed in the income statement for the six months ended June 30, 2015 on account of the fair value determined in the purchase price allocation above. Corresponding deferred income tax adjustments have also been reversed.
- f) Reclassification of deferred lease inducement to accounts payable, which will be settled post-closing.
- g) Equity balances of PC Gold are eliminated.

5. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS – COASTAL GOLD TRANSACTION

The unaudited pro forma condensed consolidated financial statements give effect to the following assumptions and transactions:

- a) The Coastal Transaction was recorded for accounting purposes as an asset acquisition. In consideration for the acquisition of Coastal, FMF acquired each outstanding Coastal common share for 0.1625 of a FMF share (the "Coastal Exchange Ratio"). The Coastal Exchange Ratio represented \$0.065 per Coastal common share, based on FMF's 30-trading day VWAP of \$0.40. The Board of Directors of each company unanimously approved the Coastal Transaction.
- b) As a result of the Coastal Transaction, FMF issued 27,499,465 common shares valued at \$0.375 per share (FMF's closing share price on May 11, 2015), as consideration of \$10,312,299. Consideration for the Coastal Transaction also included the fair value of Coastal's replacement options of \$98,504, based on the Black-Scholes option pricing model. Upon completion of the Coastal Gold Transaction, existing FMF and Coastal shareholders owned approximately 72.8% and 27.2% of the combined company, respectively, on a basic shares outstanding basis, prior to completion of the Gold Canyon Transaction and PC Gold Transaction.

FIRST MINING FINANCE CORP.**Notes to the Pro Forma Condensed Consolidated Financial Statements**

(unaudited) (Expressed in Canadian dollars, unless otherwise stated)

5. PRO-FORMA ADJUSTMENTS AND ASSUMPTIONS – COASTAL GOLD TRANSACTION (continued)

The Black-Scholes model used the following weighted average assumptions:

Weighted average fair value	\$	0.05
Weighted average exercise price	\$	0.87
Average risk-free interest rate (%)		0.45%
Expected life (years)		0.27
Expected volatility (%)		87.00%

For the purpose of determining the value of the purchase price consideration, the total number of outstanding shares and options were derived from the latest published financial statements of Coastal as at December 31, 2014. The value of the purchase consideration for accounting purposes will differ from the amount assumed in the unaudited pro forma consolidated financial statement information for changes in the number of outstanding shares and options as of the transaction closing date.

The allocation of the Coastal purchase price is as follows:

Purchase price consideration paid:	
Common shares issued	\$ 10,312,299
Options issued	98,504
Transaction costs	600,000
	<u>\$ 11,010,803</u>
Allocation of purchase price:	
Cash and cash equivalents	\$ 990,798
Amounts received and prepaid	72,347
Equipment	105,645
Mineral properties	12,414,677
Liabilities – accounts payable	(2,572,664)
	<u>\$ 11,010,803</u>

- c) Management has estimated that FMF incurred approximately \$600,000 of transaction costs, in connection with the Coastal Transaction. These transaction costs have been capitalized to the property. A loan of \$959,070 was advanced to Coastal, prior to close, which was used to pay down certain liabilities of the company, including a termination payment of \$250,000 to Sulliden Mining Capital Inc. ("Sulliden"), pursuant to the terms and conditions of the arrangement agreement dated March 1, 2015 that was entered into between Coastal and Sulliden.
- d) Management has estimated that Coastal incurred approximately \$600,000 of fees in connection with the Coastal Transaction, 50% of which is included in accounts payable.
- e) The adjustment to the purchase consideration over carrying values of net assets of Coastal (exclusive of \$3,358,510 mineral properties) in the amount of \$12,414,677 has been assigned to the acquired mineral properties. The impairment charge of \$14,679,729 has been reversed in both the income statement periods presented on account of the fair value determined in the purchase price allocation above.
- f) Equity balances of Coastal were eliminated.

FIRST MINING FINANCE CORP.**Notes to the Pro Forma Condensed Consolidated Financial Statements**

(unaudited) (Expressed in Canadian dollars, unless otherwise stated)

6. REVERSE TAKEOVER OF FMF

- a) On March 30, 2015, FMF completed the acquisition of KCP through the RTO Transaction. Prior to completion of the RTO Transaction, FMF consolidated all of its issued and outstanding shares on a 4:1 basis. On closing, FMF issued post-consolidation shares in exchange for the KCP shares. All incentive stock options to purchase FMF shares have been cancelled.

The fair value of FMF's net identifiable assets as at December 31, 2014, immediately prior to the RTO transaction were:

Purchase price consideration paid:		
Common shares issued	\$	673,031
		<u>\$ 673,031</u>
Allocation of purchase price:		
Cash and cash equivalents	\$	145,964
Amounts received and prepaid		3,229
Liabilities		(36,223)
		<u>\$ 112,970</u>
Transaction cost	\$	<u>560,061</u>

- b) Concurrent with the completion of the RTO transaction, KCP closed its brokered and non-brokered private placement by issuing an aggregate of 12,562,412 common shares of KCP at a price of \$0.40 per share for gross aggregate proceeds of \$5,024,965. Of this amount, approximately \$2.7 million was through a non-brokered private placement financing and the remaining approximately \$2.3 million amount was through a brokered financing. Share issue costs of \$597,321 were incurred in connection with this financing. Included in share issue costs are a total of 623,925 warrants were issued to agents and certain other finders for their services in connection with the private placements. These warrants were valued at \$96,827.
- c) Concurrent with the closing of the RTO transaction, KCP issued 1,533,185 common shares at a fair value of \$0.25 per share and cash payments of \$426,837, to record \$899,967 in accounts payable settlements, resulting in a settlement gain of \$89,834.
- d) FMF issued a promissory note of \$580,050 (US\$500,000) to First Majestic Silver Corp., a related party, in January 2015, which carries an interest rate of 9% per annum.
- e) To record \$1,206,140 in debt repayment concurrent with closing of the RTO Transaction. As of the date of this shareholder circular, the lender has not demanded payment and FMF continues to record the amount as a loan payable.
- f) To record conversion of KCP subscriptions receipts upon closing of the RTO Transaction.
- g) Equity balances of FMF are eliminated upon completion of the RTO Transaction.

FIRST MINING FINANCE CORP.**Notes to the Pro Forma Condensed Consolidated Financial Statements**

(unaudited) (Expressed in Canadian dollars, unless otherwise stated)

7. SHARE CAPITAL CONTINUITY

The continuity of pro forma consolidated share capital is as follows:

	Number of Common Shares	Share Capital \$
Common shares of KCP outstanding at December 31, 2014	46,083,730	10,684,181
Common shares issued for conversion of subscription receipts (Note 6(f))	10,895,000	2,852,875
Common shares issued for financing (Note 6(b))	12,562,412	4,637,517
Common shares issued for A/P settlement (Note 6(c))	1,533,185	401,464
Common shares issued subsequent to RTO (Note 6(a))	2,692,124	704,933
Coastal Transaction (Note 5(b))	27,499,465	10,312,299
Gold Canyon Transaction (Note 3(b))	160,629,993	56,220,498
PC Gold Transaction (Note 4(b))	27,804,508	9,733,200
Consolidated Share Capital	289,700,417	95,546,968

8. WARRANTS AND SHARE OPTIONS

The pro forma consolidated warrants and share options post exchange ratio include the following:

(a) Warrants

Gold Canyon's outstanding share purchase warrants entitles the holders of the warrants to acquire one common share of FMF at \$0.17 per common share with expiry on February 5, 2018. The exercise price of the share purchase warrants is based on the conversion factor of 1.00.

Pro forma Warrants:

Warrant Price	Expiry Date	Number Outstanding	Number Convertible	Weighted average remaining life
\$0.17	February 5, 2018	11,880,454	11,880,454	2.60

PC Gold's outstanding share purchase warrants entitles the holders of the warrants to acquire one common share of FMF at \$0.19 per common share with expiry no later than April 2, 2019. The exercise price of the share purchase warrants is based on the conversion factor of 0.2571.

Pro forma Warrants:

Warrant Price	Expiry Date	Number Outstanding	Number Convertible	Weighted average remaining life
\$0.19	May 8, 2016	3,959,340	3,959,340	0.85
\$0.19	April 2, 2019	1,770,391	1,770,391	3.76
	Total	5,729,731	5,729,731	1.75

FIRST MINING FINANCE CORP.**Notes to the Pro Forma Condensed Consolidated Financial Statements**

(unaudited) (Expressed in Canadian dollars, unless otherwise stated)

8. WARRANTS AND SHARE OPTIONS (continued)(b) Options

Gold Canyon's outstanding share purchase options entitles the holders of the option to acquire one common share of FMF at prices ranging from \$0.18 to \$2.18 per common share with expiry November 1, 2016. The exercise price of the share purchase options is based on the conversion factor of 1.00.

Pro forma Stock Options:

Exercise Price	Expiry Date	Number Outstanding	Number Exercisable	Weighted average remaining life
\$2.18	November 1, 2016	25,000	25,000	1.33
\$1.45	November 1, 2016	35,000	35,000	1.33
\$0.86	November 1, 2016	1,060,000	1,060,000	1.33
\$0.31	November 1, 2016	2,187,500	1,458,333	1.33
\$0.29	November 1, 2016	250,000	250,000	1.33
\$0.18	November 1, 2016	2,475,000	2,475,000	1.33
Total		6,032,500	2,828,333	1.33

PC Gold's outstanding share purchase options entitles the holders of the option to acquire one common share of FMF at prices ranging from \$0.19 to \$1.13 per common share with expiry on January 30, 2016. The exercise price of the share purchase options is based on the conversion factor of 0.2571.

Pro forma Stock Options:

Exercise Price	Expiry Date	Number Outstanding	Number Exercisable	Weighted average remaining life
\$1.13	January 30, 2016	89,985	89,985	0.58
\$0.58	January 30, 2016	308,520	308,520	0.58
\$0.19	January 30, 2016	636,323	636,323	0.58
\$0.19	January 30, 2016	752,018	752,018	0.58
Total		1,786,845	1,786,845	0.58

FIRST MINING FINANCE CORP.**Notes to the Pro Forma Condensed Consolidated Financial Statements**

(unaudited) (Expressed in Canadian dollars, unless otherwise stated)

8. WARRANTS AND SHARE OPTIONS (continued)

Pro forma Stock Options:

Coastal's outstanding share purchase options entitles the holders of the option to acquire one common share of FMF at prices ranging from \$0.31 to \$6.15 per common share with expiry on October 5, 2015, which is expected to be prior to closing of the Gold Canyon and PC Gold Transactions. The exercise price of the share purchase options is based on the conversion factor of 0.1625.

Exercise Price	Expiry Date	Number Outstanding	Number Exercisable	Weighted average remaining life
\$1.05	October 5, 2015	57,818	57,818	0.27
\$6.15	October 5, 2015	51,188	51,188	0.27
\$6.09	October 5, 2015	38,545	38,545	0.27
\$3.08	October 5, 2015	13,000	13,000	0.27
\$3.94	October 5, 2015	96,363	96,363	0.27
\$0.62	October 5, 2015	771,875	771,875	0.27
\$0.31	October 5, 2015	1,092,813	1,092,813	0.27
Total		2,121,600	2,121,600	0.27

9. CONVERSION OF KCP and FMF FINANCIAL INFORMATION TO CANADIAN DOLLARS

The unaudited pro forma consolidated financial statements are presented in Canadian dollars unless otherwise stated. Accordingly, the financial information of KCP used for the purposes of the pro forma condensed consolidated financial statements, including the unaudited pro forma condensed consolidated statement of financial position at December 31, 2014, was converted from United States dollars to Canadian dollars using the spot foreign exchange rate of 1.1601 as at December 31, 2014. Financial information on the unaudited pro forma condensed consolidated statement of loss and comprehensive loss for the year ended December 31, 2014, was converted from the United States dollars to Canadian dollars using the average foreign exchange rate of 1.1046.

In addition, the financial information of FMF used for the purposes of the pro forma condensed consolidated financial statements, including the unaudited pro forma condensed consolidated statement of financial position at June 30, 2015, was converted from United States dollars to Canadian dollars using the spot foreign exchange rate of 1.2474 as at June 30, 2015. Financial information on the unaudited pro forma condensed consolidated statement of loss and comprehensive loss for the six month period ended June 30, 2015, was converted from the United States dollars to Canadian dollars using the average foreign exchange rate of 1.2340.

SCHEDULE K- INFORMATION CONCERNING SPINCO ON A POST-TRANSACTION BASIS

The following information provided by SpinCo is reflective of the proposed business, financial and share capital position of SpinCo following the completion of the Arrangement. Unless otherwise indicated, all currency amounts are stated in Canadian dollars.

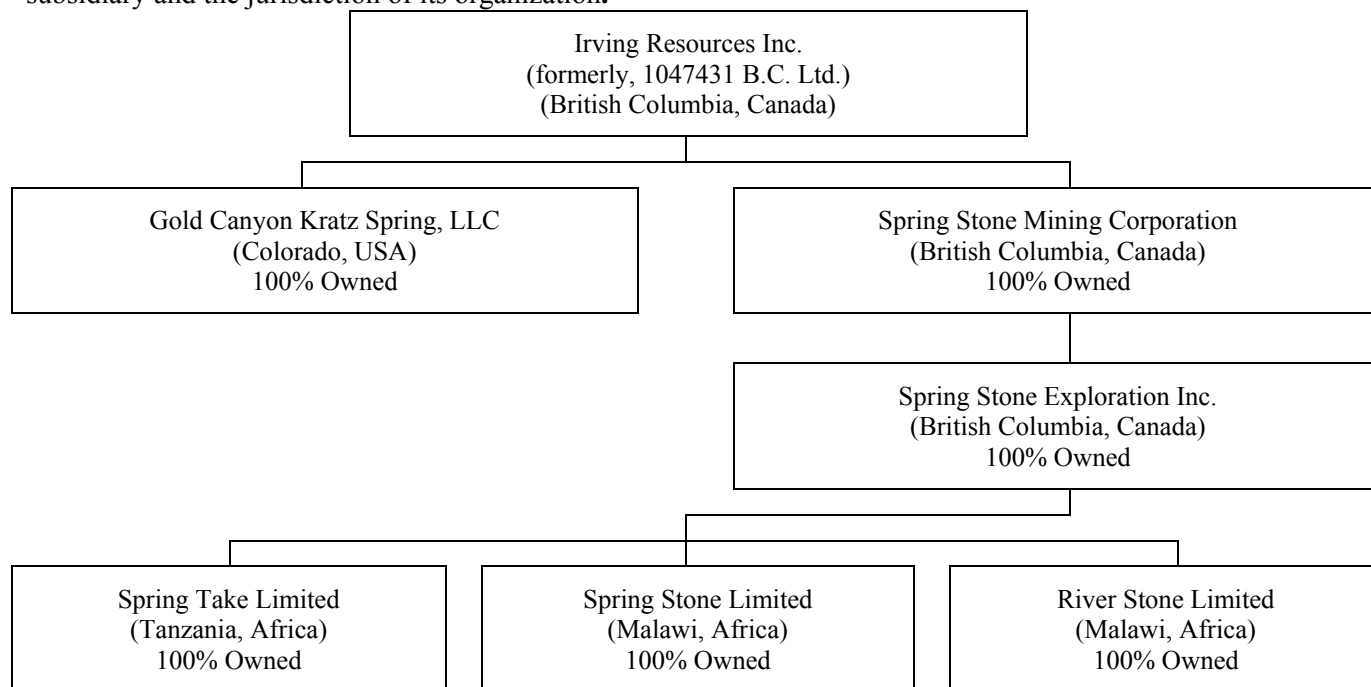
CORPORATE STRUCTURE

Name, Address and Incorporation

SpinCo was incorporated under the BCBCA on August 28, 2015, for the purposes of completing the Arrangement. SpinCo is currently a private company, wholly-owned by Gold Canyon. The head office of SpinCo is located at Suite 810, 609 Granville Street, Vancouver, British Columbia, V7Y 1G5. SpinCo's registered and records offices is located at Bentall 3, Suite 2900, 595 Burrard Street, Vancouver, British Columbia, V7X 1J5.

Intercorporate Relationships

The following chart shows SpinCo's principal operating subsidiaries upon completion of the Arrangement, for each subsidiary, includes the percentage direct or indirect ownership and voting interest of Gold Canyon for each subsidiary and the jurisdiction of its organization.



BUSINESS OF SPINCO

General

Upon completion of the Arrangement SpinCo will own the Spin-Out Assets, constituting Gold Canyon's direct and indirect non-gold exploration business together with approximately \$500,000 cash, and will assume the related Spin-Out Liabilities.

Mineral Projects

None of the mineral projects forming, directly or indirectly, the Spin-Out Assets are considered material to Gold Canyon and none of the interests therein to be acquired by Spin-Co are considered to be material to SpinCo.

Gold Canyon acquired, indirectly through Gold Canyon Kratz Spring, LLC, 53 mineral property rights located in Franklin County, Missouri, USA (the "**Kratz Spring REE Project**") by paying delinquent taxes and other costs. In December 2008 and subsequently entered into a Joint Exploration Agreement with JOGMEC on January 22,

2009. Under the terms of the agreement JOGMEC earned an 80% interest in the Kratz Spring REE Project by making an initial contribution of US\$75,000 and reimbursed Gold Canyon of all property expenses incurred before March 31, 2009 and thereafter Gold Canyon and JOGMEC contributed funds to the exploration program in accordance with their respective equity interest. Upon completion of the Arrangement it is anticipated that SpinCo will abandon these property rights by quit claim and dissolve Gold Canyon Kratz Spring, LLC.

In connection with Gold Canyon's several African joint exploration agreements with JOGMEC, Gold Canyon originally held three Exclusive Prospecting Licenses granted to the joint venture by the Malawi Ministry of Natural Resources, Energy Environment which included the Mulanje Project (operated through Spring Stone Limited) and each of the Mangochi and Thyolo Projects (operated through River Stone Limited). No exploration work was conducted on either the Mangochi or Thyolo Projects during the most recently completed financial year of Gold Canyon and the Exclusive Prospecting Licenses with respect to the Mangochi and Thyolo Projects have been withdrawn.

Gold Canyon retains, indirectly, the one Exclusive Prospecting License for the Mulanje Project. Under the joint exploration agreements, the participating interest and contributions of each of the joint venture partners is 67% JOGMEC and 33% Gold Canyon. SpinCo will be assigned, indirectly, Gold Canyon's interest in and to the Mulanje Project and will assume Gold Canyon's obligations with respect to the Mulanje Project. There is currently no planned exploration work on the Mulanje Project.

Gold Canyon was granted, through a new wholly owned Tanzanian subsidiary, Spring Take Limited, a Prospecting Licence by the Ministry of Energy and Minerals in the United Republic of Tanzania, Africa which covers an area of approximately 117km² in the Masasi District. Under the applicable joint exploration agreements with JOGMEC, the participating interest and contributions of each of the joint venture partners is 90% JOGMEC and 10% Gold Canyon, with Gold Canyon having an option to increase its participating interest up to 33% with the reimbursement to JOGMEC of the exploration costs incurred. SpinCo will be assigned, indirectly, Gold Canyon's interest in and to the Tanzanian Prospecting Licence and will assume Gold Canyon's obligations with respect to the Tanzanian Prospecting Licence. There is currently no planned exploration work with respect to the Tanzanian Prospecting Licence.

It is anticipated that SpinCo will focus, initially, on seeking out mineral exploration opportunities in Africa with JOGMEC in an effort to identify mineral deposits that may warrant commercial development. The properties and interests constituting the Spin-Out Assets are not believed to include any commercially viable mineral deposits and there can be no assurance that commercially viable mineral deposits may be identified by SpinCo or, if identified, acquired by SpinCo on terms acceptable to SpinCo and its joint venture partner JOGMEC.

Upon completion of the Arrangement, in order to reduce start-up costs and initial general and administrative costs it is expected that SpinCo will be managed by its officers some of whom will provide their services as consultants. The management team of SpinCo will consist of those individuals identified under "Directors and Executive Officers" below.

AVAILABLE FUNDS AND PRINCIPAL PURPOSES

Following completion of the Arrangement, it is anticipated that SpinCo will initially have approximately \$500,000 in available funds (the "Initial Funds") transferred from Gold Canyon or retained by certain subsidiaries as part of the Spin-Out Assets. The Initial Funds will be used to satisfy any obligations assumed as part of the Spin-Out Liabilities and for SpinCo's working capital purposes. It is anticipated that SpinCo will subsequently need to raise additional funding for its business activities by way of private or public offerings of its equity securities.

For information concerning the financial position of SpinCo after the Closing, refer to the pro forma financial information attached as Schedule "L" to this Circular.

DIVIDEND POLICY

SpinCo has not paid dividends since its incorporation. SpinCo currently intends to retain all available funds for use in its business and does not anticipate paying any dividends for the foreseeable future.

SELECTED FINANCIAL INFORMATION & MANAGEMENT'S DISCUSSION AND ANALYSIS

SpinCo was incorporated on August 28, 2015 and as at the date of this Circular has no assets or liabilities and has not conducted any business operations. SpinCo has issued one (1) common share to Gold Canyon for \$0.01. The audited financial statements of SpinCo and MD&A with respect thereto are attached as Schedule "L" to this Circular. Schedule "L" includes information concerning the financial position and operations of Gold Canyon's non-gold projects and assets (ie. other than the Springpole Gold Project) on "carve-out" basis and include general and administrative expenses incurred by Gold Canyon on the Spin-Out Assets and Spin-Out Liabilities and a pro-rata allocation of Gold Canyon's general and administrative expenses incurred in each of these periods.

Certain statements and information related to SpinCo's business contained in this Management's Discussion and Analysis are of a forward-looking nature. They are based on opinions, assumptions or estimates made by SpinCo's management or on opinions, assumptions or estimates made available to or provided to and accepted by SpinCo's management. Such statements and information are reflecting management's current views and expectations of future events or results and are subject to a variety of risks and uncertainties that are beyond management control. Readers are cautioned that these risks and uncertainties could cause actual events or results to significantly differ from those expressed, expected or implied and should therefore not rely on any forward-looking statements. See in the Circular the cautionary statement under the heading, "Forward-Looking Statements".

Selected Financial Information

The following table sets forth the summary of information of SpinCo based on the carve-out financial statements for the six month periods ended May 31, 2015 and 2014 and the fiscal years ended November 30, 2014 and 2013 and should be read only in conjunction with the SpinCo carve-out financial statements, including the notes, attached as Schedule "L" to this Circular:

Item	May 31, 2015 (Unaudited)	May 31, 2014 (Unaudited)	November 30, 2014 (Audited)	November 30, 2013 (Audited)
General and Administrative Expenses	17,344	19,186	37,591	34,773
Net Income (Loss)	1,744	(6,891)	(66,352)	(145,925)
Working Capital	478,702	259,828	425,437	373,433
Mineral Properties and Other Assets	1,537,513	1,630,214	1,497,674	1,465,276
Long-term Liabilities	-	-	-	-
Equity in net assets	2,029,493	1,913,802	1,938,054	1,858,169
Number of Shares Outstanding	1	1	1	1

Management Discussion and Analysis

SPINCO - AUGUST 28, 2015 TO AUGUST 31, 2015

The following MD&A for SpinCo, prepared as of September 25, 2015, should be read in conjunction with the audited financial statements for the period from August 28, 2015 to August 31, 2015 and related notes thereto attached in Schedule "L" to this Circular.

SpinCo was incorporated under the BCBCA on August 28, 2015, for the purposes of completing the Arrangement. SpinCo is currently a private company, wholly-owned by Gold Canyon. As of the date of this MD&A, the Company does not have any assets or liabilities and has incurred no operations.

GOLD CANYON (NON-GOLD EXPLORATION BUSINESS) FOR THE YEAR ENDED NOVEMBER 30, 2014 AND FOR THE SIX MONTHS ENDED MAY 31, 2015

The following MD&A is an overview of the activities of Gold Canyon non-gold exploration business) (the "Non-Gold Exploration Business"), for the year ended November 30, 2014 and for the six months ended May 31, 2015. The MD&A is prepared as of September 25, 2015, unless otherwise indicated and should be read in conjunction

with the audited “carve-out” consolidated financial statements and related notes of the Non-Gold Exploration Business for the years ended November 30, 2014 and 2013 and for the six months ended May 31, 2015 attached in Schedule “L” to this Circular. The results presented for the years ended November 30, 2014 and 2013 are not necessarily indicative of the results that may be expected for any future period.

Discussion of Operations for the years ended November 30, 2014 and 2013

The “carve-out” consolidated financial statements for the years ended November 30, 2014 and 2013 and for the six months ended May 31, 2015 have been prepared for the purposes of the Arrangement, and reflect the assets, liabilities, operations, and cash flows of the Non-Gold Exploration Business derived from the accounting records of Gold Canyon. The consolidated statements consist of statements of financial position, statements of operations and comprehensive loss, statements of cash flows and statements of changes in equity in net assets as if the Non-Gold Exploration Business had been operating independently during the period presented.

The Non-Gold Exploration Business has six wholly owned subsidiaries: Gold Canyon Kratz Spring, LLC., incorporated on January 9, 2009 in the State of Colorado; Spring Stone Limited, incorporated on June 15, 2011 in Malawi, Africa; Spring Stone Mining Corporation, incorporated on August 5, 2011 in the Province of British Columbia; Spring Stone Exploration Inc., incorporated on August 25, 2011 in the Province of British Columbia; River Stone Limited, incorporated on August 13, 2012 in Malawi, Africa; and Spring Take Limited, incorporated on July 10, 2014 in Tanzania, Africa.

During the year ended November 30, 2014, the Non-Gold Exploration Business incurred a net loss and comprehensive loss of \$66,352 as compared to \$145,925 in the prior year. This was comprised of general and administration costs of \$37,591 as compared to \$34,773 in 2013. The Non-Gold Exploration Business had management income of \$21,910 and incurred a write-down of the deferred exploration value an exploration project in the amount of \$50,726. During the period year, there was \$83,422 in management income and a write-down of an exploration asset in the amount of \$194,805.

The Non-Gold Exploration Business’s exploration efforts are focused in the Rare Earth Element (“**REE**”) Projects in Malawi (Africa), Tanzania (Africa) and Missouri (USA).

Malawi Property

The Non-Gold Exploration Business has an interest in a REE Property in Malawi, Africa through a Joint Exploration Agreement (“**JEA**”) with its joint venture participant, JOGMEC. The Non-Gold Exploration Business’s joint venture currently holds one Exclusive Prospecting Licenses (“**EPL**”) granted by the Malawi Ministry of Natural Resources, Energy Environment for the Mulanje Project. Under the JEA, the participating interest and contributions of each of the joint venture partners is 67% JOGMEC and 33% the Non-Gold Exploration Business.

Exploration work was completed across the Chambe Basin of the Mulanje Project. The Company and JOGMEC evaluated the metallurgy of clay samples from these holes and determined high leachability of REE’s and the quality and composition of resulting REE carbonate concentrates. Although the leaching tests proved highly successful, data from drilling indicated that a potential resource at the Chambe Basin is too small to be considered economic at this time. No further exploration is anticipated at this time; however, the Non-Gold Exploration Business is keeping the license in good standing.

Tanzania Project

The Non-Gold Exploration Business, through a wholly owned Tanzanian subsidiary, Spring Take Limited, was granted a Prospecting Licence (“**PL**”) by the Ministry of Energy and Minerals in the United Republic of Tanzania, Africa. The PL covers an area of approximately 117km² in the Masasi District. Under the JEA, the participating interest and contributions of each of the joint venture partners is 90% JOGMEC and 10% the Non-Gold Exploration Business, with the Non-Gold Exploration Business having an option to increase its participating interest up to 33% with the reimbursement to JOGMEC of the exploration costs incurred.

Kratz Spring Property

In December 2008, the Non-Gold Exploration Business acquired 53 mineral property rights located in Franklin County, Missouri, USA by paying delinquent taxes and other costs.

The Non-Gold Exploration Business entered into a JEA with JOGMEC on January 22, 2009. Under the terms of

the agreement JOGMEC earned an 80% interest in the Kratz Spring REE Project by making an initial contribution of US\$75,000 and reimbursed the Non-Gold Exploration Business of all property expenses incurred before March 31, 2009.

Selected Annual Information for the years ended November 30, 2014 and and 2013

The following table provides a brief summary of SpinCo's financial operations. For more detailed information, refer to the "carve-out" consolidated financial statements attached in Schedule "L".

	Year Ended November 30, 2014	Year Ended November 30, 2013	Year Ended November 30, 2012
Total interest income	\$ 55	\$ 230	\$ -
Net loss before extraordinary items	(66,352)	(145,925)	(21,059)
Net income (loss)	(66,352)	(145,925)	(21,059)
Basic and diluted earnings (loss) per share	(0.00)	(0.00)	(0.00)
Total assets	2,009,514	2,079,462	2,301,783
Total long-term liabilities	-	-	-

Summary of Quarterly Results for the years ended November 30, 2014 and and 2013

	November 30, 2014	August 31, 2014	May 31, 2014	February 28, 2014
Total assets	\$ 2,009,514	\$ 1,949,034	\$ 1,998,597	\$ 2,074,125
Mineral property costs	1,497,674	1,532,209	1,524,612	1,485,798
Working capital	425,437	391,946	383,135	383,329
Equity in net assets	2,170,879	1,940,227	1,924,948	1,887,459
Interest revenues	-	-	10	45
Net income (loss) and comprehensive income (loss)	(52,994)	(6,467)	(3,815)	(3,076)
Earnings (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)

	November 30, 2013	August 31, 2013	May 31, 2013	February 28, 2013
Total assets	\$ 2,079,462	\$ 2,296,852	\$ 1,929,647	\$ 2,029,288
Mineral property costs	1,465,273	1,533,200	1,630,214	1,278,826
Working capital	373,433	440,217	257,962	385,448
Equity in net assets	2,024,639	1,968,666	1,913,802	2,370,122
Interest revenues	74	37	77	42
Net income (loss) and comprehensive income (loss)	(183,602)	1,136	30,987	5,554
Earnings (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)

The Non-Gold Exploration Business' quarterly results remain relatively constant with slight movements in total assets, mineral property costs, and working capital based on activity. In the fourth quarter of 2014 and 2013, the Non-Gold Exploration Business wrote-down the values on mineral properties because it had elected not to renew exploration licenses. Otherwise, the net loss and comprehensive loss also remains relatively constant with minor movements depending on the level of activity.

Discussion of Operations for the six months ended May 31, 2015

During the six months ended May 31, 2015, the Non-Gold Exploration Business had comprehensive income of \$1,745 as compared to a comprehensive loss of \$6,891 in the prior year. This was comprised of general and

administration costs of \$17,343 as compared to \$19,186 in 2014. The Non-Gold Exploration Business had management income of \$19,088 as compared with management income of \$12,241 in 2014.

During the three months ended May 31, 2015, the Non-Gold Exploration Business had comprehensive income of \$10,525 as compared to a comprehensive loss of \$3,815 in the prior year. This was comprised of general and administration costs of \$7,852 as compared to \$10,194 in 2014. The Non-Gold Exploration Business had management income of \$18,377 as compared with management income of \$6,370 in 2014.

Summary of Quarterly Results for the six months ended May 31, 2015

	May 31, 2015	February 28, 2015	November 30, 2014	August 31, 2014
Total assets	\$ 2,108,075	\$ 2,056,774	\$ 2,009,514	\$ 1,949,034
Mineral property costs	1,537,513	1,503,943	1,497,674	1,532,209
Working capital	478,702	458,392	425,437	391,946
Equity in net assets	2,029,493	1,976,347	2,170,879	1,940,227
Interest revenues	-	-	-	-
Net income (loss) and comprehensive income (loss)	10,525	(8,781)	(52,994)	(6,467)
Earnings (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)

	May 31, 2014	February 28, 2014	November 30, 2013	August 31, 2013
Total assets	\$ 1,998,597	\$ 2,074,125	\$ 2,079,462	\$ 2,296,852
Mineral property costs	1,524,612	1,485,798	1,465,273	1,533,200
Working capital	383,135	383,329	373,433	440,217
Equity in net assets	1,924,948	1,887,459	2,024,639	1,968,666
Interest revenues	10	45	74	37
Net income (loss) and comprehensive income (loss)	(3,815)	(3,076)	(183,602)	1,136
Earnings (loss) per share	(0.00)	(0.00)	(0.00)	(0.00)

The Non-Gold Exploration Business' quarterly results remain relatively constant with slight movements in total assets, mineral property costs, and working capital based on activity. In the fourth quarter of 2014 and 2013, the Non-Gold Exploration Business wrote-down the values on mineral properties because it had elected not to renew exploration licenses. Otherwise, the net loss and comprehensive loss also remains relatively constant with minor movements depending on the level of activity.

Liquidity and Capital Resources

These consolidated financial statements have been prepared on a going concern basis which assumes that the Non-Gold Exploration Business will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Non-Gold Exploration Business are dependent upon its ability to continue to raise adequate financing in the future. The Non-Gold Exploration Business may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Non-Gold Exploration Business or at all. Any equity offering will result in dilution to the ownership interests of the Non-Gold Exploration Business's shareholders and may result in dilution to the value of such interests. The Non-Gold Exploration Business has no operations that generate cash flows, has incurred ongoing losses and has relied primarily on contributions from Gold Canyon and JOGMEC.

Related Party Transactions

During the year ended November 30, 2014, the Non-Gold Exploration Business paid or accrued \$16,459 (2013 - \$36,860) in fees to a director of the Non-Gold Exploration Business of which \$12,542 (2013 - \$24,696) has been

recovered from JOGMEC and \$3,917 (2013 - \$12,164) has been capitalized to deferred exploration costs.

Financial Instruments

The Non-Gold Exploration Business has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. Management and the Board of Directors monitor risk management activities and review the adequacy of such activities.

Credit risk

Credit risk is the risk of potential loss to the Non-Gold Exploration Business if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Non-Gold Exploration Business's credit risk is limited to the carrying amount on the statement of financial position and arises from the Non-Gold Exploration Business's cash and receivables.

The Non-Gold Exploration Business's cash is held with high-credit quality financial institutions. Receivables mainly consist of goods and services tax due from the Federal Government of Canada.

Liquidity risk

Liquidity risk is the risk that the Non-Gold Exploration Business will not meet its financial obligations as they fall due. The Non-Gold Exploration Business manages its liquidity risk by forecasting cash flows from operations, and anticipating investing and financing activities. As at November 30, 2014, the Non-Gold Exploration Business had cash of \$496,835 to settle current liabilities of \$71,460 which have contractual maturities of less than 30 days and are subject to normal trade terms. As at May 31, 2015, the Non-Gold Exploration Business had cash of \$557,277 to settle current liabilities of \$78,582 which have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market prices, such as interest rates and foreign exchange rates.

i) Interest rate risk

The Non-Gold Exploration Business has cash balances and no interest-bearing debt. The Non-Gold Exploration Business's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institutions. The Non-Gold Exploration Business periodically monitors the investments it makes and is satisfied with the credit rating of its banks.

ii) Price risk

The Non-Gold Exploration Business is exposed to price risk with respect to commodity and equity prices. The ability of the Non-Gold Exploration Business to explore its mineral properties and future profitability of the Non-Gold Exploration Business are directly related to the market price of rare earth elements and other non-gold minerals. The Non-Gold Exploration Business monitors commodity prices to determine appropriate actions to be undertaken.

iii) Foreign exchange rate risk

The Non-Gold Exploration Business's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Non-Gold Exploration Business funds certain operations, exploration and administrative expenses in the United States by using US dollars converted from its Canadian bank accounts. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

Based on management's knowledge of and experience in the financial markets, management does not believe that the Non-Gold Exploration Business's current financial instruments will be affected by credit risk, liquidity risk or market risk.

Commitments

The Non-Gold Exploration Business has a lease agreement for its office premises ending August 31, 2015. Minimum lease payments remaining are as follows:

2015 \$ 6,534

Contingency

Not applicable.

Off-Balance Sheet Arrangements

The Non-Gold Exploration Business does not have any off-balance sheet arrangements as at November 30, 2014 and as at May 31, 2015.

Critical Accounting Policies

The financial statements have been prepared in accordance with accounting principles generally accepted in Canada and form the basis for the following discussion and analysis of critical accounting policies and estimates. The Non-Gold Exploration Business makes estimates and assumptions that affect the reported amounts of assets, liabilities and expenses and related disclosure of contingent assets and liabilities during the course of preparing these financial statements. On a regular basis, the Non-Gold Exploration Business evaluates estimates and assumptions including those related to the recognition of share-based compensation.

Estimates are based on historical experience and on various other assumptions that the Non-Gold Exploration Business believes to be reasonable. These estimates form the basis of judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from those estimates.

New Accounting Pronouncements for Adoption in Future Periods

SpinCo has reviewed new and revised accounting pronouncements that have been issued but are not yet effective as of November 30, 2014 and as of May 31, 2015. SpinCo has not early adopted any of these standards. Adopting these standards is expected to have minimal or no impact on SpinCo's financial statements.

For complete details of the new accounting standards, refer to Note 3 of the Audited Pro Forma Consolidated Financial Statements for the Non-Gold Exploration Business of Gold Canyon attached in Schedule "L" to this Circular.

Accounting Standards Issued and Effective on or after December 1, 2014.

- IFRS 10, IFRS 12, IAS 27, Exception from Consolidation for "Investment Entities"
- IAS 32, Financial Instruments: Presentation
- IAS 36, Impairment of Assets
- IAS 39, Hedge Accounting and Novation of Derivatives
- IFRIC 21, Accounting for Levies Imposed by Governments
- IFRS 9, Financial Instruments

Cautionary Statement and Forward Looking Statement Disclaimer

Readers of this MD&A are encouraged to refer to "Forward Looking Statements", "The Arrangement – Arrangement Risk Factors" and also "Schedule "K" – Information Concerning SpinCo on a Post-Transaction Basis" in this Circular for a discussion of the risk factors associated with the business of SpinCo contained in this Circular filed on Gold Canyon's SEDAR profile.

DESCRIPTION OF SPINCO SECURITIES

SpinCo Shares

The authorized capital of SpinCo consists of an unlimited number of SpinCo Shares, of which one SpinCo Share

is issued and outstanding and held by Gold Canyon as of the date of this Circular. Holders of SpinCo Shares will be entitled to one vote per SpinCo Share at all meetings of the shareholders of SpinCo, to receive dividends as and when declared by the directors, and to receive a *pro rata* share of the assets of SpinCo available for distribution to holders of SpinCo Shares in the event of liquidation, dissolution or winding up of SpinCo. All SpinCo Shares will rank *pari passu*, each with the other, as to all benefits which might accrue to the holders of common shares.

SpinCo Warrants

There are no outstanding warrants for the purchase of SpinCo Shares as at the date of this Circular.

Upon completion of the Arrangement, each Gold Canyon Warrant to the extent it has not been exercised as of the Effective Date, will be exchanged a SpinCo Warrant that will entitle the holder to purchase a number of SpinCo Shares equal to the product of the SpinCo Exchange Ratio multiplied by the number of Gold Canyon Common Shares issuable on exercise of such Gold Canyon Warrant immediately prior to the Effective Time for an exercise price per whole SpinCo Share equal to \$0.30, being the fair market portion of the exercise price per share of such Gold Canyon Warrant assigned to a SpinCo Warrant rounded up to the nearest whole cent, divided by the SpinCo Exchange Ratio and rounded up to the nearest whole cent (provided that, if the foregoing calculation results in a SpinCo Warrant being exercisable for a fraction of a SpinCo Share, then the number of SpinCo Shares subject to such SpinCo Warrant shall be rounded down to the next whole number of SpinCo Shares). See “The Arrangement – Details of the Arrangement” in this Circular.

Assuming none of the Gold Canyon Warrants outstanding as of the date of this Circular will be exercised prior to the Effective Date, upon completion of the Arrangement there will be approximately 391,127 outstanding SpinCo Warrants to purchase up to 391,127 SpinCo Shares at an exercise price of \$0.30.

CAPITALIZATION

The following table and the note thereto set forth the share capital of SpinCo after giving effect to the Arrangement. The following table should be read in conjunction with, as is qualified by reference to, the carve-out statements of SpinCo, attached as Schedule “L” to this Circular

Designation of Security	Authorized Share Capital	Amount Outstanding as of the date of Information Circular	Estimated Amount Outstanding after giving effect to the Arrangement
Common Shares	Unlimited	1 SpinCo Share	5,358,646 SpinCo Shares ⁽¹⁾

Notes:

⁽¹⁾ This estimate is based on the following assumptions: (i) that there will be 160,775,447 Gold Canyon Shares issued and outstanding immediately prior to the Effective Date; and (ii) that none of the Gold Canyon Warrants outstanding as of the date of this Circular will be exercised prior to the Effective Date.

SpinCo has not yet completed a financial year. There has not been any material change since the date of incorporation, and it is not proposed there be, any material change in the share and loan capital of SpinCo, except as proposed under the Arrangement.

OPTIONS TO PURCHASE SECURITIES

There are no outstanding stock options for the purchase of SpinCo Shares as at the date of this Circular.

PRIOR SALES

The table below sets forth details for the 12 month period before the date of this Circular of the price at which securities have been issued or are to be issued by SpinCo, the number of securities issued at that price and the date on which the securities were issued:

Date of Issue	Number of Issued SpinCo Shares	Price per SpinCo Share	Total Consideration
August 28, 2015	1	\$0.01	\$0.01

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

There are no SpinCo Shares currently held in escrow. Following completion of the Arrangement, SpinCo Shares under the direction or control of directors and officers of SpinCo and certain other parties may become subject to escrow in accordance with the policies of any stock exchange or quotation system on which SpinCo Shares may be listed or quoted.

PRINCIPAL SECURITYHOLDERS OF VOTING SECURITIES

As of the date of this Circular, the following persons beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the outstanding SpinCo Shares:

<u>Name</u>	<u>Designation of Class</u>	<u>Type of Ownership</u>	<u>Number and Percentage of SpinCo Shares⁽¹⁾</u>
Gold Canyon Resources Inc.	Common Shares	Direct and Beneficial	1 (100%)

Notes:

⁽¹⁾ Based upon current issued capital of SpinCo, which does not include any SpinCo Shares that will be issued pursuant to the Arrangement.

To the knowledge of SpinCo's directors and senior officers, no person, upon completion of the Arrangement will beneficially own, directly or indirectly, or exercise control or direction over, more than 10% of the then outstanding SpinCo Shares.

DIRECTORS AND EXECUTIVE OFFICERS

Name, Occupation and Security Holding

The name, province or state, and country of residence of each director and executive officer of SpinCo and their respective positions and offices held with SpinCo and their respective principal occupations during the five preceding years are as follows:

<u>Name and place of residence</u>	<u>Offices Held</u>	<u>Director Since</u>	<u>SpinCo Shares Hold</u>	<u>Principal Occupation in Past Five Years</u>
Akiko Levinson British Columbia, Canada	Chief Executive Officer, President and Director	August 28, 2015	Nil	Businesswoman. Chief Executive Officer of Gold Canyon (April, 2011 to September, 2012 and July, 2013 to Present); President of Gold Canyon since June, 2003.
Quinton Hennigh, PH.D, P.GEO. Colorado, USA	Director	September 23, 2015	Nil	Director (since October, 2009), President and Chief Executive Officer of Novo Resources Corp. (since November, 2011); President of Evolving Gold Corp., (April, 2008 to November, 2011).
Ron Schmitz British Columbia, Canada	Director	September 23, 2015	Nil	President, ASI Accounting Services Inc. (Since 1995); Executive Vice President of Gold Canyon since May, 2012; Chief Financial Officer of Gold Canyon (April, 2006 to May, 2012); Director of Blackbird Energy Inc. (since July, 2008); Chief Financial Officer of Blackbird Energy Inc. (July, 2008 to February, 2015); Chief Financial Officer of NV Gold Corporation (since November, 2009); Director of Pennant Energy Inc. (September 2013 to April 2014) Chief Financial Officer of Pennant Energy Inc. (November, 2012 to April 2014).

Name and place of residence	Offices Held	Director Since	SpinCo Shares Hold	Principal Occupation in Past Five Years
Lisa Sharp British Columbia Canada	Chief Financial Officer and Corporate Secretary	N/A	Nil	Chief Financial Officer of Gold Canyon since May, 2012. Chief Financial Officer and Secretary of Venerable Ventures Ltd. (since February 1, 2010); Chief Financial Officer of Levon Resources Ltd. (June, 2008 to March, 2012); Chief Financial Officer of Bralorne Gold Mines Ltd. (June, 2008 to March, 2012); Chief Financial Officer of Avino Silver & Gold Mines Ltd. (June, 2008 to March, 2012); Chief Financial Officer of Coral Gold Resources Ltd. (June, 2008 to January, 2012); Chief Financial Officer of Gray Rock Resources Ltd. (June, 2008 to September, 2011); Chief Financial Officer of Mill Bay Ventures Inc. (June, 2008 to August, 2011).

The directors of SpinCo will be elected at each annual general meeting and hold office until the next annual general meeting or until their successors are appointed. The board of directors appoints SpinCo's officers annually to serve at the discretion of the board.

None of SpinCo's directors or executive officers currently own SpinCo Shares. Upon the completion of the Arrangement, it is estimated that the directors and executive officers as a group, will beneficially own, or control or direct, directly or indirectly, an aggregate of 217,275 SpinCo Shares representing approximately 4.05% of the issued SpinCo Shares post-Arrangement, based on the following assumptions: (i) that there will be 160,775,447 Gold Canyon Shares issued and outstanding immediately prior to the Effective Date; and (ii) that none of the Gold Canyon Warrants outstanding as of the date of this Circular will be exercised prior to the Effective Date.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Lisa Sharp, the Chief Financial Officer and Corporate Secretary of SpinCo, was the Chief Financial Officer and Corporate Secretary of Sonoro Energy Ltd. (formerly Sonic Technology Solutions Inc.) until December, 2009, which was subject to a management cease trade order issued in May, 2009 in British Columbia due to the failure to file comparative financial statement for the financial year ended December 31, 2008 together with related MD&A. Sonic Technology Solutions Inc. subsequently filed the required documents and the management cease trade order was revoked in July, 2009.

As at the date of this Circular, no director or executive officer of SpinCo is, or has been, within 10 years before the date of this Circular:

- (a) a director, chief executive officer or chief financial officer of any company (including SpinCo and any personal holding company of the proposed director) that, while that person was acting in that capacity:
 - (i) was subject to a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order) or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an "Order"); or
 - (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) a director or executive officer of any company (including SpinCo and any personal holding company of the proposed director) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No director or executive officer of SpinCo, and no shareholder holding a sufficient number of securities of SpinCo to affect materially the control of SpinCo has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory

- authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

The foregoing information, not being within the knowledge of SpinCo, has been furnished by the respective directors, officers and shareholders holding a sufficient number of securities of SpinCo to affect materially the control of SpinCo.

Conflicts of Interest

There are potential conflicts of interest to which SpinCo's directors and officers may be subject in connection with the proposed operations of SpinCo. Many of the directors and officers of SpinCo are also directors of other mineral exploration companies, which may from time to time be in competition with SpinCo for working interest partners, property acquisitions, or other limited resources. Where required by law, the applicable directors will make appropriate disclosure of such conflicts. In particular, SpinCo will follow the provisions of BCBCA. These provisions state that in the event that a director has an interest in a contract or proposed contract or agreement, such director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise permitted by the BCBCA. See "Risk Factors - Conflicts of Interest" herein for further details.

EXECUTIVE COMPENSATION

Since incorporation, SpinCo has not carried on any business and has not completed a financial year. As of the date of this Circular, no compensation or benefits of any nature have been paid by SpinCo to its directors or officers and none will be paid until the completion of the Arrangement (see "Interest of Certain Persons in Matters to be Acted Upon" herein). Following the Effective Date, it is anticipated that the executive officers of SpinCo will be paid compensation at levels comparable with other junior exploration companies of similar size and character.

SpinCo has no compensation plan or arrangement to compensate executive officers in the event of the termination of employment (resignation, retirement, change of control) or in the event of a change in responsibilities following a change in control.

SpinCo has no arrangements under which directors are compensated by SpinCo for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert since incorporation up to and including the date of this Circular. SpinCo may reimburse directors for reasonable out of pocket expenses incurred while acting in their capacity as a director of SpinCo.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, there was no indebtedness outstanding of any current or former director or executive officer of SpinCo (or any associates of such persons) which is owing to SpinCo, or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by SpinCo, entered into in connection with a securities purchase program or otherwise.

No individual who is, or at any time since the date of SpinCo's incorporation was, a director or executive officer of SpinCo and no associate of such persons:

- (c) is, or at any time since the date of SpinCo's incorporation has been, indebted to SpinCo; or
- (d) whose indebtedness to another entity is, or at any time since the date of SpinCo's incorporation has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by SpinCo.

in connection with a securities purchase program or otherwise.

AUDIT COMMITTEES AND CORPORATE GOVERNANCE

Audit Committee Charter

SpinCo has appointed an Audit Committee and the text of the Audit Committee's charter is attached as Appendix

“1” to Schedule “K” to this Circular.

Composition of Audit Committee

Ron Schmitz, Quinton Hennigh and Akiko Levinson are members of SpinCo’s Audit Committee. A member of an audit committee is independent if the member has no direct or indirect material relationship with SpinCo, which could, in the view of the board of directors, reasonably interfere with the exercise of a member’s independent judgment. An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by SpinCo’s financial statements. Ron Schmitz and Quinton Hennigh are considered “independent” and all members are considered “financially literate”, as those terms are defined in applicable securities legislation.

Relevant Education and Experience

Ron Schmitz received an Associate of Commerce Diploma in May, 1985 from Malaspina College, Nanaimo, British Columbia and, as of June, 1987, had completed three years of the Certified General Accountants program. Mr. Schmitz is the President and owner of ASI Services, which has provided accounting and administration services since 1995 to public companies listed on the TSX-Venture, CSE and OTC-BB. Mr. Schmitz is a director of Blackbird Energy Inc. and Chief Financial Officer of NV Gold Corporation.

Dr. Quinton Hennigh obtained a Ph.D. in Geology/Geochemistry from the Colorado School of Mines. Dr. Hennigh is a director and Technical Advisor to Gold Canyon, the President and Chief Executive Officer of Novo Resources Corp., the Chief Geologist of EurOmax Resources, the Technical Advisor and a director to Prosperity Goldfields Corp. and a director to NV Gold Corp.

Akiko Levinson has been the President of Gold Canyon since 2003, and a director of Gold Canyon since 1991. Also, Ms. Levinson is a director of Novo Resources Corp., a director of Jipangu Inc., a Japanese public mining company, and a director of Kaizen Discovery Inc.

Audit Committee Oversight

At no time was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the board of directors.

Reliance on Certain Exemptions

At no time has SpinCo relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of National Instrument 52-110.

Pre-Approval Policies and Procedures

The Audit Committee is authorized by the board of directors to review the performance of SpinCo’s external auditors and approve in advance provision of services other than auditing and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by SpinCo. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chairman of the Audit Committee deems is necessary, and the Chairman will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee’s consideration, and if thought fit, approval in writing.

External Auditor Service Fees

The fees billed by SpinCo’s external auditors during its financial period from date of incorporation, on August 28, 2015, to September 28, 2015 for audit and non-audit related services provided to SpinCo or its subsidiaries (if any) are as follows: Audit Fees – Nil; Audit Related Fees – Nil; Tax Fees – Nil; and All Other Fees – Nil.

Corporate Governance

National Instrument 58-101 requires reporting issuers to disclose the corporate governance practices that they have adopted. SpinCo has not yet adopted any formal corporate governance policies but anticipates doing so in accordance with corporate and Securities Legislation, if applicable, subsequent to the Effective Date.

RISK FACTORS

In addition to the other information contained in this Circular, Gold Canyon Securityholders should consider carefully the following factors regarding the risks related to SpinCo and its proposed business:

Possible Non-Completion of Arrangement

There is no assurance that the Arrangement will receive approvals from the Securities Authorities, the Court, the Gold Canyon Securityholders or that the Arrangement will be completed. If the Arrangement does not complete, the Spin-Out Assets and the Spin-Out Liabilities will be retained by Gold Canyon and SpinCo will remain a private shell company.

No Operating History

SpinCo was incorporated on August 28, 2015, has not commenced operations and therefore has no operating history. The Spin-Out Assets and Spin-Out Liabilities will be transferred to SpinCo only in the event of completion of the Arrangement.

No Material Mineral Property

All of the mineral interests constituting the Spin-Out Assets have no material value to Gold Canyon. The mineral interests are either very early stage grassroots projects, have ceased to have further exploration work conducted upon them or are anticipated to be abandoned after the Effective Date. SpinCo's will be dependent upon management's ability to identify and acquire suitable mineral exploration interests and no assurance can be given that SpinCo will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, SpinCo may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There can be no assurance that commercially viable mineral deposits exist in any acquisitions or participations identified until further exploration work is done and, if warranted, comprehensive economic evaluation based upon that work is concluded.

Financing Risks

Additional financing will be required to satisfy the Spin-Out Liabilities, locate and acquire mineral projects and conduct exploration programs on any properties acquired. If SpinCo's proposed exploration programs are successful, additional funds will be required for the development of an economic mineral body and to place it in commercial production. The only sources of future funds presently available to SpinCo are the sale of equity capital, or the offering by SpinCo of an interest in its properties to be earned by another party or parties carrying out exploration or development thereof. There is no assurance that any such funds will be available for operations. Failure to obtain additional financing on a timely basis could cause SpinCo to reduce, delay or terminate its proposed operations, with the possible loss of such operations.

Economic & Political Risk

SpinCo's operations are in foreign jurisdictions where there may be a number of risks over which it will have no control. These risks may include risks relating to economic, social or political instability or change, terrorism, hyperinflation, currency non-convertibility or instability and changes of laws affecting foreign ownership, government participation, taxation, working conditions, rates of exchange, exchange control, exploration licensing and export duties as well as government control over domestic oil pricing. Certain areas present a significant political and economic risk in terms of stability, political and economic uncertainty.

No History of Earnings

SpinCo has not yet commenced operations and therefore has no history of earnings or of a return on investment, and there is no assurance that any of the properties constituting the Spin-Out Assets or other properties that SpinCo may subsequently acquire will generate earnings, operate profitably or provide a return on investment in the future. SpinCo has no plans to pay dividends for some time in the future. The future dividend policy of SpinCo will be determined by its board of directors.

Exploration and Development

Resource exploration and development is a speculative business and involves a high degree of risk. There is no known body of commercial ore in any of the properties comprising the properties constituting the Spin-Out Assets. There is no certainty that the capital expenditures to be made by SpinCo in the exploration of the properties constituting the Spin-Out Assets or other properties that SpinCo may subsequently acquire will result in discoveries of commercial quantities of minerals. The marketability of natural resources which may be acquired or discovered by SpinCo will be affected by numerous factors beyond the control of SpinCo. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in SpinCo not receiving an adequate return on invested capital.

Dependence on Management

SpinCo will be dependent upon the personal efforts and commitment of its management, which is responsible for the operation and development of its business. To the extent that management's services would be unavailable for any reason, a disruption to the operations of SpinCo could result, and other persons would be required to manage and operate SpinCo.

Conflicts of Interest

Certain directors and officers of SpinCo are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which may be potential competitors of SpinCo. Situations may arise in connection with potential acquisitions in investments where the other interests of these directors and officers may conflict with the interests of SpinCo. Directors and officers of SpinCo with conflicts of interest will be subject to and will follow the procedures set out in applicable corporate and securities legislation.

Dilution

Issuances of additional securities including, but not limited to, the SpinCo Shares will result in a substantial dilution of the equity interests of any persons who may become SpinCo Shareholders as a result of or subsequent to the Arrangement.

Market for Securities

There is currently no market through which the SpinCo Shares may be sold and SpinCo Shareholders may not be able to resell the SpinCo Shares acquired pursuant to the Arrangement. There can be no assurance that an active trading market will develop for the SpinCo Shares following the completion of the Plan of Arrangement, or if developed, that such a market will be sustained at the trading price of the SpinCo Shares immediately after the Effective Date.

Other Risk Factors

SpinCo will be subject to the similar risk factors to which Gold Canyon was exposed.

PROMOTERS

Gold Canyon took the initiative in SpinCo's organization and, accordingly, may be considered to be a promoter of SpinCo within the meaning of applicable securities legislation. Gold Canyon will not hold any SpinCo Shares following completion of the Arrangement. During the period from incorporation to and including the Effective Date, the only material asset which Gold Canyon will receive from SpinCo are the SpinCo Shares to be issued to Gold Canyon in exchange the Spin-Out Assets pursuant to the Plan of Arrangement, all of which SpinCo Shares will be distributed to Gold Canyon Shareholders pursuant to the Arrangement.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

To the knowledge of management of SpinCo, there are no other legal proceedings to which SpinCo is or was a party to or which any of its properties are or were the subject of, nor are any such proceedings known to be contemplated, during the recently completed financial year.

Regulatory Actions

To the knowledge of management of SpinCo, there have not been any penalties or sanctions imposed against SpinCo by a court relating to provincial and territorial securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against SpinCo, and SpinCo has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set forth elsewhere in this Circular, none of the following persons has any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect SpinCo:

- (a) a director or executive officer of SpinCo;
- (b) a person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of SpinCo's outstanding voting securities; and
- (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

AUDITORS, TRANSFER AGENTS AND REGISTRARS

Auditors

SpinCo currently has appointed Davidson & Company LLP, Chartered Accountants of 1200 - 609 Granville Street, Pacific Centre, Vancouver, British Columbia, V7Y 1G6 as its auditors who have issued an independent auditor's report dated October 5, 2015 relating to the financial statements of SpinCo for the period from incorporation on August 28, 2015 to August 31, 2015. Davidson & Company LLP have advised that they are independent of Gold Canyon and SpinCo in accordance with the rules of professional conduct of the Institute of Chartered Accountants of British Columbia and within the meaning of PCAOB Rule 3520, Auditor Independence.

Transfer Agents, Registrars, Trustees or Other Agents

Commencing from the Effective Date, SpinCo proposes to appoint Computershare Investor Services Inc., 510 Burrard Street, 2nd Floor, Vancouver, British Columbia V6C 3B9, as its registrar and transfer agent for the SpinCo Shares.

OTHER MATERIAL FACTS

Other than as described in this Circular in relation to the Transaction, SpinCo currently has no plans or proposals for any material changes in the affairs of SpinCo, such as any contract or agreement under negotiation, any proposal to liquidate SpinCo, to sell, lease or exchange all or a substantial part of its assets, to amalgamate it or to make any material changes in its business, corporate structure (debt or equity), management or personnel

Appendix “1”
SPINCO AUDIT CHARTER
IRVING RESOURCES INC.
(the “Company”)

**CHARTER FOR THE AUDIT COMMITTEE
OF THE BOARD OF DIRECTORS**

1. Mandate

- 1.1 The mandate of the Audit Committee established pursuant to this charter is to oversee the Company’s accounting and financial processes and audits of the Company’s financial statements, and reports thereon to the Board of Directors. Within this mandate, the Audit Committee’s role is to:
- a) support the Board of Directors in meeting its responsibilities to shareholders;
 - b) enhance the independence of the external auditor;
 - c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors; and
 - d) increase the credibility and objectivity of the Company’s financial reports and public disclosure.
- 1.2 In addition, the Audit Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

2. Membership

- 2.1 Each member of the Audit Committee must be a director of the Company.
- 2.2 The Audit Committee will consist of at least three members. The composition of the Audit Committee will comply with the regulatory requirements to which the Company is subject from time to time.
- 2.3 The members of the Audit Committee and its chairperson will be appointed from time to time by and will serve at the discretion of the Board of Directors.

3. Authority

- 3.1 In addition to all authority required to carry out the duties and responsibilities included in this charter, the Audit Committee has specific authority to:
- a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities;
 - b) communicate directly with management and any internal auditor and with the external auditor; and
 - c) approve interim financial statements and interim Management’s Discussion and Analysis on behalf of the Board of Directors.

4. Duties and Responsibilities

- 4.1 The duties and responsibilities of the Audit Committee include:
- a) recommending to the Board of Directors the external auditor to be nominated by the Board of Directors;
 - b) recommending to the Board of Directors the compensation of the external auditor;
 - c) reviewing the external auditor’s audit plan, fee schedule and any related services proposals;
 - d) overseeing the work of the external auditor;
 - e) reviewing the external auditor’s report, audit results and financial statements prior to approval by the Board of Directors;

- f) reporting on and recommending to the Board of Directors the annual financial statements and the external auditor's report on those financial statements, prior to Board approval and dissemination of financial statements to shareholders and the public;
 - g) reviewing financial statements, Management's Discussion and Analysis and annual and interim earnings press releases prior to public disclosure of this information;
 - h) ensuring adequate procedures are in place for review of all public disclosure of financial information by the Company, prior to its dissemination to the public;
 - i) overseeing the adequacy of the Company's system of internal accounting controls and obtaining from the external auditor summaries and recommendations for improvement of such internal accounting controls;
 - j) overseeing the effectiveness of the internal audit function;
 - k) resolving disputes between management and the external auditor regarding financial reporting;
 - l) establishing procedures to deal with complaints and concerns, from employees and others, regarding questionable accounting or auditing practices;
 - m) reviewing and approving the Company's hiring policies with respect to partners or employees (or former partners or employees) of either a former or present external auditor;
 - n) pre-approving all non-audit services to be provided to the Company or any subsidiaries by the Company's external auditor; and
 - o) overseeing compliance with regulatory authority requirements for disclosure of external auditor services and Audit Committee activities.
- 4.2 In addition to the above responsibilities, the Audit Committee will undertake such other duties as the Board of Directors delegates to it.
- 4.3 The Audit Committee will report, at least annually, to the Board regarding the Committee's examinations and recommendations.
- 5. Meetings**
- 5.1 The quorum for a meeting of the Audit Committee is a majority of the members of the Committee. Questions arising shall be determined by a majority of votes of the members of the Audit Committee present, and in the case of an equality of votes, the chairperson shall not have a second or casting vote.
- 5.2 The members of the Audit Committee may determine their own procedures.
- 5.3 The Audit Committee will meet at least once each year. The Audit Committee may establish its own meeting schedule.
- 5.4 The Audit Committee will meet with the President and with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company. The Audit Committee shall have unrestricted and unfettered access to all Company personnel and documents and shall be provided with the resources necessary to carry out its responsibilities.
- 5.5 The Audit Committee will meet with the external auditor of the Company at least once each year to review the external auditor's examination and report.
- 5.6 The chair of the Audit Committee must convene a meeting of the Audit Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.
- 6. Reports**
- 6.1 The Audit Committee will record its recommendations to the Board in written form.
- 7. Minutes**
- 7.1 The Audit Committee will maintain written minutes of its meetings, which minutes will be filed with the

minutes of the meetings of the Board of Directors.

- 7.2 A resolution approved in writing by all of the members of the Audit Committee shall be valid and effective as if it had been passed at a duly called meeting.

SCHEDULE L - FINANCIAL STATEMENTS OF SPINCO

GOLD CANYON (NON-GOLD EXPLORATION BUSINESS) AUDITED FINANCIAL STATEMENTS
GOLD CANYON (NON-GOLD EXPLORATION BUSINESS) UNAUDITED INTERIM FINANCIAL STATEMENTS
SPINCo UNAUDITED PRO FORMA FINANCIAL STATEMENTS

(See Attached)

SCHEDULE L-1 - GOLD CANYON (NON-GOLD EXPLORATION BUSINESS) AUDITED FINANCIAL STATEMENTS

(See Attached)

IRVING RESOURCES INC.
(Formerly 1047431 B.C. Ltd.)

FINANCIAL STATEMENTS

For the period from incorporation on August 28, 2015 to August 31, 2015
(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Directors of
Irving Resources Inc. (formerly 1047431 B.C. Ltd.)

We have audited the accompanying financial statements of Irving Resources Inc. (formerly 1047431 B.C. Ltd.), which comprise the statement of financial position as at August 31, 2015, and the statements of loss and comprehensive loss, cash flows and changes in shareholder's equity for the period from incorporation on August 28, 2015 to August 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Irving Resources Inc. (formerly 1047431 B.C. Ltd.) as at August 31, 2015 and its financial performance and its cash flows for the period from incorporation on August 28, 2015 to August 31, 2015 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Irving Resources Inc. (formerly 1047431 B.C. Ltd.)'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada

Chartered Professional Accountants

October 5, 2015



IRVING RESOURCES INC. (Formerly 1047431 B.C. Ltd.)
STATEMENT OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

August 31,
2015

ASSETS

Current

Cash

\$ 1

\$ 1

SHAREHOLDERS' EQUITY

Shareholders' equity

Share capital

\$ 1

Nature and continuance of operations(Note 1)

Subsequent Events (Note4)

On behalf of the Board:

“Akiko Levinson”

Director

“Ron Schmitz”

Director

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

IRVING RESOURCES INC. (Formerly 1047431 B.C. Ltd.)

STATEMENT OF LOSS AND COMPREHENSIVE LOSS

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON AUGUST 28, 2015 TO AUGUST 31, 2015

Loss and comprehensive loss for the period	\$ -
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The accompanying notes are an integral part of these financial statements.

IRVING RESOURCES INC. (Formerly 1047431 B.C. Ltd.)
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(Expressed in Canadian Dollars)
FOR THE PERIOD FROM INCORPORATION ON AUGUST 28, 2015 TO AUGUST 31, 2015

	Common Shares	
	Number	Amount
Issuance of common share	1	\$ 1

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

IRVING RESOURCES INC. (Formerly 1047431 B.C. Ltd.)

STATEMENTS OF CASH FLOWS

(Expressed in Canadian Dollars)

FOR THE PERIOD FROM INCORPORATION ON AUGUST 28, 2015 TO AUGUST 31, 2015

CASH FLOWS FROM FINANCING ACTIVITIES

Common share issued	\$ <u>1</u>
Change in cash during the period	1
Cash, beginning of the period	<u>-</u>
Cash, end of the period	\$ 1

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

IRVING RESOURCES INC. (Formerly 1047431 B.C. Ltd.)

Form 51-102F1: Management Discussion and Analysis
FOR THE PERIOD ENDED AUGUST 31, 2015

1. NATURE AND CONTINUANCE OF OPERATIONS

Irving Resources Inc. (the “Company” or “Irving Resources”) was incorporated under the Business Corporation Act (British Columbia) on August 28, 2015 under the name 1047431 B.C. Ltd. and is a privately held company and wholly-owned subsidiary of Gold Canyon Resources Inc. (“Gold Canyon”). On September 23, 2015, the Company changed its name to Irving Resources. The corporate office is located at Suite 810 – 609 Granville Street, Vancouver, BC V7Y 1G5.

Gold Canyon is in the process of completing an arrangement as described in Note 4 that will result in Irving Resources holding title to various exploration properties located in Africa. These financial statements reflect the financial position, comprehensive earnings (loss), cash flows and changes in shareholder equity in the Company as at August 31, 2015 and for the period from incorporation on August 28, 2015 to August 31, 2015. Irving Resources has not begun any operating activities.

While these financial statements have been prepared on a going concern basis which assumes the realization of assets and liquidation of liabilities in the normal course of business, there are material uncertainties that may cast significant doubt upon the Company’s ability to continue as a going concern. The Company has no sources of funding and its business and arrangement disclosed in Note 4 are dependent on approvals by the shareholders of Gold Canyon, applicable regulatory authorities and the Supreme Court of British Columbia.

2. BASIS OF PREPARATION

These financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These financial statements were authorized for issue by the Board of Directors on September 25, 2015.

3. COMMON SHARE

The Company’s authorized common shares consist of an unlimited number of common shares without par value. Upon incorporation on August 28, 2015, the Company issued one common share at a price of \$1.00 to Gold Canyon.

4. SUBSEQUENT EVENT

On September 1, 2015, Gold Canyon announced that it had entered into a definitive agreement (the “Agreement”) pursuant to which First Mining Finance Corp. (“First Mining”) has agreed to acquire all of the issued and outstanding common shares of both Gold Canyon and PC Gold Inc. (“PC Gold”). Under the Agreement, shareholders of Gold Canyon will receive one common share of First Mining for each Gold Canyon share held in addition to shares in Irving Resources, which will hold certain non-gold exploration assets currently held by Gold Canyon.

IRVING RESOURCES INC. (Formerly 1047431 B.C. Ltd.)

Form 51-102F1: Management Discussion and Analysis
FOR THE PERIOD ENDED AUGUST 31, 2015

4. SUBSEQUENT EVENT (cont'd)

The Agreement will also provide for the issuance by First Mining of an aggregate of approximately 11,880,454 replacement warrants to holders of unexercised Gold Canyon warrants and approximately 6,032,500 replacement stock options to holders of unexercised Gold Canyon options (the "Replacement Options") (assuming no exercise of existing warrants or options). All other terms and conditions of the Replacement Warrants and Replacement Options will be the same as the warrant or option for which they were exchanged. Replacement Options will be governed by the terms of First Mining's stock option plan, except that the terms and conditions of the First Mining stock option plan relating to accelerated expiry of options on account of early termination after ceasing to hold office or ceasing to be an employee or consultant will not apply to the Replacement Options and such Replacement Options will instead expire on the earlier of the expiry date of the Gold Canyon options for which they were exchanged and the date 12 months after closing.

In connection with the Gold Canyon Transaction, each Gold Canyon shareholder will also receive 0.03333 common shares of Irving Resources for each Gold Canyon common share held. As part of the Arrangement, Gold Canyon will transfer its early stage non-gold exploration properties together with \$500,000 in cash and certain other assets currently owned by Gold Canyon to Irving Resources.

GOLD CANYON RESOURCES INC. (NON-GOLD EXPLORATION BUSINESS)

CONSOLIDATED FINANCIAL STATEMENTS

For the Years Ended November 30, 2014 and 2013

(Expressed in Canadian Dollars)

INDEPENDENT AUDITORS' REPORT

To the Directors of
Gold Canyon Resources Inc. (Non - gold Exploration Business)

We have audited the accompanying consolidated financial statements of Gold Canyon Resources Inc. (Non - gold Exploration Business), which comprise the consolidated statements of financial position as at November 30, 2014 and 2013 and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Gold Canyon Resources Inc. (Non - gold Exploration Business) as at November 30, 2014 and 2013 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.



Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Gold Canyon Resources Inc. (Non - gold Exploration Business)'s ability to continue as a going concern.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

October 5, 2015

GOLD CANYON RESOURCES INC.(Non-Gold Exploration Business)
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars)
AS AT

	Note	November 30, 2014	November 30, 2013
ASSETS			
Current			
Cash		\$ 496,835	\$ 594,586
Receivables		<u>62</u>	<u>143</u>
		496,897	594,729
Equipment	5	14,943	19,460
Exploration and evaluation assets	6	<u>1,497,674</u>	<u>1,465,276</u>
		\$ 2,009,514	\$ 2,079,465
LIABILITIES & EQUITY IN NET ASSETS			
Current			
Accounts payable & accrued liabilities		\$ 71,460	\$ 221,296
Equity in net assets			
Contributions from Gold Canyon		2,170,879	2,024,642
Deficit		<u>(232,825)</u>	<u>(166,473)</u>
		<u>1,938,054</u>	<u>1,858,169</u>
		\$ 2,009,514	\$ 2,079,465

Nature of operations (Note 1)
Subsequent event (Note 15)

On behalf of the Board:

"Akiko Levinson" Director _____
"Ron Schmitz" Director

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

GOLD CANYON RESOURCES INC.(Non-Gold Exploration Business)
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)
For the years ended

	Note	November 30, 2014	November 30, 2013
EXPENSES			
Depreciation	5	\$ 4,517	\$ 5,287
Management fees		9,088	8,330
Office and miscellaneous		4,851	10,090
Professional fees		800	679
Salaries and benefits		17,641	9,167
Telephone		<u>695</u>	<u>1,220</u>
Operating expenses		<u>(37,591)</u>	<u>(34,773)</u>
Interest income		55	230
Management income		21,910	83,422
Write-off of exploration and evaluation assets	6	<u>(50,726)</u>	<u>(194,805)</u>
		<u>(28,761)</u>	<u>(111,153)</u>
Loss and comprehensive loss for the year		<u>\$ (66,352)</u>	<u>\$ (145,925)</u>

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

GOLD CANYON RESOURCES INC.(Non-Gold Exploration Business)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
For the years ended

	November 30, 2014	November 30, 2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	\$ (66,352)	\$ (145,925)
Adjustments		
Depreciation	4,517	5,287
Write-off of exploration and evaluation assets	50,726	194,805
Interest income	(55)	(230)
	<u>(11,164)</u>	<u>53,937</u>
Change in non-cash working capital items:		
Accounts receivables	<u>81</u>	<u>4,152</u>
Net cash used in operating activities	<u>(11,083)</u>	<u>58,069</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions from Gold Canyon	<u>146,237</u>	<u>276,652</u>
Net cash provided by financing activities	<u>146,237</u>	<u>276,652</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	55	230
Acquisition of equipment	-	(6,970)
Exploration and evaluation assets, net of recoveries	<u>(232,960)</u>	<u>(822,197)</u>
Net cash used in investing activities	<u>(232,905)</u>	<u>(828,937)</u>
Change in cash during the year	(97,751)	(494,196)
Cash, beginning of the year	<u>594,586</u>	<u>1,088,782</u>
Cash, end of the year	<u>\$ 496,835</u>	<u>\$ 594,586</u>

Supplemental disclosure with respect to cash flows (Note 12)

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

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY INNET ASSETS
(Expressed in Canadian Dollars)

	Contributions from Gold Canyon	Deficit	Total
Balance, November 30, 2012	\$1,747,990	\$ (20,548)	\$ 1,727,442
Contributions from Gold Canyon	276,652	-	276,649
Net loss for the year	-	(145,925)	(145,925)
Balance, November 30, 2013	\$ 2,024,642	\$ (166,473)	\$ 1,858,169
Contributions from Gold Canyon	146,237	-	146,237
Net loss for the year	-	(66,352)	(66,352)
Balance, November 30, 2014	\$ 2,170,879	\$ (232,825)	\$ 1,938,054

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

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

1. NATURE OF OPERATIONS

These consolidated financial statements reflect the financial position, results of operations and cash flows of Gold Canyon Resources Inc. (Non-Gold Exploration Business) (the “Business”). The corporate office of Gold Canyon Resources Inc. (“Gold Canyon”) is located at Suite 810 – 609 Granville Street, Vancouver, BC V7Y 1G5.

On September 1, 2015, Gold Canyon announced that it had entered into a definitive agreement (the “Agreement”) pursuant to which First Mining Finance Corp. (“First Mining”) will acquire all of the issued and outstanding common shares of both Gold Canyon and PC Gold Inc. (“PC Gold”). Under the Agreement, shareholders of Gold Canyon will receive one common share of First Mining for each Gold Canyon share held in addition to shares in a Spin-Out entity, Irving Resources Inc., which will hold certain non-gold exploration assets currently held by Gold Canyon.

The Agreement has been approved by Gold Canyon’s board of directors and is subject to approval by the shareholders who will vote at a special general meeting scheduled for November 6, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). The accounting policies applied in these financial statements are based on IFRS issued and in effect as at November 30, 2014.

These financial statements were authorized for issue by the Board of Directors on September 25, 2015.

b) Basis of Measurement

These consolidated financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

Principles of consolidation

The consolidated financial statements include the financial statements of the Business, comprised of the following:

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

	Jurisdiction	Nature of Operation	Equity Interest
Gold Canyon Kratz Spring, LLC (“Kratz Spring LLC”)	Colorado, USA	Exploration	100%
River Stone Limited (“RSL”)	Malawi, Africa	Exploration	100%
Spring Stone Limited (“SSL”)	Malawi, Africa	Exploration	100%
Spring Take Limited (“STL”)	Tanzania, Africa	Exploration	100%
Spring Stone Mining Corporation (“SSM”)	BC, Canada	Holding	100%
Spring Stone Exploration Inc. (“SSE”)	BC, Canada	Holding	100%

All inter-company balances and transactions have been eliminated on consolidation.

Financial instruments*Financial Assets*

Financial assets are classified into one of the following categories: fair value through profit or loss, loans and receivables, available-for-sale, or held-to-maturity investments. The classification depends on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. Management determines the classification of its financial assets at initial recognition. The Business accounting policy for each category is as follows:

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term and are classified as current assets. Derivatives are also categorized as held for trading unless they are designated as hedges.

(ii) Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd...)

(iii) Available-For-Sale Investments

Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally of the Company's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in accumulated other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

Purchase and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

(iv) Held-to-maturity investments

The held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs.

The Business has classified its cash as fair value through profit and loss. The Business's receivables are classified as loans and receivables.

Impairment of Financial Assets

The Business assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

Financial Liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise accounts payables and accrued liabilities. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

The Business classifies its accounts payable as other financial liabilities.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Exploration and evaluation assets – mineral properties

Pre-exploration costs

Pre-exploration costs are expensed in the period in which they are incurred.

Exploration and evaluation expenditures

Once the legal right to explore a property has been acquired, costs directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to acquisition costs. These direct expenditures include such costs as material used, surveying costs, drilling costs, payments made to contractors and depreciation on plant and equipment during the exploration phase. Costs not directly attributable to exploration and evaluation activities, including general administrative overhead costs, are expensed in the period in which they occur.

When a project is deemed to no longer have commercially viable prospects to the Business, mineral property expenditures in respect of that project are deemed to be impaired. As a result, those mineral property expenditures, in excess of estimated recoveries, are written off to the statement of loss and comprehensive loss.

The Business assesses mineral properties for impairment when facts and circumstances suggest that the carrying amount of an asset may exceed its recoverable amount.

Once the technical feasibility and commercial viability of extracting the mineral resource has been determined, the property is considered to be a mine under development and is classified as “mine under construction”. Mineral property assets are also tested for impairment before the assets are transferred to development properties.

As the Business currently has no operational income, any incidental revenues earned in connection with exploration activities are applied as a reduction to capitalized exploration costs.

Income taxes

Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable loss; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Income taxes (cont'd)

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Business intends to settle its current tax assets and liabilities on a net basis.

Provisions

Rehabilitation Provision

The Business is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Business records the present value of the estimated costs of legal and constructive obligations required to restore the exploration sites in the period in which the obligation is incurred. The nature of the rehabilitation activities includes restoration, reclamation and re-vegetation of the affected exploration sites.

The rehabilitation provision generally arises when the environmental disturbance is subject to government laws and regulations. When the liability is recognized, the present value of the estimated cost is capitalized by increasing the carrying amount of the related mining assets. Over time, the discounted liability is increased for the changes in present value based on current market discount rates and liability-specific risks.

Additional environment disturbances or changes in rehabilitation costs will be recognized as additions to the corresponding assets and rehabilitation liability in the period which they occur.

Other Provisions

Provisions are recognized for liabilities of uncertain timing or amount that have arisen as a result of past transactions, including legal or constructive obligations. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date.

Equipment

Recognition and Measurement

On initial recognition, equipment is valued at cost, being the purchase price and directly attributable costs of acquisition required to bring the asset to the location and condition necessary to be capable of operating in a manner intended by the Business, including appropriate borrowing costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liability is recognized within provisions.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Equipment (cont'd)

Equipment is subsequently measured at cost less accumulated depreciation, less any accumulated impairment losses, with the exception of land which is not amortized.

When parts of an item of equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

Subsequent Costs

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Business and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the profit or loss during the financial period in which they are incurred.

Major Maintenance and Repairs

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Business and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of day-to-day servicing of property and equipment are recognized in profit or loss as incurred.

Gains and Losses

Gains and losses on disposal of an item of equipment are determined by comparing the proceeds from disposal with the carrying amount, and are recognized net within other income in profit or loss.

Depreciation

Depreciation is recognized in profit or loss and equipment is depreciated over their estimated useful lives using the following methods:

Computer equipment	30% declining balance
Office furniture and fixtures	20% declining balance

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Foreign currencies

The functional currency is the currency of the primary economic environment in which the entity operates and has been determined for each entity within the Business. The functional currency for the Business and its subsidiaries is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Business that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expenses are translated at the exchange rates approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statement of loss and comprehensive loss.

Impairment of non-financial assets

The carrying amounts of the Business's non-financial assets, other than deferred tax assets if any, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit" or "CGU"). The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

The Business's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. A reversal of an impairment loss is recognized immediately in profit or loss.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Contributions

Contributions from Gold Canyon to the Business are presented as part of equity. The Business has no share capital, options or warrants, and as a result, there is no applicable share-related disclosures.

3. NEW ACCOUNTING PRONOUNCEMENTS FOR ADOPTION IN FUTURE PERIODS

The Business has reviewed new and revised accounting pronouncements that have been issued but are not yet effective as of November 30, 2014. The Business has not early adopted any of these standards. Adopting these standards is expected to have minimal or no impact on the Business's financial statements.

Accounting Standards Issued and Effective on or after December 1, 2014.

IFRS 10, IFRS 12, IAS 27, Exception from Consolidation for "Investment Entities" - amended to define an "investment entity" and introduce an exception from consolidation for investment entities. IFRS 12 and IAS 27 are amended to introduce disclosures that an investment entity needs to make.

IAS 32, Financial Instruments: Presentation - amended to clarify requirements for offsetting of financial assets and financial liabilities.

IAS 36, Impairment of Assets – amended to address the disclosures required regarding the recoverable amount of impaired assets or cash generating units (CGUs) for periods in which an impairment loss has been recognized or reversed.

IAS 39, Hedge Accounting and Novation of Derivatives– amended to provide relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty ("CCP") meets specified criteria.

IFRIC 21, Accounting for Levies Imposed by Governments - clarifies that the obligating event giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payment of the levy.

IFRS 9, Financial Instruments - the complete version was issued in July 2014. The completed standard provides for revised guidance on the classification and measurement of financial assets. It also introduces a new expected credit loss model for calculating impairment for financial assets. The new hedging guidance that was issued in November 2013 is incorporated into this new final standard. This final version of IFRS 9 will be effective for periods beginning on or after January 1, 2018, with early adoption permitted.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Business makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) Exploration and evaluation expenditures

The application of the Business's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Business, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

b) Title to mineral property interests

Although the Business has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Business's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

5. EQUIPMENT

	Computer equipment	Office furniture and fixtures	Total
Cost			
Balance, November 30, 2012	\$ 15,972	\$ 14,378	\$ 30,350
Additions	-	6,970	6,970
Disposals	-	-	-
Balance, November 30, 2013	15,972	14,378	30,350
Additions	-	-	-
Disposals	-	-	-
Balance, November 30, 2014	\$ 15,972	\$ 21,348	\$ 37,320
Accumulated depreciation			
Balance, November 30, 2012	\$ 9,023	\$ 3,550	\$ 12,573
Additions	2,084	3,203	5,287
Disposals	-	-	-
Balance, November 30, 2013	11,107	6,753	17,860
Additions	1,459	3,058	4,517
Disposals	-	-	-
Balance, November 30, 2014	\$ 12,566	\$ 9,811	\$ 22,377
Carrying amounts			
At November 30, 2013	\$ 4,865	\$ 14,595	\$ 19,460
At November 30, 2014	\$ 3,406	\$ 11,537	\$ 14,943

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS

The following expenditures were incurred on the Business's exploration and evaluation assets:

For the year ended November 30, 2014	Rare Earth Element Projects
Opening balance	<u>\$ 1,465,276</u>
Assaying, sampling and metallurgy	14,192
Consulting, management and administration	170,617
Staking and maintenance fees	23,976
Travel, transport, fuel and shipping	<u>34,185</u>
	242,970
Less: costs recovered	<u>(159,846)</u>
	<u>83,124</u>
Total, deferred exploration costs	1,548,400
Less: write-off of deferred exploration costs	<u>(50,726)</u>
Total, exploration and evaluation assets	<u>\$ 1,497,674</u>

For the year ended November 30, 2013	Rare Earth Element Projects
Opening balance	<u>\$ 1,190,804</u>
Assaying, sampling and metallurgy	440,878
Camp costs	2,835
Consulting, management and administration	814,918
Staking and maintenance fees	23,239
Travel, transport, fuel and shipping	<u>110,939</u>
	1,392,809
Less: costs recovered	<u>(923,532)</u>
	<u>469,277</u>
Total, deferred exploration costs	1,660,071
Less: write-off of deferred exploration costs	<u>(194,805)</u>
Total, exploration and evaluation assets	<u>\$ 1,465,276</u>

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Business has investigated title to all of its exploration and evaluation assets and to the best of its knowledge, title to all of the assets is in good standing.

Rare Earth Element (“REE”) Projects

Kratz Spring Property

In December 2008, the Business acquired 53 mineral property rights located in Franklin County, Missouri, USA by paying delinquent taxes and other costs.

The Business entered into a Joint Exploration Agreement (“JEA”) with Japan Oil, Gas and Metals National Corporation (“JOGMEC”) on January 22, 2009. Under the terms of the agreement, JOGMEC earned an 80% interest in the Kratz Spring Project by making an initial contribution of US\$75,000 and reimbursed the Business for all property expenses incurred before March 31, 2009. As a result of the recovery from JOGMEC, the carrying value of the Kratz Spring property was \$nil.

Malawi Properties

The Business has a REE exploration program in Malawi, Africa through its JEA with its joint venture participant, JOGMEC. The REE exploration is being operated by the Business. Under the JEA, the participating interest and contributions of each of the joint venture partners is 67% JOGMEC and 33% the Business.

Three Exclusive Prospecting Licenses (“EPL”) were granted to the joint venture by the Malawi Ministry of Natural Resources, Energy Environment. These EPL’s are the Mulanje Project, the Mangochi Project, and the Thyolo Project. Exploration work on the Mulanje Project was carried out by the Business’s wholly owned subsidiary, SSL, pursuant to the terms of the JEA with JOGMEC. Exploration work on the Thyolo Project was carried out by the Business’s wholly owned subsidiary, RSL, pursuant to the terms of the JEA with JOGMEC. During the year ended November 30, 2014, the Business did not renew the EPL on the Thyolo Project. As a result, the Business wrote-off \$50,726 in costs associated with the Thyolo Project to operations. During the year ended November 30, 2013, the Business did not renew the EPL on the Mangochi Project and consequently wrote off \$194,805 to operations.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

Tanzania Project

During the year ended November 30, 2014, the Business, through its wholly owned Tanzanian subsidiary, Spring Take Limited (“STL”), was granted a Prospecting Licence (“PL”) by the Ministry of Energy and Minerals in the United Republic of Tanzania, Africa. The PL covers certain areas in the Masasi District. This project is also part of the JEA with JOGMEC. Under the JEA, the participating interest and contributions of each of the joint venture partners is 90% JOGMEC and 10% the Business. The Business has the option to increase its participating interest up to 33% with the reimbursement to JOGMEC of the exploration costs incurred.

During the year, the Business incurred \$242,970 (2013 - \$1,392,809) in expenditures and recovered \$159,846 (2013 - \$923,532) from JOGMEC on these projects.

7. JOINT EXPLORATION ALLIANCE

The Business entered into a JEA on January 22, 2009, under which JOGMEC contributes 80% of the funding and holds an 80% option to all of the JEA projects. During the year ended November 30, 2011 the Business increased its participating interest from 20% to 33% and JOGMEC decreased its participating interest from 80% to 67%. The Business’s participating interest on the Tanzanian Project is 10% and JOGMEC’s participating interest is 90% with an option to increase its participating interest up to 33%.

The Business, as operator of the JEA, conducted REE project identification and exploration. The objective of the JEA is to identify, analyze and perform metallurgical evaluation leading to production of REEs. All the property investigation costs will be expensed as incurred until the Business assesses whether there is any future benefit of REEs and acquires the rights to the property.

8. SEGMENTED INFORMATION

The Business operates in one reportable segment, being the acquisition and exploration of non-gold metals in Africa and the U.S. as outlined in Note 6. Equipment is located in Canada.

9. RELATED PARTY TRANSACTIONS

During the year ended November 30, 2014, the Business paid or accrued \$16,459 (2013 - \$36,860) in fees to a director of the Business of which \$12,542 (2013 - \$24,696) has been recovered from JOGMEC and \$3,917 (2013 - \$12,164) has been capitalized to deferred exploration costs.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

As at November 30, 2014, the Business's financial instruments are comprised of cash, receivables, and accounts payable and accrued liabilities. The carrying value of receivables, accounts payable and accrued liabilities approximates their fair values due to the relatively short periods to maturity of these financial instruments.

Financial instruments measured at fair value on the statement of financial position are summarized in levels of fair value hierarchy as follows:

Assets	Level 1	Level 2	Level 3	Total
Cash	\$ 496,835	-	-	\$ 496,835
Total	\$ 496,835	\$ -	\$ -	\$ 496,835

The Business has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. Management and the Board of Directors monitor risk management activities and review the adequacy of such activities.

Credit risk

Credit risk is the risk of potential loss to the Business if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Business's credit risk is limited to the carrying amount on the statement of financial position and arises from the Business's cash and receivables.

The Business's cash is held with high-credit quality financial institutions. Receivables mainly consist of goods and services tax due from the Federal Government of Canada.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Liquidity risk

Liquidity risk is the risk that the Business will not meet its financial obligations as they fall due. The Business manages its liquidity risk by forecasting cash flows from operations, and anticipating investing and financing activities. As at November 30, 2014, the Business had cash of \$496,835 to settle current liabilities of \$71,460 which have contractual maturities of less than 30 days and are subject to normal trade terms.

Market risk

Market risk is the risk of loss that may arise from changes in market prices, such as interest rates and foreign exchange rates.

i) Interest rate risk

The Business has cash balances and no interest-bearing debt. The Business's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institutions. The Business periodically monitors the investments it makes and is satisfied with the credit rating of its banks.

ii) Price risk

The Business is exposed to price risk with respect to commodity and equity prices. The ability of the Business to explore its mineral properties and future profitability of the Business are directly related to the market price of rare earth elements and other non-gold minerals. The Business monitors commodity prices to determine appropriate actions to be undertaken.

iii) Foreign exchange rate risk

The Business's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Business funds certain operations, exploration and administrative expenses in the United States by using US dollars converted from its Canadian bank accounts. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

Based on management's knowledge of and experience in the financial markets, management does not believe that the Business's current financial instruments will be affected by credit risk, liquidity risk or market risk.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

11. CAPITAL MANAGEMENT

The Business's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to meet the Business's property exploration plans and to ensure the growth of activities.

The Business sets the amount of capital in proportion to risk. The Business manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Business is in the exploration stage; as such the Business will rely on the equity markets to fund its activities. The Business will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions for the year ended November 30, 2014:

- a) Included in accounts payable and accrued liabilities are \$71,460 related to deferred exploration costs.

The significant non-cash transactions for the year ended November 30, 2013

- b) Included in accounts payable and accrued liabilities are \$221,296 related to deferred exploration costs.

13. COMMITMENTS

The Business has a lease agreement for its office premises ending August 31, 2015. Minimum lease payments remaining are as follows:

2015	<u>\$ 19,603</u>
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GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

14. INCOMES TAXES

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	2014	2013
Loss for the year	\$ (66,352)	\$ (145,925)
Expected income tax (recovery)	\$ (17,000)	\$ (38,000)
Change in statutory, foreign tax, foreign exchange rates, and other	(31,000)	(13,000)
Change in unrecognized deductible temporary differences	48,000	51,000
Total income tax expense (recovery)	\$ -	\$ -

The significant components of the Company's deferred tax assets that have not been included on the consolidated statements of financial position are as follows:

	2014	2013
Deferred tax assets		
Exploration and evaluation assets	\$ 131,000	\$ (9,505,000)
Non-capital losses available for future periods	64,000	2,535,000
	195,000	147,000
Unrecognized deferred tax assets	(195,000)	(147,000)
Net deferred tax assets	\$ -	\$ -

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

	2014	Expiry Date Range	2013	Expiry Date Range
Temporary Differences				
Exploration and evaluation assets	\$ 505,000	No expiry date	\$ 386,000	No expiry date
Non-capital losses available for future period	248,000	2021 to 2034	181,000	2021 to 2033

Tax attributes are subject to review, and potential adjustment, by tax authorities.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Consolidated Financial Statements

For the year ended November 30, 2014

(Expressed in Canadian Dollars)

15. SUBSEQUENT EVENT

On September 1, 2015, Gold Canyon announced that it had entered into a definitive agreement (the "Agreement") pursuant to which First Mining Finance Corp. ("First Mining") has agreed to acquire all of the issued and outstanding common shares of both Gold Canyon and PC Gold Inc. ("PC Gold"). Under the Agreement, shareholders of Gold Canyon will receive one common share of First Mining for each Gold Canyon share held in addition to shares in Irving Resources, which will hold certain non-gold exploration assets currently held by Gold Canyon.

The Agreement will also provide for the issuance by First Mining of an aggregate of approximately 11,880,454 replacement warrants to holders of unexercised Gold Canyon warrants and approximately 6,032,500 replacement stock options to holders of unexercised Gold Canyon options (the "Replacement Options") (assuming no exercise of existing warrants or options). All other terms and conditions of the Replacement Warrants and Replacement Options will be the same as the warrant or option for which they were exchanged. Replacement Options will be governed by the terms of First Mining's stock option plan, except that the terms and conditions of the First Mining stock option plan relating to accelerated expiry of options on account of early termination after ceasing to hold office or ceasing to be an employee or consultant will not apply to the Replacement Options and such Replacement Options will instead expire on the earlier of the expiry date of the Gold Canyon options for which they were exchanged and the date 12 months after closing.

In connection with the Agreement, each Gold Canyon shareholder will also receive 0.03333 common shares of SpinCo for each Gold Canyon common share held. As part of the Agreement, Gold Canyon will transfer its early stage non-gold exploration properties together with \$500,000 in cash and certain other assets currently owned by Gold Canyon to SpinCo.

SCHEDULE L-2 - GOLD CANYON (NON-GOLD EXPLORATION BUSINESS) UNAUDITED INTERIM FINANCIAL STATEMENTS

(See Attached)

GOLD CANYON RESOURCES INC. (NON-GOLD EXPLORATION BUSINESS)

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Six Months Ended May 31, 2015 and 2014

(Expressed in Canadian Dollars)

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Expressed in Canadian Dollars - Unaudited)

	Note	May 31, 2015	November 30, 2014
ASSETS			
Current			
Cash		\$ 557,277	\$ 496,835
Receivables		<u>7</u>	<u>62</u>
		557,284	496,897
Equipment	5	13,278	14,943
Exploration and evaluation assets	6	<u>1,537,513</u>	<u>1,497,674</u>
		\$ 2,108,075	\$ 2,009,514
LIABILITIES & EQUITY IN NET ASSETS			
Current			
Accounts payable & accrued liabilities		\$ 78,582	\$ 71,460
Equity in net assets			
Contributions from Gold Canyon		\$ 2,260,573	\$ 2,170,879
Deficit		<u>(231,080)</u>	<u>(232,825)</u>
		<u>2,029,493</u>	<u>1,938,054</u>
		\$ 2,108,075	\$ 2,009,514

Nature of operations (Note 1)
Subsequent event (Note 13)

On behalf of the Board:

"Akiko Levinson" Director _____
"Ron Schmitz" Director

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

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(Expressed in Canadian Dollars)

		Three months ended		Six months ended	
	Note	May 31,	May 31,	May 31,	May 31,
		2015	2014	2015	2014
EXPENSES					
Depreciation	5	\$ 833	\$ 1,130	\$ 1,665	\$ 2,259
Management fees		2,400	2,267	4,800	4,288
Office and miscellaneous		674	1,980	2,297	3,228
Professional fees		789	38	789	38
Salaries and benefits		3,009	4,596	7,502	9,032
Telephone		<u>147</u>	<u>183</u>	<u>290</u>	<u>341</u>
Operating expenses		<u>(7,852)</u>	<u>(10,194)</u>	<u>(17,343)</u>	<u>(19,186)</u>
Interest income		-	9	-	54
Management income		<u>18,377</u>	<u>6,370</u>	<u>19,088</u>	<u>12,241</u>
		<u>18,377</u>	<u>6,378</u>	<u>19,088</u>	<u>12,294</u>
Income (loss) and comprehensive income					
(loss) for the period		\$ 10,525	\$ (3,815)	\$ 1,745	\$ (6,891)

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

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)

	May 31, 2015	May 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (loss) for the period	\$ 1,745	\$ (6,891)
Adjustments		
Depreciation	1,665	2,259
Interest income	-	(55)
	<u>3,410</u>	<u>(4,687)</u>
Change in non-cash working capital items:		
Accounts receivables	<u>55</u>	<u>139</u>
Net cash provided by (used in) operating activities	<u>3,464</u>	<u>(4,548)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions from Gold Canyon	<u>89,698</u>	<u>73,675</u>
Net cash provided by financing activities	<u>89,698</u>	<u>73,675</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	-	55
Exploration and evaluation assets, net of recoveries	<u>(32,721)</u>	<u>(206,987)</u>
Net cash used in investing activities	<u>(32,721)</u>	<u>(206,932)</u>
Change in cash during the period	60,442	(137,805)
Cash, beginning of the period	<u>496,835</u>	<u>594,586</u>
Cash, end of the period	<u>\$ 557,277</u>	<u>\$ 456,781</u>

Supplemental disclosure with respect to cash flows (Note 12)

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

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY INNET ASSETS
(Expressed in Canadian Dollars)

	Contributions from Gold Canyon	Deficit	Total
Balance, November 30, 2013	\$ 2,024,639	\$ (166,473)	\$ 1,858,166
Contributions from Gold Canyon	73,675	-	73,675
Net loss for the period	-	(6,891)	(6,891)
Balance, May 31, 2014	\$ 2,098,314	\$ (173,364)	\$ 1,924,950
Balance, November 30, 2014	\$ 2,170,879	\$ (232,825)	\$ 1,938,054
Contributions from Gold Canyon	89,694	-	89,694
Net loss for the period	-	1,745	1,745
Balance, May 31, 2015	\$ 2,260,573	\$ (231,080)	\$ 2,029,493

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

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2015

(Expressed in Canadian Dollars - Unaudited)

1. NATURE OF OPERATIONS

These condensed interim consolidated financial statements reflect the financial position, results of operations and cash flows of Gold Canyon Resources Inc. (Non-Gold Exploration Business) (the “Business”). The corporate office of Gold Canyon Resources Inc. (“Gold Canyon”) is located at Suite 810 – 609 Granville Street, Vancouver, BC V7Y 1G5.

On September 1, 2015, Gold Canyon announced that it had entered into a definitive agreement (the “Agreement”) pursuant to which First Mining Finance Corp. (“First Mining”) will acquire all of the issued and outstanding common shares of both Gold Canyon and PC Gold Inc. (“PC Gold”). Under the Agreement, shareholders of Gold Canyon will receive one common share of First Mining for each Gold Canyon share held in addition to shares in a Spin-Out entity, Irving Resources Inc., which will hold certain non-gold exploration assets currently held by Gold Canyon.

The Agreement has been approved by Gold Canyon’s board of directors and is subject to approval by the shareholders who will vote at a special general meeting scheduled for November 6, 2015.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Preparation

a) Statement of Compliance

These condensed interim consolidated financial statements are prepared in accordance with International Accounting Standard (“IAS”) 34 Interim Financial Reporting under International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). These interim financial statements were authorized for issue by the Board of Directors on September 25, 2015.

These condensed interim consolidated financial statements follow the same accounting policies and methods of application as Gold Canyon’s most recent annual financial statements but do not contain all of the information required for full annual financial statements. Accordingly, these condensed interim consolidated financial statements should be read in conjunction with Gold Canyon’s annual financial statements for the year ended November 30, 2014 and the Business’ consolidated financial statements for the year ended November 30, 2014, prepared for inclusion in the Information Circular of Gold Canyon. (See note 1)

b) Basis of Measurement

These condensed interim consolidated financial statements have been prepared on a historical costs basis except for financial instruments classified as financial instruments at fair value through profit or loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2015

(Expressed in Canadian Dollars - Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Going Concern

These condensed interim financial statements have been prepared on a going concern basis which assumes the realization of assets and liquidation of liabilities in the normal course of business. There are material uncertainties that may cast significant doubt upon the Business' ability to continue as a going concern. The Business has no sources of funding and its business and arrangement disclosed in Note 1 are dependent on approvals by its shareholders and applicable regulatory authorities.

Principles of consolidation

The condensed interim consolidated financial statements include the financial statements of the Business, comprised of the following:

	<u>Jurisdiction</u>	<u>Nature of Operation</u>	<u>Equity Interest</u>
Gold Canyon Kratz Spring, LLC ("Kratz Spring LLC")	Colorado, USA	Exploration	100%
River Stone Limited ("RSL")	Malawi, Africa	Exploration	100%
Spring Stone Limited ("SSL")	Malawi, Africa	Exploration	100%
Spring Take Limited ("STL")	Tanzania, Africa	Exploration	100%
Spring Stone Mining Corporation ("SSM")	BC, Canada	Holding	100%
Spring Stone Exploration Inc. ("SSE")	BC, Canada	Holding	100%

All inter-company balances and transactions have been eliminated on consolidation.

Financial instruments

Financial Assets

Financial assets are classified into one of the following categories: fair value through profit or loss, loans and receivables, available-for-sale, or held-to-maturity investments. The classification depends on the purpose for which the asset was acquired. All transactions related to financial instruments are recorded on a trade date basis. Management determines the classification of its financial assets at initial recognition. The Business' accounting policy for each category is as follows:

(i) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term and are classified as current assets. Derivatives are also categorized as held for trading unless they are designated as hedges.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2015

(Expressed in Canadian Dollars - Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd...)

(ii) Loans and Receivables

These assets are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue and subsequently carried at amortized cost, using the effective interest rate method, less any impairment losses. Amortized cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction costs. Gains and losses are recognized in profit or loss when the loans and receivables are derecognized or impaired, as well as through the amortization process.

(iii) Available-For-Sale Investments

Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally of the Business's strategic investments in entities not qualifying as subsidiaries or associates. Available-for-sale investments are carried at fair value with changes in fair value recognized in accumulated other comprehensive loss/income. Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognized in other comprehensive loss/income, is recognized in profit or loss. If there is no quoted market price in an active market and fair value cannot be readily determined, available-for-sale investments are carried at cost.

Purchase and sales of available-for-sale financial assets are recognized on a trade date basis. On sale or impairment, the cumulative amount recognized in other comprehensive loss/income is reclassified from accumulated other comprehensive loss/income to profit or loss.

(iv) Held-to-maturity investments

The held-to-maturity investments are recognized on a trade-date basis and are initially measured at fair value, including transaction costs.

The Business has classified its cash as fair value through profit and loss. The Business's receivables are classified as loans and receivables.

Impairment of Financial Assets

The Business assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is deemed to be impaired, if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset or the group of financial assets.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2015

(Expressed in Canadian Dollars - Unaudited)

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

Financial instruments (cont'd...)

Financial Liabilities

Financial liabilities are classified as other financial liabilities, based on the purpose for which the liability was incurred, and comprise accounts payables and accrued liabilities. These liabilities are initially recognized at fair value net of any transaction costs directly attributable to the issuance of the instrument and subsequently carried at amortized cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability in the statement of financial position. Interest expense in this context includes initial transaction costs and premiums payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

The Business classifies its accounts payable as other financial liabilities.

3. NEW ACCOUNTING POLICIES AND PRONOUNCEMENTS

The Business has reviewed new and revised accounting pronouncements that have been issued but are not yet effective as of November 30, 2014. The Business has not early adopted any of these standards. Adopting these standards is expected to have minimal or no impact on the Business's financial statements.

Accounting Standards Issued and Effective on or after December 1, 2014.

IFRS 10, IFRS 12, IAS 27, Exception from Consolidation for "Investment Entities"

IFRS 10 is amended to define an "investment entity" and introduce an exception from consolidation for investment entities. IFRS 12 and IAS 27 are amended to introduce disclosures that an investment entity needs to make.

IAS 32, Financial Instruments: Presentation

IAS 32 is amended to clarify requirements for offsetting of financial assets and financial liabilities.

IAS 36, Impairment of Assets

Amended to address the disclosures required regarding the recoverable amount of impaired assets or cash generating units (CGUs) for periods in which an impairment loss has been recognized or reversed.

IAS 39, Hedge Accounting and Novation of Derivatives

Amended to provide relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty ("CCP") meets specified criteria.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2015

(Expressed in Canadian Dollars - Unaudited)

3. NEW ACCOUNTING POLICIES AND PRONOUNCEMENTS (cont'd)

IFRIC 21, Accounting for Levies Imposed by Governments

Clarifies that the obligating event giving rise to a liability to pay a levy is the activity described in the relevant legislation that triggers payment of the levy.

IFRS 9, Financial Instruments

The complete version was issued in July 2014. The completed standard provides for revised guidance on the classification and measurement of financial assets. It also introduces a new expected credit loss model for calculating impairment for financial assets. The new hedging guidance that was issued in November 2013 is incorporated into this new final standard. This final version of IFRS 9 will be effective for periods beginning on or after January 1, 2018, with early adoption permitted.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The Business makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the period of the change, if the change affects that period only, or in the period of the change and future periods, if the change affects both.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

a) Exploration and evaluation expenditures

The application of the Business's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Business, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after expenditures are capitalized, information becomes available suggesting that the recovery of expenditures is unlikely, the amount capitalized is written off in the profit or loss in the period the new information becomes available.

b) Title to mineral property interests

Although the Business has taken steps to verify title to mineral properties in which it has an interest, these procedures do not guarantee the Business's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2015

(Expressed in Canadian Dollars - Unaudited)

5. EQUIPMENT

	Computer equipment	Office furniture and fixtures	Total
Cost			
Balance, November 30, 2013	\$ 15,972	\$ 14,378	\$ 30,350
Additions	-	-	-
Disposals	-	-	-
Balance, November 30, 2014	\$ 15,972	\$ 21,348	\$ 37,320
Additions	-	-	-
Disposals	-	-	-
Balance, May 31, 2015	\$ 15,972	\$ 21,348	\$ 37,320
Accumulated depreciation			
Balance, November 30, 2013	\$ 11,107	\$ 6,753	\$ 17,860
Additions	1,459	3,058	4,517
Disposals	-	-	-
Balance, November 30, 2014	\$ 12,566	\$ 9,811	\$ 22,377
Additions	511	1,154	1,665
Disposals	-	-	-
Balance, May 31, 2015	\$ 13,077	\$ 10,965	\$ 24,042
Carrying amounts			
At November 30, 2014	\$ 3,406	\$ 11,537	\$ 14,943
At May 31, 2015	\$ 2,895	\$ 10,383	\$ 13,278

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2015

(Expressed in Canadian Dollars - Unaudited)

6. EXPLORATION AND EVALUATION ASSETS

The following expenditures were incurred on the Business's exploration and evaluation assets:

For the period ended May 31, 2015	Rare Earth Element Projects
Opening balance	\$ 1,497,674
Consulting, management and administration	342,166
Staking and maintenance fees	6,187
Travel, transport, fuel and shipping	<u>2,688</u>
	351,041
Less: costs recovered	<u>(311,202)</u>
	39,839
Total, exploration and evaluation assets	\$ 1,537,513

For the year ended November 30, 2014	Rare Earth Element Projects
Opening balance	\$ 1,465,276
Assaying, sampling and metallurgy	14,192
Consulting, management and administration	170,612
Staking and maintenance fees	23,976
Travel, transport, fuel and shipping	<u>34,185</u>
	242,970
Less: costs recovered	<u>(159,846)</u>
	83,124
Total, deferred exploration costs	1,548,400
Less: write-off of deferred exploration costs	<u>(50,726)</u>
Total, exploration and evaluation assets	\$ 1,497,674

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2015

(Expressed in Canadian Dollars - Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

Title to exploration and evaluation assets involves certain inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many exploration and evaluation assets. The Business has investigated title to all of its exploration and evaluation assets and to the best of its knowledge, title to all of the assets is in good standing.

Rare Earth Element (“REE”) Projects

Kratz Spring Property

In December 2008, the Business acquired 53 mineral property rights located in Franklin County, Missouri, USA by paying delinquent taxes and other costs.

The Business entered into a Joint Exploration Agreement (“JEA”) with Japan Oil, Gas and Metals National Corporation (“JOGMEC”) on January 22, 2009. Under the terms of the agreement, JOGMEC earned an 80% interest in the Kratz Spring Project by making an initial contribution of US\$75,000 and reimbursed the Business for all property expenses incurred before March 31, 2009. As a result of the recovery from JOGMEC, the carrying value of the Kratz Spring property was \$nil.

Malawi Properties

The Business has a REE exploration program in Malawi, Africa through its JEA with its joint venture participant, JOGMEC. The REE exploration is being operated by the Business. Under the JEA, the participating interest and contributions of each of the joint venture partners is 67% JOGMEC and 33% the Business.

The Business had two Exclusive Prospecting Licenses (“EPL”) granted to the joint venture by the Malawi Ministry of Natural Resources, Energy Environment. These EPL’s are the Mulanje Project and the Thyolo Project. Exploration work on the Mulanje Project was carried out by the Business’s wholly owned subsidiary, SSL, pursuant to the terms of the JEA with JOGMEC. Exploration work on the Thyolo Project was carried out by the Business’s wholly owned subsidiary, RSL, pursuant to the terms of the JEA with JOGMEC. During the year ended November 30, 2014, the Business did not renew the EPL on the Thyolo Project. As a result, the Business wrote-off \$50,726 in costs associated with the Thyolo Project to operations.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2015

(Expressed in Canadian Dollars - Unaudited)

6. EXPLORATION AND EVALUATION ASSETS (cont'd)

Tanzania Project

The Business, through its wholly owned Tanzanian subsidiary, Spring Take Limited (“STL”), was granted a Prospecting Licence (“PL”) by the Ministry of Energy and Minerals in the United Republic of Tanzania, Africa. The PL covers certain areas in the Masasi District. This project is also part of the JEA with JOGMEC. Under the JEA, the participating interest and contributions of each of the joint venture partners is 90% JOGMEC and 10% the Business. The Business has the option to increase its participating interest up to 33% with the reimbursement to JOGMEC of the exploration costs incurred.

During the six months ended May 31, 2015, the Business incurred \$351,045 (2014 - \$132,942) in expenditures and recovered \$311,202 (2014 - \$73,601) from JOGMEC on these projects.

7. JOINT EXPLORATION ALLIANCE

The Business entered into a JEA on January 22, 2009, under which JOGMEC contributes 80% of the funding and holds an 80% option to all of the JEA projects. During the year ended November 30, 2011 the Business increased its participating interest from 20% to 33% and JOGMEC decreased its participating interest from 80% to 67%. The Business’s participating interest on the Tanzanian Project is 10% and JOGMEC’s participating interest is 90% with an option to increase its participating interest up to 33%.

The Business, as operator of the JEA, conducted REE project identification and exploration. The objective of the JEA is to identify, analyze and perform metallurgical evaluation leading to production of REEs. All the property investigation costs will be expensed as incurred until the Business assesses whether there is any future benefit of REEs and acquires the rights to the property.\

8. SEGMENTED INFORMATION

The Business operates in one reportable segment, being the acquisition and exploration of non-gold metals in Africa and the U.S. as outlined in Note 6. Equipment is located in Canada.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

IFRS 7 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

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

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2015

(Expressed in Canadian Dollars - Unaudited)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd)

As at May 31, 2015, the Business's financial instruments are comprised of cash, receivables, and accounts payable and accrued liabilities. The carrying value of receivables, accounts payable and accrued liabilities approximates their fair values due to the relatively short periods to maturity of these financial instruments.

Financial instruments measured at fair value on the statement of financial position are summarized in levels of fair value hierarchy as follows:

Assets	Level 1	Level 2	Level 3	Total
Cash	\$ 557,277	-	-	\$ 557,277
Total	\$ 557,277	\$ -	\$ -	\$ 557,277

The Business has exposure to the following risks from its use of financial instruments: credit risk, liquidity risk and market risk. Management and the Board of Directors monitor risk management activities and review the adequacy of such activities.

Credit risk

Credit risk is the risk of potential loss to the Business if a customer or counter party to a financial instrument fails to meet its contractual obligations. The Business's credit risk is limited to the carrying amount on the statement of financial position and arises from the Business's cash and receivables.

The Business's cash is held with high-credit quality financial institutions. Receivables mainly consist of goods and services tax due from the Federal Government of Canada.

Liquidity risk

Liquidity risk is the risk that the Business will not meet its financial obligations as they fall due. The Business manages its liquidity risk by forecasting cash flows from operations, and anticipating investing and financing activities. As at May 31, 2015, the Business had cash of \$557,277 to settle current liabilities of \$78,582 which have contractual maturities of less than 30 days and are subject to normal trade terms.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2015

(Expressed in Canadian Dollars - Unaudited)

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (cont'd...)

Market risk

Market risk is the risk of loss that may arise from changes in market prices, such as interest rates and foreign exchange rates.

i) Interest rate risk

The Business has cash balances and no interest-bearing debt. The Business's current policy is to invest excess cash in investment-grade short-term certificates of deposits issued by its banking institutions. The Business periodically monitors the investments it makes and is satisfied with the credit rating of its banks.

ii) Price risk

The Business is exposed to price risk with respect to commodity and equity prices. The ability of the Business to explore its mineral properties and future profitability of the Business are directly related to the market price of rare earth elements and other non-gold minerals. The Business monitors commodity prices to determine appropriate actions to be undertaken.

iii) Foreign exchange rate risk

The Business's functional currency is the Canadian dollar and major purchases are transacted in Canadian dollars. The Business funds certain operations, exploration and administrative expenses in the United States by using US dollars converted from its Canadian bank accounts. Management believes the foreign exchange risk derived from currency conversions is negligible and therefore does not hedge its foreign exchange risk.

Based on management's knowledge of and experience in the financial markets, management does not believe that the Business's current financial instruments will be affected by credit risk, liquidity risk or market risk.

10. CAPITAL MANAGEMENT

The Business's capital management objectives are to safeguard its ability to continue as a going concern and to have sufficient capital to be able to meet the Business's property exploration plans and to ensure the growth of activities.

The Business sets the amount of capital in proportion to risk. The Business manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. The Business is in the exploration stage; as such the Business will rely on the equity markets to fund its activities. The Business will continue to assess new sources of financing available and to manage its expenditures to reflect current financial resources in the interest of sustaining long term viability.

GOLD CANYON RESOURCES INC. (Non-Gold Exploration Business)

Notes to the Condensed Interim Consolidated Financial Statements

For the six months ended May 31, 2015

(Expressed in Canadian Dollars - Unaudited)

11. COMMITMENTS

The Business has a lease agreement for its office premises ending August 31, 2015. Minimum lease payments remaining are as follows:

2015	<u>\$ 6,534</u>
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12. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

The significant non-cash transactions for the period ended May 31, 2015:

- a) Included in accounts payable and accrued liabilities are \$78,582 related to deferred exploration costs.

The significant non-cash transactions for the period ended May 31, 2014:

- b) Included in accounts payable and accrued liabilities are \$71,460 related to deferred exploration costs.

13. SUBSEQUENT EVENT

On September 1, 2015, Gold Canyon announced that it had entered into a definitive agreement (the "Agreement") pursuant to which First Mining Finance Corp. ("First Mining") has agreed to acquire all of the issued and outstanding common shares of both Gold Canyon and PC Gold Inc. ("PC Gold"). Under the Agreement, shareholders of Gold Canyon will receive one common share of First Mining for each Gold Canyon share held in addition to shares in Irving Resources, which will hold certain non-gold exploration assets currently held by Gold Canyon.

The Agreement will also provide for the issuance by First Mining of an aggregate of approximately 11,880,454 replacement warrants to holders of unexercised Gold Canyon warrants and approximately 6,032,500 replacement stock options to holders of unexercised Gold Canyon options (the "Replacement Options") (assuming no exercise of existing warrants or options). All other terms and conditions of the Replacement Warrants and Replacement Options will be the same as the warrant or option for which they were exchanged. Replacement Options will be governed by the terms of First Mining's stock option plan, except that the terms and conditions of the First Mining stock option plan relating to accelerated expiry of options on account of early termination after ceasing to hold office or ceasing to be an employee or consultant will not apply to the Replacement Options and such Replacement Options will instead expire on the earlier of the expiry date of the Gold Canyon options for which they were exchanged and the date 12 months after closing.

In connection with the Agreement, each Gold Canyon shareholder will also receive 0.03333 common shares of SpinCo for each Gold Canyon common share held. As part of the Agreement, Gold Canyon will transfer its early stage non-gold exploration properties together with \$500,000 in cash and certain other assets currently owned by Gold Canyon to SpinCo.

SCHEDULE L-3 - SPINCO UNAUDITED PRO FORMA FINANCIAL STATEMENTS

(See Attached)

IRVING RESOURCES INC.
(Formerly 1047431 B.C. Ltd.)

PRO-FORMA CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**As at and for the Six Months Ended May 31, 2015
and for the Year Ended November 30, 2014**

(Unaudited – Expressed in Canadian Dollars)

IRVING RESOURCES INC. (Formerly 1047431 B.C. Ltd.)
(A Newly Incorporated Business)
PRO-FORMA CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited - Expressed in Canadian Dollars)

	Irving Resources Inc. August 31, 2015	Gold Canyon Resources Inc. (Non – Gold Exploration Business) May 31, 2015	Note	Pro-forma adjustments	Irving Resources Inc. Pro-forma consolidated
ASSETS					
Current					
Cash	\$ 1	\$ 557,277	3b	\$ (57,277)	\$ 500,001
Receivables	-	7		-	7
	1	557,284		(57,277)	500,008
Equipment	-	13,278		-	13,278
Exploration and evaluation assets	-	1,537,513		-	1,537,513
	\$ 1	\$ 2,108,075		\$ (57,277)	\$ 2,050,799
LIABILITIES & SHAREHOLDERS' EQUITY					
Current					
Accounts payable& accrue liabilities	\$ -	\$ 78,582		\$ -	\$ 78,582
	-	78,582		-	78,582
Shareholders' equity					
Share capital	1	-	3a	2,203,296	2,203,297
Contributions from Gold Canyon	-	2,260,573	3a	(2,260,573)	-
Deficit	-	(231,080)		-	(231,080)
	-	2,029,493		(57,277)	1,972,217
	\$ 1	\$ 2,108,075		\$ (57,277)	\$ 2,050,799

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

IRVING RESOURCES INC. (Formerly 1047431 B.C. Ltd.)
PRO-FORMA CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the six months ended May 31, 2015
(Unaudited - Expressed in Canadian Dollars)

	Irving Resources Inc.	Gold Canyon Resources Inc. (Non-gold Exploration Business)	Note	Pro-forma adjustments	Irving Resources Inc. Pro- forma consolidated
EXPENSES					
Depreciation	\$ -	\$ 1,665		-	\$ 1,665
Management fees	-	4,800		-	4,800
Office and miscellaneous	-	2,297		-	2,297
Professional fees	-	789		-	789
Salaries and benefits	-	7,502		-	7,502
Telephone	-	290		-	290
Operating expenses	<u>-</u>	<u>(17,343)</u>		<u>-</u>	<u>(17,344)</u>
Interest income	-	-		-	-
Management income	-	19,088		-	19,088
	<u>-</u>	<u>19,088</u>		<u>-</u>	<u>19,088</u>
Income (loss) and comprehensive income (loss) for the period	\$ -	\$ 1,745		\$ -	\$ 1,745

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

IRVING RESOURCES INC. (Formerly 1047431 B.C. Ltd.)
PRO-FORMA CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
For the year ended November 30, 2014
(Unaudited - Expressed in Canadian Dollars)

	Irving Resources Inc.	Gold Canyon Resources Inc. (Non – gold exploration business)	Note	Pro-forma adjustments	Irving Resources Inc. Pro- forma consolidated
EXPENSES					
Depreciation	\$ -	\$ 4,517		-	\$ 4,517
Management fees	-	9,088		-	9,088
Office and miscellaneous	-	4,851		-	4,851
Professional fees	-	800		-	800
Salaries and benefits	-	17,641		-	17,641
Telephone	-	695		-	695
Operating expenses	-	(37,591)		-	(37,591)
Interest income	-	55		-	55
Management income	-	21,910		-	21,910
Write-off of exploration and evaluation assets	-	(50,726)		-	(50,726)
	-	(28,761)		-	(28,761)
Loss and comprehensive loss for the year	\$ -	\$ (66,352)		\$ -	\$ (66,352)

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

IRVING RESOURCES INC. (Formerly 1047431 B.C. Ltd.)

Notes to the Pro Forma Consolidated Financial Statements

May 31, 2015

(Unaudited – Expressed in Canadian Dollars)

1. BASIS OF PRESENTATION

Irving Resources Inc. (the “Company” or “Irving Resources”) is a private company incorporated under the Business Corporation Act (British Columbia) on August 28, 2015 under the name 1047431 B.C. Ltd. and is a wholly-owned subsidiary of Gold Canyon Resources Inc. (“Gold Canyon”). On September 23, 2015, the Company changed its name to Irving Resources. The corporate office is located at Suite 810 – 609 Granville Street, Vancouver, BC V7Y 1G5.

The unaudited consolidated pro forma financial statements of the Company have been prepared for inclusion in the Information Circular of Gold Canyon. (See note 2)

Gold Canyon is in the process of completing an arrangement as described in Note 2 that will result in Irving Resources holding title to various exploration properties located in Africa.

These pro-forma financial statements have been derived from the audited financial statements of the Company as at August 31, 2015, the audited carve-out consolidated financial statements of the Non-Gold Exploration Business of Gold Canyon as at November 30, 2014, and the unaudited carve-out condensed consolidated interim financial statements of the Non-Gold Exploration Business of Gold Canyon as at May 31, 2015.

The unaudited consolidated pro forma statement of financial position of the Company has been prepared assuming the Agreement (as defined in Note 2) occurred on May 31, 2015. The unaudited pro forma consolidated statement of income (loss) and comprehensive loss for the six months ended May 31, 2015 and for the year ended November 30, 2014 have been prepared as if the Agreement had occurred on the first day of the fiscal period ended May 31, 2015 and November 31, 2014, respectively. The pro forma consolidated financial statements gives effect to the Agreement and Spin-Out subsidiaries as listed below:

	<u>Jurisdiction</u>	<u>Nature of Operation</u>	<u>Equity Interest</u>
Gold Canyon Kratz Spring, LLC (“Kratz Spring LLC”)	Colorado, USA	Exploration	100%
River Stone Limited (“RSL”)	Malawi, Africa	Exploration	100%
Spring Stone Limited (“SSL”)	Malawi, Africa	Exploration	100%
Spring Take Limited (“STL”)	Tanzania, Africa	Exploration	100%
Spring Stone Mining Corporation (“SSM”)	BC, Canada	Holding	100%
Spring Stone Exploration Inc. (“SSE”)	BC, Canada	Holding	100%

The pro-forma financial statements have been prepared by the management of Gold Canyon in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and incorporate the principal accounting policies expected to be used to prepare the carve-out consolidated financial statements of the Non-Gold Exploration Business of Gold Canyon.

IRVING RESOURCES INC. (Formerly 1047431 B.C. Ltd.)

Notes to the Pro Forma Consolidated Financial Statements

May 31, 2015

(Unaudited – Expressed in Canadian Dollars)

1. BASIS OF PRESENTATION (*cont'd...*)

The pro-forma adjustments are based on certain estimates and assumptions and it is likely that the actual adjustments will differ from the pro-forma adjustments, and it is possible the differences may be material. The pro-forma financial statements have been prepared for illustrative purposes only and may not be indicative of the Company's financial position or operating results that would have occurred if the Agreement had been in effect at the dates indicated. Further, these pro-forma financial statements are not necessarily indicative of the financial position that may be obtained in the future. These pro-forma financial statements should be read in conjunction with the financial statements and other information available to the Company, as referred to above.

2. BUSINESS COMBINATION

On September 1, 2015, Gold Canyon announced that it had entered into a definitive agreement (the "Agreement") pursuant to which First Mining Finance Corp. ("First Mining") has agreed to acquire all of the issued and outstanding common shares of both Gold Canyon and PC Gold Inc. ("PC Gold"). Under the Agreement, shareholders of Gold Canyon will receive one common share of First Mining for each Gold Canyon share held in addition to shares in Irving Resources, which will hold certain non-gold exploration assets currently held by Gold Canyon.

The Agreement will also provide for the issuance by First Mining of an aggregate of approximately 11,880,454 replacement warrants to holders of unexercised Gold Canyon warrants and approximately 6,032,500 replacement stock options to holders of unexercised Gold Canyon options (the "Replacement Options") (assuming no exercise of existing warrants or options). All other terms and conditions of the Replacement Warrants and Replacement Options will be the same as the warrant or option for which they were exchanged. Replacement Options will be governed by the terms of First Mining's stock option plan, except that the terms and conditions of the First Mining stock option plan relating to accelerated expiry of options on account of early termination after ceasing to hold office or ceasing to be an employee or consultant will not apply to the Replacement Options and such Replacement Options will instead expire on the earlier of the expiry date of the Gold Canyon options for which they were exchanged and the date 12 months after closing.

In connection with the Agreement, each Gold Canyon shareholder will also receive 0.03333 common shares of Irving Resources for each Gold Canyon common share held. As part of the Agreement, Gold Canyon will transfer its early stage non-gold exploration properties together with \$500,000 in cash and certain other assets currently owned by Gold Canyon to Irving Resources.

IRVING RESOURCES INC. (Formerly 1047431 B.C. Ltd.)

Notes to the Pro Forma Consolidated Financial Statements

May 31, 2015

(Unaudited – Expressed in Canadian Dollars)

3. PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

These unaudited pro forma consolidated financial statements have been prepared based on the following adjustments as of May 31, 2015.

- a) Elimination of historical equity account of Gold Canyon at the effective date of the transaction.
- b) The Company will retain \$500,000 cash.
- c) The Company will retain all direct and indirect right, and the full benefit and advantage of the office lease with respect to Suite 810 - 609 Granville Street, Vancouver, British Columbia and any sublease, sharing, maintenance agreements, registrations, documentation or correspondence related thereto.
- d) The Company will retain all equipment, hardware, software, office supplies, fixtures, furniture, furnishings and other tangible property located at the corporate offices of Gold Canyon.
- e) The Company will retain all direct and indirect title and interest in the rare earth projects and project ventures with Japan Oil, Gas and Metals National Corporation (“JOGMEC”).

4. PRO-FORMA SHARE CAPITAL

The Company’s issued and outstanding shares, after reflecting the additional shares resulting from the Agreement described in Note 2 at May 31, 2015 are as follows:

	Number of Shares	Share Capital
Issued on incorporation	1	\$ 1
Issuance of common shares pursuant to plan of arrangement	5,350,465	2,203,296
Pro forma consolidated share capital	5,350,466	\$2,203,297

SCHEDULE M - DISSENT PROVISIONS UNDER THE BCBCA

Division 2 – Dissent Proceedings

Definitions and application

237 (1) In this Division:

“dissenter” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“notice shares” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent; and

“payout value” means, (a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution, (b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291(2)(c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or (c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order, excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that (a) the court orders otherwise, or (b) in the case of a right of dissent authorized by a resolution referred to in section 238(1)(g), the court orders otherwise or the resolution provides otherwise.

Right to dissent

238 (1) A shareholder of a company, whether or not the shareholder’s shares carry the right to vote, is entitled to dissent as follows:

- (a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;
- (b) under section 272, in respect of a resolution to adopt an amalgamation agreement;
- (c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;
- (d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;
- (e) under section 301(5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company’s undertaking;
- (f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;
- (g) in respect of any other resolution, if dissent is authorized by the resolution; or
- (h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must:

- (a) prepare a separate notice of dissent under section 242 for (i) the shareholder, if the shareholder is dissenting on the shareholder’s own behalf, and (ii) each other person who beneficially owns shares registered in the shareholder’s name and on whose behalf the shareholder is dissenting;
- (b) identify in each notice of dissent, in accordance with section 242(4), the person on whose behalf dissent is being exercised in that notice of dissent; and
- (c) dissent with respect to all of the shares, registered in the shareholder’s name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

- (a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and
- (b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

Waiver of right to dissent

239 (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

- (a) provide to the company a separate waiver for
 - (i) the shareholder, if the shareholder is providing a waiver on the shareholder’s own behalf, and
 - (ii) each other person who beneficially owns shares registered in the shareholder’s name and on whose behalf the

shareholder is providing a waiver; and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

Notice of resolution

240 (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote:

(a) a copy of the proposed resolution; and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote:

(a) a copy of the proposed resolution; and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote:

(a) a copy of the resolution;

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

Notice of court orders

241 If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent:

(a) a copy of the entered order; and

(b) a statement advising of the right to send a notice of dissent.

Notice of dissent

242 (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must:

(a) if the company has complied with section 240(1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be;

(b) if the company has complied with section 240(3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section; or

(c) if the company has not complied with section 240(1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238(1)(g) must send written notice of dissent to the company

- (a) on or before the date specified by the resolution or in the statement referred to in section 240(2)(b) or (3)(b) as the last date by which notice of dissent must be sent, or
- (b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238(1)(h) in respect of a court order that permits dissent must send written notice of dissent to the company

- (a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or
- (b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

- (a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;
- (b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and:
 - (i) the names of the registered owners of those other shares;
 - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners; and
 - (iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;
- (c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and:
 - (i) the name and address of the beneficial owner; and
 - (ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

Notice of intention to proceed

243 (1) A company that receives a notice of dissent under section 242 from a dissenter must,

- (a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of
 - (i) the date on which the company forms the intention to proceed, and
 - (ii) the date on which the notice of dissent was received, or
- (b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

- (a) be dated not earlier than the date on which the notice is sent,
- (b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and
- (c) advise the dissenter of the manner in which dissent is to be completed under section 244.

Completion of dissent

244 (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
- (b) the certificates, if any, representing the notice shares, and
- (c) if section 242(4)(c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1)(c) must

- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
- (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
 - (i) the names of the registered owners of those other shares,

- (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
 - (iii) that dissent is being exercised in respect of all of those other shares.
- (3) After the dissenter has complied with subsection (1),
- (a) the dissenter is deemed to have sold to the company the notice shares, and
 - (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.
- (4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.
- (5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.
- (6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

Payment for notice shares

245 (1) A company and a dissenter who has complied with section 244(1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- (a) promptly pay that amount to the dissenter, or
 - (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may
- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,
 - (b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244(1), and
 - (c) make consequential orders and give directions it considers appropriate.
- (3) Promptly after a determination of the payout value for notice shares has been made under subsection (2)(a) of this section, the company must
- (a) pay to each dissenter who has complied with section 244(1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or
 - (b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.
- (4) If a dissenter receives a notice under subsection (1)(b) or (3)(b),
- (a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or
 - (b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.
- (5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that
- (a) the company is insolvent, or
 - (b) the payment would render the company insolvent.

Loss of right to dissent

246 The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

- (a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect

of which the notice of dissent was sent is abandoned;

- (b) the resolution in respect of which the notice of dissent was sent does not pass;
- (c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;
- (d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;
- (e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;
- (f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;
- (g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;
- (h) the notice of dissent is withdrawn with the written consent of the company; or
- (i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

Shareholders entitled to return of shares and rights

247 If, under section 244(4) or (5), 245(4)(a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

- (a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244(1)(b) or, if those share certificates are unavailable, replacements for those share certificates,
- (b) the dissenter regains any ability lost under section 244(6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and (c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.

QUESTIONS MAY BE DIRECTED TO THE PROXY SOLICITOR



**North America Toll Free
1-877-452-7184**

**Collect Calls Outside North America
416-304-0211**

Email: assistance@laurelhill.com