

AMALGAMATION AGREEMENT

among

LI-FT POWER LTD.

and

1361516 B.C. LTD.

and

1386798 B.C. LTD.

November 22, 2022

TABLE OF CONTENTS

| | |
|--|-----------|
| Article 1 DEFINITIONS AND INTERPRETATION | 2 |
| Section 1.1 Definitions..... | 2 |
| Section 1.2 Certain Rules of Interpretation..... | 8 |
| Section 1.3 Governing Law | 9 |
| Section 1.4 Entire Agreement..... | 9 |
| Section 1.5 Knowledge | 9 |
| Article 2 THE TRANSACTION..... | 9 |
| Section 2.1 Amalgamation..... | 9 |
| Section 2.2 Effect of Amalgamation..... | 10 |
| Section 2.3 Name..... | 10 |
| Section 2.4 Registered Office..... | 10 |
| Section 2.5 Authorized Capital and Restriction on Share Transfers | 10 |
| Section 2.6 Fiscal Year | 10 |
| Section 2.7 Business | 10 |
| Section 2.8 Initial Director | 11 |
| Section 2.9 Completion of the Amalgamation | 11 |
| Section 2.10 Exchange of Shares | 11 |
| Section 2.11 Rights of Dissent for the Subco Shareholder | 12 |
| Section 2.12 Rights of Dissent for NumCo Shareholders..... | 12 |
| Section 2.13 Li-FT Guarantee..... | 12 |
| Article 3 REPRESENTATIONS AND WARRANTIES | 14 |
| Section 3.1 Representations and Warranties of Li-FT and Subco..... | 14 |
| Section 3.2 Representations and Warranties of NumCo..... | 20 |
| Article 4 ACKNOWLEDGEMENTS..... | 26 |
| Section 4.1 Acknowledgements..... | 26 |
| Article 5 COVENANTS..... | 26 |
| Section 5.1 Mutual Covenants..... | 26 |
| Section 5.2 Access to Information and Confidentiality | 28 |
| Article 6 CLOSING CONDITIONS..... | 28 |
| Section 6.1 Mutual Conditions..... | 28 |
| Section 6.2 Li-FT Conditions..... | 29 |
| Section 6.3 NumCo Conditions | 31 |

| | | |
|---|--------------------------------|-----------|
| Section 6.4 | Consents-Merger | 32 |
| Article 7 SURVIVAL | | 32 |
| Section 7.1 | Survival..... | 32 |
| Article 8 CLOSING | | 32 |
| Article 9 TERM AND TERMINATION | | 32 |
| Section 9.1 | Term..... | 32 |
| Section 9.2 | Termination..... | 33 |
| Article 10 GENERAL..... | | 33 |
| Section 10.1 | Time of Essence..... | 33 |
| Section 10.2 | Notices | 33 |
| Section 10.3 | Further Assurances..... | 35 |
| Section 10.4 | Public Notice | 35 |
| Section 10.5 | Independent Legal Advice | 35 |
| Section 10.6 | Amendment and Waiver | 35 |
| Section 10.7 | Assignment and Enurement | 36 |
| Section 10.8 | Severability..... | 36 |
| Section 10.9 | Counterparts | 36 |
| Section 10.10 | Facsimile Signatures..... | 36 |

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT (this "**Agreement**") is dated the 22nd day of November, 2022.

AMONG:

LI-FT POWER LTD., a corporation existing under the *Business Corporations Act* (British Columbia),

("Li-FT")

AND:

1361516 B.C. LTD., a corporation existing under the *Business Corporations Act* (British Columbia),

("NumCo")

AND:

1386798 B.C. Ltd., a corporation existing under the *Business Corporations Act* (British Columbia),

("Subco")

WHEREAS:

- A. Subco is a newly incorporated, wholly-owned subsidiary of Li-FT;
- B. It is intended that NumCo and Subco will amalgamate under the provisions of the BCBCA (as defined herein) and the terms and conditions of this Agreement to form one corporation (the "**Amalgamation**"), which will continue under the name "Yellowknife Lithium Ltd." ("**Amalco**"); and
- C. Upon the Amalgamation Effective Date (as defined herein), among other things, the outstanding common shares of NumCo will be exchanged for common shares of Li-FT in accordance with the provisions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties (as defined herein), the Parties covenant and agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions

In this Agreement, the following words and terms have the meanings ascribed to them below:

“1933 Act” means the *United States Securities Act of 1933*;

“9228 Royalty” means the 3.0% net smelter returns royalty granted to 9228-6202 Quebec Inc. pursuant to a royalty agreement dated April 12, 2022;

“After Acquired Property” means any right, title or interest in and to any mineral tenure or mineral interests located in the Northwest Territories, Canada after the effective date of the Gross Production Royalty Agreement;

“Agreement” means this agreement, including all Schedules, as it may be supplemented or amended by written agreement among the Parties;

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

“Amalco” has the meaning set forth in the recitals above;

“Amalgamation Application” means the amalgamation application that will be filed with the Registrar under subsection 275(1)(a) of the BCBCA in order to give effect to the Amalgamation;

“Amalgamation Effective Date” means the effective date of the Amalgamation as set forth in the Certificate of Amalgamation issued to Amalco;

“Amalgamation Effective Time” means 12:01 am (Vancouver time) on the Amalgamation Effective Date;

“Amalgamation” has the meaning set forth in the recitals above;

“Applicable Canadian Securities Laws” means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations, instruments, orders and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Amalgamation Effective Date;

“BCBCA” means the *Business Corporations Act* (British Columbia) and the regulations promulgated thereunder, as amended from time to time;

“Business Day” means any day excluding a Saturday, Sunday or statutory holiday in the Province of British Columbia;

“Certificate of Amalgamation” means the certificate of amalgamation to be issued by the Registrar in respect of the Amalgamation in accordance with section 281 of the BCBCA;

“Claim” includes claims, demands, complaints, grievances, actions, applications, suits, causes of action, orders, charges, indictments, prosecutions, informations or other similar processes, fines, expenses, costs damages or losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including fees and disbursements of legal counsel, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;

“Closing Date” means the date of Closing, which shall be the Amalgamation Effective Date, or such other date as the Parties may agree;

“Closing” means the closing of the Transaction;

“Constating Documents” means as to each of the Parties, its certificate of incorporation, notice of articles and articles as in effect as of the date of this Agreement;

“Contract” means any agreement, understanding, undertaking, commitment, license or lease, whether written or oral;

“Corporate Records” means books, ledgers, files, lists, reports, plans, logs, deeds, surveys, correspondence, operating records, Tax Returns and other data and information, including all data and information stored on computer-related or other electronic media, maintained with respect to NumCo, Li-FT, Subco and Erex;

“CSE” means the Canadian Securities Exchange;

“Dissent Rights” has the meaning set forth in Section 2.11;

“Dissenting Shareholder” means any NumCo Shareholder who exercised Dissent Rights;

“Encumbrance” means any lien, pledge, hypothecation, charge, mortgage, security interest, encumbrance, Claim, infringement, interference, option, right of first refusal, pre-emptive right, community property interest or restriction of any nature (including any restriction on the voting of any security, any restriction on the transfer of any security or other asset, any restriction on the receipt of any income derived from any asset, any restriction on the use of any asset and any restriction on the possession, exercise or transfer of any other attribute of ownership of any asset) and any agreement, option, right or privileges (whether by Law, Contract or otherwise) capable of becoming any of the foregoing;

“Environmental Laws” means Applicable Laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes;

“Erex” means Erex International Ltd., a corporation existing under the *Business Corporations Act* (British Columbia) and the registered holder of the Leases;

“Governmental Authority” means any federal, provincial, state, local, municipal, regional, territorial, aboriginal, or other government, governmental or public department, branch, ministry,

or court, domestic or foreign, including any district, agency, commission, board, arbitration panel or authority exercising or entitled to exercise any administrative, executive, judicial, ministerial, prerogative, legislative, regulatory or taxing authority or power of any nature as well as any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of them, and any subdivision of any of them, including the CSE;

“Gross Production Royalty Agreement” means the gross production royalty agreement dated August 19, 2022, between Erex and the Target Property Vendors, pursuant to which Erex is obligated to pay to the Target Property Vendors an overriding 2.0% gross production royalty on the production of all Minerals or Mineral Products, as such terms are defined in the Gross Production Royalty Agreement, from the Target Property;

“Harfang Option Agreement” means the option agreement dated July 20, 2022, between Li-FT and Harfang Exploration Inc. pursuant to which Li-FT may acquire up to a 70% interest in and to the Harfang Project;

“Harfang Project” means the 287 mineral concessions referred to as the “Pontax Lithium Project” located in the Eeyou-Istchee James Bay region in Quebec, which are subject to the Harfang Option Agreement;

“IAS 34” means International Accounting Standards 34, ‘Interim Financial Reporting’;

“IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board;

“James Bay Option Agreement” means the option agreement dated August 11, 2021, between Li-FT and Glenn Greisbach and Juanita Tedy Asihto pursuant to which Li-FT may acquire a 100% interest in and to the James Bay Project, subject to the James Bay Royalty;

“James Bay Project” means the 78 mineral concessions referred to as the “James Bay Project” located in the James Bay territory of the Province of Quebec, which are subject to the James Bay Option Agreement, the James Bay Royalty and the Kenorland Royalty;

“James Bay Royalty” means a 2.0% net smelter returns royalty granted to Glenn Greisbach and Juanita Tedy Asihto in respect of the James Bay Project;

“Kenorland Option Agreement” means the option agreement dated June 14, 2021 between Li-FT and Kenorland Minerals Ltd. pursuant to which Li-FT acquired the Kenorland Claims;

“Kenorland Claims” means the 2,843 mineral concessions acquired by Li-FT pursuant to the Kenorland Option Agreement;

“Kenorland Royalty” means a 2.0% net smelter returns royalty granted to Kenorland Minerals Ltd. in respect of the Rupert Project;

“Lac des Montagnes Option Agreement” means the option agreement dated September 22, 2022, between Li-FT and 9219-8845 Quebec Inc. and Steve LaBranche pursuant to which Li-FT may

acquire a 100% interest in and to the Lac des Montagnes Project, subject to Lac des Montagnes Royalty;

“Lac des Montagnes Project” means the 348 mineral concessions referred to as the “Lac des Montagnes Project” located near Nemaska Village in the Province of Quebec, which are subject to the Lac des Montagnes Option Agreement and the Lac des Montagnes Royalty.

“Lac des Montagnes Royalty” a 2.0% net smelter returns royalty granted to 9219-8845 Quebec Inc. and Steve LaBranche in respect of the Lac des Montagnes Project.

“Law” or **“Laws”** means all domestic or foreign, federal, state, province or local laws, statutes, constitution, treaty, convention, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies and guidelines, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, injunctions, decrees, decisions, rulings or awards, including general principles of common and civil law, or other similar requirement enacted, promulgated or applied by Governmental Authority, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Authority, and the term **“Applicable”** with respect to Laws and in a context that refers to one or more Persons, means that the Laws apply to or is binding upon the Person or Persons, or its or their business, undertaking, property or securities, and emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

“Leases” means the mineral leases located in Northwest Territories, Canada, as set out in Schedule **“A”** to this Agreement;

“Legal Proceeding” means any Claim, action, suit, complaint, demand, litigation, arbitration, prosecution, contest, hearing, inquiry, investigation, inquest, audit or other proceeding of any nature, civil, criminal, regulatory or otherwise, in law or in equity, pending or threatened, by or before any court, tribunal, arbitrator or other Government Authority;

“Liability” means any liability or obligations of any kind or nature (whether known or unknown, asserted or unasserted, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, or due or to become due);

“Li-FT Financial Statements” means the financial statements, prepared in accordance with IAS 34, using accounting policies consistent with IFRS, for the nine-month interim period ended August 31, 2022;

“Li-FT Loan” means the \$300,000 principal amount loan bearing interest at a rate of 3% per annum and maturing on April 30, 2023, pursuant to a loan agreement dated November 3, 2022 ;

“Li-FT Material Properties” means the Rupert Project;

“Li-FT Non-Material Properties” means each of the Harfang Project and the Lac des Montagnes Project;

“Li-FT Shares” means the common shares in the capital of Li-FT;

“Li-FT” has the meaning set forth in the recitals above;

“Material Adverse Change” or **“Material Adverse Effect”** means with respect to a Person, any matter or action that has an effect or change that is, or would reasonably be expected to be, material and adverse to the business, results of operations, assets, capitalization, financial condition, rights, liabilities or prospects, contractual or otherwise, of such Person and its subsidiaries, if applicable, taken as a whole, other than any matter, action, effect or change relating to or resulting from: (i) a matter that has been publicly disclosed prior to the date of this Agreement or otherwise disclosed in writing by a Party to the other Party prior to the date of this Agreement; (ii) any action or inaction taken by such Person to which the other Person had consented in writing; (iii) the announcement of the transactions contemplated by the Amalgamation or this Agreement; or (iv) general economic, financial, currency exchange, securities, banking or commodity market conditions or changes affecting the mining industry generally in the United States, Canada or worldwide, provided that such effects or changes do not have a materially disproportionate effect on the applicable Party relative to comparable companies;

“Material Change” and **“Material Fact”** has the meanings ascribed thereto under Applicable Canadian Securities Laws;

“Material Contract” means a Contract considered a material contract under applicable securities laws and regulations;

“Meeting” means the special meeting of NumCo Shareholders, and any adjournment or postponement thereof, which NumCo may hold to approve, among other things, the Amalgamation;

“Net Profits Royalty Agreement” means the net profits royalty agreement dated January 22, 1996, between Erex and Equinox Resources (Canada) Inc., pursuant to which Erex is obligated to pay to Equinox Resources (Canada) Inc., a 2% net profits royalty from the Leases;

“Notice” means any notice, demand, request, consent, approval or other communication which is required or permitted by this Agreement to be given or made by a Party;

“NumCo” has the meaning set forth in the recitals above;

“NumCo Amalgamation Resolutions” means the unanimous shareholder resolutions of the NumCo Shareholders which NumCo may obtain to approve, among other things, the Amalgamation;

“NumCo Dissent Shares” has the meaning set forth in Section 2.12(a);

“NumCo Shareholder Approval” means the approval of, among other things, the Amalgamation by the NumCo Shareholders, whether obtained through the NumCo Amalgamation Resolutions or by special resolution at the Meeting;

“NumCo Shareholders” means, at any time, the holders of NumCo Shares;

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

“Ordinary Course” means, with respect to an action taken by a Party, that such action is consistent with the past practice of such Party’s business and is taken in the ordinary course of the normal day-to-day operation of its business and operations;

“Parties” means Li-FT, NumCo and Subco;

“Party” means each of Li-FT, NumCo and Subco;

“Permitted Encumbrances” will mean: (i) Encumbrances for Taxes, assessments or other charges not yet due and payable; (ii) statutory Encumbrances of landlords, carriers, warehousemen, mechanics, materialmen and other similar liens imposed by Applicable Law, which are incurred in the Ordinary Course; (iii) Encumbrances to secure performance obligations incurred in connection with tenders, statutory obligations, surety, stay, customs and appeals (or commitments in respect thereto), bids, government contracts, trade contracts, performance and return of money bonds and other similar performance obligations; and (iv) deposits made in the Ordinary Course;

“Person” means an individual, body corporate, sole proprietorship, partnership, trust, unincorporated association, unincorporated syndicate, unincorporated organization, or another entity, and a natural person acting in his or her individual capacity or in his or her capacity as executor, trustee, administrator or legal representative, and any Governmental Authority;

“Ravenclan Project” means the eight mineral claims referred to as the “Ravenclan Project” and located in the James Bay territory of the Province of Quebec;

“Registrar” means the registrar appointed under section 400 of the BCBCA;

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

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

“Rupert Project” means collectively, the James Bay Project, the Kenorland Claims, the Ravenclan Project and the Whabouchi Project;

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

“Securities Act” means the *Securities Act* (British Columbia);

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

“Subco” has the meaning set forth in the recitals above;

“Target Acquisition Agreement” means the share purchase agreement between NumCo and the Target Property Vendors;

“Target Property” means the Leases and any After Acquired Property, and the property and mining or mineral rights associated therewith, including any amendment or conversion thereof to other

tenures, or any substitute or replacement tenures and all amendments, renewals or extensions thereof;

“Target Property Vendor” means [redacted due to confidentiality agreement - names of underlying parties], collectively, the **“Target Property Vendors”**;

“Tax Act” mean the *Income Tax Act* (Canada), and the regulations promulgated thereunder, as amended from time to time;

“Tax Return” means any return, report, declaration, designation, election, undertaking, waiver, notice, filing, information return, statement, form, certificate or any other document or materials relating to Taxes, including any related or supporting information with respect to any of the foregoing, filed or to be filed with any Governmental Authority in connection with the determination, assessment, collection or administration of Taxes;

“Tax” means all taxes, duties, fees, premiums, assessments, imposts, levies, rates, withholdings, dues, government contributions and other charges of any kind whatsoever, whether direct or indirect, together with all interest, penalties, fines, additions to tax or other additional amounts, imposed by any Governmental Authority;

“Transaction” means the proposed transaction to combine the businesses, operations and assets of Li-FT and NumCo, by way of the Amalgamation, and all related transactions thereunder and contemplated hereby;

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

“Whabouchi Project” means the 30 mineral claims acquired pursuant to a mineral property purchase agreement dated April 11, 2022, between Li-FT and 9228-6202 Quebec Inc. located in the James Bay territory of the Province of Quebec, which claims are subject to the Kenorland Royalty and the 9228 Royalty.

Section 1.2 Certain Rules of Interpretation

- (a) In this Agreement, words signifying the singular number include the plural and vice versa, and words signifying gender include all genders. Every use of the word "including" in this Agreement is to be construed as meaning "including, without limitation".
- (b) The division of this Agreement into Articles and Sections, the insertion of headings and the provision of a table of contents are for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (c) Unless otherwise specified in this Agreement, time periods within which or following which any payment is to be made or act is to be done will be calculated by excluding the day on which the period begins and including the day on which the period ends. If the last day of a time period is not a Business Day, the time period will end on the next Business Day.

- (d) Unless otherwise specified, any reference in this Agreement to any statute includes all regulations made under or in connection with that statute from time to time, and is to be construed as a reference to that statute as amended, supplemented or replaced from time to time.

Section 1.3 Governing Law

This Agreement is governed by, and is to be construed and interpreted exclusively in accordance with, the laws of the Province of British Columbia and the laws of Canada applicable therein. The Parties hereto irrevocably attorn to the exclusive jurisdiction of the courts of British Columbia to resolve any disputes arising hereunder.

Section 1.4 Entire Agreement

This Agreement, together with the agreements and other documents to be delivered pursuant to this Agreement, constitutes the entire agreement among the Parties pertaining to the subject matter of this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties, and there are no representations, warranties or other agreements among the Parties in connection with the subject matter of this Agreement except as specifically set out in this Agreement or the other agreements and documents delivered pursuant to this Agreement. No Party has been induced to enter into this Agreement in reliance on, and there will be no liability assessed, either in tort or contract, with respect to, any warranty, representation, opinion, advice or assertion of fact, except to the extent it has been reduced to writing and included as a term in this Agreement or in one of the other agreements and documents delivered pursuant to this Agreement.

Section 1.5 Knowledge

Where the phrase "to the knowledge of Li-FT" or "to the knowledge of NumCo" is used, such phrase will mean, in respect of each representation and warranty or other statement which is qualified by such phrase, that such representation and warranty or other statement is being made based upon, in the case of Li-FT, the collective knowledge of the directors and officers of Li-FT and in the case of NumCo, the collective knowledge of the directors and officers of NumCo and in all cases, "knowledge" means the actual knowledge of such directors and officers after due inquiry.

Section 1.6 Currency

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

ARTICLE 2 THE TRANSACTION

Section 2.1 Amalgamation

NumCo, Subco, and Li-FT will effect the Amalgamation on the terms and subject to the conditions contained in this Agreement.

Section 2.2 Effect of Amalgamation

On the Amalgamation Effective Date at the Amalgamation Effective Time and in consequence of the Amalgamation:

- (a) NumCo and Subco shall be amalgamated and continue as one corporation;
- (b) each of NumCo and Subco shall cease to exist as entities separate from Amalco;
- (c) all of the property of each of Subco and NumCo shall continue to be the property of Amalco;
- (d) Amalco shall continue to be liable for all of the liabilities and the obligations of each of Subco and NumCo;
- (e) the Articles of Amalco shall be in the form approved by Li-FT;
- (f) Amalco will be a wholly-owned subsidiary of Li-FT; and
- (g) all of the shareholders who owned shares of NumCo or Subco immediately before the Amalgamation shall receive shares on the basis as set out in this Agreement.

Section 2.3 Name

The name of Amalco shall be " Yellowknife Lithium Ltd." or such other name as agreed to by the Parties.

Section 2.4 Registered Office

The registered office of Amalco shall be Suite 2080-777 Hornby Street, Vancouver, B.C., V6Z 1S4

Section 2.5 Authorized Capital and Restriction on Share Transfers

The authorized capital of Amalco shall consist of an unlimited number of common shares without par value, which shall have the rights, privileges, restrictions and conditions set out in the Articles. No shares of Amalco may be transferred except in compliance with the restrictions set out in the Articles.

Section 2.6 Fiscal Year

The fiscal year end of Amalco shall be November 30 of each calendar year.

Section 2.7 Business

There shall be no restriction on the business which Amalco is authorized to carry on.

Section 2.8 Initial Director

The first director of Amalco shall be Alexander Langer and such director shall hold office until the first annual meeting of shareholders of Amalco or until his successor is selected or appointed.

Section 2.9 Completion of the Amalgamation

Upon the satisfaction or waiver of the conditions herein contained in favour of each Party, NumCo and Subco shall immediately file the Amalgamation Application, in the form attached hereto as Schedule B, and such other documents as may be required to give effect to the Amalgamation. The Amalgamation shall become effective at the Amalgamation Effective Date.

Section 2.10 Exchange of Shares

Effective on the Amalgamation Effective Date at the Amalgamation Effective Time and in consequence of the Amalgamation:

- (a) each NumCo Shareholder, other than a Dissenting Shareholder, will receive 0.60 of a Li-FT Share in exchange for every NumCo Share held by such holder immediately prior to the Amalgamation Effective Time at a deemed price of \$8.59 per Li-FT Share issued and the NumCo Shares will be cancelled;
- (b) the Subco Shares will be cancelled and replaced by Amalco Shares on the basis of one Amalco Share for each Subco Share;
- (c) Li-FT shall add to the stated capital account maintained in respect of the Li-FT Shares an amount equal to the paid-up capital for purposes of the Tax Act of the NumCo Shares immediately before the Amalgamation Effective Time;
- (d) the aggregate stated capital maintained in respect of the Amalco Shares issued pursuant to the Amalgamation shall be the aggregate of the paid-up capital for the purposes of the Tax Act of the Subco Shares and the NumCo Shares (less the paid-up capital of any NumCo Dissent Shares) immediately before the Amalgamation Effective Time; and
- (e) in consideration for Li-FT's issuance of Li-FT Shares referenced in Section 2.10(a), Amalco shall issue to Li-FT one Amalco Share for each Li-FT Share issued by Li-FT to NumCo Shareholders under Section 2.10(a).

No fractional Li-FT Shares will be issued under the Amalgamation. Where the aggregate number of Li-FT Shares to be issued to any former NumCo Shareholder under the Amalgamation would result in a fraction of a Li-FT Share being issuable, the number of Li-FT Shares to be issued to such NumCo Shareholder shall be rounded down to the next whole number, and no cash or other consideration shall be paid or payable in lieu of such fraction of a Li-FT Share.

Section 2.11 Rights of Dissent for the Subco Shareholder

The holders of Subco Shares may exercise rights of dissent (the "**Dissent Rights**") in respect of the Amalgamation pursuant to, in the manner set forth in, and in strict compliance with Section 242 of the BCBCA. Li-FT, being the sole shareholder of Subco and having full notice and knowledge of the Dissent Rights and the details of the Amalgamation, hereby waives its Dissent Rights in respect of the Amalgamation in accordance with Section 239 of the BCBCA.

Section 2.12 Rights of Dissent for NumCo Shareholders

(a) The NumCo Shareholders may exercise Dissent Rights in respect of the Amalgamation pursuant to, in the manner set forth in, and in strict compliance with Section 242 of the BCBCA. The NumCo Shareholders who duly exercise their Dissent Rights with respect to their NumCo Shares (the "**NumCo Dissent Shares**"), will:

- (i) if they are ultimately entitled to be and are paid fair value for their NumCo Dissent Shares, be deemed to have transferred their NumCo Dissent Shares to NumCo immediately prior to the Amalgamation Effective Time for cancellation without any repayment of capital in respect thereof and the certificates representing same will cease to represent any right or claim of any nature or kind; or
- (ii) if they are not ultimately entitled, for any reason, to be paid fair value for their NumCo Dissent Shares, be deemed to have participated in the Amalgamation on the same basis as a NumCo Shareholder who did not exercise the Dissent Rights, and will receive Li-FT Shares in exchange for their NumCo Shares on the same basis as every other NumCo Shareholder in accordance with Section 2.10(a),

always provided that in no case will Li-FT or Amalco be required to recognize such persons as holding NumCo Shares at or after the Amalgamation Effective Time.

- (b) NumCo will provide prompt notice to Li-FT of any NumCo Shareholder's exercise or purported exercise of Dissent Rights.
- (c) In no circumstances will Li-FT, NumCo or any other person be required to recognize a person exercising Dissent Rights unless such person is a registered holder of those NumCo Shares in respect of which such rights are sought to be exercised. For greater certainty, in no case will Li-FT, NumCo or any other person be required to recognize Dissenting Shareholders as holders of NumCo Shares after the Amalgamation Effective Time, and the names of such Dissenting Shareholders will be deleted from the register of NumCo Shareholders as of the Amalgamation Effective Time.

Section 2.13 NumCo Shareholder Approval

As promptly as practicable after the date hereof, NumCo shall, in accordance with the applicable provisions of the BCBCA and its Constatng Documents, obtain the Numco Shareholder Approval. NumCo may, at its sole discretion, elect to obtain the NumCo Shareholder Approval

through the NumCo Amalgamation Resolutions or by duly calling, giving notice of, convening and holding the Meeting.

Any information circular or other documents required under Applicable Laws in connection with the Meeting (the “**Meeting Materials**”) will include, inter alia, the unanimous recommendation of the board of NumCo that the NumCo Shareholders vote in favour of approval of the Amalgamation, and will comply as to form in all material respects with Applicable Laws and contain sufficient detail to permit the NumCo Shareholders to form a reasoned judgment concerning the matters to be placed before them at the Meeting. The Meeting Materials shall contain language notifying each NumCo Shareholder resident in or otherwise subject to the laws of the United States of the following:

- (a) the Li-FT Shares issued in connection with the Amalgamation are or will be “restricted securities” as defined in Rule 144 under the 1933 Act, and the holders may dispose of the Li-FT Shares only pursuant to an effective registration statement under the 1933 Act or an exemption from the registration requirements of the 1933 Act. Li-FT is not obligated to file and has no present intention of filing with the SEC or with any state securities administrator any registration statement in respect of resales of the Li-FT Shares in the United States. Accordingly, holders of the Li-FT Shares may be required to hold the Li-FT Shares indefinitely; and
- (b) Li-FT:
 - (i) is not obligated to remain a “foreign issuer” within the meaning of Regulation S;
 - (ii) may not, at the time the Li-FT Shares are resold or otherwise transferred by it or at any other time, be a foreign issuer; and
 - (iii) may engage in one or more transactions that could cause Li-FT not to be a foreign issuer, and if Li-FT is not a foreign issuer at the time of any sale or other transfer of the Li-FT Shares pursuant to Rule 904 of Regulation S, a holder of the NumCo Shares may be required to hold the Li-FT Shares indefinitely.

Section 2.14 Li-FT Guarantee

Li-FT hereby unconditionally and irrevocably guarantees the due and punctual performance by Subco of each and every covenant and obligation of Subco arising under the Amalgamation. Li-FT hereby agrees that NumCo shall not have to proceed first against Subco before exercising its rights under this guarantee against Li-FT.

Section 2.15 Treatment of Restricted Securities under the U.S. Securities Act

The Parties agree that the Li-FT Shares issued to the former NumCo Shareholders resident in or subject to the laws of the United States in connection with the Transaction will be “restricted securities” within the meaning of Rule 144 of the 1933 Act. Each certificate representing the Li-FT Shares issued to holders resident in or subject to the laws of the United States will bear a legend in substantially the form that follows:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “1933 ACT”), OR UNDER ANY STATE SECURITIES LAWS AND ARE “RESTRICTED SECURITIES” AS THAT TERM IS DEFINED IN RULE 144 UNDER THE 1933 ACT. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF 1361516 B.C. LTD. (THE “ISSUER”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE 1933 ACT AND IN COMPLIANCE WITH APPLICABLE UNITED STATES STATE LAWS AND REGULATIONS AND APPLICABLE LOCAL LAWS AND REGULATIONS; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE 1933 ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE 1933 ACT OR ANY APPLICABLE STATE SECURITIES LAWS, OR I PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE 1933 ACT AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE ISSUER AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE ISSUER TO SUCH EFFECT.”

NumCo agrees that it will obtain from each NumCo Shareholder resident in the United States a certificate that such shareholder is an “accredited investor” as such term is defined in Regulation D.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of Li-FT and Subco

Li-FT and Subco jointly and severally represent and warrant to NumCo as follows, and acknowledge that NumCo is relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) each of Li-FT and Subco has good and sufficient right and authority to enter into this Agreement and carry out its intentions hereunder;
- (b) Li-FT is duly incorporated under the BCBCA, is currently in good standing, and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;
- (c) Subco is duly incorporated under the BCBCA, is currently in good standing, and not subject to any regulatory decision or order prohibiting or restricting trading in its shares;
- (d) the Li-FT Shares are listed for trading on the CSE;

- (e) Li-FT is a reporting issuer in British Columbia and Ontario and is in compliance with its timely and continuous disclosure obligations under the securities laws of the Provinces of British Columbia and Ontario, and the policies of the CSE in all material respects and, without limiting the generality of the foregoing, there has not occurred any “material change” (as defined under applicable securities legislation) which has not been publicly disclosed on a non-confidential basis and, except as may have been corrected by subsequent disclosure, all the statements set forth in the public record were true, correct, and complete in all material respects and did not contain any misrepresentation as of the date of such statements and Li-FT has not filed any confidential material change reports since the date of such statements which remains confidential as at the date hereof;
- (f) Subco is not a reporting issuer in any jurisdiction and no Subco Shares are listed or quoted on any stock exchange or stock trading system;
- (g) Li-FT is authorized to issue an unlimited number of Li-FT Shares. As of the date hereof: (i) 18,465,063 Li-FT Shares are issued and outstanding, and such Li-FT Shares are duly and validly issued and outstanding as fully paid and non-assessable;
- (h) the Li-FT Shares to be issued to NumCo Shareholders shall be issued as fully paid and non-assessable common shares in the capital of Li-FT, free and clear of any and all encumbrances, liens, charges and demands of whatsoever nature;
- (i) Subco is authorized to issue an unlimited number of common shares, of which one Subco Share is issued and outstanding as at the date hereof which is held by Li-FT;
- (j) other than the securities referred to in Section 3.1(g) and as otherwise provided in this Agreement there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a “security” of Li-FT (as that term is defined in the Securities Act) and Li-FT has no agreements or commitments of any character whatsoever convertible into, or exchangeable or exercisable for or otherwise requiring the issuance, sale or transfer by Li-FT of any Li-FT Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any Li-FT Shares, except pursuant to the Harfang Option Agreement and the Lac Des Montagnes Option Agreement;
- (k) there are no outstanding actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of Li-FT) pending or, to the knowledge of Li-FT, threatened by or against Li-FT, at law or in equity, or before or by any Governmental Authority and Li-FT is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success;
- (l) this Agreement is a binding agreement on Li-FT and Subco, enforceable against each of them in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors and the general principles of equity;

- (m) neither the execution and delivery of this Agreement, nor the consummation of the Amalgamation, will conflict with or result in any breach of any of the terms or provisions of, or constitute a default under, the Material Contracts and the Constating Documents of Li-FT, director or shareholder resolutions of Li-FT, any agreement or instrument to which Li-FT is a party or by which Li-FT is bound, or any order, decree, statute, regulation, covenant or restriction applicable to Li-FT;
- (n) Li-FT is not in material default under any Material Contract to which it is a party and there has not occurred any event which, with the lapse of time or giving of notice or both, would constitute a default under any Material Contract by Li-FT, as applicable. Each Material Contract of Li-FT is in full force and effect, unamended by written or oral agreement, and Li-FT is entitled to the full benefit and advantage of each Material Contract to which it is party in accordance with its terms. Li-FT has not received any notice of a default by Li-FT or its subsidiaries, as applicable, or a dispute between Li-FT and any other party in respect of any Material Contract;
- (o) other than the Li-FT Loan, neither Li-FT nor Subco has any Liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind whatsoever, and, there is no basis for assertion against Li-FT nor Subco of any Liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind, other than Liabilities disclosed or reflected in the Li-FT Financial Statements or incurred in the Ordinary Course following the dates of the Li-FT Financial Statements
- (p) the Li-FT Financial Statements have been prepared in accordance with IAS 34, using accounting policies consistent with IFRS, and are based on the books and records of Li-FT and fairly present the financial condition of Li-FT as at the dates thereof and the results of the operations for such periods;
- (q) neither Li-FT nor Subco has outstanding Taxes due and payable and there exist no facts or circumstances which may reasonably be expected to result in the issuance of assessment or reassessment of Tax;
- (r) Li-FT has or will on a timely basis prepare and file all Tax Returns required to be filed by it prior to the date hereof and such returns and documents will be complete and correct. Li-FT has no knowledge of any contingent Tax liabilities or any ground which would prompt an assessment or reassessment of any of such returns or reports, including aggressive treatment of income and expenses in filing any Tax Returns.
- (s) the Corporate Records of Li-FT and SubCo are complete and accurate in all material respects and all corporate proceedings and actions reflected in the Corporate Records have been conducted or taken in compliance with all Applicable Laws and with the Constating Documents of Li-FT and SubCo, as applicable. Without limiting the generality of the foregoing, in respect of the Corporate Records of Li-FT and SubCo, as applicable, (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders held since incorporation and all such meetings were properly called and held, (ii) the minute books contain all resolutions passed by the directors and shareholders and all such resolutions were properly passed, (iii) the share certificate books, register of

shareholders and register of transfers are complete and accurate, all transfers have been properly completed and approved and any Tax payable in connection with the transfer of any securities has been paid, and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers were properly elected or appointed, as the case may be;

- (t) no proceedings have been taken, are pending or authorized by Li-FT or by any other Person, in respect of the bankruptcy, insolvency, liquidation or winding up of Li-FT;
- (u) as of the date hereof, neither Li-FT nor Subco has any debts or obligations other than those disclosed in its accounts, the Li-FT Financial Statements or for professional fees accrued but not yet invoiced and has granted no general security over its assets or security in any particular asset;
- (v) as at the date hereof, there are no reasonable grounds for believing that any creditor of Li-FT or Subco will be prejudiced by the Amalgamation;
- (w) as at the date hereof, Li-FT has no subsidiaries other than Subco;
- (x) there are no agreements, covenants, undertakings, rights of first refusal or other commitments of Li-FT or any instruments binding on its assets:
 - (i) which would preclude Li-FT from entering into this Agreement;
 - (ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon Li-FT;
 - (iii) which would give a third party, as a result of the Transaction, the right to terminate any material agreement to which Li-FT is a party or to purchase any of Li-FT's or Amalco's assets; or
 - (iv) which would impose restrictions on the ability of Amalco:
 - (A) to carry on any business which it might choose to carry on within any geographical area;
 - (B) to acquire property or dispose of its property and assets as an entirety;
 - (C) to pay dividends, redeem shares or make other distributions to its shareholders;
 - (D) to borrow money or to mortgage and pledge its property as security therefore; or
 - (E) to change its corporate status;
- (y) Li-FT is conducting and has always conducted its business in compliance with all Applicable Laws, other than acts of non-compliance which, individually or in aggregate, would not have

- a Material Adverse Effect on Li-FT. Li-FT is not aware of and has not received any order or directive relating to any breach of any applicable Environmental Law, health and safety Law or any Laws relating to employment standards, occupational health and safety, human rights, labour relations, workers compensation, pay equity or employment equity. Li-FT has not received notice of any outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workers' compensation legislation and Li-FT has not been reassessed in any material respect under such legislation;
- (z) Li-FT is the owner of and has good and marketable title to all of the assets that it purports to own (whether real, personal, or mixed or whether tangible or intangible), and has legal and beneficial ownership of its assets, free and clear of all Encumbrances whatsoever, except for Permitted Encumbrances except as would not have a Material Adverse Effect;
 - (aa) Li-FT owns, exclusively possesses or has obtained, and is in compliance with, all concessions, licences, permits, certificates, orders, grants and other authorizations of or from any Governmental Authority necessary to conduct its business as it is currently being conducted and as it is presently contemplated;
 - (bb) The Li-FT Material Properties (A) are accurately and completely described herein; and (B) have been properly located and recorded in compliance with Applicable Law and are comprised of valid and subsisting mineral concessions;
 - (cc) There are no mineral concessions or other property rights of Li-FT other than the mineral claims comprising the Li-FT Material Properties and the Li-FT Non-Material Properties;
 - (dd) Li-FT has conducted and is conducting its business in accordance with good mining industry practices and in compliance with all Applicable Laws, and, in particular, all applicable licensing and Environmental Laws or other lawful requirements of any Governmental Authority applicable to it in each jurisdiction in which it carries on business;
 - (ee) The Li-FT Material Properties are in good standing and the mineral claims comprising the Li-FT Material Properties are free and clear of any Encumbrances, third party interests or other interest whatsoever in production from any part of the Li-FT Material Properties, except for the James Bay Royalty, the Kenorland Royalty, the 9228 Royalty and Permitted Encumbrances;
 - (ff) there are no adverse claims, actions, suits or proceedings, including adverse claims made by first nations groups, that have been commenced or, to the knowledge of Li-FT, that are pending or threatened, affecting or which could affect the title to or right to explore or develop the Li-FT Material Properties, or any portion thereof, including the title to or ownership by Li-FT, of any of the foregoing, which might involve the possibility of any judgement or liability affecting the Li-FT Material Properties;
 - (gg) to the knowledge of Li-FT all exploration permits, leases, concessions, licenses and mining claim payments, rentals, taxes, rates, assessments, renewal fees and other governmental charges owing in respect of the Li-FT Material Properties and all reports and other filings,

required to be made to such date relating to the Li-FT Material Properties have been made in a timely manner;

- (hh) no reclamation, rehabilitation, clean-up, closure, other environmental corrective, restoration or abandonment obligations exist directly or indirectly with respect to the Li-FT Material Properties or any Li-FT Non-Material Properties;
- (ii) neither Li-FT nor any predecessor, subsidiary or Affiliate thereof, has any liability or obligation, or to the knowledge of Li-FT, potential liability or obligation (pursuant to indemnification obligations or pursuant to any guarantee or otherwise) in respect of or relating to any assets, rights or interests (including any interests in mineral properties) which were previously held or used by Li-FT and which were sold, assigned or otherwise transferred to any other person or abandoned prior to the date hereof;
- (jj) no person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from Li-FT of any of the material assets of Li-FT;
- (kk) Li-FT has made available to NumCo all material information in Li-FT's possession or under its control relating to the Li-FT Material Properties;
- (ll) Environmental Matters:
 - (i) Li-FT and, to the knowledge of Li-FT, the Li-FT Material Properties have been and are, operated in compliance with all applicable Environmental Laws;
 - (ii) there is no Environmental Law Claim pending or, to the knowledge of Li-FT threatened against Li-FT;
 - (iii) Li-FT has not released any hazardous substance at, on or near the Li-FT Material Properties or Li-FT Non-Material Properties as a result of the conduct of their respective business or otherwise in any manner that will give rise to a material liability if such release is not permitted by Environmental Law;
 - (iv) there are no facts that could give rise to a notice of non-compliance Li-FT with any Environmental Law, except for such non-compliance as would not individually or in the aggregate be reasonably like to result in or give rise to any material Liability to Li-FT or materially impair the operations of its business; and
 - (v) Li-FT has not been convicted of an offence or been subject to any Legal Proceeding or been subject to any order or other sanction requiring investigation or remediation of any real property or been fined or otherwise sentenced for non-compliance with any Environmental Laws, and has not settled any prosecution or other proceeding in relation to any alleged non-compliance with any Environmental Laws short of conviction in connection therewith;
- (mm) other than the Li-FT Loan, there is no indebtedness or Liability of Li-FT to any Person which might, by operation of law or otherwise, now or hereafter constitute or be capable of

resulting in or forming an Encumbrance, except for Permitted Encumbrances, upon any of the assets or properties of Li-FT;

- (nn) other than the Li-FT Loan, Li-FT is not subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Person, other than as set out in the Li-FT Financial Statements and herein;
- (oo) all information supplied by Li-FT or its representatives to NumCo in the course of NumCo's due diligence review in respect of the transactions contemplated by this Agreement, is accurate and correct in all material respects; and
- (pp) the representations, warranties or statements of fact made in this section do not contain any untrue statement of a material fact or omit to state any material fact necessary to make any such warranty or representation not misleading to NumCo in seeking full information as to Li-FT and Subco and their assets, liabilities and business.

Section 3.2 Representations and Warranties of NumCo

NumCo represents and warrants to Li-FT and Subco as follows, and acknowledges that Li-FT and Subco are relying upon such representations and warranties in connection with the matters contemplated by this Agreement:

- (a) it has good and sufficient right and authority to enter into this Agreement and carry out its intentions hereunder;
- (b) it is duly incorporated under the BCBCA and is currently in good standing, and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;
- (c) Erex is duly incorporated under the BCBCA and is currently in good standing, and is not subject to any regulatory decision or order prohibiting or restricting trading in its shares;
- (d) neither NumCo nor Erex is a reporting issuer in any jurisdiction and no NumCo Shares or common shares of Erex are listed or quoted on any stock exchange or stock trading system;
- (e) NumCo is authorized to issue an unlimited number of NumCo Shares. As of the date hereof:
 - (i) 30,000,000 NumCo Shares are issued and outstanding, and such NumCo Shares are duly and validly issued and outstanding as fully paid and non-assessable;
- (f) Erex is authorized to issue an unlimited number of common shares, of which 30 common shares in the capital of Erex are issued and outstanding as at the date hereof, each of which are held by NumCo;
- (g) other than the securities referred to in Section 3.2(e) and as otherwise provided in this Agreement, there are no other shares, options, warrants, convertible notes or debentures, agreements, documents, instruments or other writings of any kind whatsoever which constitute a "security" of NumCo (as that term is defined in the Securities Act) and NumCo has no agreements or commitments of any character whatsoever convertible into, or

exchangeable or exercisable for or otherwise requiring the issuance, sale or transfer by NumCo of any NumCo Shares or any securities convertible into, or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any NumCo Shares;

- (h) except for Li-FT's right under this Agreement, no Person has any written or oral agreement, option or warrant or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming such for (A) the purchase or acquisition of any of the NumCo Shares or any of the shares of any of its subsidiaries, or (B) the purchase, subscription, allotment or issuance of any unissued shares or other securities in the capital of NumCo;
- (i) as at the date hereof, NumCo has no subsidiaries other than Erex;
- (j) there are no outstanding actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of NumCo) pending or, to the knowledge of NumCo, threatened by or against NumCo or Erex, at law or in equity, or before or by any Governmental Authority and NumCo is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success;
- (k) this Agreement is a binding agreement on NumCo, enforceable against it in accordance with its terms and conditions, subject to applicable bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the rights and remedies of creditors and the general principles of equity;
- (l) neither the execution and delivery of this Agreement, nor the consummation of the Amalgamation, will conflict with or result in any breach of any of the terms or provisions of, or constitute a default under, the Material Contracts, the Constatng Documents of NumCo, director or shareholder resolutions of NumCo, any agreement or instrument to which NumCo is a party or by which NumCo is bound, or any order, decree, statute, regulation, covenant or restriction applicable to NumCo, provided that the consummation of the Transactions will require the consent of the Target Property Vendors;
- (m) neither NumCo nor Erex is in material default under any Material Contract to which it is a party and there has not occurred any event which, with the lapse of time or giving of notice or both, would constitute a default under any Material Contract by NumCo or Erex, as applicable. Each Material Contract of NumCo and Erex is in full force and effect, unamended by written or oral agreement, and each of NumCo and Erex, as applicable, is entitled to the full benefit and advantage of each Material Contract to which it is party in accordance with its terms. Neither NumCo nor Erex has received any notice of a default by NumCo or Erex, as applicable, or a dispute between NumCo or Erex, and any other party in respect of any Material Contract;
- (n) neither NumCo nor Erex has any Liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind whatsoever, and there is no basis for assertion against NumCo or Erex of any Liabilities, obligations or indebtedness (whether accrued, absolute, contingent or otherwise) of any kind other than Liabilities as disclosed to Li-FT in writing or Liabilities consisting of accrued legal and accounting expenses incurred in connection with the Transaction;

- (o) neither NumCo nor Erex has any outstanding Taxes due and payable and there exist no facts or circumstances which may reasonably be expected to result in the issuance of assessment or reassessment of Tax;
- (p) if applicable, each of NumCo and Erex has duly and on a timely basis prepared and filed all Tax Returns required to be filed by it prior to the date hereof and such returns and documents are complete and correct. NumCo has no knowledge of any contingent Tax liabilities or any ground which would prompt an assessment or reassessment of any of such returns or reports, including aggressive treatment of income and expenses in filing any Tax Returns;
- (q) the accounting records of NumCo provided to Li-FT present fairly, in all material respects, the financial position of NumCo and Erex, on a consolidated basis, as of the date thereof, and there have been no adverse material changes in the financial position of NumCo and Erex, on a consolidated basis, since the date thereof and the businesses of each of NumCo and Erex have been carried on in the usual and Ordinary Course since the date thereof;
- (r) the Corporate Records of NumCo and Erex are complete and accurate in all material respects and all corporate proceedings and actions reflected in the Corporate Records have been conducted or taken in compliance with all Applicable Laws and with the Constatting Documents of NumCo and Erex, as applicable. Without limiting the generality of the foregoing, in respect of the Corporate Records of NumCo and Erex, as applicable, (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders held since incorporation and all such meetings were properly called and held, (ii) the minute books contain all resolutions passed by the directors and shareholders and all such resolutions were properly passed, (iii) the share certificate books, register of shareholders and register of transfers are complete and accurate, all transfers have been properly completed and approved and any Tax payable in connection with the transfer of any securities has been paid, and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers were properly elected or appointed, as the case may be;
- (s) no proceedings have been taken, are pending or authorized by NumCo or Erex or by any other Person, in respect of the bankruptcy, insolvency, liquidation or winding up of NumCo or Erex;
- (t) as at the date hereof there are no reasonable grounds for believing that any creditor of NumCo or Erex will be prejudiced by the Amalgamation;
- (u) other than the Target Acquisition Agreement, a copy of which has been provided to Li-FT, there are no agreements, covenants, undertakings, rights of first refusal or other commitments of NumCo or any instruments binding on its assets:
 - (i) which would preclude NumCo from entering into this Agreement;
 - (ii) under which the Amalgamation would have the effect of imposing restrictions or obligations on Amalco greater than those imposed upon NumCo;

- (iii) which would give a third party, as a result of the Transaction, the right to terminate any material agreement to which NumCo is a party or to purchase any of NumCo's or Amalco's assets; or
- (iv) which would impose restrictions on the ability of Amalco:
 - (A) to carry on any business which it might choose to carry on within any geographical area;
 - (B) to acquire property or dispose of its property and assets as an entirety;
 - (C) to pay dividends, redeem shares or make other distributions to its shareholders;
 - (D) to borrow money or to mortgage and pledge its property as security therefore; or
 - (E) to change its corporate status;
- (v) each of NumCo and Erex is conducting and has always conducted its business in compliance with all Applicable Laws, other than acts of non-compliance which, individually or in aggregate, would not have a Material Adverse Effect on NumCo or Erex, as applicable. Neither NumCo nor Erex is aware of and neither has received any notice, order or directive relating to any breach of any applicable Environmental Law, health and safety Law or any Laws relating to employment standards, occupational health and safety, human rights, labour relations, workers compensation, pay equity or employment equity. Neither NumCo nor Erex has received notice of any outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workers' compensation legislation and neither NumCo nor Erex has been reassessed in any material respect under such legislation;
- (w) neither NumCo nor Erex is subject to any obligation to make any investment in or to provide funds by way of loan, capital contribution or otherwise to any Person;
- (x) each of NumCo and Erex, as applicable, is the owner of and has good and marketable title to all of the assets that it purports to own (whether real, personal, or mixed or whether tangible or intangible), and has legal and beneficial ownership of its assets, free and clear of all Encumbrances whatsoever, except for Permitted Encumbrances except as would not have a Material Adverse Effect;
- (y) each of NumCo and Erex, as applicable, owns, exclusively possesses or has obtained, and is in compliance with, all concessions, licences, permits, certificates, orders, grants and other authorizations of or from any Governmental Authority necessary to conduct its business as it is currently being conducted and as it is presently contemplated;

- (z) the Target Property (A) is accurately and completely described herein; and (B) has been properly located and recorded in compliance with Applicable Law and is comprised of valid and subsisting mineral concessions;
- (aa) there are no mineral concessions or other property rights of NumCo or Erex other than the Leases;
- (bb) each of NumCo and Erex has conducted and is conducting its respective business in accordance with good mining industry practices and in compliance with all Applicable Laws, and, in particular, all applicable licensing and Environmental Laws or other lawful requirements of any Governmental Authority applicable to it in each jurisdiction in which it carries on business;
- (cc) the Target Property is in good standing and the mineral claims comprising the Leases are free and clear of any Encumbrances, third party interests or other interest whatsoever in production from any part of the Target Property, except for the Gross Product Royalty Agreement, the Net Profits Royalty Agreement, and Permitted Encumbrances;
- (dd) there are no adverse claims, actions, suits or proceedings, including adverse claims made by first nations groups, that have been commenced or, to the knowledge of NumCo, that are pending or threatened, affecting or which could affect the title to or right to explore or develop the Target Property, or any portion thereof, including the title to or ownership by Erex, of any of the foregoing, which might involve the possibility of any judgement or liability affecting the Target Property;
- (ee) to the knowledge of NumCo all exploration permits, leases, concessions, licenses and mining claim payments, rentals, taxes, rates, assessments, renewal fees and other governmental charges owing in respect of the Target Property and all reports and other filings, required to be made to such date relating to the Target Property have been made in a timely manner;
- (ff) no reclamation, rehabilitation, clean-up, closure, other environmental corrective, restoration or abandonment obligations exist directly or indirectly with respect to the Target Property;
- (gg) neither NumCo nor any predecessor, subsidiary or Affiliate thereof, has any liability or obligation, or to the knowledge of NumCo, potential liability or obligation (pursuant to indemnification obligations or pursuant to any guarantee or otherwise) in respect of or relating to any assets, rights or interests (including any interests in mineral properties) which were previously held or used by NumCo and which were sold, assigned or otherwise transferred to any other person or abandoned prior to the date hereof;
- (hh) no person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase from NumCo of any of the material assets of NumCo, including NumCo's interest in Erex, other than as contemplated for the purposes of this Agreement;

- (ii) NumCo has made available to Li-FT all material information in NumCo's possession or under its control relating to the Target Property;
- (jj) Environmental Matters:
 - (i) NumCo and, to the knowledge of NumCo, the Target Property have been and are, operated in compliance with all applicable Environmental Laws;
 - (ii) there is no Environmental Law Claim pending or, to the knowledge of NumCo threatened against NumCo or Erex;
 - (iii) neither NumCo, Erex have released any hazardous substance at, on or near the Target Property as a result of the conduct of their respective business or otherwise in any manner that will give rise to a material liability if such release is not permitted by Environmental Law;
 - (iv) there are no facts that could give rise to a notice of non-compliance by NumCo or, to NumCo's knowledge, Erex, with any Environmental Law, except for such non-compliance as would not individually or in the aggregate be reasonably likely to result in or give rise to any material Liability to NumCo or Erex, or materially impair the operations of their respective businesses; and
 - (v) NumCo has not been convicted of an offence or been subject to any Legal Proceeding or been subject to any order or other sanction requiring investigation or remediation of any real property or been fined or otherwise sentenced for non-compliance with any Environmental Laws, and has not settled any prosecution or other proceeding in relation to any alleged non-compliance with any Environmental Laws short of conviction in connection therewith.
- (kk) there is no indebtedness or Liability of NumCo to any Person which might, by operation of law or otherwise, now or hereafter constitute or be capable of resulting in or forming an Encumbrance, except for the Gross Product Royalty Agreement, the Net Profits Royalty Agreement and Permitted Encumbrances, upon any of the assets or properties of NumCo or Erex;
- (ll) all information supplied by NumCo or its representatives to Li-FT in the course of Li-FT's due diligence review in respect of the Transaction, is accurate and correct in all material respects; and
- (mm) the representations, warranties or statements of fact made in this section do not contain any untrue statement of a material fact or omit to state any material fact necessary to make any such warranty or representation not misleading to Li-FT or Subco in seeking full information as to each of NumCo and its assets, liabilities and business.

ARTICLE 4
ACKNOWLEDGEMENTS

Section 4.1 Acknowledgements

NumCo acknowledges and agrees that the Li-FT Shares issued to the NumCo Shareholders on Closing may be subject to resale restrictions imposed by Applicable Laws and agrees that the certificates representing such Li-FT Shares may contain a legend or legends to that effect. NumCo covenants and agrees to use reasonable efforts to cause each NumCo Shareholder, if required by Applicable Laws or the policies of any stock exchange on which Li-FT is then listed, or seeks to list, the Li-FT Shares, to execute and deliver any required escrow agreements, if applicable.

ARTICLE 5
COVENANTS

Section 5.1 Mutual Covenants

From the date of this Agreement until the earlier of the Amalgamation Effective Date and the termination of this Agreement in accordance with Article 9, except as otherwise expressly permitted or specifically contemplated by this Agreement or required by Applicable Laws, each of the Parties shall:

- (a) carry on its business in the usual, regular and Ordinary Course;
- (b) not alter or amend its Constatng Documents as the same exist at the date of this Agreement, except as contemplated by this Agreement;
- (c) take, or cause to be taken, all action and to do, or cause to be done, all other things reasonably necessary, proper or advisable under Applicable Laws to complete the Amalgamation;
- (d) obtain all necessary consents, assignments, waivers and amendments to or terminations of any agreements and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the Transaction, including the NumCo Shareholder Approval obtained by way of the NumCo Amalgamation Resolution or at the Meeting;
- (e) effect all necessary registrations, filings and submissions of information requested by Governmental Authorities required to be effected by it in connection with the Amalgamation;
- (f) oppose, lift or rescind any injunction or restraining or other order seeking to stop, or otherwise adversely affecting its ability to consummate, the Amalgamation and to defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging this Agreement or the consummation of the Transaction;
- (g) reasonably cooperate with the other Parties and their tax advisors in structuring the Transaction in a tax effective manner and assist the other Parties and their tax advisors in

making such investigations and enquiries with respect to such Parties in that regard, as the other Parties and its tax advisors shall consider necessary, acting reasonably;

- (h) not take any action that would render, or may reasonably be expected to render, any representation or warranty made by such Party in this Agreement untrue in any material respect;
- (i) use reasonable commercial efforts to obtain and maintain the third-party approvals applicable to them and provide the same to the other Parties on or prior to the Amalgamation Effective Date;
- (j) except as provided in this Agreement, not amalgamate or consolidate with, or enter into any other corporate reorganization with, any other corporation or person or perform any act or enter into any transaction or negotiation which, in the opinion of Li-FT or NumCo, as applicable, acting reasonably, interferes or is inconsistent with the completion of the Transaction;
- (k) furnish to the other Parties such information, in addition to the information contained in this Agreement, relating to its financial condition, business, properties and affairs as may reasonably be requested by another Party, which information shall be true and complete in all material respects and shall not contain an untrue statement of any Material Fact or omit to state any Material Fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances in which they are made, not misleading and notify the other Parties of any significant development or Material Change relating to it promptly after becoming aware of any such development or change;
- (l) (i) promptly notify the other Parties in writing of any change in any representation or warranty provided in this Agreement which change is or may be of such a nature as to render any representation or warranty misleading or untrue in any material respect; and (ii) discuss, in good faith, with the other Parties such change in circumstances (actual, anticipated, contemplated, or to its knowledge, threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to the other Parties pursuant to Section 10.2;
- (m) from and including the date of this Agreement through to and including the Closing Date, maintain their assets in good standing free and clear of all liens, charges and encumbrances, including the payment of all fees, rentals, rates, taxes, bonds and other payments relating to the such assets;
- (n) from and including the date of this Agreement through to and including the Closing Date, and other than pursuant to the Harfang Agreement or the Lac des Montagnes Agreement, not issue or reach any agreement or understanding with any other party to issue any securities without the prior written consent of other Party, such consent not to be unreasonably withheld or delayed;
- (o) promptly notify the other Parties in writing of any material breach by such Party of any covenant, obligation or agreement contained in this Agreement; and

- (p) not, directly or indirectly, solicit, initiate, assist, facilitate, promote or knowingly encourage the initiation of proposals or offers from, entertain or enter into discussions or negotiations with any person other than the other Parties hereto, with respect to any amalgamation, merger, consolidation, arrangement, restructuring, sale of any material assets or part thereof of such Party, unless such action, matter or transaction is part of the Transaction or is required as a result of the duties of directors and officers of the applicable Party in compliance with Applicable Laws.

Section 5.2 Access to Information and Confidentiality

Each Party will allow the other and its respective authorized representatives, including legal counsel and consultants, access to all information, books or records relevant for the purpose of the Transaction contemplated herein. Each Party hereto agrees that all information and documents so obtained will be kept confidential and the contents thereof will not be disclosed to any person without the prior written consent of the disclosing Party, except as otherwise provided for below, or as are required to be disclosed by Applicable Law provided that the disclosing Party is given prior notice thereof.

The foregoing does not apply to information that:

- (a) becomes generally available to the public absent any breach of the foregoing;
- (b) was available on a non-confidential basis to a Party prior to its disclosure pursuant to this Agreement; or
- (c) becomes available on a non-confidential basis from a third party who, to the knowledge of the recipient after enquiry, is not bound to keep such information confidential.

ARTICLE 6 CLOSING CONDITIONS

Section 6.1 Mutual Conditions

The respective obligations of NumCo, Li-FT and Subco to complete the Transaction are subject to the fulfillment of the following conditions on or before the Closing Date;

- (a) NumCo Shareholders having approved the Transaction and all related matters;
- (b) receipt of all required regulatory, shareholder and third-party approvals and compliance with all applicable regulatory requirements and conditions necessary to complete the Transaction, as applicable, including the approval of the CSE, if required;
- (c) there will not be in force any Law, ruling, order or decree, and there will not have been any action taken under any Law or by any Governmental Authority or other regulatory authority, that makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the consummation of the Amalgamation in accordance with the terms hereof or results or could reasonably be expected to result in a judgment, order, decree or

assessment of damages, directly or indirectly, relating to the Amalgamation which has, or could have, a Material Adverse Effect;

- (d) the Amalgamation Application to be filed with the Registrar, shall be in form and substance satisfactory to Li-FT and NumCo, acting reasonably;
- (e) all other consents, waivers, permits, exemptions, orders and approvals of, and any registrations and filings with, any Governmental Authority, the failure of which to obtain or the expiry of which would or could have a Material Adverse Effect or materially impede the completion of the Transaction, will have been obtained or received on terms that are reasonably satisfactory to each Party hereto; and
- (f) this Agreement will not have been terminated pursuant to Article 9 hereof.

The foregoing conditions are for the mutual benefit of the Parties hereto and may be waived in respect of a Party hereto, in whole or in part, by such Party hereto in writing at any time. If any of such conditions will not be complied with or waived as aforesaid on or before the Closing Date or, if earlier, the date required for the performance thereof, then, subject to Article 9 hereof, any Party hereto may terminate this Agreement by written notice to the other Parties in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by such rescinding Party hereto.

Section 6.2 Li-FT Conditions

The obligation of Li-FT to complete the Transaction contemplated herein is subject to the fulfillment of the following additional conditions on or before the Closing Date or such other time as is specified below:

- (a) the directors of NumCo will have adopted all necessary resolutions and all other necessary corporate action will have been taken by NumCo to permit the consummation of the Transaction;
- (b) no Material Adverse Change having occurred in the business, results of operations, assets, liabilities, financial condition or affairs of NumCo, financial or otherwise, between the date hereof and the Closing Date, except for a decrease in NumCo's working capital position reasonably necessary to facilitate the Transaction;
- (c) there being no legal proceedings or regulatory actions or proceedings against NumCo as of the Closing Date which may have a Material Adverse Effect on NumCo, its business, assets or financial condition;
- (d) there being no inquiry or investigation (whether formal or informal) in relation to NumCo or its directors or officers commenced or threatened by any securities commission or regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a Material Adverse Effect on NumCo, its business, assets or financial condition;

- (e) all representations and warranties of NumCo under this Agreement shall be true and correct as of the Closing Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date, or except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result, or would not reasonably be expected to result, in a Material Adverse Change in respect of NumCo and would not, or would not reasonably be expected to, materially delay completion of the Amalgamation and the transactions otherwise contemplated hereby;
- (f) all covenants of NumCo under this Agreement to be performed on or before the Closing Date shall have been performed by NumCo in all material respects;
- (g) all consents, waivers and approvals required to be obtained by NumCo from a counter-party to a Material Contract of NumCo required in connection with, or to permit the consummation of, the Amalgamation or any transaction otherwise contemplated hereby, shall have been obtained on terms and conditions satisfactory to Li-FT, acting reasonably;
- (h) there will be no issued and outstanding securities in the capital of NumCo other than as disclosed herein, including any warrants, options to purchase, or securities convertible or exchangeable into, NumCo Shares;
- (i) holders of not more than 2.0% of the issued and outstanding NumCo Shares shall have exercised their Dissent Rights (and shall not have lost or withdrawn such rights as of the Amalgamation Effective Date) in respect of the Amalgamation;
- (j) the Leases shall remain in good standing;
- (k) the NumCo Shareholders and such other persons as may be required by the policies of the any applicable stock exchange or Applicable Laws shall have entered into any required escrow agreement with respect to the securities of Li-FT that are issued to them pursuant to the Amalgamation;
- (l) NumCo shall not have any Liabilities on the Closing Date, except for the Liabilities disclosed to Li-FT in writing or Liabilities consisting of accrued legal and accounting expenses incurred in connection with the Transaction;
- (m) NumCo shall provide Li-FT with a resignation and release, in form and substance satisfactory to Li-FT, effective on the Closing Date for each director and officer of NumCo who will not continue to act as a director or officer of Amalco, as applicable, following the Closing; and
- (n) NumCo will have executed and delivered, at Closing, such customary agreements, certificates, resolutions and other closing documents as may be required by the other Parties, all in form satisfactory to the other Parties, acting reasonably.

The foregoing conditions are for the benefit of Li-FT and may be waived, in whole or in part, by Li-FT in writing at any time. If any of such conditions will not be complied with or waived by Li-FT on or before the Closing Date or, if earlier, the date required for the performance thereof, Li-FT may terminate this Agreement by written notice to NumCo and Subco in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by Li-FT.

Section 6.3 NumCo Conditions

The obligation of NumCo to complete the Transaction contemplated herein is subject to the fulfillment of the following additional conditions on or before the Closing Date or such other time as is specified below:

- (a) the directors and shareholders of Li-FT and Subco will have adopted all necessary resolutions and all other necessary corporate action will have been taken by Li-FT and Subco to permit the consummation of this Agreement and the Transaction;
- (b) no Material Adverse Change having occurred in the business, results of operations, assets, liabilities, financial condition or affairs of Li-FT, financial or otherwise, between the date hereof and the Closing Date;
- (c) there being no legal proceedings or regulatory actions or proceedings against Li-FT as of the Closing Date which may have a Material Adverse Effect on Li-FT, its business, assets or financial condition;
- (d) there being no inquiry or investigation (whether formal or informal) in relation to Li-FT or its directors or officers commenced or threatened by any securities commission or official of any applicable stock exchange or regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a Material Adverse Effect on Li-FT, its business, assets or financial condition;
- (e) all representations and warranties of Li-FT under this Agreement shall be true and correct as of the Closing Date as if made on and as of such date (except to the extent such representations and warranties speak as of an earlier date, in which event such representations and warranties shall be true and correct as of such earlier date, or except as affected by transactions contemplated or permitted by this Agreement), except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not result, or would not reasonably be expected to result, in a Material Adverse Change in respect of Li-FT or would not reasonably be expected to, materially delay completion of the Amalgamation and the transactions otherwise contemplated hereby;
- (f) all covenants of Li-FT under this Agreement to be performed on or before the Closing Date shall have been performed by Li-FT in all material respects;
- (g) there being no issued and outstanding securities in the capital of Li-FT other than as disclosed herein, including any warrants, options to purchase, or securities convertible or exchangeable into, Li-FT Shares;

- (h) on Closing, the Li-FT Shares issued as consideration for the NumCo Shares being issued as fully paid and non-assessable common shares in the capital of the Li-FT free and clear of any and all encumbrances, liens, charges and demands of whatsoever nature;
- (i) Li-FT will have completed such filings with the CSE as are necessary in connection with completion of the Transaction and the issuance of the Li-Ft Shares issuable to NumCo Shareholders in connection therewith; and
- (j) Li-FT will have executed and delivered, or cause to be executed and delivered, at Closing, such customary agreements, certificates, resolutions and other closing documents as may be required by the other Parties, all in form satisfactory to the other Parties, acting reasonably.

The foregoing conditions are for the benefit of NumCo and may be waived, in whole or in part, by NumCo in writing at any time. If any of such conditions will not be complied with or waived by NumCo on or before the Closing Date or, if earlier, the date required for the performance thereof, then, subject to Article 9 hereof, NumCo may terminate this Agreement by written notice to Li-FT and Subco in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of a breach of this Agreement by NumCo.

Section 6.4 Consents-Merger

The obligations of NumCo, Subco and Li-FT to obtain the consents referred to in this Article 6 will not survive the completion of the Transaction, and will merge without recourse between the Parties upon such completion.

ARTICLE 7 SURVIVAL

Section 7.1 Survival

The covenants, representations and warranties of each of the Parties hereto as set out herein shall survive from the Closing Date for a period of 24 months.

ARTICLE 8 CLOSING

The Closing will take place on the Closing Date in the offices of DuMoulin Black LLP located at 10th Floor, 595 Howe Street, Vancouver British Columbia, V6C 2T5., counsel to NumCo, or at any other place as the Parties may agree.

ARTICLE 9 TERM AND TERMINATION

Section 9.1 Term

This Agreement shall be effective from the date hereof until the earlier of the Closing Date and the termination of this Agreement in accordance with its terms.

Section 9.2 Termination

- (a) This Agreement may be terminated at any time prior to the Closing Date:
- (i) by mutual written agreement of the Parties;
 - (ii) by NumCo if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Li-FT or Subco set forth in this Agreement shall have occurred that would cause the conditions set forth in Section 6.1 or Section 6.3 not to be satisfied, or such conditions are incapable of being satisfied by the Closing Date, as reasonably determined by NumCo; provided, however, that NumCo is not then in breach of this Agreement so as to cause any condition in Section 6.1 or Section 6.3 not to be satisfied; or
 - (iii) by Li-FT, if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of NumCo set forth in this Agreement shall have occurred that would cause the conditions set forth in Section 6.1 or Section 6.2 not to be satisfied, or such conditions are incapable of being satisfied by the Closing Date as reasonably determined by Li-FT; provided, however, that Li-FT is not then in breach of this Agreement so as to cause any condition in Section 6.1 or Section 6.2 not to be satisfied.
- (b) For greater certainty, this Agreement may not be terminated unilaterally by Subco.

ARTICLE 10 GENERAL

Section 10.1 Time of Essence

Time is of the essence in all respects of this Agreement.

Section 10.2 Notices

Any Notice must be in writing and either:

- (a) personally delivered;
- (b) sent by prepaid, registered mail; or
- (c) sent by facsimile, e-mail or functionally equivalent electronic means of communication, charges (if any) prepaid.

Any Notice must be sent to the intended recipient at its address as follows:

to Li-FT at:

Li-FT Power Ltd.
300 – 1055 West Hastings Street,
Vancouver, BC V6E 2E9

Attention: Francis MacDonald
E-mail address: francis@li-ft.com

with a copy to (which shall not constitute notice):

Armstrong Simpson
Suite 2080 – 777 Hornby Street,
Vancouver BC V6Z 1S4

Attention: Shauna Hartman
E-mail: shartman@armlaw.com

to NumCo at:

1361516 B.C. Ltd.
Suite 2080 – 777 Hornby Street,
Vancouver BC V6Z 1S4

Attention: David Rokoss
E-mail: [redacted: personal email]

with a copy to (which shall not constitute notice):

DuMoulin Black LLP
10th floor, 595 Howe Street,
Vancouver, BC V6C 2T5

Attention: Brian Lindsay
E-mail: blindsay@dumoulinblack.com

or at any other address as any Party may from time to time advise the other by Notice given in accordance with this Section 10.2. Any Notice delivered to the Party to whom it is addressed will be deemed to have been given and received on the day it is so delivered at that Party's address, provided that if that day is not a Business Day then the Notice will be deemed to have been given and received on the next Business Day. Any Notice transmitted by facsimile or other form of electronic communication will be deemed to have been given and received on the day on which it was transmitted (but if the Notice is transmitted on a day which is not a Business Day or after 4:00 p.m. (local time of the recipient), the Notice will be deemed to have been received on the next Business Day). Any Notice given by registered mail will be deemed to have been received on the fifth Business Day after which it is so mailed. If a strike or lockout of postal employees is then in effect, or generally known to be impending, every Notice must be effected by personal delivery, e-mail or functionally equivalent electronic means.

Section 10.3 Further Assurances

Each Party will, at the requesting Party's cost, execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by the other Party to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide any assurances, undertakings and information as may be required from time to time by all Governmental Entities or stock exchanges having jurisdiction over NumCo's affairs or as may be required from time to time under applicable securities legislation.

Section 10.4 Expenses

The Parties agree that each Party shall pay for its costs incurred in connection with this Agreement and the transactions contemplated hereby, including legal and accounting fees, printing costs, and that nothing in this Agreement shall be construed so as to prevent the payment of such expenses, whether or not the Transaction is completed. The provisions of this Section 10.4 shall survive the termination of this Agreement

Section 10.5 Public Notice

All public notices to third parties and all other announcements, press releases and publicity concerning this Agreement or the Transaction must be jointly planned and co-ordinated by the Parties, and no Party to this Agreement will act unilaterally in this regard without the prior consent of the other Parties unless, and only to the extent that, disclosure is required to meet the timely disclosure obligations of any Party under securities laws or stock exchange rules in circumstances where prior consultation with the other Parties is not practicable, or the disclosure is to the Party's board of directors, senior management and its legal, accounting, financial or other professional advisers.

Section 10.6 Independent Legal Advice

Each of the Parties hereby acknowledges that it has carefully read and considered and fully understands the provisions of this Agreement and, having done so, agrees that the provisions set forth in this Agreement are fair and reasonable. Each Party further acknowledges that it has had an opportunity to obtain independent advice in respect of the contents of this Agreement and it has either obtained such independent advice or waives all further rights in this respect.

Section 10.7 Amendment and Waiver

No supplement, modification, amendment, waiver, discharge or termination of this Agreement is binding unless it is executed in writing by the Party to be bound. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision (whether or not similar) nor does any waiver constitute a continuing waiver unless otherwise expressly provided.

Section 10.8 Assignment and Enurement

Neither this Agreement nor any right or obligation under this Agreement may be assigned by any Party without the prior consent of the other Parties. This Agreement enures to the benefit of and is binding upon the Parties and their respective successors and permitted assigns.

Section 10.9 Severability

Each provision of this Agreement is distinct and severable. If any provision of this Agreement, in whole or in part, is or becomes illegal, invalid or unenforceable in any jurisdiction, the illegality, invalidity or unenforceability of that provision will not affect the legality, validity or enforceability of the remaining provisions of this Agreement, or the legality, validity or enforceability of that provision in any other jurisdiction.

Section 10.10 Counterparts

This Agreement may be executed and delivered by the Parties in one or more counterparts, each of which when so executed and delivered will be an original, and those counterparts will together constitute one and the same instrument.

Section 10.11 Facsimile Signatures

Delivery of this Agreement by facsimile, e-mail or functionally equivalent electronic transmission constitutes valid and effective delivery.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY BLANK]

IN WITNESS WHEREOF this Agreement has been executed by the Parties as of the date first written above.

LI-FT POWER LTD.

Per: "Francis MacDonald"
Name: Francis MacDonald
Title: Chief Executive Officer and Director

1361516 B.C. LTD.

Per: "David Rokoss"
Name: David Rokoss
Title: President and Director

1386798 B.C. LTD.

Per: "Alexander Langer"
Name: Alexander Langer
Title: Director

SCHEDULE "A"

Target Property

See attached.

SCHEDULE "B"

Amalgamation Application

See attached.

AMALGAMATION APPLICATION

BUSINESS CORPORATIONS ACT, section 275

Telephone: 1 877 526-1526
www.bcreg.ca

Mailing Address: PO Box 9431 Stn Prov Govt
Victoria BC V8W 9V3

Courier Address: 200 – 940 Blanshard Street
Victoria BC V8W 3E6

DO NOT MAIL THIS FORM to BC Registry Services unless you are instructed to do so by registry staff. The Regulation under the *Business Corporations Act* requires the electronic version of this form to be filed on the Internet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FOIPPA): Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the *Business Corporations Act* for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Manager of Registries Operations at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

A INITIAL INFORMATION – *When the amalgamation is complete, your company will be a BC limited company.*

What kind of company(ies) will be involved in this amalgamation?

(Check all applicable boxes.)

- BC company
- BC unlimited liability company

B NAME OF COMPANY – *Choose one of the following:*

The name _____ is the name reserved for the amalgamated company. The name reservation number is: _____,

OR

The company is to be amalgamated with a name created by adding “B.C. Ltd.” after the incorporation number,

OR

The amalgamated company is to adopt, as its name, the name of one of the amalgamating companies.

The name of the amalgamating company being adopted is:

The incorporation number of that company is: _____

Please note: If you want the name of an amalgamating corporation that is a foreign corporation, you must obtain a name approval before completing this amalgamation application.

C AMALGAMATION STATEMENT – *Please indicate the statement applicable to this amalgamation.*

With Court Approval:
This amalgamation has been approved by the court and a copy of the entered court order approving the amalgamation has been obtained and has been deposited in the records office of each of the amalgamating companies.

OR

Without Court Approval:
This amalgamation has been effected without court approval. A copy of all of the required affidavits under section 277(1) have been obtained and the affidavit obtained from each amalgamating company has been deposited in that company's records office.

D AMALGAMATION EFFECTIVE DATE – Choose **one** of the following:

The amalgamation is to take effect at the time that this application is filed with the registrar.

YYYY / MM / DD

The amalgamation is to take effect at 12:01a.m. Pacific Time on _____
being a date that is not more than ten days after the date of the filing of this application.

YYYY / MM / DD

The amalgamation is to take effect at _____ a.m. or p.m. Pacific Time on _____
being a date and time that is not more than ten days after the date of the filing of this application.

E AMALGAMATING CORPORATIONS

Enter the name of each amalgamating corporation below. For each company, enter the incorporation number.
If the amalgamating corporation is a foreign corporation, enter the foreign corporation's jurisdiction and if registered in BC as an extraprovincial company, enter the extraprovincial company's registration number. Attach an additional sheet if more space is required.

| NAME OF AMALGAMATING CORPORATION | BC INCORPORATION NUMBER, OR EXTRAPROVINCIAL REGISTRATION NUMBER IN BC | FOREIGN CORPORATION'S JURISDICTION |
|----------------------------------|---|--|
| 1. | | |
| 2. | | |
| 3. | | |
| 4. | | |
| 5. | | |

F FORMALITIES TO AMALGAMATION

If any amalgamating corporation is a foreign corporation, section 275 (1)(b) requires an authorization for the amalgamation from the foreign corporation's jurisdiction to be filed.

This is to confirm that each authorization for the amalgamation required under section 275(1)(b) is being submitted for filing concurrently with this application.

G CERTIFIED CORRECT – I have read this form and found it to be correct.

This form must be signed by an authorized signing authority for each of the amalgamating companies as set out in Item E.

| NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION | SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION | DATE SIGNED YYYY / MM / DD |
|--|---|-------------------------------|
| 1. | X | |
| NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION | SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION | DATE SIGNED YYYY / MM / DD |
| 2. | X | |
| NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION | SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION | DATE SIGNED YYYY / MM / DD |
| 3. | X | |
| NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION | SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION | DATE SIGNED YYYY / MM / DD |
| 4. | X | |
| NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION | SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION | DATE SIGNED YYYY / MM / DD |
| 5. | X | |

NOTICE OF ARTICLES

A NAME OF COMPANY

Set out the name of the company as set out in Item B of the Amalgamation Application.

B TRANSLATION OF COMPANY NAME

Set out every translation of the company name that the company intends to use outside of Canada.

C DIRECTOR NAME(S) AND ADDRESS(ES)

Set out the full name, delivery address and mailing address (if different) of every director of the company. The director may select to provide either (a) the delivery address and, if different, the mailing address for the office at which the individual can usually be served with records between 9 a.m. and 4 p.m. on business days or (b) the delivery address and, if different, the mailing address of the individual's residence. The delivery address must not be a post office box. Attach an additional sheet if more space is required.

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

LAST NAME

FIRST NAME

MIDDLE NAME

DELIVERY ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

MAILING ADDRESS

PROVINCE/STATE

COUNTRY

POSTAL CODE/ZIP CODE

D REGISTERED OFFICE ADDRESSES

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE

PROVINCE

POSTAL CODE

BC

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE

PROVINCE

POSTAL CODE

BC**E RECORDS OFFICE ADDRESSES**

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE

PROVINCE

POSTAL CODE

BC

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE

PROVINCE

POSTAL CODE

BC**F AUTHORIZED SHARE STRUCTURE**

| Identifying name of class or series of shares | Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is no maximum number. | | Kind of shares of this class or series of shares. | | | Are there special rights or restrictions attached to the shares of this class or series of shares? | |
|---|---|-------------------------------------|---|--------------------------|------------------|--|-----------|
| | THERE IS NO MAXIMUM (✓) | MAXIMUM NUMBER OF SHARES AUTHORIZED | WITHOUT PAR VALUE (✓) | WITH A PAR VALUE OF (\$) | Type of currency | YES (✓) | NO (✓) |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |
| | | | | | | | |