

**PURE NICKEL INC.**

**– and –**

**EXPLOR RESOURCES INC.**

---

**AMALGAMATION AGREEMENT**

---

August 22, 2019

## TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION .....	1
1.1 Definitions.....	1
1.2 Construction .....	10
1.3 Severability .....	11
ARTICLE 2 THE AMALGAMATION.....	12
2.1 Agreement to Amalgamate .....	12
2.2 Explor Meeting .....	14
2.3 Explor Circular.....	15
2.4 Pure Nickel Meeting .....	16
2.5 Pure Nickel Circular .....	17
2.6 Securities Law Compliance .....	18
2.7 [United States Tax Matters.....	18
2.8 Filing Articles of Amalgamation.....	18
2.9 Issue of Pure Nickel Shares.....	19
2.10 Explor Options .....	19
2.11 Explor Warrants.....	19
2.12 Explor Debentures .....	19
2.13 Withholding Taxes .....	19
2.14 Board of Directors and Executive Officers.....	19
2.15 Explor Investment.....	20
ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF EXPLOR.....	20
3.1 Representations and Warranties of Explor .....	20
3.2 Survival of Representations and Warranties.....	34
ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF PURE NICKEL .....	35
4.1 Representations and Warranties of Pure Nickel .....	35
4.2 Survival of Representations and Warranties.....	50
ARTICLE 5 COVENANTS .....	50
5.1 Covenants of Explor Regarding the Conduct of Business.....	50
5.2 Covenants of Pure Nickel Regarding the Conduct of Business.....	53
5.3 Covenants of Pure Nickel Relating to the Amalgamation .....	57
ARTICLE 6 CONDITIONS.....	58
6.1 Mutual Conditions Precedent.....	58
6.2 Conditions to Obligations of Pure Nickel.....	59
6.3 Conditions to Obligations of Explor .....	60
6.4 Co-operation.....	61
6.5 Notice and Cure .....	61
6.6 Merger of Conditions.....	62
ARTICLE 7 NON-SOLICITATION AND RIGHT TO MATCH.....	62
7.1 Non-Solicitation .....	62
7.2 Superior Proposal and Right to Match .....	64
ARTICLE 8 INDEMNIFICATION AND INSURANCE.....	66
8.1 Indemnification of Directors and Officers .....	66
8.2 Insurance .....	66
8.3 Beneficiaries .....	66
ARTICLE 9 AMENDMENT AND WAIVER.....	67

9.1	Amendment.....	67
9.2	Waiver.....	67
ARTICLE 10	TERMINATION.....	67
10.1	Term.....	67
10.2	Termination.....	67
10.3	Effect of Termination.....	69
10.4	Remedies.....	69
ARTICLE 11	GENERAL.....	69
11.1	Access to Information and Confidentiality.....	69
11.2	Expenses.....	69
11.3	Notice.....	69
11.4	Public Announcement.....	70
11.5	Time of Essence.....	71
11.6	Enurement.....	71
11.7	Entire Agreement.....	71
11.8	Governing Law.....	71
11.9	Prohibition Against Assignment.....	71
11.10	Third Party Beneficiaries.....	71
11.11	Further Assurances.....	71
11.12	Counterpart Executions and Electronic Transmissions.....	72

## AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT made as of the 22<sup>nd</sup> day of August, 2019

B E T W E E N:

**PURE NICKEL INC.**, a company existing under the laws of Canada,  
("Pure Nickel")

AND:

**EXPLOR RESOURCES INC.**, a company existing under the laws of the Province of  
Alberta,  
("Explor")

### WITNESSES THAT WHEREAS:

A. Pure Nickel and Explor have agreed to enter into a business combination pursuant to which Pure Nickel will acquire all of the Explor Shares (as hereinafter defined) in exchange for Pure Nickel Shares (as hereinafter defined) to be completed by way of a three-cornered amalgamation pursuant to Section 181 of the *Business Corporation Act* (Alberta), subject to the terms and conditions of this Agreement;

B. Each of the directors and senior officers and certain securityholders of Explor have entered into a lock-up and support agreement in favour of Pure Nickel pursuant to which such persons have agreed to vote any securities of Explor over which they exercise control or direction in favour of the Amalgamation Resolution (as hereinafter defined);

C. Each of the directors and senior officers and certain securityholders of Pure Nickel have entered into a lock-up and support agreement in favour of Explor pursuant to which such persons have agreed to vote any securities of Pure Nickel over which they exercise control or direction in favour of the Pure Nickel Resolutions (as hereinafter defined);

**NOW THEREFORE** in consideration of the mutual premises and the respective covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement and in the recitals hereto, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the meanings hereinafter set out:

**"Acquisition Proposal"** means, with respect to a Party, other than the transactions contemplated by this Agreement and other than any transaction involving only a Party and/or one or more of its wholly-owned subsidiaries, any offer, proposal, expression of interest or inquiry from any Person or group of Persons acting jointly or in concert, whether or not in writing and whether or not delivered to the shareholders of a Party, after the date hereof relating to: (a) any acquisition or sale, direct or indirect, through one or more transactions, of: (i) the assets of that Party and/or one or more of its subsidiaries that, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of that Party and its subsidiaries, taken as a whole, or which contribute 20% or more of the consolidated revenue of a Party and its subsidiaries, taken as a whole, or (ii) 20% or more of the

issued and outstanding voting or equity securities or any securities exchangeable for or convertible into voting or equity securities of that Party or any one or more of its subsidiaries that, individually or in the aggregate, contribute 20% or more of the consolidated revenues or constitute 20% or more of the fair market value consolidated assets of that Party and its subsidiaries, taken as a whole; (b) any take-over bid, tender offer, exchange offer or other transaction that, if consummated, could result in such Person or group of Persons beneficially owning 20% or more of the issued and outstanding voting or equity securities of any class of voting or equity securities of that Party; (c) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, joint venture, partnership, liquidation, dissolution or other similar transaction involving that Party or any of its subsidiaries whose assets or revenues, individually or in the aggregate, constitute 20% or more of the consolidated assets or revenues, as applicable, of that Party and its subsidiaries, taken as a whole; (d) any other similar transaction or series of transactions similar to those referred to in paragraphs (a) through (c) above, involving a Party or any of its subsidiaries; or (e) any transaction or agreement which could reasonably be expected to materially impede, prevent or delay the completion of the Amalgamation. For the purposes of the definition of "Superior Proposal", reference in this definition of Acquisition Proposal to "20%" shall be deemed to be replaced by "100%";

**"Act"** means the *Business Corporations Act* (Alberta) and the regulations made thereunder, as promulgated or amended from time to time;

**"Adjusted Debentures"** has the meaning ascribed thereto in Section 2.12;

**"Adjusted Warrants"** has the meaning ascribed thereto in Section 2.11;

**"Amalco"** means the continuing corporation resulting from the Amalgamation;

**"Amalco Shares"** means the common shares in the capital of Amalco, having the rights, privileges, restrictions and conditions set out in Articles of Amalgamation;

**"Amalgamating Corporations"** means Subco and Explor;

**"Amalgamation"** means the amalgamation of Explor and Subco under the provisions of Section 181 of the Act, on the terms set out herein;

**"Amalgamation Resolution"** means the special resolution of the Explor Shareholders approving the Amalgamation to be considered by the Explor Shareholders at the Explor Meeting;

**"Articles of Amalgamation"** means the articles of amalgamation in respect of the Amalgamation required under subsection 185(1) of the Act to be filed with the Registrar to give effect to the Amalgamation;

**"Applicable Securities Laws"** means such of the Canadian Securities Laws and the U.S. Securities Laws as are applicable to a transaction or a person;

**"Board"** means in respect of any Party, its board of directors;

**"Business Day"** means a day which is not a Saturday, Sunday or a civic or statutory holiday in the province of Ontario, on which banks are open for business in the City of Toronto;

**"Canadian Securities Laws"** means: (a) the *Securities Act* (Ontario) or the equivalent legislation in each Province and Territory of Canada; (b) the rules, regulations, instruments and policies adopted by the securities regulatory authority of any Province or Territory of Canada, as amended from time to time; and (c) the policies of the TSXV, each as amended from time to time;

**"Certificate"** means the certificate of amalgamation to be issued by the Registrar, pursuant to subsection 185(4) of the Act, in respect of the Amalgamation;

**“Change in Recommendation”** means the circumstances where, prior to Explor having obtained the Explor Shareholder Approval or Pure Nickel having obtained approval of the Pure Nickel Resolutions, as applicable, the Board of a Party (a) fails to unanimously recommend or withdraws, amends, modifies, qualifies, or changes in a manner adverse to the other Party, or publicly proposes to or publicly state that it intends to withdraw, amend, modify, qualify or change in a manner adverse to the other Party, its approval or recommendation of the Amalgamation; (b) fails to approve or recommend or reaffirm its approval or recommendation of the Amalgamation within three (3) Business Days (and in any case prior to the Explor Meeting and the Pure Nickel Meeting) after having been requested in writing by such other Party to do so; or (c) in the event of a publicly announced Acquisition Proposal, fails to approve or recommend or reaffirm its approval or recommendation of the Amalgamation within five (5) Business Days after any such announcement of an Acquisition Proposal (it being understood that the taking of a neutral position or no position with respect to an Acquisition Proposal beyond a period of five (5) Business Days after any such announcement of an Acquisition Proposal (or beyond the date which is one day prior to the Explor Meeting and the Pure Nickel Meeting, if sooner) shall be considered an adverse modification);

**“Confidentiality Agreement”** means the confidentiality agreement between Pure Nickel and Explor dated May 11, 2019;

**“Consideration Securities”** means, collectively, the Consideration Shares and the Replacement Options;

**“Consideration Shares”** means the Pure Nickel Shares to be issued in exchange for Explor Shares pursuant to the Amalgamation;

**“Depositary”** means any trust company, bank or financial institution agreed to in writing between Pure Nickel and Explor for the purpose of, among other things, exchanging certificates representing Explor Shares for certificates representing Consideration Shares in connection with the Amalgamation;

**“Depositary Agreement”** means a depositary agreement to be dated on or prior to the Effective Date between Pure Nickel, Explor, and the Depositary, pursuant to which the Depositary agrees to act in the capacity of the Depositary for the purposes of the Amalgamation, and to undertake the actions of the Depositary provided for therein;

**“Dissenting Shareholder”** means a registered Explor Shareholder that validly exercises Dissent Rights in relation to the Amalgamation;

**“Dissent Rights”** means the rights of dissent that will apply in relation to the Amalgamation as provided for in Section 191 of the Act;

**“Effective Date”** means the date shown on the Certificate;

**“Employee Plan”** means any:

- (a) pension, retirement, deferred compensation, registered retirement savings plan, savings, profit-sharing, stock option, stock purchase, bonus, incentive, vacation pay, severance pay, supplemental unemployment benefit, employee assistance, death benefit or other employee or post-retirement benefit plan, trust, arrangement, contract, agreement, policy or commitment (including any arrangement to provide pension benefits in excess of the maximum amounts which are allowed under the Income Tax Act to be provided through a registered pension plan) from which current or former employees or consultants of a Party or any of its Subsidiaries (or their affiliates), in Canada or any other country, benefit or have the potential to benefit; or

- (b) group or individual insurance policy or coverage (including self-insured coverage) for accident and sickness or life insurance (including any individual insurance policy under which any employee or former employee of a Party or any of its Subsidiaries is the named insured and as to which a Party or any of its Subsidiaries makes premium payments, whether or not the Party or any of its Subsidiaries is the owner, beneficiary or both of that policy), or other insured or covered expense reimbursement coverage, from which current or former employees or consultants of a Party or any of its Subsidiaries (or their affiliates), in Canada or any other country, benefit or have the potential to benefit,

which is intended to provide or does provide benefits to any or all current or former employees or consultants of a Party or any of its Subsidiaries (or their affiliates), and to which a Party or any of its Subsidiaries is a party or by which a Party or any of its Subsidiaries (or any of the rights, properties or assets of a Party or any of its Subsidiaries) is bound, or with respect to which a Party or any of its Subsidiaries has any liability or potential liability, whether or not any of the foregoing is funded or unfunded, written or oral, formal or informal, and whether or not a Party or any of its Subsidiaries still maintains such plan, trust, arrangement, contract, agreement, policy or commitment

**“Encumbrance”** means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, adverse rights or claims, other third-party interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

**“Environment”** includes the air (including all layers of the atmosphere), land (including soil, sediment deposited on land, fill, and lands submerged under water), and water (including oceans, lakes, rivers, streams, groundwater, and surface water);

**“Environmental Laws”** means all Laws relating in any way to the Environment, environmental assessment, health, occupational health and safety, or the use, purchase, storage, treatment, transportation or disposal of Hazardous Materials;

**“Environmental Permits”** means all permits or program participation requirements with or from any Governmental Authority under any Environmental Laws;

**“Explor Board”** means the board of directors of Explor;

**“Explor Circular”** means the notice of meeting and the accompanying management information circular and the exhibits thereto to be sent to Explor Shareholders in connection with the Explor Meeting;

**“Explor Data Room Information”** means all information and documents in the internet-based electronic data site established and hosted by or on behalf of Explor and made available to Pure Nickel and its advisors;

**“Explor Debentures”** means the 8% secured convertible debenture in the principal amount of \$1,300,000 and the 8% secured convertible debenture in the principal amount of \$945,212;

**“Explor Financial Statements”** has the meaning ascribed thereto in Subsection 3.1(f);

**“Explor Material Contracts”** means any contract, agreement, license, lease, arrangement or commitment to which Explor is a party or otherwise bound that: (a) provides for obligations or entitlements of Explor and exceeding \$25,000 in any year; (b) whose termination could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Explor; (c) expressly limiting or restricting the ability of Explor to compete in, solicit in respect of, or otherwise to conduct, their respective businesses or operations in any geographic area or during any period of time; (d) contains

any right of first refusal or first offer or similar right or that limits in any material respect the ability of Explor to own, operate, sell, pledge or otherwise dispose of material assets, property or the business of Explor; (e) is a financial risk management contract, such as currency, commodity or interest related hedge contracts; (f) provides for the termination, acceleration of payment or other special rights upon the occurrence of a change in control of Explor; (g) is a shareholder, joint venture or partnership agreement; or (h) is with an affiliate of Explor or any other person with whom Explor does not deal at arm's length within the meaning of the Income Tax Act;

**"Explor Locked-up Shareholders"** means Concept Capital Management Ltd. and each of the directors and senior officers of Explor;

**"Explor Meeting"** means the special meeting of the Explor Shareholders, including any adjournment or adjournments thereof, to be held for the purpose of considering and, if thought fit, approving the Amalgamation Resolution;

**"Explor Optionholders"** means the holders from time to time of Explor Options;

**"Explor Options"** means options to acquire Explor Shares granted under the Explor Stock Option Plan and options granted as compensation in connection with financing transactions;

**"Explor Public Record"** has the meaning ascribed thereto in Subsection 3.1(e)(ii);

**"Explor Securityholders"** means, collectively, the Explor Shareholders and holders of Explor Options and Explor Warrants;

**"Explor Shares"** means the common shares in the authorized share capital of Explor;

**"Explor Shareholder Approval"** means the approval of the Amalgamation Resolution by Explor Shareholders at the Explor Meeting;

**"Explor Shareholders"** means the holders from time to time of Explor Shares;

**"Explor Stock Option Plan"** means Explor's stock option plan as approved by the Explor Shareholders on January 16, 2018;

**"Explor Superior Proposal"** means any unsolicited bona fide written Acquisition Proposal from a Person or Persons who is or are, as at the date of this Offer, a party that deals at arm's length with Explor, that is not obtained in violation of this Agreement, to acquire 100% of the outstanding Explor Shares (other than Explor Shares beneficially owned by the Person or Persons making such Acquisition Proposal) or all or substantially all of the assets of Explor made after the date of this Agreement: (i) that is reasonably capable of being completed without undue delay, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal and the Person or Persons making such Acquisition Proposal; (ii) that is not subject to any financing condition and in respect of which it has been demonstrated to the satisfaction of the board of directors of Explor that adequate arrangements have been made in respect of any financing required to complete such Acquisition Proposal; (iii) that is not subject to any due diligence condition; and (iv) in respect of which, the board of directors of Explor determines, in its good faith judgment, after receiving the advice of its financial and legal advisors and after taking into account all the terms and conditions of such Acquisition Proposal and all factors and matters considered appropriate in good faith by the board of directors of Explor, that it would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction which is more favourable, from a financial point of view, to Explor shareholders, than the Transaction (including any amendments to the terms and conditions of the Amalgamation proposed by Pure Nickel pursuant to Subsection 7.2(b).

**“Explor Support Agreements”** means the voting support agreements dated as of the date hereof in the form provided to Explor and duly executed by Pure Nickel and each of the Explor Locked-up Shareholders;

**“Explor Warrantholders”** means the holders from time to time of Explor Warrants;

**“Explor Warrants”** means warrants to acquire Explor Shares;

**“Governmental Authority”** means any (a) multinational, federal, provincial, state, county, regional, municipal, local or other government, governmental or public department or ministry, central bank, court, tribunal, arbitral body, commission, commissioner, stock exchange, board, official, minister, bureau or agency, whether domestic or foreign; (b) subdivision, agent or representative of any of the foregoing; or (c) quasi-governmental or private body exercising any administrative, regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

**“Hazardous Substances”** means, collectively, any contaminant, toxic substance, dangerous goods, or pollutant or any other substance that when Released to the natural environment is likely to cause, at some immediate or future time, material harm or degradation to the natural environment or material risk to human health, including (a) any petroleum substances, radioactive materials, asbestos, urea formaldehyde foam insulation, transformers or other equipment that contains dielectric fluid containing polychlorinated biphenyls, and radon gas; (b) any chemicals, materials or substances defined under Environmental Laws as or included in the definition of “hazardous substances”, “hazardous wastes”, “hazardous materials”, “restricted hazardous materials”, “extremely hazardous substances”, “toxic substances”, “contaminants” or “pollutants” or words of similar meaning and regulatory effect; or (c) any other chemical, material or substance, exposure to which is prohibited, limited, or regulated by any Environmental Law;

**“IFRS”** means the International Financial Reporting Standards as issued by the International accounting Standards Board, applied on a consistent basis;

**“Income Tax Act”** means the *Income Tax Act* (Canada) and the regulations made thereunder, as amended;

**“Law”** or **“Laws”** means all:

- (a) laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, statutory rules, principles of law, published policies or guidelines;
- (b) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, decrees or awards, including general principles of common and civil law; and
- (c) terms and conditions of any grant of approval, permission, authority or licence of any Governmental Authority,

domestic or foreign, and the term **“Applicable”** with respect to such Laws and in a context that refers to one or more persons, means that such Laws apply to such person or persons or its or their business, undertaking, property, assets or securities and emanate from a Governmental Authority having jurisdiction over the person or persons or its or their business, undertaking, property, assets or securities;

**“Material Adverse Change”** means, in respect of any Party, any one or more changes, events or occurrences, and **“Material Adverse Effect”** means, in respect of any Party, any one or more changes, effects, events or occurrences, which, in either case, either individually or in the aggregate, is or would

reasonably be expected to be material and adverse to the business, operations, results of operations or financial condition of that Party and its Subsidiaries, on a consolidated basis, or that would prevent or materially impede the completion of the Amalgamation, except any change, effect, event or occurrence resulting from or relating to: (a) the public announcement of the execution of this Agreement or the transactions contemplated hereby or the performance of any obligation hereunder or, in the case of Explor, communication by Pure Nickel of its plans or intentions with respect to Explor and/or any of its Subsidiaries; (b) any change in Applicable Laws or in the interpretation thereof by any Governmental Authority (other than orders, judgments or decrees against the Party and its Subsidiaries) or in IFRS; (c) any natural disaster; (d) conditions affecting the mining industry generally or the price of gold or other relevant metals; (e) general economic, financial, currency exchange, securities or commodity market conditions; (f) any act of terrorism or outbreak or escalation of hostilities or armed conflict; or (g) any change in the market price of the Explor Shares or the Pure Nickel Shares, as applicable, (it being understood, without limiting the applicability of paragraphs (a) to (g), that the cause or causes of any such change in the market price of the Explor Shares or Pure Nickel Shares may constitute, in and of itself, a Material Adverse Change or Material Adverse Effect and may be taken into account in determining whether a Material Adverse Change or Material Adverse Effect has occurred), provided further that any change, effect, event or occurrence referred to in paragraphs (b) to (f) does not relate primarily only to (or have the effect of relating primarily only to) such Party or have a materially disproportionate effect on such Party and its Subsidiaries (on a consolidated basis) relative to comparable mining companies; and references in this Agreement to dollar amounts are not intended to be and shall not be deemed to be illustrative or interpretative for purposes of determining whether a "Material Adverse Effect" or a "Material Adverse Change" has occurred;

**"material fact"** has the meaning attributed to such phrase in the *Securities Act* (Ontario);

**"MI 61-101"** means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;

**"Mineral Rights"** means all rights, whether contractual or otherwise, for the exploration for, or exploitation or extraction of, mineral resources and reserves, including any claims, concessions, exploration licenses, exploitation licenses, prospecting permits, mining leases and mining rights, together with surface rights, water rights, royalty interests, fee interests, joint venture interest and other leases, rights of way and enurements related to any such rights;

**"NI 43-101"** means National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*;

**"Parties"** means Explor and Pure Nickel, and any other person who becomes a party to this Agreement, and **"Party"** means any of them;

**"person"** is to be construed generally and includes any natural person, partnership, limited partnership, limited liability partnership, estate, body corporate, limited liability company, unlimited liability company, joint stock company, trust, estate, unincorporated association, joint venture or other entity or Governmental Authority, and pronouns have a similarly extended meaning;

**"Outside Date"** means December 31, 2019;

**"Pure Nickel Board"** means the board of directors of Pure Nickel;

**"Pure Nickel Circular"** means the notice of meeting and the accompanying management information circular and the exhibits thereto to be sent to Pure Nickel Shareholders in connection with the Pure Nickel Meeting;

**“Pure Nickel Data Room Information”** means all information and documents in the internet-based electronic data site established and hosted by or on behalf of Pure Nickel and made available to Explor and its advisors;

**“Pure Nickel Locked-up Shareholders”** means Eric Sprott and his affiliates and each of the directors and senior officers of Pure Nickel;

**“Pure Nickel Material Contracts”** means any contract, agreement, license, lease, arrangement or commitment to which Pure Nickel or any Pure Nickel Subsidiary is a party or otherwise bound that: (a) provides for obligations or entitlements of Pure Nickel and or the Pure Nickel Subsidiary exceeding \$25,000 in any year; (b) whose termination could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Pure Nickel; (c) expressly limiting or restricting the ability of Pure Nickel or the Pure Nickel Subsidiary to compete in, solicit in respect of, or otherwise to conduct, their respective businesses or operations in any geographic area or during any period of time; (d) contains any right of first refusal or first offer or similar right or that limits in any material respect the ability of Pure Nickel or the Pure Nickel Subsidiary to own, operate, sell, pledge or otherwise dispose of material assets, property or the business of Pure Nickel and the Pure Nickel Subsidiary, taken as a whole; (e) is a financial risk management contract, such as currency, commodity or interest related hedge contracts; (f) provides for the termination, acceleration of payment or other special rights upon the occurrence of a change in control of Pure Nickel; (g) is a shareholder, joint venture or partnership agreement; or (h) is with an affiliate of Pure Nickel or any other person with whom Pure Nickel does not deal at arm’s length within the meaning of the Income Tax Act, other than a contract between a contract between Pure Nickel and a wholly-owned subsidiary of Pure Nickel or between two or more wholly-owned subsidiaries of Pure Nickel;

**“Pure Nickel Meeting”** means the special meeting of the Pure Nickel Shareholders, including any adjournment or adjournments thereof, to be held for the purpose of considering and, if thought fit, approving the Pure Nickel Resolutions;

**“Pure Nickel Options”** means options granted to acquire Pure Nickel Shares;

**“Pure Nickel Public Record”** has the meaning ascribed thereto in Subsection 4.1(e)(ii);

**“Pure Nickel Resolutions”** means the resolutions of Pure Nickel Shareholders to approve this Agreement and the transactions contemplated herein, including the Amalgamation;

**“Pure Nickel Shares”** means the ordinary shares in the authorized share capital of Pure Nickel;

**“Pure Nickel Shareholder Approval”** means the approval of the Pure Nickel Resolutions by Pure Nickel Shareholders at the Pure Nickel Meeting;

**“Pure Nickel Shareholders”** means the holders from time to time of Pure Nickel Shares;

**“Pure Nickel Stock Option Plan”** means the Pure Nickel stock option plan;

**“Pure Nickel Subsidiary”** means Nevada Star Resources Corp. (US);

**“Pure Nickel Superior Proposal”** means any unsolicited bona fide written Acquisition Proposal from a Person or Persons who is or are, as at the date of this Offer, a party that deals at arm’s length with Pure Nickel, that is not obtained in violation of this Agreement, to acquire 100% of the outstanding Pure Nickel Shares (other than Pure Nickel Shares beneficially owned by the Person or Persons making such Acquisition Proposal) or all or substantially all of the assets of Pure Nickel and its Subsidiaries on a consolidated basis made after the date of this Agreement: (i) that is reasonably capable of being completed without undue delay, taking into account all financial, legal, regulatory and other aspects of

such Acquisition Proposal and the Person or Persons making such Acquisition Proposal; (ii) that is not subject to any financing condition and in respect of which it has been demonstrated to the satisfaction of the board of directors of Pure Nickel that adequate arrangements have been made in respect of any financing required to complete such Acquisition Proposal; (iii) that is not subject to any due diligence condition; and (iv) in respect of which, the board of directors of Pure Nickel determines, in its good faith judgment, after receiving the advice of its financial and legal advisors and after taking into account all the terms and conditions of such Acquisition Proposal and all factors and matters considered appropriate in good faith by the board of directors of Pure Nickel, that it would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction which is more favourable, from a financial point of view, to Pure Nickel shareholders, than the Transaction (including any amendments to the terms and conditions of the Amalgamation proposed by Explor pursuant to Subsection 7.2(b)).

**“Pure Nickel Support Agreements”** means the voting support agreements dated as of the date hereof in the form provided to Pure Nickel and duly executed by Explor and each of the Pure Nickel Locked-up Shareholders;

**“Pure Nickel Warrantholders”** means the holders from time to time of Pure Nickel Warrants;

**“Pure Nickel Warrants”** means warrants to acquire Pure Nickel Shares;

**“Registrar”** means the “registrar” as defined in the Act;

**“Release”** means any release, spill, leak, discharge, abandonment, disposal, pumping, pouring, emitting, emptying, injecting, leaching, dumping, depositing, dispersing, passive migration, or allowing to escape or migrate into or through the environment (including ambient air, surface water, ground water, land surface and subsurface strata or within any building, structure, facility or fixture) of any Hazardous Substance, including the abandonment or discarding of Hazardous Substances in barrels, drums, tanks or other containers, regardless of when discovered;

**“Replacement Options”** means options to acquire Pure Nickel Shares that will be granted by Pure Nickel to holders of Explor Options pursuant to the Amalgamation;

**“Representatives”** means, collectively, the directors, officers, employees, counsel, accountants, financial advisors, consultants, agents and other authorized representatives of a Party or its Subsidiaries;

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

**“Sprott Subscription”** means the subscription by 2176423 Ontario Ltd. for \$3 million principal amount of convertible debentures of Pure Nickel pursuant to an Investment Agreement dated August 22, 2019;

**“Subco”** means a corporation to be incorporated under the Act by Pure Nickel for the purposes of the Amalgamation;

**“Subsidiary”** means, with respect to a specified body corporate, any body corporate, partnership, limited partnership, trust or other entity controlled, directly or indirectly, by such body corporate and, for the purpose of this definition, “control” means the direct or indirect possession of the power to direct or cause the direction of the management and policies of another, whether through the ownership of voting securities, by contract or otherwise;

**“Superior Proposal Notice”** has the meaning given to such term in Subsection 7.2(a)(iv);

“**Tax Returns**” means all returns, declarations, reports, information returns and statements required to be filed with any taxing authority relating to Taxes, including any attached schedules, claim for refund, amended return or declarations of estimated Tax;

“**Taxes**” means all taxes, fees, imports, assessments or charges of any kind whatsoever and however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any Governmental Authority, which Taxes include all income taxes (including any tax on or based upon net income, gross income, income that is specifically defined, earnings, profits or selected items of income), capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes, franchise taxes, license taxes, withholding taxes, payroll taxes, employment taxes, Canada Pension Plan premiums, excise, social security premiums, workers' compensation premiums, unemployment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties, pension or health plan assessments, mining taxes, mining or mineral royalties, governmental charges and other obligations of the same or of a similar nature to any of the foregoing, which a Party or any of its Subsidiaries is required to pay, withhold or collect;

“**TSXV**” means the TSX Venture Exchange;

“**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;

“**U.S. Person**” has the meaning ascribed thereto in Regulation S under the U.S. Securities Act;

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended;

“**U.S. Securities Exchange Act**” means the *United States Securities Exchange Act of 1934*, as amended; and

“**U.S. Securities Laws**” means the U.S. Securities Act, the U.S. Securities Exchange Act and any applicable state securities laws.

## 1.2 Construction

In this Agreement, unless otherwise expressly stated or the context or the subject matter otherwise requires:

- (a) the division of this Agreement into Articles, Sections and Subsections, the provision of a table of contents and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation hereof;
- (b) the words “**this Agreement**”, “**hereof**”, “**herein**”, “**hereto**”, “**hereunder**” and similar expressions refer to this Agreement as a whole and not to any particular Article, Section, Subsection or other part hereof and references to an “**Article**”, “**Section**”, “**Subsection**” or “**Schedule**” followed by a number and/or letter refers to the specified Article, Section or Subsection of, or Schedule to, this Agreement;
- (c) words importing the singular include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, corporations, general and limited partnerships, trusts, unincorporated associations or organizations, Governmental Authorities and other legal entities;
- (d) references to “**include**”, “**includes**”, “**including**” or “**in particular**” will be deemed to be followed by the words “**without limitation**”;

- (e) a reference to "**approval**", "**authorization**" or "**consent**" in this Agreement means written approval, authorization or consent;
- (f) reference to any statute is to that statute as now enacted or as the statute may from time to time be amended, re-enacted, supplemented or replaced and includes any regulation, rule or other subordinate legislation made thereunder, as such regulation, rule or subordinate legislation may from time to time be amended, supplemented or replaced;
- (g) if any date on which any action is required or permitted to be taken under this Agreement is not a Business Day, such action will be required or permitted to be taken on the next succeeding Business Day;
- (h) unless otherwise indicated, all references in this Agreement to sums of money are expressed and will be payable in lawful money of Canada;
- (i) all accounting terms used in this Agreement have the meanings attributable to them under IFRS and all determinations of an accounting nature required to be made will be made in a manner consistent with IFRS;
- (j) where any representation or warranty is qualified by reference to the "**knowledge**" of a Party, such Party confirms that it has made due and diligent enquiry of such persons (including appropriate officers, employees and consultants, as applicable) as is reasonable, taking into account the matters that are the subject matter of the representations and warranties;
- (k) reference to the "**ordinary course of business**", or any variation thereof, of any person refers to the business of such person, carried on in the regular and ordinary course, including commercially reasonable and business-like actions that are in the regular and ordinary course of business for a company operating in the industry in which such business is conducted; and
- (l) where a word, term or phrase is defined in this Agreement, its derivatives or other grammatical forms have a corresponding meaning.

### **1.3 Severability**

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, then:

- (a) that provision will (to the extent of the invalidity, illegality or unenforceability) be deemed severed from this Agreement and will be given no effect;
- (b) the validity, legality or enforceability of the remaining provisions of this Agreement will not in any way be affected or impaired by the severance of the invalid, illegal or unenforceable provisions thereof; and
- (c) the Parties will use all reasonable commercial efforts to replace each invalid, illegal or unenforceable provision with a valid, legal and enforceable substitute provision, the effect of which is as close as possible to the intended effect of the invalid, illegal or unenforceable provision.

**ARTICLE 2  
THE AMALGAMATION**

**2.1 Agreement to Amalgamate**

Pure Nickel and Explor agree that the Amalgamating Corporations shall amalgamate pursuant to Section 181 of the Act as of the Effective Date and continue as one corporation on the terms and subject to the satisfaction or waiver of the conditions set out in this Agreement, including the following:

- (a) Name. The name of Amalco shall be determined by the Parties.
- (b) Registered Office. The registered office of Amalco shall be located in the City of Calgary, Alberta.
- (c) Authorized Capital. Amalco shall be authorized to issue an unlimited number of Amalco Shares
- (d) Restrictions on Share Transfers. No shares of Amalco may be transferred except in compliance with the restrictions set out in the Articles of Amalgamation.
- (e) Number of Directors. The minimum number of directors of Amalco shall be one and the maximum number of directors of Amalco shall be ten.
- (f) Initial Directors. The number of first directors of Amalco shall be two. The first directors of Amalco shall be the individuals whose names and addresses are set out below:

Name	Address
R. David Russell	[REDACTED]
Christian Dupont	[REDACTED]

Such directors shall hold office until the next annual meeting of shareholders of Amalco or until their successors are elected or appointed.

- (g) Restrictions on Business. There shall be no restrictions on the business that Amalco may carry on.
- (h) Amalgamation. On the Effective Date:
  - (i) subject to subsection 2.1(h)(v), each issued and outstanding Explor Share (other than Explor Shares held by Pure Nickel and any Dissenting Shareholders) shall be exchanged for 0.5 of a Pure Nickel Share;
  - (ii) each issued and outstanding Explor Share held by Pure Nickel shall be converted into one Amalco Share;
  - (iii) each issued and outstanding Explor Share held by a Dissenting Shareholder will be cancelled and the Dissenting Shareholder will be entitled to be paid the fair value of such Explor Share by Amalco in accordance with the Act;
  - (iv) each issued and outstanding Subco Share shall be converted into one Amalco Share;
  - (v) no fractional Pure Nickel Shares will be issued in connection with the Amalgamation. If a Explor Shareholder would otherwise be entitled to a fractional Pure Nickel Share hereunder, the number of Pure Nickel Shares issued

to such Explor Shareholder shall be rounded up to the next greater whole number of Pure Nickel Shares if the fractional entitlement is equal to or greater than 0.5 and shall, without any additional compensation, be rounded down to the next lesser whole number of Pure Nickel Shares if the fractional entitlement is less than 0.5. In calculating such fractional interests, all Explor Shares registered in the name of or beneficially held by an Explor Shareholder or his/her/its nominee shall be aggregated; and

- (i) Stated Capital. Subject to reduction to effect payments made to Dissenting Shareholders as hereinafter set out and Section 28(4) of the Act, upon completion of the Amalgamation:
  - (i) there shall be added to the stated capital account in respect of the Pure Nickel Shares the amount equal to aggregate paid-up capital for purposes of the ITA of the Explor Shares held by Explor Shareholders (other than Pure Nickel) on the Effective Date; and
  - (ii) there shall be added to the stated capital account in respect of the Amalco Shares an amount equal to the aggregate of the paid-up capital of the Explor Shares held by Pure Nickel immediately prior to the Amalgamation plus the paid-up capital of the Subco Shares.
- (j) By-Laws. The by-laws of Amalco, until repealed, amended or altered, shall be the by-laws of Subco.
- (k) Auditors. The Auditors of Amalco shall be Grant Thornton LLP, Chartered Professional Accountants.
- (l) Share Certificates. Subject to Section 2.2, upon the presentation and surrender by a Explor Shareholder to the Depository of the certificate or certificates representing Explor Shares held by such Explor Shareholder together with a duly completed Letter of Transmittal, the Depository shall promptly prepare and deliver to such Explor Shareholder a certificate representing the number of Pure Nickel Shares to which the Explor Shareholder is entitled as a result of the Amalgamation. On the Effective Date, share certificates evidencing Explor Shares and Subco Shares shall cease to represent any claim upon or interest in Explor or Subco, as the case may be, other than the right of the holder to receive certificates representing Pure Nickel Shares and Amalco Shares, as applicable, as provided for herein.
- (m) Dissenting Shareholders. Explor Shares held by a Dissenting Shareholder shall not be exchanged for Pure Nickel Shares pursuant to the Amalgamation. However, if a Dissenting Shareholder fails to perfect or effectively withdraws such Dissenting Shareholder's claim under Section 191 of the Act or forfeits such Dissenting Shareholder's right to make a claim under Section 191 of the Act or if his rights as a Explor Shareholder are otherwise reinstated, such Explor Shareholder's Explor Shares shall thereupon be deemed to have been exchanged for Pure Nickel Shares as of the Effective Date in accordance with the Amalgamation and cancelled in accordance with Section 2.1(h)(i).
- (n) Effect of Amalgamation. On the Effective Date:

- (i) the property (except amounts receivable from any Amalgamating Corporation or shares of any Amalgamating Corporation) of each Amalgamating Corporation will continue to be the property of Amalco;
- (ii) Amalco will continue to be liable for the obligations (except amounts payable to any Amalgamating Corporation) of each Amalgamating Corporation;
- (iii) any existing cause of action, claim or liability to prosecution pending by or against either of the Amalgamating Corporations will be unaffected;
- (iv) any civil, criminal or administrative action or proceeding pending by or against either of the Amalgamating Corporations may be continued to be prosecuted by or against Amalco;
- (v) any conviction against, or ruling, order or judgment in favour or against, either of the Amalgamating Corporations may be enforced by or against Amalco; and
- (vi) the Articles of Amalgamation of Amalco shall be deemed to be the Articles of Incorporation of Amalco and the Certificate of Amalgamation shall be deemed to be the Certificate of Incorporation of Amalco.

## **2.2 Explor Meeting**

- (a) Subject to the terms of this Agreement, Explor agrees to convene and conduct the Explor Meeting in accordance with Explor's articles of incorporation, by-laws and Applicable Law as soon as reasonably practicable and in any event on or before October 31, 2019 or such other date as Explor and Pure Nickel may agree.
- (b) Subject to the terms of this Agreement, except as required for quorum purposes or otherwise permitted under this Agreement, Explor shall not adjourn (except as required by Law or by valid Explor Shareholder action), postpone or cancel (or propose or permit the adjournment, postponement or cancellation of) the Explor Meeting without Pure Nickel's prior written consent.
- (c) Subject to the terms of this Agreement, and the compliance by the directors and officers of Explor with their fiduciary duties, Explor will use its commercially reasonable efforts to solicit proxies in favour of the approval of the Amalgamation Resolution.
- (d) Explor will advise Pure Nickel, as Pure Nickel may reasonably request, and at least on a daily basis on each of the last ten (10) Business Days prior to the date of the Explor Meeting, as to the aggregate tally of the proxies received by Explor in respect of the Amalgamation Resolution.
- (e) Explor will promptly advise Pure Nickel of any written notice of dissent or purported exercise by any Explor Shareholder of Dissent Rights received by Explor in relation to the Amalgamation and any withdrawal of Dissent Rights received by Explor and, subject to Applicable Law, any written communications sent by or on behalf of Explor to any Explor Shareholder exercising or purporting to exercise Dissent Rights in relation to the Amalgamation. Explor shall not settle any claims with respect to Dissent Rights without first consulting with Pure Nickel.
- (f) Explor shall provide notice to Pure Nickel of the Explor Meeting and allow Pure Nickel's Representatives to attend the Explor Meeting.

- (g) Subject to Applicable Laws, Explor shall promptly advise Pure Nickel of any material oral communications, and shall furnish promptly to Pure Nickel a copy of each material notice, report, schedule or other document or communication delivered, filed or received by Explor from the TSXV, any of the Securities Authorities or any other Governmental Authority in connection with, or in any way affecting, the Explor Meeting, the Amalgamation or the other transactions contemplated herein.

### **2.3 Explor Circular**

- (a) Explor shall prepare, with the assistance of Pure Nickel, the Explor Circular, together with any other documents required by Applicable Laws, in compliance in all material respects with Applicable Laws, and file on a timely basis the Explor Circular with respect to the Explor Meeting in all jurisdictions where the same is required to be filed and mail the same as required in accordance with all Applicable Laws. Explor shall, in consultation with Pure Nickel, use all commercially reasonable efforts to abridge the timing contemplated by National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, as provided in Section 2.20 thereof (it being agreed that such efforts shall not necessarily include the making of an application for a waiver or exemption from such National Instrument).
- (b) Explor shall ensure that the Explor Circular complies in all material respects with all Applicable Securities Laws, and, without limiting the generality of the foregoing, that the Explor Circular does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (other than in each case with respect to any information furnished by Pure Nickel) and shall provide Explor Shareholders information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Explor Meeting. Subject to the terms of this Agreement, Explor will include in the Explor Circular the unanimous recommendation of the Explor Board that Explor Shareholders vote in favour of the Amalgamation Resolution and a statement that each director and senior officer of Explor intends to vote all of his or her Explor Shares (including any Explor Shares issued upon the exercise of any Explor Options or Explor Warrants) in favour of the Amalgamation Resolution, subject to the other terms of this Agreement and the Explor Support Agreements.
- (c) Pure Nickel shall provide to Explor all information regarding Pure Nickel, Subco and the Pure Nickel Shares, including any financial statements prepared in accordance with Applicable Laws as required by Applicable Laws for inclusion in the Explor Circular or in any amendments or supplements to the Explor Circular and shall ensure that no such information will include any untrue statement of a material fact or omit to state a material fact required to be stated in the Explor Circular in order to make any information so furnished or any information concerning Pure Nickel not misleading in light of the circumstances in which it is disclosed.
- (d) Pure Nickel and its legal counsel shall be given a reasonable opportunity to review and comment on the Explor Circular prior to the Explor Circular being printed and filed with the Securities Authorities, and reasonable consideration shall be given to any comments made by Pure Nickel and its counsel, provided that all information relating solely to Pure Nickel, its affiliates and the Pure Nickel Shares included in the Explor Circular shall be in form and content satisfactory to Pure Nickel, acting reasonably. Explor shall provide

Pure Nickel with final copies of the Explor Circular prior to mailing to the Explor Shareholders.

- (e) The Parties shall promptly notify each other if at any time before the Effective Date either becomes aware (in the case of Explor only with respect to Explor and in the case of Pure Nickel only with respect to Pure Nickel or its Subsidiaries) that the Explor Circular contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Explor Circular, and the Parties shall cooperate in the preparation of any amendment or supplement to the Explor Circular, as required or appropriate, and Explor shall promptly mail or otherwise publicly disseminate any amendment or supplement to the Explor Circular to Explor Shareholders and, if required by applicable Laws, file the same with the Securities Authorities and as otherwise required.

#### **2.4 Pure Nickel Meeting**

- (a) Subject to the terms of this Agreement, Pure Nickel agrees to convene and conduct the Pure Nickel Meeting in accordance with Pure Nickel's articles of incorporation, by-laws and Applicable Law as soon as reasonably practicable and in any event on or before October 31, 2019 or such other date as Pure Nickel and Explor may agree.
- (b) Subject to the terms of this Agreement, except as required for quorum purposes or otherwise permitted under this Agreement, Pure Nickel shall not adjourn (except as required by Law or by valid Pure Nickel Shareholder action), postpone or cancel (or propose or permit the adjournment, postponement or cancellation of) the Pure Nickel Meeting without Explor's prior written consent.
- (c) Subject to the terms of this Agreement, and the compliance by the directors and officers of Pure Nickel with their fiduciary duties, Pure Nickel will use its commercially reasonable efforts to solicit proxies in favour of the approval of the Amalgamation Resolution.
- (d) Pure Nickel will advise Explor, as Explor may reasonably request, and at least on a daily basis on each of the last ten (10) Business Days prior to the date of the Pure Nickel Meeting, as to the aggregate tally of the proxies received by Pure Nickel in respect of the Pure Nickel Resolutions.
- (e) Pure Nickel shall provide notice to Explor of the Pure Nickel Meeting and allow Explor's Representatives to attend the Pure Nickel Meeting, unless such attendance is prohibited by Pure Nickel's articles of incorporation, by-laws or Applicable Law.
- (f) Subject to applicable Laws, Pure Nickel shall promptly advise Explor of any material oral communications, and shall furnish promptly to Explor a copy of each material notice, report, schedule or other document or communication delivered, filed or received by Pure Nickel from the TSXV, any of the Securities Authorities or any other Governmental Authority in connection with, or in any way affecting, the Pure Nickel Meeting, the Amalgamation or the other transactions contemplated herein.

## 2.5 Pure Nickel Circular

- (a) Pure Nickel shall prepare the Pure Nickel Circular, together with any other documents required by Applicable Laws, in compliance in all material respects with Applicable Laws, and file on a timely basis the Pure Nickel Circular with respect to the Pure Nickel Meeting in all jurisdictions where the same is required to be filed and mail the same as required in accordance with all Applicable Laws. Pure Nickel shall use all commercially reasonable efforts to abridge the timing contemplated by National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, as provided in Section 2.20 thereof (it being agreed that such efforts shall not necessarily include the making of an application for a waiver or exemption from such National Instrument).
- (b) Pure Nickel shall ensure that the Pure Nickel Circular complies in all material respects with all Applicable Securities Laws, and, without limiting the generality of the foregoing, that the Pure Nickel Circular does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (other than in each case with respect to any information furnished by Explor) and shall provide Pure Nickel Shareholders information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Pure Nickel Meeting. Subject to the terms of this Agreement, Pure Nickel will include in the Pure Nickel Circular the unanimous recommendation of the Pure Nickel Board that Pure Nickel Shareholders vote in favour of the Pure Nickel Resolutions and a statement that each director and senior officer of Pure Nickel intends to vote all of his or her Pure Nickel Shares (including any Pure Nickel Shares issued upon the exercise of any Pure Nickel Options or Pure Nickel Warrants) in favour of the Pure Nickel Resolutions, subject to the other terms of this Agreement and the Pure Nickel Support Agreements.
- (c) Explor shall provide to Pure Nickel all information regarding Explor, including any financial statements prepared in accordance with Applicable Laws as required by Applicable Laws for inclusion in the Pure Nickel Circular or in any amendments or supplements to the Pure Nickel Circular and shall ensure that no such information will include any untrue statement of a material fact or omit to state a material fact required to be stated in the Pure Nickel Circular in order to make any information so furnished or any information concerning Explor not misleading in light of the circumstances in which it is disclosed.
- (d) Explor and its legal counsel shall be given a reasonable opportunity to review and comment on the Pure Nickel Circular prior to the Pure Nickel Circular being printed and filed with the Securities Authorities, and reasonable consideration shall be given to any comments made by Explor and its counsel, provided that all information relating solely to Explor included in the Pure Nickel Circular shall be in form and content satisfactory to Explor, acting reasonably. Pure Nickel shall provide Explor with final copies of the Pure Nickel Circular prior to mailing to the Pure Nickel Shareholders.
- (e) The Parties shall promptly notify each other if at any time before the Effective Date either becomes aware (in the case of Explor only with respect to Explor and in the case of Pure Nickel only with respect to Pure Nickel or its Subsidiaries) that the Pure Nickel Circular contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein

not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Pure Nickel Circular, and the Parties shall cooperate in the preparation of any amendment or supplement to the Pure Nickel Circular, as required or appropriate, and Pure Nickel shall promptly mail or otherwise publicly disseminate any amendment or supplement to the Pure Nickel Circular to Pure Nickel Shareholders and, if required applicable Laws, file the same with the Securities Authorities and as otherwise required.

## **2.6 Securities Law Compliance**

The Parties shall reasonably cooperate with each other in the prompt and diligent preparation of any application for regulatory approvals with the Securities Authorities and any other orders, registrations, consents, filings, rulings, exemptions, no-action letters and approvals and the preparation of any documents reasonably deemed by either of the Parties to be necessary to discharge their respective obligations under this Agreement or otherwise required or advisable under Applicable Laws in connection with the Amalgamation or this Agreement. The Parties make such securities and other regulatory filings in the United States or other jurisdictions as may be necessary or desirable in connection with the completion of the Amalgamation. The Parties shall also use commercially reasonable efforts to obtain any necessary consents from any Qualified Persons, auditors and any other advisors to the use of any financial, technical or other expert information required to be included in such filings and to the identification in such filings of each such advisor.

## **2.7 United States Tax Matters**

The Amalgamation is intended to qualify as a reorganization within the meaning of Section 368(a) of the U.S. Internal Revenue Code (a “**Reorganization**”) and this Agreement is intended to be a “plan of reorganization” within the meaning of the treasury regulations promulgated under Section 368 of the U.S. Internal Revenue Code. Provided that the Amalgamation qualifies as a Reorganization, each of the Parties agrees to treat the Amalgamation as a Reorganization for all U.S. federal income tax purposes, and agrees to treat this Agreement as a “plan of reorganization” within the meaning of the treasury regulations promulgated under Section 368 of the U.S. Internal Revenue Code, and to not take any position on any Tax Return or otherwise take any Tax reporting position inconsistent with such treatment, unless otherwise required by applicable law. Except as otherwise provided in this Agreement, each of the Parties agrees to act in a manner that is consistent with the Parties’ intention that the Amalgamation be treated as a reorganization within the meaning of Section 368(a) of the U.S. Internal Revenue Code for all U.S. federal income tax purposes. Notwithstanding the foregoing, neither of Pure Nickel or Explor makes any representation, warranty or covenant to any other party or to any Explor Shareholder, holder of Pure Nickel Shares or other holder of Explor securities or Pure Nickel securities (including, without limitation, stock options, warrants, debt instruments or other similar rights or instruments) regarding the U.S. tax treatment of the Amalgamation, including, but not limited to, whether the Amalgamation will qualify as a Reorganization or as a tax-deferred transaction for purposes of any United States state or local income tax law.

## **2.8 Filing Articles of Amalgamation**

Upon the satisfaction or waiver of the conditions set out herein and provided that this Agreement is not otherwise terminated in accordance with its terms, the Articles of Amalgamation and such other documents as may be required under the Act to give effect to the Amalgamation shall be filed with the Registrar prior to the Outside Date.

## **2.9 Issue of Pure Nickel Shares**

Pure Nickel will, on or prior to the Effective Date, ensure that the Depositary has been provided with sufficient Pure Nickel Shares in escrow to issue the Consideration Shares pursuant to the Amalgamation.

## **2.10 Explor Options**

All unexercised Explor Options held by Explor Optionholders shall, as at the Effective Date, be exchanged for Replacement Options.

Following the Effective Date, the Replacement Options may not be exercised in the United States or by, or on behalf or for the benefit of, a U.S. Person, unless an exemption is available from the registration requirements of the U.S. Securities Laws, and the holder furnishes to Pure Nickel an opinion of counsel or other evidence of exemption satisfactory to Pure Nickel to such effect.

## **2.11 Explor Warrants**

All unexercised Explor Warrants held by Explor Warrantholders shall, as at the Effective Date, be adjusted based on the adjustment provisions contained in the warrant certificates representing the Explor Warrants and thereafter be exercisable for Pure Nickel Shares ("**Adjusted Warrants**").

Following the Effective Date, the Adjusted Warrants may not be exercised in the United States or by, or on behalf or for the benefit of, a U.S. Person, unless an exemption is available from the registration requirements of the U.S. Securities Laws, and the holder furnishes to Pure Nickel an opinion of counsel or other evidence of exemption satisfactory to Pure Nickel to such effect.

## **2.12 Explor Debentures**

All Explor Debentures outstanding as at the Effective Time shall be adjusted based on the adjustment provisions contained in the debenture certificates representing the Explor Debentures and thereafter be convertible for Pure Nickel Shares (the "**Adjusted Debentures**").

Following the Effective Date, the Adjusted Debentures may not be exercised in the United States or by, or on behalf or for the benefit of, a U.S. Person, unless an exemption is available from the registration requirements of the U.S. Securities Laws, and the holder furnishes to Pure Nickel an opinion of counsel or other evidence of exemption satisfactory to Pure Nickel to such effect.

## **2.13 Withholding Taxes**

The Parties and the Depositary shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any person hereunder and from all dividends or other distributions otherwise payable to any former Explor Shareholder such amounts as may be required or permitted to deduct and withhold therefrom under any provision of applicable Laws in respect of Taxes. To the extent that such amounts are so deducted, withheld and remitted, such amounts shall be treated for all purposes under this Agreement as having been paid to the person to whom such amounts would otherwise have been paid.

## **2.14 Board of Directors and Executive Officers**

Pure Nickel shall take all necessary actions (including obtaining shareholder approval, where applicable) to ensure that upon the completion of the Amalgamation the board of Pure Nickel shall be comprised of R. David Russell, Christian Dupont, Thomas Kofman, W.S. Vaughn, James T. O'Neill and two additional nominees of Explore. Following completion of the Amalgamation, R. David Russell shall continue as President and CEO and Christian Dupont shall be appointed Vice-President and Chief

Operating Officer and be provided with a contract, approved by the Board of Pure Nickel, on terms consistent within the industry.

### **2.15 Explor Investment**

As soon as practicable following the completion of the Sprott Subscription and subject to the prior conditional approval of the TSXV, Pure Nickel agrees to subscribe for and purchase 10,000,000 units of Explor at a price of \$0.05 per unit with each unit comprised of one Explor Shares and one-half of one common share purchase warrant. Each whole common share purchase warrant will be exercisable into one Explor Share at a price of \$0.10 per share for a period of 24 months.

## **ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF EXPLOR**

### **3.1 Representations and Warranties of Explor**

Except as qualified herein, Explor represents and warrants to and in favour of Pure Nickel as follows and acknowledges that Pure Nickel are relying upon these representations and warranties in connection with entering into this Agreement and agreeing to complete the Amalgamation and other transactions contemplated herein:

- (a) **Organization.** Explor is a corporation incorporated and validly existing under the laws of Alberta, has all necessary corporate power and capacity to own or lease its property and assets and to carry on its business as presently owned, leased or conducted, and is duly registered, licensed or qualified to carry on business, and is in good standing, in each jurisdiction in which the character of its properties and assets, owned or leased, or the nature of its business make such qualification, registration or licensing necessary.
- (b) **Capitalization.**
  - (i) Explor's authorized capital consists of an unlimited number of common shares without par value, of which, as of the date hereof, 190,397,224 Explor Shares are validly issued and outstanding as fully paid and non-assessable shares free of any pre-emptive rights.
  - (ii) The issued and outstanding Explor Shares are listed and posted for trading on the TSXV.
  - (iii) Other than the issued and outstanding Explor Shares, there are no issued and outstanding shares in the capital of Explor.
  - (iv) The Explor Financial Statements set forth, as of the date hereof, the number of outstanding Explor Options, Explor Warrants and Explor Debentures, and the exercise price, vested percentage and conversion price, as applicable, of such Explor Options, Explor Warrants and Explor Debentures. Except for 49,212,393, Explor Shares issuable on the due exercise of outstanding Explor Options and Explor Warrants, and 44,904,240 Explor Shares issuable on the due conversion of the Explor Debentures, there are not now, and at the Effective Date there will not be, any options, warrants, conversion privileges, rights, agreements, understandings, commitments or other obligations (whether by law, pre-emptive or contractual) of Explor to: (i) issue, sell, or deliver any shares or other ownership interests in Explor or securities or obligations of any kind convertible into or exchangeable for shares or other ownership interests in Explor; or (ii) acquire any shares of or ownership interests in any other person.

- (v) There are not now, and at the Effective Date there will not be, any outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income, share price or any other attribute of Explor or its business or operations.
  - (vi) All securities of Explor (including all options, warrants, rights or other convertible or exchangeable securities) have been issued in compliance with all Applicable Securities Laws and all securities to be issued upon exercise of any such options, warrants, rights and other convertible or exchangeable securities will be issued in compliance with all Applicable Securities Laws.
- (c) **Subsidiaries.**
- (i) Explor does not have any subsidiaries.
- (d) **Authority Relative to this Agreement.**
- (i) Explor has the corporate power and capacity to enter into and perform its obligations under this Agreement and all documents and agreements contemplated by this Agreement to which Explor is or will be a party.
  - (ii) The execution and delivery of this Agreement by Explor and the performance by Explor of its obligations hereunder have been duly authorized by the Explor Board and no other corporate proceeding on the part of Explor is necessary to authorize this Agreement or the transactions contemplated hereby, other than the approval of:
    - (A) the Circular and other matters relating solely thereto, by the Explor Board; and
    - (B) the Amalgamation Resolution by the Explor Shareholders.
  - (iii) This Agreement has been duly executed and delivered by Explor and constitutes a legal, valid and binding obligation of Explor, enforceable against Explor in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other Applicable Laws relating to or affecting creditors' rights generally and to the availability of equitable remedies.
  - (iv) The execution and delivery by Explor of this Agreement does not, and the performance by Explor of its obligations hereunder and the completion of the Amalgamation do not and will not:
    - (A) conflict with, violate or breach any provision of: (1) Explor's constating documents or any resolution of its directors or shareholders; or (2) any Applicable Laws that would, individually or in the aggregate, have a Material Adverse Effect on Explor or would prevent or delay completion of the Amalgamation;
    - (B) result in any breach of or constitute a default (or an event that with notice or lapse of time or both would become a default) under, require any consents to be obtained under, or give to others any rights of termination, amendment, acceleration or cancellation of or under, any credit agreement, note, bond, mortgage, indenture or other similar contract, agreement or instrument relating to indebtedness for

borrowed money, including the Explor debentures (the "**Explor Debt Agreements**") to which Explor is a party or by which Explor or any of its properties or assets is bound or affected;

- (C) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, require any consent to be obtained under, or give to others any rights of termination, amendments, acceleration or cancellation of or under:
  - (1) any licence, permit (including any Environmental Permit), certificate, order, consent, approval or other authorization of Explor or by which Explor or any of its properties or assets is bound or affected, that would, individually or in the aggregate, have a Material Adverse Effect on Explor or would prevent or delay completion of the Amalgamation;
  - (2) any agreement, arrangement, commitment or understanding to which Explor is a party or by which Explor or any of its properties or assets is bound or affected that would, individually or in the aggregate, have a Material Adverse Effect on Explor or would prevent or delay completion of the Amalgamation;
- (D) result in the imposition of an Encumbrance upon any of the properties or assets of Explor that would, individually or in the aggregate, have a Material Adverse Effect on Explor; or
- (E) give rise to any option, right of first refusal or similar right becoming exercisable by a third party that would have a Material Adverse Effect on Explor or prevent or delay the completion of the Amalgamation.

(e) **Securities Law Matters.**

- (i) Explor is a "reporting issuer" in good standing or the equivalent under the Applicable Canadian Securities Laws of the Provinces of Alberta, British Columbia, Quebec, Ontario and Saskatchewan.
- (ii) Since May 1, 2018, Explor has prepared and timely filed with appropriate Securities Authorities all documents required to be filed by it under Applicable Canadian Securities Laws (collectively, the "**Explor Public Record**") and such documents, as of the time they were filed:
  - (A) did not contain any misrepresentations (as defined in applicable Canadian Securities Laws relating to such document);
  - (B) did not fail to state a material fact required to be stated in order to make the statements contained in such document not misleading in light of the circumstances in which they were made; and
  - (C) complied in all material respects with the requirements of Applicable Securities Laws.

- (iii) Explor has not filed a confidential material change report or the equivalent thereof under Applicable Securities Laws with any Governmental Authority that currently remains confidential.
- (f) **Financial Statements.** Explor's audited financial statements as at and for the fiscal years ended April 30, 2018 and 2017 (including the notes thereto) and Explor's unaudited financial statements as at and for the period ended January 31, 2019 (collectively, the "**Explor Financial Statements**") were prepared in accordance with IFRS consistently applied (except (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of the audited financial statements, in the related report of Explor's independent auditors, or (ii) in the case of unaudited interim financial statements, are subject to normal period-end adjustments and may omit notes which are not required by applicable Laws in the unaudited statements) and fairly present, in all material respects, the financial position, results of operations and cash flows of Explor as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal period-end adjustments) and reflect reserves required by IFRS in respect of all material contingent liabilities, if any, of Explor. There has been no material change in Explor's accounting policies, except as described in the notes to the Explor Financial Statements, since April 30, 2018.
- (g) **Material Liabilities.** Except as disclosed in the Explor Public Record and the Explor Data Room Information, Explor does not have any material liabilities or obligations of any nature (whether contingent or absolute, whether accrued or unaccrued, whether liquidated or unliquidated and whether due or to become due, including any liability for Taxes), including guarantees, support obligations or other similar obligations with respect to the obligations of any person, except liabilities and obligations adequately reflected or reserved against in the audited financial statements of Explor as at and for the financial year ended December 31, 2018 or incurred in the ordinary course of business since the end of such period.
- (h) **Books and Records.** The corporate records and minute books of Explor have been maintained in accordance with all Applicable Laws and are complete and accurate in all material respects. Financial books and records and accounts of Explor: (i) have been maintained in accordance with good business practices on a basis consistent with prior years and past practice; (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Explor; and (iii) accurately and fairly reflect the basis for the consolidated financial statements of Explor.
- (i) **Explor Information.** All Explor Data Room Information was accurate in all material respects as at its respective date as stated therein, or, if any Explor Data Room Information was undated, as of the date of its delivery to Pure Nickel for purposes of the transactions contemplated by this Agreement. Additionally, all information provided to Pure Nickel in relation to Pure Nickel's due diligence requests, including information not provided in the Explor Data Room Information, is accurate in all material respects as at its respective date as stated therein. To the extent that there has been a material change to any of the Explor Data Room Information or any other information provided to Pure Nickel since the date provided to Pure Nickel, such information is accurate in all material respects or is no longer relevant or material to Explor or additional information has been provided in the Explor data room or to Pure Nickel which supersedes or replaces such information.

- (j) **Disclosure Controls and Procedures.** Explor has devised and maintained a system of disclosure controls and procedures designed to ensure that information required to be disclosed by Explor under Applicable Securities Laws is recorded, processed, summarized and reported within the time periods specified in the Applicable Securities Laws. Such disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by Explor in the reports and other filings under Applicable Securities Laws is accumulated and communicated to Explor's management, including its Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.
- (k) **Internal Control over Financial Reporting.** Explor maintains internal control over financial reporting. Such internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS and includes policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of Explor; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of Explor are being made only in accordance with authorizations of management and directors of Explor; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Explor's assets that could have a material effect on its financial statements. To the knowledge of Explor, prior to the date of this Agreement: (A) there are no significant deficiencies in the design or operation of, or material weaknesses in, Explor's internal controls over financial reporting that are reasonably likely to adversely affect the ability to record, process, summarize and report financial information on or after the Effective Date, and (B) there is no fraud, whether or not material, that involves management or other employees who have a significant role in Explor's internal control over financial reporting. Explor has received no (x) material complaints from any source regarding accounting, internal accounting controls or auditing matters or (y) expressions of concern from employees of Explor regarding questionable accounting or auditing matters.
- (l) **Absence of Changes.** Except as disclosed in the Explor Public Record, since May 1, 2018, Explor has conducted its business only in the ordinary course of business and consistent with past practice and:
  - (i) no Material Adverse Change has occurred with respect to Explor;
  - (ii) Explor has not incurred liabilities or obligations of any nature (whether absolute, accrued, contingent or otherwise) which would, individually or the aggregate, have a Material Adverse Effect on Explor;
  - (iii) Explor has not experienced any damage, destruction or loss, whether covered by insurance or not, that would have a Material Adverse Effect on Explor;
  - (iv) Explor has not acquired or sold property or assets aggregating more than five percent of Explor's total property and assets as at April 30, 2018;
  - (v) Explor has not entered into, amended, relinquished, terminated or failed to renew any material agreement, arrangement, commitment, understanding,

- licence, permit, certificate, order, consent, approval or authorization that would individually or in the aggregate, have a Material Adverse Effect on Explor;
- (vi) there has been no increase in or modification to the compensation payable or to become payable by Explor to any of its directors, officers or employees, or any grant by Explor to any of its directors, officers or employees of any increase in severance or termination pay, except in the ordinary course of business;
  - (vii) there has not been any increase in or modification to any Employee Plan for any of Explor's current or former employees or consultants (or their relatives), except in the ordinary course of business;
  - (viii) Explor has not made any material change in its accounting methods, principles or practices, including the basis upon which its assets and liabilities are recorded on its books or its earnings, profits and losses are ascertained;
  - (ix) Explor has not declared, paid or set aside for payment any dividend or distribution of any kind in respect of any of its outstanding securities or made any repayments of capital;
  - (x) Explor has not redeemed, repurchased or otherwise acquired any Explor Shares;
  - (xi) no resolution to approve a subdivision, consolidation or reclassification of any of the Explor Shares has been approved by or presented to the Explor Shareholders; and
  - (xii) Explor has not entered into any agreements, arrangements, commitments or understandings to take any action which, if taken prior to the date of this Agreement, would have made any representation or warranty of Explor in this Agreement materially untrue or incorrect as of the date when made.
- (m) **Restrictions on Business Activities.** There are no agreements, arrangements, commitments, understandings, judgments, orders, warrants, writs, injunctions or decrees binding upon Explor that has or could have the effect of prohibiting or materially restricting or impairing any business practice of Explor, any acquisition of property or assets by Explor or the conduct of business by Explor as currently conducted, other than any such agreements, arrangements, commitments, understandings, judgments, orders, awards, writs, injunctions or decrees which would not, individually or in the aggregate, have a Material Adverse Effect on Explor.
- (n) **Compliance.** Explor has complied with and is not in violation of (i) its constating documents, or any resolution of its directors or shareholders; or (ii) any Applicable Laws; other than instances of non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Explor.
- (o) **Regulatory Approvals.** No consent, approval, order or authorization of, or filing with, any Governmental Authority with jurisdiction over Explor or any of its properties, assets or businesses is required to be obtained by Explor or any of its Subsidiaries in connection with the execution and delivery by Explor of this Agreement, the performance by Explor of its obligations hereunder or the completion of the Amalgamation other than:
- (i) in connection with or in compliance with Applicable Securities Laws; and

- (ii) authorizations, consents, approvals, orders or filings, the failure of which to obtain or make would not, individually or in the aggregate, prevent or delay completion of the Amalgamation or have a Material Adverse Effect on Explor.
- (p) **Licenses and Permits.** Explor owns, possesses or has obtained, and is in compliance with, all material licenses, permits (including Environmental Permits), certificates, orders, consents, approvals and other authorizations of or from any Governmental Authority required by Applicable Laws which are necessary to lawfully conduct its businesses as it is now being conducted or as intended to be conducted as set forth in the Explor Public Record (which, for greater certainty, includes the exploration for and exploitation of mineral deposits) or which are necessary for the lawful ownership, use and occupation of its properties and assets, except for such licenses, permits, certificates, orders, consents, approvals or authorizations the failure to own, possess or obtain, and be in compliance with, would not, individually or in the aggregate, have a Material Adverse Effect on Explor. All such permits are in full force and effect and, to the knowledge of Explor, there are no facts, events or circumstances that would reasonably be expected to result in a failure to obtain or be in compliance with such permits as are necessary to conduct the business of Explor as it is proposed to be conducted. Each such permit can be renewed in the ordinary course of business by Explor. Explor has received no notice of any actual or threatened proceeding to modify, suspend, revoke, withdraw, terminate or otherwise limit any such permit and, to the knowledge of Explor, there is no valid basis for any such proceeding, including on the basis of the transactions contemplated hereby. Explor has received no notice of any actual or threatened administrative or governmental action or proceeding in connection with the expiration, continuance or renewal of any such permit and, to the knowledge of Explor, there is no valid basis for any such proceeding.
- (q) **Material Contracts.** The Explor Data Room Information includes a complete and accurate list of the Explor Material Contracts as of the date hereof. Each Explor Material Contract is a valid and binding agreement of Explor and is in full force and effect. Explor is not in breach of, and no event of default (including an event which with notice or lapse of time or both would become a default) relating to Explor has occurred under any Explor Material Contract and, to the knowledge of Explor, none of the other parties to any of the Explor Material Contracts are in breach of and no event of default (including an event which with notice or lapse of time or both would become a default) relating to such other party has occurred under any of the Explor Material Contracts, except for breaches or events of default that have been cured or waived or breaches or events of default that would not, individually or in the aggregate, have a Material Adverse Effect on Explor.
- (r) **Employment Matters.**
  - (i) The Explor Data Room Information contains a complete and accurate list of employees of Explor with an estimated annual aggregate compensation (calculated on the basis of base salary and cash bonus, if any, paid during the year ended April 30, 2018) in excess of \$25,000, including their respective location, hire date, position, salary, benefits and current status (full-time, part-time, active, non-active), as well as a list of all former employees of Explor that had an annual aggregate compensation in excess of \$25,000 to whom Explor

has or may have any obligations, indicating the nature and value of such obligations.

- (ii) No employee listed in Subsection (i) has provided written notice to Explor or any of its Subsidiaries that he or she intends to resign, retire or terminate his or her employment with Explor as a result of the transactions contemplated by this Agreement or otherwise.
  - (iii) There are currently no written or oral agreements, obligations or understandings providing for severance, termination or other payments to any director, officer or employee of Explor that would be triggered by the completion of the transactions contemplated by this Agreement, except for obligations to provide reasonable notice to employees hired for indefinite terms who are dismissed without cause.
  - (iv) There are no current, pending or, to the knowledge of Explor, threatened strikes or lockouts at any of Explor's facilities.
  - (v) Explor is not subject to any claim for wrongful dismissal, constructive dismissal or any other claim in contract or in tort, nor is any such claim or any litigation, arbitration or mediation pending or, to the knowledge of Explor, threatened, relating to employment or termination of employment of employees or independent contractors, other than claims, litigation, arbitration or mediation that, individually or in aggregate, amount to less than \$25,000.
  - (vi) Explor has have operated in all material respects in accordance with all Applicable Laws with respect to employment and labour, including employment and labour standards, occupational health and safety laws, workers' compensation, social insurance and pension contribution, human rights and labour relations, and there are no pending or, to the knowledge of Explor, threatened proceedings against Explor before any Governmental Authority with respect to any of the foregoing matters, other than claims, litigation, arbitration or proceedings that, individually or in aggregate, amount to less than \$25,000.
  - (vii) Explor is not a party to or bound by or subject to any collective agreement, has not made any commitment to, or conducted any negotiation or discussion with, any labour union or employee association with respect to any future agreement or arrangement, is not required to recognize any labour union or employee association representing its employees or any agent having bargaining rights for its employees and, to the knowledge of Explor, there is no current attempt to organize, certify or establish any labour union or employee association with respect to employees
- (s) **Employee Plans.**
- (i) The Explor Data Room Information contains a complete list of all Employee Plans of Explor. All of the Employee Plans of Explor are and have been established, registered, qualified, funded and administered in accordance with all Applicable Laws, and in accordance with their terms, the terms of the material documents that support such Employee Plans and the terms of agreements between Explor and/or any of its Subsidiaries, as the case may be,

and their respective employees and former employees who are members of, or beneficiaries under, the Employee Plans.

- (ii) All current obligations of Explor regarding the Employee Plans have been satisfied in all material respects. All contributions, premiums or Taxes required to be made or paid by Explor under the terms of each Employee Plan or by Applicable Laws in respect of the Employee Plans have been made in a timely fashion in accordance with Applicable Laws and in accordance with the terms of the applicable Employee Plan. As at the date hereof, no currently outstanding notice of underfunding, non-compliance, failure to be in good standing or otherwise has been received by Explor from any applicable Governmental Authority in respect of any Employee Plan that is a pension or retirement plan.
  - (iii) To the knowledge of Explor, no Employee Plan is subject to any pending investigation, examination or other proceeding, action or claim initiated by any Governmental Authority, or by any party (other than routine claims for benefits) and, to the knowledge of Explor, there exists no state of facts which after notice or lapse of time or both would reasonably be expected to give rise to any such investigation, examination or other proceeding, action or claim or to affect the registration or qualification of any Employee Plan required to be registered or qualified.
  - (iv) The execution and delivery of this Agreement, the performance by Explor of its obligations under this Agreement and the completion of the Amalgamation will not constitute an event or condition under any Employee Plan that entitles an employee or former employee to a payment, promise of payment, acceleration or vesting of any other benefit to which that individual would not otherwise be entitled.
- (t) **Real Property.** Except as disclosed in the Explor Data Room Information (the “**Explor Real Property**”), Explor does not own, have any freehold interest in, or is a party to or bound by or subject to any agreement, contract, commitment, or option to purchase, any freehold interest in real or immovable property. Title to the Explor Real Property is good and marketable, free and clear of all Encumbrances. To the knowledge of Explor, the operation and maintenance by Explor of the Explor Real Property is in material compliance with any restrictive covenants registered or recorded against title to the Explor Real Property and does not materially encroach on any property owned by others. To the extent payable by Explor, all payments have been made in respect of (i) local, state and/or federal taxes with respect to the Explor Real Property; and (ii) the use of water and electricity with respect to the Explor Real Property, in each case, to the extent due and owing.
- (u) **Mineral Properties.**
- (i) The Explor Data Room Information includes a complete list and description of all Mineral Rights of Explor. Explor is the sole legal and beneficial owner of all right, title and interest to the Mineral Rights disclosed in Explor Data Room Information, free and clear of all Encumbrances.
  - (ii) Explor 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 Authorities applicable to it in each jurisdiction in which it carries on business.

- (iii) The Mineral Rights of Explor have been properly located and recorded in compliance with Applicable Laws and are comprised of valid and subsisting mineral claims.
  - (iv) The Mineral Rights disclosed in the Explor Data Room Information are in good standing under Applicable Laws, and all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, royalties, rentals, fees, expenditures and other payments in respect thereof have been paid or incurred, and all filings in respect thereof will, at the Effective Date, have been made.
  - (v) The Mineral Rights of Explor have been operated and maintained in a manner consistent with prudent practices in the mining industry and in compliance with all Applicable Laws and all orders of any Governmental Authority having jurisdiction over same.
  - (vi) Explor is not aware of any defects, failures or impairments in the title of Explor to any of their respective Mineral Rights, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which, individually or in the aggregate, would have a Material Adverse Effect on Explor or in respect of the Mineral Rights held by Explor.
  - (vii) Explor has duly and timely satisfied all of the obligations required to be satisfied, performed and observed by it under, and there exists no default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default by Explor under any agreement pertaining to its Mineral Rights or to its other assets or properties and each such lease, contract or other agreement is enforceable and in full force and effect.
  - (viii) Explor has full and free access to all lands comprising its Mineral Rights, and full and free access to all lands necessary in order to exploit such Mineral Rights.
  - (ix) Explor has not received any notice, whether written or oral, from any Governmental Authority of any revocation or intention to revoke any interest of Explor in any of its Mineral Rights.
  - (x) Any and all of the agreements and other documents and instruments pursuant to which Explor holds an interest in Mineral Rights are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with terms thereof, and Explor is not in default of any of the material provisions of any such agreements, documents or instruments nor has any such default been alleged. None of the Mineral Rights of Explor are subject to any right of first refusal or purchase or acquisition right.
- (v) **Environmental Matters.**
- (i) Except for matters that would not, individually or in the aggregate, have a Material Adverse Effect on Explor:

- (A) Explor is in possession of all licenses, permits, certificates, orders, consents, approvals or other authorizations necessary under Environmental Laws to own, lease and operate its properties and to conduct its respective business and operations as now conducted (collectively, the "**Environmental Permits**"); and
- (B) Explor (and its businesses and operations) has been and are now in material compliance with all Environmental Permits and Environmental Laws.

(ii) Explor is not subject to:

- (A) any Environmental Permits or Environmental Laws that require or may require: (1) any material work, repairs, construction, change in business practices or operations; or (2) any expenditures, including capital expenditures, for facility upgrades, Environmental investigation and remediation expenditures, or any other similar expenditures;
- (B) any written demand, written notice of default, summons, notice of judgment or commencement of proceedings with respect to any breach, liability or remedial action (or any alleged breach, liability or remedial action) arising under Environmental Laws;
- (C) any obligation to remedy, pay compensation, or make any payment in the nature of a fine in relation to any breach of Environmental Permits or Environmental Laws;
- (D) or aware of any pending, material renewal, modification, revocation, reissuance, alteration, transfer or amendment of any Environmental Permit; or
- (E) or aware of any pending, review by, or approval of, any Governmental Authority required, in relation to Environmental Permit or Environmental Laws, in connection with the execution and delivery of this Agreement, the completion of the Amalgamation or the continuation of the business or operations of Explor following completion of the Amalgamation,

that would, individually or in the aggregate, have a Material Adverse Effect on Explor.

(w) **Technical Reports; Mineral Resources.**

- (i) The Timmins Porcupine West Project and the Chester Copper Property (as described in the Explor Public Record) are the only material properties of Explor for the purposes of NI 43-101.
- (ii) The technical report prepared for Explor entitled "*Technical Report and Resource Estimate on the Timmins Porcupine West Property, Bristol and Ogden Townships, Porcupine Mining Division, Ontario*" and co-authored by Eugene Puritch, P.Eng., Richard Sutcliffe, P.Geo., Tracy Armstrong, P.Geo. and Antoine Yassa, P.Geo., of P & E Mining Consultants Inc.", dated August 28, 2013 (the "**Explor Technical Report**") was prepared in all material respects in accordance with sound mining, engineering, geoscience and other applicable industry

standards and practices and Applicable Laws, including the requirements of NI 43-101 at the time of filing thereof and reasonably presented the quantity of mineral resources attributable to the properties evaluated therein as at the date stated therein based upon information available at the time the reports were prepared. Explor does not have knowledge of a material adverse change in any production, cost, price or resources from the amounts set forth in the Explor Information Record.

- (iii) Explor made available to the author of the Explor Technical Report, prior to the issuance thereof, for the purpose of preparing such report, all information requested by the author, and none of such information contained any misrepresentation at the time such information was so provided.
- (iv) All of the material assumptions underlying the resource estimates in the Explor Technical Report at the time of filing thereof were reasonable and appropriate.
- (v) Explor is in compliance in all material respects with the provisions of NI 43-101, has filed all technical reports required thereby, and there has been no material change of which Explor is aware that would change the amount of any mineral reserves and resources set out in the Explor Disclosure Record. All information regarding the Explor Mineral Rights, including all drill results, technical reports and studies, that is required to be disclosed in accordance with Applicable Laws, has been accurately and completely disclosed in the Explor Public Record on or before the date hereof.

(x) **Litigation.**

- (i) There is no claim, suit, action, arbitration, review, proceeding or investigation pending, or to the knowledge of Explor, threatened by or against Explor or affecting any of its properties, assets or businesses before or by any Governmental Authority that if adversely determined, individually or in the aggregate, would have a Material Adverse Effect on Explor or prevent or delay consummation of the Amalgamation or the other transactions contemplated by this Agreement, nor to the knowledge of Explor is there any basis for any such claim, suit, action, arbitration, review, proceeding or investigation.
- (ii) Neither Explor nor any of its properties or assets, is subject to any outstanding judgment, order, decision, ruling, award, writ, injunction or decree that involves or may involve, or restricts or may restrict, the right or ability of Explor to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would prevent or delay consummation of the Amalgamation or the other transactions contemplated by this Agreement.

- (y) **Bankruptcy.** Explor is not insolvent within the meaning of applicable bankruptcy, insolvency or fraudulent conveyance Laws. No act or proceeding has been taken by or against Explor in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of Explor nor, to the knowledge of Explor, is any threatened, or for the appointment of a trustee, receiver, manager or other administrator of Explor or any of its properties or assets. Explor has not sought protection under the *Bankruptcy and Insolvency Act* (Canada) or the *Company Creditors Arrangement Act* (Canada) or applicable bankruptcy legislation outside Canada.

- (z) **Insurance.** Explor has policies of insurance currently in force naming Explor as an insured, in amounts and in respect of such risks as are normal and usual for companies of a similar size operating in the mining industry and such policies are in full force and effect as of the date hereof and will remain in full force and effect to and including the Effective Date and will not be cancelled or otherwise terminated as a result of the Amalgamation or the other transactions contemplated by this Agreement other than such cancellations as would not, individually or in the aggregate, have a Material Adverse Effect on Explor.
- (aa) **Tax Matters.** Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect with respect to Explor:
- (i) Explor has duly and in a timely manner made or prepared all Tax Returns required to be made or prepared by it, and duly and in a timely manner filed all Tax Returns required to be filed by it with the appropriate Governmental Authority, such Tax Returns are complete and correct in all material respects and Explor has paid all Taxes, including instalments on account of Taxes for the current year required by applicable Law, which are due and payable by it whether or not assessed by the appropriate Governmental Authority and Explor has provided adequate accruals in accordance with IFRS in the most recently published financial statements of Explor for any Taxes for the period covered by such financial statements that have not been paid whether or not shown as being due on any Tax Returns. Since such publication date, no material liability in respect of Taxes not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business;
  - (ii) Explor has duly and timely withheld all Taxes and other amounts required by Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the benefit of any person) and has duly and timely remitted to the appropriate Governmental Authority such Taxes or other amounts required by applicable Law to be remitted by it;
  - (iii) Explor has duly and timely collected all amounts on account of any sales or transfer Taxes, including goods and services, harmonized sales and provincial and territorial taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Authority such amounts required by Law to be remitted to it;
  - (iv) other than actions in the ordinary course, there are no actions, suits, proceedings, investigations or claims threatened against Explor in respect of Taxes, or any matters under discussion with any Governmental Authority relating to Taxes asserted by any such authority;
  - (v) Explor has not requested, offered to enter into or entered into any agreement or other arrangement, or executed any waiver, providing for any extension of time within which: (A) to file any Tax Return covering any Taxes for which Explor is or may be liable; (B) to file any elections, designations or similar filings relating to Taxes for which Explor is or may be liable; (C) Explor is required to pay or

- remit any Taxes or amounts on account of Taxes; or (D) any Governmental Authority may assess or collect Taxes for which Explor is or may be liable;
- (vi) other than ordinary course audits and claims, there are no proceedings, investigations audits or claims in progress or, to the knowledge of Explor, pending or threatened against Explor in respect of Taxes and there are no matters under discussion, audit or appeal with any Governmental Authority relating to Taxes;
  - (vii) Explor has not acquired property from a non-arm's length person, within the meaning of the Income Tax Act: (A) for consideration the value of which is less than the fair market value of the property; or (B) as a contribution of capital for which no shares were issued by the acquirer of the property;
  - (viii) Explor has made available to Pure Nickel copies of: (A) all Tax Returns relating to the Taxes of Explor that to the knowledge of Explor have been filed in the last three (3) years; and (B) all material written communications to or from any Governmental Authority relating to the Taxes of Explor that to the knowledge of Explor has been received or sent in the last three (3) years;
  - (ix) for the purposes of the Income Tax Act Explor is resident in Canada and is a taxable Canadian corporation; and
  - (x) there are no Encumbrances for Taxes upon any properties or assets of Explor (other than Liens relating to Taxes not yet due and payable and for which adequate reserves have been recorded on the consolidated balance sheet included in Explor's audited consolidated financial statements as at and for the fiscal year ended April 30, 2018).
- (bb) **Finder's Fee.** Except as disclosed in Explor Data Room Information, there is no investment banker, broker, finder or other intermediary that has been retained or is authorized to act on behalf of Explor who might be entitled to any fee or commission from Explor in connection with the transactions contemplated by this Agreement.
  - (cc) **Absence of Cease Trade Orders.** No order ceasing or suspending trading of the Explor Shares or any other securities of Explor has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of Explor, are pending, contemplated or threatened under and Securities Laws or by any other regulatory authority.
  - (dd) **Related Party Transactions.** There are no contracts or other transactions currently in place between Explor, on the one hand, and (i) any officer or director of Explor; (ii) to the knowledge of Explor, any holder of record or, to the knowledge of Explor, beneficial owner of 10% or more of the Explor Shares; and (iii) to the knowledge of Explor, any affiliate or associate (including any spouse, parent, sibling or descendant of such person and any trust for the benefit of any of the foregoing persons) of any such, officer, director, holder of record or beneficial owner, on the other hand.
  - (ee) **Expropriation.** No material part of the property or assets of Explor o has been taken, condemned or expropriated by any Governmental Authority nor has any written notice, acknowledgement or proceeding in respect thereof been received by Explor.

- (ff) **Rights of Other Persons.** Except as disclosed in the Explor Data Room Information, no person has any right of first refusal or option to purchase or any other right of participation in any of the material properties or assets owned by Explor or any part thereof.
- (gg) **Non-Governmental Organizations and Community Groups.** No material dispute between Explor and any nongovernmental organization, community, community group or civil organization exists or, to Explor's knowledge, is threatened or imminent with respect to any of Explor's properties or exploration activities. Explor has provided Pure Nickel with full and complete access to all material correspondence received by Explor from any non-governmental organization, community, community group or civil organization.
- (hh) **Corrupt Practices Legislation.** There have been no actions taken by or, to the knowledge of Explor, on behalf of Explor o that would cause Explor to be in violation of the Foreign Corrupt Practices Act of the United States or the *Corruption of Foreign Public Officials Act* (Canada).
- (ii) **United States Securities**
  - (i) Explor is a "foreign private issuer" as defined in Rule 3b-4 under the U.S. Securities Exchange Act and Explor is not required to register as an "investment company" under the United States *Investment Company Act of 1940*, as amended.
  - (ii) Explor is not required to file reports pursuant to Sections 13(a) or 15(d) of the U.S. Securities Exchange Act and the Explor Shares are not registered, or required to be registered, under Section 12 of the U.S. Securities Exchange Act.
- (jj) **Stock Exchange Compliance.** Explor is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of the TSXV.
- (kk) **No Collateral Benefits.** To the knowledge of Explor, no related party of Explor:
  - (i) is a party to any connected transaction to the Amalgamation; or
  - (ii) is entitled to receive as a consequence of the Amalgamation or the other transactions contemplated by this Agreement any benefit, other than a benefit described in paragraph (c) of the definition of collateral benefit where either (i) the related party, together with its associated entities beneficially owns or exercises control or direction over less than one percent or more of the outstanding Explor Shares or (ii) the requirements of clause (c)(iv)(B)(I) and (II) of the definition of collateral benefit have been satisfied with respect to that benefit and Explor will provide the disclosure contemplated by clause (c)(iv)(B)(III) in the Circular.

The terms "**related party**", "**connected transaction**", "**associated entity**" and "**collateral benefit**" are used in this paragraph as defined in MI 61-101.

### 3.2 Survival of Representations and Warranties

The representations and warranties of Explor and contained in this Agreement shall not survive the completion of the Amalgamation and shall expire and be terminated on the earlier of the Effective Date and the date on which this Agreement is terminated in accordance with its terms.

**ARTICLE 4**  
**REPRESENTATIONS AND WARRANTIES OF PURE NICKEL**

**4.1 Representations and Warranties of Pure Nickel**

Pure Nickel represents and warrants to and in favour of Explor as follows and acknowledges that Explor is relying upon these representations and warranties in connection with entering into this Agreement and agreeing to complete the Amalgamation and other transactions contemplated herein:

- (a) **Organization.** Pure Nickel is a company incorporated and validly existing under the laws of Canada, has all necessary corporate power and capacity to own or lease its property and assets and to carry on its business as presently owned, leased or conducted, and is duly registered, licensed or qualified to carry on business, and is in good standing, in each jurisdiction in which the character of its properties and assets, owned or leased, or the nature of its business make such qualification, registration or licensing necessary.
- (b) **Capitalization.**
  - (i) Pure Nickel's authorized capital consists of an unlimited number of common shares, of which, as of the date hereof, 82,693,339 Pure Nickel Shares are validly issued and outstanding as fully paid and non-assessable shares.
  - (ii) The issued and outstanding Pure Nickel Shares are listed and posted for trading on the TSXV.
  - (iii) Other than the issued and outstanding Pure Nickel Shares, there are no issued and outstanding shares in the capital of Pure Nickel.
  - (iv) The Pure Nickel Financial statements set forth, as of the date hereof, the number of outstanding Pure Nickel Options and Pure Nickel Warrants, and the exercise price and vested percentage, where applicable, of such Explor Options and Explor Warrants. Except for 6,016,555 Pure Nickel Shares issuable on the due exercise of Pure Nickel Options and Pure Nickel Warrants outstanding as of the date hereof, and the Pure Nickel Shares that will be issuable pursuant to the Sprott Subscription, there are no options, warrants, conversion privileges, rights, agreements, understandings, commitments or other obligations (whether by law, pre-emptive or contractual) of Pure Nickel to issue, sell or deliver any shares or other ownership interests in Pure Nickel or securities or obligations of any kind convertible into or exchangeable for shares or other ownership interests in Pure Nickel.
  - (v) There are no outstanding stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income, share price or any other attribute of Pure Nickel or its business or operations.
  - (vi) All securities of Pure Nickel (including all options, warrants, rights or other convertible or exchangeable securities) have been issued in compliance with all Applicable Securities Laws and all securities to be issued upon exercise of any such options, warrants, rights and other convertible or exchangeable securities will be issued in compliance with all Applicable Securities Laws.

(c) **Subsidiaries.**

- (i) Each of the Pure Nickel Subsidiary is duly incorporated and validly existing under the laws of its jurisdiction of incorporation, has all necessary corporate power and capacity to own or lease its property and assets and to carry on its business as presently owned, leased or conducted by it, and is duly registered, licensed or qualified to carry on business, and is in good standing, in each jurisdiction in which the character of its properties and assets, owned or leased, or the nature of its business makes such qualification, registration or licensing necessary.
- (ii) Pure Nickel, directly or indirectly, beneficially owns all of the issued and outstanding shares and other ownership interests of each of the Pure Nickel Subsidiary and all such shares and other ownership interests are duly authorized, validly issued, fully paid and non-assessable (and no such shares have been issued in violation of any pre-emptive rights). There are no contracts, commitments, agreements, understandings, arrangements or restrictions which require any Pure Nickel Subsidiary to issue, sell or deliver any shares in its share capital or other ownership interests, or any securities or obligations convertible into or exchangeable for, any shares of its share capital or other ownership interests

(d) **Authority Relative to this Agreement.**

- (i) Pure Nickel has the corporate power and capacity to enter into and perform its obligations under this Agreement and all documents and agreements contemplated by this Agreement to which Pure Nickel is or will be a party.
- (ii) The execution and delivery of this Agreement by Pure Nickel and the performance by Pure Nickel of its obligations hereunder have been duly authorized by the board of directors of Pure Nickel and no other corporate proceeding on the part of Pure Nickel is necessary to authorize this Agreement or the transactions contemplated hereby or thereby.
- (iii) This Agreement has been duly executed and delivered by Pure Nickel and is a legal, valid and binding obligation of Pure Nickel, enforceable against Pure Nickel in accordance with its terms, subject to bankruptcy, insolvency, reorganization, fraudulent transfer, moratorium and other Applicable Laws relating to or affecting creditors' rights generally and to the availability of equitable remedies.
- (iv) The execution and delivery by Pure Nickel of this Agreement does not, and the performance by Pure Nickel of its obligations hereunder and thereunder and the completion of the Amalgamation do not and will not:
  - (A) conflict with, violate or breach any provision of: (1) Pure Nickel's or any of its Subsidiaries' constating documents or any resolution of their respective directors or shareholders; or (2) any Applicable Laws that would, individually or in the aggregate, have a Material Adverse Effect on Pure Nickel or would prevent or delay completion of the Amalgamation;
  - (B) result in any breach of or constitute a default (or an event which with notice or lapse of time or both would become a default) under, require

any consent to be obtained under, or give to others any rights of termination, amendments, acceleration or cancellation of or under:

- (1) any license, permit (including any Environmental Permit), certificate, order, consent, approval or other authorization of Pure Nickel or any of its Subsidiaries or by which Pure Nickel, any of its Subsidiaries or any of their respective properties or assets is bound or affected, that would, individually or in the aggregate, have a Material Adverse Effect on Pure Nickel or would prevent or delay completion of the Amalgamation;
  - (2) any agreement, arrangement, commitment or understanding to which Pure Nickel or any of its Subsidiaries is a party or by which Pure Nickel, any of its Subsidiaries or any of their respective properties or assets is bound or affected that would, individually or in the aggregate, have a Material Adverse Effect on Pure Nickel or would prevent or delay completion of the Amalgamation;
- (C) result in the imposition of an Encumbrance upon any of the properties or assets of Pure Nickel or any of its Subsidiaries that would, individually or in the aggregate, have a Material Adverse Effect on Pure Nickel; or
- (D) give rise to any option, right of first refusal or similar right becoming exercisable by a third party that would have a Material Adverse Effect on Pure Nickel or prevent or delay the completion of the Amalgamation.
- (e) **Securities Law Matters.**
- (i) Pure Nickel is a "reporting issuer" not in default or the equivalent under the Applicable Securities Laws of each of the Provinces of Alberta, Alberta and Ontario.
  - (ii) Since December 1, 2018, Pure Nickel has prepared and filed with appropriate Governmental Authorities all documents required to be filed by it under Applicable Securities Laws (collectively, the "**Pure Nickel Public Record**") and such documents, as of the time they were filed:
    - (A) did not contain any misrepresentations (as defined in applicable Canadian Securities Laws relating to such document);
    - (B) did not fail to state a material fact required to be stated in order to make the statements contained in such document not misleading in light of the circumstances in which they were made; and
    - (C) complied in all material respects with the requirements of Applicable Securities Laws.
  - (iii) Pure Nickel has not filed any confidential material change report or the equivalent thereof under Applicable Securities Laws with any Governmental Authority that currently remains confidential.
  - (iv) None of the Pure Nickel Subsidiary are considered to be a "reporting issuer" under Applicable Securities Laws.

- (f) **Financial Statements.** Pure Nickel's audited consolidated financial statements as at and for the fiscal years ended November 30, 2018 and 2017 (including the notes thereto) and Pure Nickel's unaudited financial statements as at and for the period ended May 31, 2019 (collectively, the "**Pure Nickel Financial Statements**") were prepared in accordance with IFRS consistently applied (except (i) as otherwise indicated in such financial statements and the notes thereto or, in the case of the audited consolidated financial statements, in the related report of Pure Nickel's independent auditors, or (ii) in the case of unaudited consolidated interim financial statements, are subject to normal period-end adjustments and may omit notes which are not required by applicable Laws in the unaudited statements) and fairly present, in all material respects, the consolidated financial position, results of operations and cash flows of Pure Nickel and the Pure Nickel Subsidiary as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited consolidated interim financial statements, to normal period-end adjustments) and reflect reserves required by IFRS, in respect of all material contingent liabilities, if any, of Pure Nickel and the Pure Nickel Subsidiary on a consolidated basis. There has been no material change in Pure Nickel's accounting policies, except as described in the notes to the Pure Nickel Financial Statements, since November 30, 2018.
- (g) **Material Liabilities.** Other than as disclosed in the Pure Nickel Public Record, neither Pure Nickel nor any of its Subsidiaries has any material liabilities or obligations of any nature (whether contingent or absolute, whether accrued or unaccrued, whether liquidated or unliquidated and whether due or to become due, including any liability for Taxes), including guarantees, support obligations or other similar obligations with respect to the obligations of any person, except liabilities and obligations adequately reflected or reserved against in the audited consolidated financial statements of Pure Nickel as at and for the financial year ended November 30, 2018 or incurred in the ordinary course of business since the end of such period.
- (h) **Books and Records.** The corporate records and minute books of Pure Nickel and the Pure Nickel Subsidiary have been maintained in accordance with all Applicable Laws and are complete and accurate in all material respects. Financial books and records and accounts of Pure Nickel and the Pure Nickel Subsidiary: (i) have been maintained in accordance with good business practices on a basis consistent with prior years and past practice; (ii) are stated in reasonable detail and accurately and fairly reflect the transactions and acquisitions and dispositions of assets of Pure Nickel and the Pure Nickel Subsidiary; and (iii) accurately and fairly reflect the basis for the consolidated financial statements of Pure Nickel.
- (i) **Pure Nickel Information.** All Pure Nickel Data Room Information was accurate in all material respects as at its respective date as stated therein, or, if any Pure Nickel Data Room Information was undated, as of the date of its delivery to Explor for purposes of the transactions contemplated by this Agreement. Additionally, all information provided to Explor in relation to Explor's due diligence requests, including information not provided in the Pure Nickel Data Room Information, is accurate in all material respects as at its respective date as stated therein. To the extent that there has been a material change to any of the Pure Nickel Data Room Information or any other information provided to Explor since the date provided to Explor, such information is accurate in all material respects or is no longer relevant or material to Pure Nickel or

additional information has been provided in the Pure Nickel data room or to Explor which supersedes or replaces such information.

- (j) **Disclosure Controls and Procedures.** Pure Nickel has devised and maintained a system of disclosure controls and procedures designed to ensure that information required to be disclosed by Pure Nickel under Applicable Securities Laws is recorded, processed, summarized and reported within the time periods specified in the Applicable Securities Laws. Such disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by Pure Nickel in the reports and other filings under Applicable Securities Laws is accumulated and communicated to Pure Nickel's management, including its Chief Executive Officer and Chief Financial Officer, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.
- (k) **Internal Control over Financial Reporting.** Pure Nickel maintains internal control over financial reporting. Such internal control over financial reporting is effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS and includes policies and procedures that: (i) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of Pure Nickel and the Pure Nickel Subsidiary; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS, and that receipts and expenditures of Pure Nickel and the Pure Nickel Subsidiary are being made only in accordance with authorizations of management and directors of Pure Nickel and the Pure Nickel Subsidiary; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Pure Nickel's and the Pure Nickel Subsidiary' assets that could have a material effect on its financial statements. To the knowledge of Pure Nickel, prior to the date of this Agreement: (A) there are no significant deficiencies in the design or operation of, or material weaknesses in, Pure Nickel's internal controls over financial reporting that are reasonably likely to adversely affect the ability to record, process, summarize and report financial information on or after the Effective Date, and (B) there is no fraud, whether or not material, that involves management or other employees who have a significant role in Pure Nickel's internal control over financial reporting. Pure Nickel has received no (x) material complaints from any source regarding accounting, internal accounting controls or auditing matters or (y) expressions of concern from employees of Pure Nickel regarding questionable accounting or auditing matters.
- (l) **Absence of Changes.** Except as disclosed in the Pure Nickel Public Record or previously disclosed in writing to Explor on or prior to the date hereof, since December 1, 2018, Pure Nickel and each of its Subsidiaries has conducted its business only in the ordinary course of business and consistent with past practice and:
  - (i) no Material Adverse Change has occurred with respect to Pure Nickel;
  - (ii) neither Pure Nickel nor any of its Subsidiaries have incurred liabilities or obligations of any nature (whether absolute, accrued, contingent or otherwise) which would, individually or in the aggregate, have a Material Adverse Effect on Pure Nickel;

- (iii) neither Pure Nickel nor any of its Subsidiaries have experienced any damage, destruction or loss, whether covered by insurance or not, that would have a Material Adverse Effect on Pure Nickel;
  - (iv) neither Pure Nickel nor any of its Subsidiaries have acquired or sold property or assets aggregating more than five percent (5%) of Pure Nickel's total consolidated property and assets as at November 30, 2018;
  - (v) neither Pure Nickel nor any of its Subsidiaries have entered into, amended, relinquished, terminated or failed to renew any material agreement, arrangement, commitment, understanding, license, permit, certificate, order, consent, approval or authorization that would, individually or in the aggregate, have a Material Adverse Effect on Pure Nickel;
  - (vi) Pure Nickel has not made any material change in its accounting methods, principles or practices, including the basis upon which its assets and liabilities are recorded on its books or its earnings, profits and losses are ascertained;
  - (vii) neither Pure Nickel nor any of its Subsidiaries have amended their constating documents;
  - (viii) Pure Nickel has not declared, paid or set aside for payment any dividend or distribution of any kind in respect of any of its outstanding securities nor made any repayments of capital;
  - (ix) Pure Nickel has not redeemed, repurchased or otherwise acquired any Pure Nickel Shares;
  - (x) no resolution to approve a subdivision, consolidation or reclassification of any of the Pure Nickel Shares has been approved by or presented to the Pure Nickel Shareholders; and
  - (xi) neither Pure Nickel nor any of its Subsidiaries have entered into any agreements, arrangements, commitments or understandings to take any action which, if taken prior to the date of this Agreement, would have made any representation or warranty of Pure Nickel in this Agreement materially untrue or incorrect as of the date when made.
- (m) **Restrictions on Business Activities.** There are no agreements, arrangements, commitments, understandings, judgments, orders, warrants, writs, injunctions or decrees binding upon Pure Nickel or any of its Subsidiaries that has or could have the effect of prohibiting or materially restricting or impairing any business practice of Pure Nickel or any of its Subsidiaries, any acquisition of property or assets by Pure Nickel or any of its Subsidiaries or the conduct of business by Pure Nickel or any of its Subsidiaries as currently conducted, other than any such agreements, arrangements, commitments, understandings, judgments, orders, awards, writs, injunctions or decrees which would not, individually or in the aggregate, have a Material Adverse Effect on Pure Nickel.

- (n) **Compliance.** Pure Nickel and each of its Subsidiaries has complied with and is not in violation of (i) its constating documents or any resolution of its directors or shareholders; or (ii) any Applicable Laws, including Environmental Laws, other than instances of non-compliance or violations that would not, individually or in the aggregate, have a Material Adverse Effect on Pure Nickel.
- (o) **Regulatory Approvals.** No consent, approval, order or authorization of, or filing with, any Governmental Authority with jurisdiction over Pure Nickel, the Pure Nickel Subsidiary or any of their respective properties, assets or businesses is required to be obtained by Pure Nickel or any of its Subsidiaries in connection with the execution and delivery by Pure Nickel of this Agreement, the performance by Pure Nickel of its obligations hereunder or the completion of the Amalgamation other than:
  - (i) in connection with or in compliance with Applicable Securities Laws; and
  - (ii) authorizations, consents, approvals, orders or filings, the failure of which to obtain or make would not, individually or in the aggregate, prevent or delay completion of the Amalgamation or have a Material Adverse Effect on Pure Nickel.
- (p) **Licences and Permits.** Pure Nickel and each of its Subsidiaries owns, possesses or has obtained, and is in compliance with, all material licences, permits (including Environmental Permits), certificates, orders, consents, approvals and other authorizations of or from any Governmental Authority required by Applicable Laws which are necessary to lawfully conduct its businesses as it is now being conducted or as intended to be conducted as set forth in the Pure Nickel Public Record (which, for greater certainty, includes the exploration for and exploitation of mineral deposits) or which are necessary for the lawful ownership, use and occupation of its properties and assets, except for such licences, permits, certificates, orders, consents, approvals or authorizations the failure to own, possess or obtain, and be in compliance with, would not, individually or in the aggregate, have a Material Adverse Effect on Pure Nickel. All such permits are in full force and effect and, to the knowledge of Pure Nickel, there are no facts, events or circumstances that would reasonably be expected to result in a failure to obtain or be in compliance with such permits as are necessary to conduct the business of Pure Nickel as it is proposed to be conducted. Each such permit can be renewed in the ordinary course of business by Pure Nickel. Pure Nickel has received no notice of any actual or threatened proceeding to modify, suspend, revoke, withdraw, terminate or otherwise limit any such permit and, to the knowledge of Pure Nickel, there is no valid basis for any such proceeding, including on the basis of the transactions contemplated hereby. Pure Nickel has received no notice of any actual or threatened administrative or governmental action or proceeding in connection with the expiration, continuance or renewal of any such permit and, to the knowledge of Pure Nickel, there is no valid basis for any such proceeding.
- (q) **Material Contracts.** The Pure Nickel Data Room Information includes a complete and accurate list of the Pure Nickel Material Contracts as of the date hereof. Neither Pure Nickel nor any of its Subsidiaries is in breach of, and no event of default (including an event which with notice or lapse of time or both would become a default) relating to Pure Nickel or any of its Subsidiaries has occurred under any of the agreements, arrangements, commitments and understandings that are material to the business and operations of Pure Nickel and its Subsidiaries, taken as a whole and, to the knowledge of

Pure Nickel, none of the other parties to any of such agreements are in breach of and no event of default (including an event which with notice or lapse of time or both would become a default) relating to such other party has occurred under any of such agreements, except for breaches or events of default that have been cured or waived or breaches or events of default that would not, individually or in the aggregate, have a Material Adverse Effect on Pure Nickel.

(r) **Employment Matters.**

- (i) The Pure Nickel Data Room Information includes a complete and accurate list of employees of Pure Nickel with an estimated annual aggregate compensation (calculated on the basis of base salary and cash bonus, if any, paid during the year ended November 30, 2018) in excess of \$25,000, including their respective location, hire date, position, salary, benefits and current status (full-time, part-time, active, non-active), as well as a list of all former employees of Pure Nickel that had an annual aggregate compensation in excess of \$25,000 to whom Pure Nickel has or may have any obligations, indicating the nature and value of such obligations.
- (ii) No employee listed in Subsection (i) has provided written notice to Pure Nickel or any of its Subsidiaries that he or she intends to resign, retire or terminate his or her employment with Pure Nickel as a result of the transactions contemplated by this Agreement or otherwise.
- (iii) There are currently no written or oral agreements, obligations or understandings providing for severance, termination or other payments to any director, officer or employee of Pure Nickel that would be triggered by the completion of the transactions contemplated by this Agreement, except for obligations to provide reasonable notice to employees hired for indefinite terms who are dismissed without cause.
- (iv) There are no current, pending or, to the knowledge of Pure Nickel, threatened strikes or lockouts at any of Pure Nickel's facilities.
- (v) Except as disclosed in the Pure Nickel Public Record, Pure Nickel is not subject to any claim for wrongful dismissal, constructive dismissal or any other claim in contract or in tort, nor is any such claim or any litigation, arbitration or mediation pending or, to the knowledge of Pure Nickel, threatened, relating to employment or termination of employment of employees or independent contractors, other than claims, litigation, arbitration or mediation that, individually or in aggregate, amount to less than \$25,000.
- (vi) Except as disclosed in the Pure Nickel Public Record, Pure Nickel has operated in all material respects in accordance with all applicable Laws with respect to employment and labour, including employment and labour standards, occupational health and safety laws, workers' compensation, social insurance and pension contribution, human rights and labour relations, and there are no pending or, to the knowledge of Pure Nickel, threatened proceedings against Pure Nickel before any Governmental Authority with respect to any of the foregoing matters, other than claims, litigation, arbitration or proceedings that, individually or in aggregate, amount to less than \$25,000.

- (vii) Pure Nickel is not a party to or bound by or subject to any collective agreement, has not made any commitment to, or conducted any negotiation or discussion with, any labour union or employee association with respect to any future agreement or arrangement, is not required to recognize any labour union or employee association representing its employees or any agent having bargaining rights for its employees and, to the knowledge of Pure Nickel, there is no current attempt to organize, certify or establish any labour union or employee association with respect to employees.
- (s) **Employee Plans.**
  - (i) The Pure Nickel Data Room Information includes a complete list of all Employee Plans of Pure Nickel. All of the Employee Plans of Pure Nickel are and have been established, registered, qualified, funded and administered in accordance with all Applicable Laws, and in accordance with their terms, the terms of the material documents that support such Employee Plans and the terms of agreements between Pure Nickel and/or any of its Subsidiaries, as the case may be, and their respective employees and former employees who are members of, or beneficiaries under, the Employee Plans.
  - (ii) All current obligations of Pure Nickel regarding the Employee Plans have been satisfied in all material respects. All contributions, premiums or Taxes required to be made or paid by Pure Nickel under the terms of each Employee Plan or by Applicable Laws in respect of the Employee Plans have been made in a timely fashion in accordance with Applicable Laws and in accordance with the terms of the applicable Employee Plan. As at the date hereof, no currently outstanding notice of underfunding, non-compliance, failure to be in good standing or otherwise has been received by Pure Nickel from any applicable Governmental Authority in respect of any Employee Plan that is a pension or retirement plan.
  - (iii) To the knowledge of Pure Nickel, no Employee Plan is subject to any pending investigation, examination or other proceeding, action or claim initiated by any Governmental Authority, or by any party (other than routine claims for benefits) and, to the knowledge of Pure Nickel, there exists no state of facts which after notice or lapse of time or both would reasonably be expected to give rise to any such investigation, examination or other proceeding, action or claim or to affect the registration or qualification of any Employee Plan required to be registered or qualified.
  - (iv) The execution and delivery of this Agreement, the performance by Pure Nickel of its obligations under this Agreement and the completion of the Amalgamation will not constitute an event or condition under any Employee Plan that entitles an employee or former employee to a payment, promise of payment, acceleration or vesting of any other benefit to which that individual would not otherwise be entitled.
- (t) **Real Property.** Pure Nickel does not own, have any freehold interest in, or is a party to or bound by or subject to any agreement, contract, commitment, or option to purchase, any freehold interest in real or immovable property.
- (u) **Mineral Properties.**

- (i) Pure Nickel and its Subsidiaries have good and sufficient right and title to their respective Mineral Properties, except for such defect in title that, individually or in the aggregate, would not have a Material Adverse Effect on Pure Nickel. The properties, assets and mineral rights in which Pure Nickel or any of its Subsidiaries holds an interest are held free and clear of all Encumbrances.
- (ii) Pure Nickel and each of the Pure Nickel Subsidiary 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 Authorities applicable to it in each jurisdiction in which it carries on business.
- (iii) To the best of Pure Nickel's knowledge, the Mineral Rights of Pure Nickel and each of the Pure Nickel Subsidiary have been properly located and recorded in compliance with Applicable Laws and are comprised of valid and subsisting mineral claims.
- (iv) To the best of Pure Nickel's knowledge, the Mineral Rights held by Pure Nickel and the Pure Nickel Subsidiary are in good standing under Applicable Laws, and all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, royalties, rentals, fees, expenditures and other payments in respect thereof have been paid or incurred, and all filings in respect thereof will, at the Effective Date, have been made.
- (v) The Mineral Rights of Pure Nickel and each of the Pure Nickel Subsidiary have been operated and maintained in a manner consistent with prudent practices in the mining industry and in compliance with all Applicable Laws and all orders of any Governmental Authority having jurisdiction over same.
- (vi) Pure Nickel is not aware of any defects, failures or impairments in the title of Pure Nickel or the Pure Nickel Subsidiary to any of their respective Mineral Rights, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party, which, individually or in the aggregate, would have a Material Adverse Effect on Pure Nickel or in respect of the Mineral Rights held by Pure Nickel and the Pure Nickel Subsidiary.
- (vii) Pure Nickel and each of the Pure Nickel Subsidiary has duly and timely satisfied all of the obligations required to be satisfied, performed and observed by it under, and there exists no default or event of default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default or event of default by Pure Nickel or any Pure Nickel Subsidiary under any agreement pertaining to their respective Mineral Rights or to their other respective assets or properties and each such lease, contract or other agreement is enforceable and in full force and effect.
- (viii) Pure Nickel has full and free access to all lands comprising its Mineral Rights and those of any of the Pure Nickel Subsidiary, and full and free access to all lands necessary in order to exploit such Mineral Rights.

- (ix) Neither Pure Nickel nor any of the Pure Nickel Subsidiary has received any notice, whether written or oral, from any Governmental Authority of any revocation or intention to revoke any interest of Pure Nickel or a Pure Nickel Subsidiary in any of its Mineral Rights.
  - (x) Any and all of the agreements and other documents and instruments pursuant to which Pure Nickel and the Pure Nickel Subsidiary hold an interest in Mineral Rights are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with terms thereof, and neither Pure Nickel nor any of the Pure Nickel Subsidiary, as applicable, is in default of any of the material provisions of any such agreements, documents or instruments nor has any such default been alleged. None of the Mineral Rights of Pure Nickel or the Pure Nickel Subsidiary are subject to any right of first refusal or purchase or acquisition right.
- (v) **Environmental Matters.**
- (i) Except for matters that would not, individually or in the aggregate, have a Material Adverse Effect on Pure Nickel:
    - (A) each of Pure Nickel and its Subsidiaries is in possession of all Environmental Permits; and
    - (B) Pure Nickel and the Pure Nickel Subsidiary (and their respective businesses and operations) have been and are now in material compliance with all Environmental Permits and Environmental Laws.
  - (ii) Except as disclosed in the Pure Nickel Public Record, neither Pure Nickel nor any the Pure Nickel Subsidiary are subject to:
    - (A) any Environmental Permits or Environmental Laws that require or may require: (1) any material work, repairs, construction, change in business practices or operations; or (2) any expenditures, including capital expenditures, for facility upgrades, Environmental investigation and remediation expenditures, or any other similar expenditures;
    - (B) any written demand, written notice of default, summons, notice of judgment or commencement of proceedings with respect to any breach, liability or remedial action (or any alleged breach, liability or remedial action) arising under Environmental Laws;
    - (C) any obligation to remedy, pay compensation, or make any payment in the nature of a fine in relation to any breach of Environmental Permits or Environmental Laws;
    - (D) or aware of any pending, material renewal, modification, revocation, reissuance, alteration, transfer or amendment of any Environmental Permit; or
    - (E) or aware of any pending, review by, or approval of, any Governmental Authority required, in relation to Environmental Permit or Environmental Laws, in connection with the execution and delivery of this Agreement, the completion of the Amalgamation or the

continuation of the business or operations of Pure Nickel or any of its Subsidiaries following completion of the Amalgamation,

that would, individually or in the aggregate, have a Material Adverse Effect on Pure Nickel.

(w) **Technical Reports; Mineral Resources.**

- (i) The Neal Project (as described in the Pure Nickel Public Record) is the only material property of Pure Nickel for the purposes of NI 43-101.
- (ii) The technical report prepared for Pure Nickel entitled "TECHNICAL REPORT ON THE NEAL PROJECT ELMORE COUNTY, IDAHO USA", dated May 28, 2019, with an effective date of May 15, 2019 (the "**Pure Nickel Technical Report**") was prepared in all material respects in accordance with sound mining, engineering, geoscience and other applicable industry standards and practices and Applicable Laws, including the requirements of NI 43-101 at the time of filing thereof and reasonably presented the quantity of mineral resources attributable to the properties evaluated therein as at the date stated therein based upon information available at the time the reports were prepared. Pure Nickel does not have knowledge of a material adverse change in any production, cost, price or resources from the amounts set forth in the Pure Nickel Information Record.
- (iii) Pure Nickel made available to the author of the Pure Nickel Technical Report, prior to the issuance thereof, for the purpose of preparing such report, all information requested by the author, and none of such information contained any misrepresentation at the time such information was so provided.
- (iv) All of the material assumptions underlying the resource estimates in the Pure Nickel Technical Report at the time of filing thereof were reasonable and appropriate.
- (v) Pure Nickel is in compliance in all material respects with the provisions of NI 43-101, has filed all technical reports required thereby, and there has been no material change of which Pure Nickel is aware that would change the amount of any mineral reserves and resources set out in the Pure Nickel Disclosure Record. All information regarding the Pure Nickel Mineral Rights, including all drill results, technical reports and studies, that is required to be disclosed in accordance with Applicable Laws, has been accurately and completely disclosed in the Pure Nickel Public Record on or before the date hereof.

(x) **Litigation.**

- (i) Except as disclosed in the Pure Nickel Data Room Information, there is no claim, suit, action, arbitration, review, proceeding or investigation pending, or to the knowledge of Pure Nickel, threatened by or against Pure Nickel or any of the Pure Nickel Subsidiary or affecting any of their respective properties, assets or businesses before or by any Governmental Authority that if adversely determined, individually or in the aggregate, would have a Material Adverse Effect on Pure Nickel or prevent or delay consummation of the Amalgamation or the other transactions contemplated by this Agreement, nor to the knowledge of Pure Nickel is there any basis for any such claim, suit, action, arbitration, review, proceeding or investigation.

- (ii) Neither Pure Nickel, nor any of its Subsidiaries, nor any of their respective assets, properties or businesses, is subject to an outstanding judgment, order, decision, ruling, award, writ, injunction or decree that involves or may involve, or restricts or may restrict, the right or ability of Pure Nickel or the Pure Nickel Subsidiary, as the case may be, to conduct its business in all material respects as it has been carried on prior to the date hereof, or that would prevent or delay consummation of the Amalgamation or the other transactions contemplated by this Agreement.
- (y) **Bankruptcy.** None of Pure Nickel or any of the Pure Nickel Subsidiary is insolvent within the meaning of applicable bankruptcy, insolvency or fraudulent conveyance Laws. No act or proceeding has been taken by or against Pure Nickel or any of the Pure Nickel Subsidiary in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of Pure Nickel or any of the Pure Nickel Subsidiary nor, to the knowledge of Pure Nickel, is any threatened, or for the appointment of a trustee, receiver, manager or other administrator of Pure Nickel or any of the Pure Nickel Subsidiary or any of their respective properties or assets. None of Pure Nickel or any of the Pure Nickel Subsidiary has sought protection under the *Bankruptcy and Insolvency Act* (Canada) or the *Company Creditors Arrangement Act* (Canada) or applicable bankruptcy legislation outside Canada.
- (z) **Insurance.** Pure Nickel and the Pure Nickel Subsidiary have policies of insurance currently in force naming one or more of Pure Nickel or a Pure Nickel Subsidiary as an insured, in amounts and in respect of such risks as are normal and usual for companies of a similar size operating in the mining industry and such policies are in full force and effect as of the date hereof and will remain in full force and effect to and including the Effective Date and will not be cancelled or otherwise terminated as a result of the Amalgamation or the other transactions contemplated by this Agreement other than such cancellations as would not, individually or in the aggregate, have a Material Adverse Effect on Explor.
- (aa) **Tax Matters.** Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect with respect to Pure Nickel:
  - (i) Pure Nickel and each Pure Nickel Subsidiary has duly and in a timely manner made or prepared all Tax Returns required to be made or prepared by it, and duly and in a timely manner filed all Tax Returns required to be filed by it with the appropriate Governmental Authority, such Tax Returns are complete and correct in all material respects and Pure Nickel and each Pure Nickel Subsidiary has paid all Taxes, including instalments on account of Taxes for the current year required by applicable Law, which are due and payable by it whether or not assessed by the appropriate Governmental Authority and Pure Nickel has provided adequate accruals in accordance with IFRS in the most recently published financial statements of Pure Nickel for any Taxes for the period covered by such financial statements that have not been paid whether or not shown as being due on any Tax Returns. Since such publication date, no material liability in respect of Taxes not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business;

- (ii) Pure Nickel and each Pure Nickel Subsidiary have duly and timely withheld all Taxes and other amounts required by Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the benefit or any person) and has duly and timely remitted to the appropriate Governmental Authority such Taxes or other amounts required by applicable Law to be remitted by it;
- (iii) Pure Nickel and each Pure Nickel Subsidiary have duly and timely collected all amounts on account of any sales or transfer Taxes, including goods and services, harmonized sales and provincial and territorial taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Authority such amounts required by Law to be remitted to it;
- (iv) other than actions in the ordinary course, there are no actions, suits, proceedings, investigations or claims threatened against Pure Nickel or any Pure Nickel Subsidiary in respect of Taxes, or any matters under discussion with any Governmental Authority relating to Taxes asserted by any such authority;
- (v) neither Pure Nickel nor any Pure Nickel Subsidiary has requested, offered to enter into or entered into any agreement or other arrangement, or executed any waiver, providing for any extension of time within which: (A) to file any Tax Return covering any Taxes for which Pure Nickel or any Pure Nickel Subsidiary is or may be liable; (B) to file any elections, designations or similar filings relating to Taxes for which Pure Nickel or any Pure Nickel Subsidiary is or may be liable; (C) Pure Nickel or any Pure Nickel Subsidiary is required to pay or remit any Taxes or amounts on account of Taxes; or (D) any Governmental Authority may assess or collect Taxes for which Pure Nickel or any Pure Nickel Subsidiary is or may be liable;
- (vi) other than ordinary course audits and claims and/or as disclosed in Pure Nickel's Public Record, there are no proceedings, investigations audits or claims in progress or, to the knowledge of Pure Nickel, pending or threatened against Pure Nickel nor any Pure Nickel Subsidiary in respect of Taxes and there are no matters under discussion, audit or appeal with any Governmental Authority relating to Taxes;
- (vii) neither Pure Nickel nor any Pure Nickel Subsidiary has acquired property from a non-arm's length person, within the meaning of the Income Tax Act: (A) for consideration the value of which is less than the fair market value of the property; or (B) as a contribution of capital for which no shares were issued by the acquirer of the property;
- (viii) for the purposes of the Income Tax Act, Pure Nickel and each of the Pure Nickel Subsidiary are non-residents of Canada; and
- (ix) there are no Encumbrances for Taxes upon any properties or assets of Pure Nickel or of any of the Pure Nickel Subsidiary (other than Liens relating to Taxes not yet due and payable and for which adequate reserves have been recorded on the consolidated balance sheet included in Pure Nickel's audited consolidated financial statements as at and for the fiscal year ended November 30, 2018).

- (bb) **No Finder's Fee.** No person is entitled to any broker's or finder's fee or other fee or commission payable by Pure Nickel or any of its Subsidiaries in connection with the Amalgamation or any of the other transactions contemplated by this Agreement, except for commission payable in connection with the Sprott Subscription.
- (cc) **Absence of Cease Trade Orders.** No order ceasing or suspending trading of the Pure Nickel Shares or any other securities of Pure Nickel has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of Pure Nickel, are pending, contemplated or threatened under any Securities Laws or by any other regulatory authority.
- (dd) **Related Party Transactions.** Except as disclosed in the Pure Nickel Public Record, there are no contracts or other transactions currently in place between Pure Nickel or any Pure Nickel Subsidiary, on the one hand, and (i) to the knowledge of Pure Nickel, any officer or director of Pure Nickel or any Pure Nickel Subsidiary; (ii) to the knowledge of Pure Nickel, any holder of record or, to the knowledge of Pure Nickel, beneficial owner of 10% or more of the Pure Nickel Shares; and (iii) to the knowledge of Pure Nickel, any affiliate or associate (including any spouse, parent, sibling or descendant of such person and any trust for the benefit of any of the foregoing persons) of any such, officer, director, holder of record or beneficial owner, on the other hand.
- (ee) **Expropriation.** No material part of the property or assets of Pure Nickel or any Pure Nickel Subsidiary has been taken, condemned or expropriated by any Governmental Authority nor has any written notice, acknowledgement or proceeding in respect thereof been received by Pure Nickel or any Pure Nickel Subsidiary.
- (ff) **Rights of Other Persons.** Except as set out in the Pure Nickel Data Room Information, no person has any right of first refusal or option to purchase or any other right of participation in any of the material properties or assets owned by Pure Nickel or any part thereof.
- (gg) **Non-Governmental Organizations and Community Groups.** No material dispute between Pure Nickel and any nongovernmental organization, community, community group or civil organization exists or, to Pure Nickel's knowledge, is threatened or imminent with respect to any of Pure Nickel's properties or exploration activities. Pure Nickel has provided Pure Nickel with full and complete access to all material correspondence received by Pure Nickel from any non-governmental organization, community, community group or civil organization.
- (hh) **Corrupt Practices Legislation.** There have been no actions taken by or, to the knowledge of Pure Nickel, on behalf of Pure Nickel or that would cause Pure Nickel to be in violation of the Foreign Corrupt Practices Act of the United States or the *Corruption of Foreign Public Officials Act* (Canada).
- (ii) **Issuance of Pure Nickel Shares.** The Pure Nickel Shares to be issued as the Consideration Shares will, when issued pursuant to the Amalgamation, be duly and validly issued as fully paid and non-assessable ordinary shares in the capital of Pure Nickel.
- (jj) **Stock Exchange Compliance.** Pure Nickel is in compliance in all material respects with the applicable listing and corporate governance rules and regulations of the TSXV.

- (kk) **Share Ownership.** Neither Pure Nickel, nor any of its affiliates, is the beneficial owner of any securities of Explor.
- (ll) **United States Securities Laws.**
  - (i) Pure Nickel is a "foreign private issuer" as defined in Rule 3b-4 under the U.S. Securities Exchange Act and Pure Nickel is not required to register as an "investment company" under the United States *Investment Company Act of 1940*, as amended.
  - (ii) Pure Nickel is not required to file reports pursuant to Sections 13(a) or 15(d) of the U.S. Securities Exchange Act and the Pure Nickel Shares are not registered, or required to be registered, under Section 12 of the U.S. Securities Exchange Act.

#### **4.2 Survival of Representations and Warranties**

The representations and warranties of Pure Nickel contained in this Agreement shall not survive the completion of the Amalgamation and shall expire and be terminated on the earlier of the Effective Date and the date on which this Agreement is terminated in accordance with its terms.

### **ARTICLE 5 COVENANTS**

#### **5.1 Covenants of Explor Regarding the Conduct of Business**

Explor covenants and agrees that from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms, except as expressly contemplated or permitted by this Agreement, required by applicable Law or Governmental Authority or consented to by Pure Nickel in writing:

- (a) the business of Explor shall be conducted only, and Explor shall not take any action except, in the ordinary course consistent with past practice;
- (b) it will use its best efforts to preserve intact its business organization and goodwill, to keep available the services of its officers and employees as a group up to the Effective Date and to maintain satisfactory relationships with contractors, suppliers, agents and others having business relationships with Explor;
- (c) it will not, directly or indirectly:
  - (i) amend or propose to amend its articles, by-laws or other constating documents;
  - (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property);
  - (iii) issue, grant, sell or pledge, or agree to issue, grant, sell or pledge, any securities, other than the issuance of Explor Shares issuable upon the exercise or conversion of Explor Warrants, Explor Options or Explor Debentures outstanding on the date hereof, in each case in accordance with their respective terms;
  - (iv) grant any stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the share price, book value, income or any other attribute of Explor or any of its businesses or operations;

- (v) subdivide, combine or reclassify any of its outstanding securities, or declare, set aside or pay any dividend or other distribution payable in cash, securities, property, assets or otherwise with respect to its securities;
- (vi) alter or amend the terms of any of its outstanding securities, including the Explor Warrants, Explor Options and Explor Debentures;
- (vii) redeem, purchase or offer to purchase any of its securities, unless otherwise required by the terms of such securities;
- (viii) reorganize, amalgamate, enter into an arrangement with or merge, or agree with any other person to reorganize, amalgamate, enter into an arrangement with or merge;
- (ix) make any changes to any of its accounting policies, principles, methods, practices or procedures (including by adopting any new accounting policies, principles, methods, practices or procedures), except as required by Applicable Laws or under IFRS;
- (x) make any material Tax election or settle or compromise any material Tax liability;
- (xi) sell, pledge, lease, exclusively license, transfer, dispose of or encumber any assets of Explor;
- (xii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof;
- (xiii) make any investment either by the purchase of securities, contributions of capital, property transfer or purchase of any property or assets of any other person;
- (xiv) pay, settle, discharge or satisfy any material claims, liabilities, litigation, lawsuits, arbitration, proceedings or obligations other than the payment, discharge or satisfaction of liabilities reflected or reserved against in the Explor Financial Statements;
- (xv) abandon or fail to diligently pursue any application to renew any existing material licence, permit (including Environmental Permits), order, claim, authorization, consent, approval or registration related to the business or properties of Explor;
- (xvi) waive, release, grant, transfer or otherwise relinquish any contractual rights or claims which are, individually or in the aggregate, material to Explor;
- (xvii) enter into any interest rate, currency, metal or other commodity swaps, hedges or other similar financial or derivative instruments;
- (xviii) incur, extend, renew or replace any indebtedness for borrowed money or any other liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other person, or make any loans or advances;
- (xix) (i) grant to any officer, director or employee of Explor an increase in compensation in any form, (ii) grant any general salary increase to any officer,

director or employee of Explor, (iii) make any loan to any officer, director or employee of Explor, (iv) take any action with respect to the grant of any severance or termination pay to, or enter into any employment agreement with, any officer, director or employee of Explor, (v) enter into any new employment arrangements, (vi) increase any benefits payable to any officer, director or employee of Explor under its current severance or termination pay policies, or (vii) adopt, materially amend or make any contribution to any Employee Plan outside the ordinary course of business consistent with past practice;

- (xx) incur or commit to make any capital expenditures or capital related spending commitments in excess of \$25,000;
  - (xxi) enter into any agreement, commitment or understanding requiring Explor to incur any non-capital expenditures or spending commitments in excess of \$25,000;
  - (xxii) exercise any termination rights (other than related to the passage of time) with respect to any Explor Material Contract;
  - (xxiii) settle or compromise: (i) any action, claim or proceeding brought against it that is or could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; or (ii) any action, claim or proceeding brought by any present, former or purported holder of its securities in connection with the transactions contemplated by this Agreement or the Amalgamation;
  - (xxiv) except as required by Applicable Law, modify in any material respect any Explor Material Contract or enter into any new contract, agreement, commitment or arrangement which new contract, or series of related new contracts, would be material to, or which would, individually or in the aggregate, have a Material Adverse Effect on, Explor;
  - (xxv) cause or allow the current insurance (or re-insurance) policies maintained by Explor, including directors' and officers' insurance, to be cancelled or terminated, or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductions and providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect, provided that none of Explor shall obtain or renew any insurance (or re-insurance) policy for a term exceeding twelve (12) months,
  - (xxvi) authorize, agree or otherwise commit, whether or not in writing, to do any of the foregoing; or
  - (xxvii) any action that would, or may reasonably be expected to, be inconsistent with, interfere with or significantly impede the completion of the Amalgamation or the other transactions contemplated by this Agreement;
- (d) it will promptly inform Pure Nickel of:
- (i) any material adverse change, or any change which could reasonably be expected to become a material adverse change, in respect of Explor;

- (ii) any event occurring prior to the Effective Date that, to the knowledge of Explor, would render any representation or warranty of Explor herein untrue in any material respect if made on and as of the Effective Date; or
  - (iii) any breach by Explor of its obligations under this Agreement;
- (e) it will use all commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent set forth in Section 6.1 and 6.2 to the extent that satisfaction of such conditions precedent is within Explor's control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Amalgamation, including Explor's commercially reasonable efforts to:
  - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from any other parties to the Explor Debt Agreements and other agreements, arrangements, commitments or understandings to which Explor is a party or by which Explor or any of its properties or assets is bound;
  - (ii) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable Laws;
  - (iii) effect all necessary registrations and filings and submissions of information requested by Governmental Authorities required to be effected by it in connection with the Amalgamation and participate and appear in any proceedings of any Party before Governmental Authorities;
  - (iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of the Parties to consummate the Amalgamation or the other transactions contemplated hereby;
  - (v) fulfill all conditions and satisfy all provisions of this Agreement and the Amalgamation; and
  - (vi) cooperate with Pure Nickel in connection with the performance of its obligations hereunder;
- (f) it will make or cooperate as necessary in the making of all other necessary filings and applications under all applicable Laws required in connection with the Amalgamation and the transactions contemplated herein and take all reasonable action necessary to be in compliance with such Applicable Laws;
- (g) it will use its reasonable commercial efforts to conduct its affairs so that all of its representations and warranties contained herein will be true and correct in all material respects on and as of the Effective Date as if made thereon.

## **5.2 Covenants of Pure Nickel Regarding the Conduct of Business**

Pure Nickel covenants and agrees that from the date of this Agreement until the earlier of the Effective Date and the time that this Agreement is terminated in accordance with its terms, except as expressly contemplated or permitted by this Agreement, required by applicable Law or Governmental Authority or consented to by Explor in writing:

- (a) the business of Pure Nickel shall be conducted only, and Pure Nickel shall not take any action except, in the ordinary course consistent with past practice;

- (b) it will use its best efforts to preserve intact its business organization and goodwill, to keep available the services of its officers and employees as a group up to the Effective Date and to maintain satisfactory relationships with contractors, suppliers, agents and others having business relationships with Pure Nickel;
- (c) it will not, directly or indirectly:
  - (i) amend or propose to amend its articles, by-laws or other constating documents;
  - (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property);
  - (iii) issue, grant, sell or pledge, or agree to issue, grant, sell or pledge, any securities, other than the issuance of Pure Nickel Shares issuable upon the exercise or conversion of Pure Nickel Warrants or Pure Nickel Options the outstanding on the date hereof or pursuant to the Sprott Subscription, in each case in accordance with their respective terms;
  - (iv) grant any stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the share price, book value, income or any other attribute of Pure Nickel or any of its businesses or operations;
  - (v) subdivide, combine or reclassify any of its outstanding securities, or declare, set aside or pay any dividend or other distribution payable in cash, securities, property, assets or otherwise with respect to its securities;
  - (vi) alter or amend the terms of any of its outstanding securities, including the Pure Nickel Warrants and Pure Nickel Options;
  - (vii) redeem, purchase or offer to purchase any of its securities, unless otherwise required by the terms of such securities;
  - (viii) reorganize, amalgamate, enter into an arrangement with or merge, or agree with any other person to reorganize, amalgamate, enter into an arrangement with or merge;
  - (ix) make any changes to any of its accounting policies, principles, methods, practices or procedures (including by adopting any new accounting policies, principles, methods, practices or procedures), except as required by Applicable Laws or under IFRS;
  - (x) make any material Tax election or settle or compromise any material Tax liability;
  - (xi) sell, pledge, lease, exclusively license, transfer, dispose of or encumber any assets of Pure Nickel, except for the sale of the Nevada Star royalty;
  - (xii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets) any corporation, partnership or other business organization or division thereof;
  - (xiii) make any investment either by the purchase of securities, contributions of capital, property transfer or purchase of any property or assets of any other person;

- (xiv) pay, settle, discharge or satisfy any material claims, liabilities, litigation, lawsuits, arbitration, proceedings or obligations other than the payment, discharge or satisfaction of liabilities reflected or reserved against in the Pure Nickel Financial Statements, except for the McPherson matter;
- (xv) abandon or fail to diligently pursue any application to renew any existing material licence, permit (including Environmental Permits), order, claim, authorization, consent, approval or registration related to the business or properties of Pure Nickel;
- (xvi) waive, release, grant, transfer or otherwise relinquish any contractual rights or claims which are, individually or in the aggregate, material to Pure Nickel;
- (xvii) enter into any interest rate, currency, metal or other commodity swaps, hedges or other similar financial or derivative instruments;
- (xviii) incur, extend, renew or replace any indebtedness for borrowed money or any other liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other person, or make any loans or advances;
- (xix) (i) grant to any officer, director or employee of Pure Nickel an increase in compensation in any form, (ii) grant any general salary increase to any officer, director or employee of Pure Nickel, (iii) make any loan to any officer, director or employee of Pure Nickel, (iv) take any action with respect to the grant of any severance or termination pay to, or enter into any employment agreement with, any officer, director or employee of Pure Nickel, (v) enter into any new employment arrangements, (vi) increase any benefits payable to any officer, director or employee of Pure Nickel under its current severance or termination pay policies, or (vii) adopt, materially amend or make any contribution to any Employee Plan outside the ordinary course of business consistent with past practice;
- (xx) incur or commit to make any capital expenditures or capital related spending commitments in excess of \$25,000;
- (xxi) enter into any agreement, commitment or understanding requiring Pure Nickel to incur any non-capital expenditures or spending commitments in excess of \$25,000;
- (xxii) exercise any termination rights (other than related to the passage of time) with respect to any Pure Nickel Material Contract;
- (xxiii) settle or compromise: (i) any action, claim or proceeding brought against it that is or could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; or (ii) any action, claim or proceeding brought by any present, former or purported holder of its securities in connection with the transactions contemplated by this Agreement or the Amalgamation;
- (xxiv) except as required by Applicable Law, modify in any material respect any Pure Nickel Material Contract or enter into any new contract, agreement, commitment or arrangement which new contract, or series of related new

- contracts, would be material to, or which would, individually or in the aggregate, have a Material Adverse Effect on, Pure Nickel;
- (xxv) cause or allow the current insurance (or re-insurance) policies maintained by Pure Nickel, including directors' and officers' insurance, to be cancelled or terminated, or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductions and providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect, provided that none of Pure Nickel shall obtain or renew any insurance (or re-insurance) policy for a term exceeding twelve (12) months,
  - (xxvi) authorize, agree or otherwise commit, whether or not in writing, to do any of the foregoing; or
  - (xxvii) any action that would, or may reasonably be expected to, be inconsistent with, interfere with or significantly impede the completion of the Amalgamation or the other transactions contemplated by this Agreement;
- (d) it will promptly inform Explor of:
- (i) any material adverse change, or any change which could reasonably be expected to become a material adverse change, in respect of Pure Nickel;
  - (ii) any event occurring prior to the Effective Date that, to the knowledge of Pure Nickel, would render any representation or warranty of Pure Nickel untrue in any material respect if made on and as of the Effective Date; or
  - (iii) any breach by Pure Nickel of its obligations under this Agreement;
- (e) it will use all commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent set forth in Section 6.1 and 6.3 to the extent that satisfaction of such conditions precedent is within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Amalgamation, including its commercially reasonable efforts to:
- (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to agreements, arrangements, commitments, or understandings to which Pure Nickel or any of its Subsidiaries is a party or by which Pure Nickel, any of its Subsidiaries or any of their respective properties or assets is bound;
  - (ii) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable Laws,
  - (iii) effect all necessary registrations and filings and submissions of information requested by Governmental Authorities required to be effected by it in connection with the Amalgamation and participate and appear in any proceedings of any Party before Governmental Authorities;

- (iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of the Parties to consummate the Amalgamation or the other transactions contemplated hereby;
  - (v) fulfil all conditions and satisfy all provisions of this Agreement and the Amalgamation; and
  - (vi) cooperate with Explor in connection with the performance of its obligations hereunder;
- (f) it will make or cooperate as necessary in the making of all other necessary filings and applications under all applicable Laws required in connection with the Amalgamation and the other transactions contemplated herein and take all reasonable action necessary to be in compliance with such applicable Laws; and
- (g) it will use its reasonable commercial efforts to conduct its affairs so that all of its representations and warranties contained herein will be true and correct in all material respects on and as of the Effective Date as if made thereon.

### **5.3 Covenants of Pure Nickel Relating to the Amalgamation**

Pure Nickel covenants and agrees that until the Effective Date or the earlier termination of this Agreement pursuant to Section 10.1, except as expressly contemplated or permitted in this Agreement or consented to by Explor in writing, it will, and will cause its Subsidiaries and Representatives to:

- (a) subject to applicable Laws, except for non-substantive communications, furnish promptly to Explor a copy of each notice, report, schedule or other document or communication delivered, filed or received by Pure Nickel in connection with any dealings with Governmental Authorities in connection with, or in any way affecting, the Amalgamation or the other transactions contemplated herein;
- (b) prepare and file with all applicable securities commissions or similar securities regulatory authorities of Canada and the United States, all necessary applications to seek exemptions, if required, from the prospectus, registration and other requirements of the Applicable Securities Laws of the provinces of Canada and the United States for the issue by Pure Nickel of Pure Nickel Shares pursuant to the Amalgamation and the resale of such securities (other than by "control persons" of Pure Nickel, as that term or its equivalent is used in applicable Canadian Securities Laws, or "affiliates" of Pure Nickel as that term is used in the U.S. Securities Act);
- (c) prior to the Effective Date, incorporate and organize Subco on terms satisfactory to Explor, acting reasonably;
- (d) at or prior to the Effective Date, allot and reserve for issuance a sufficient number of Pure Nickel Shares to meet the obligations of Pure Nickel under the Amalgamation (including upon the exercise of the Replacement Options, Adjusted Warrants and the Adjusted Debentures);
- (e) at or prior to the Effective Date, create and grant a sufficient number of Replacement Options and Adjusted Warrants to meet the obligations of Pure Nickel under the Amalgamation; and

- (f) take all necessary actions to have the Pure Nickel Shares issued in connection with the Amalgamation and upon the exercise of the Replacement Options, Adjusted Warrants and the Adjusted Debentures listed and posted for trading on the TSXV.

## **ARTICLE 6 CONDITIONS**

### **6.1 Mutual Conditions Precedent**

The respective obligations of the Parties to complete the transactions contemplated herein are subject to the fulfilment of the following conditions at or prior to the Effective Date, each of which may only be waived, in whole or in part, with the mutual consent of the Parties:

- (a) the Explor Shareholders shall have approved the Amalgamation Resolution at the Explor Meeting in accordance with the articles and by-laws of Explor and any Applicable Laws, and the Amalgamation Resolution shall not have been rescinded or amended in a manner unacceptable to Pure Nickel or Explor, acting reasonably;
- (b) the Pure Nickel Shareholders shall have approved the Pure Nickel Resolutions at the Pure Nickel Meeting in accordance with the articles and by-laws of Pure Nickel and any Applicable Laws, and the Pure Nickel Resolutions shall not have been rescinded or amended in a manner unacceptable to Explor or Pure Nickel, acting reasonably;
- (c) there shall not exist any prohibition at Law, including a cease trade order, injunction or other prohibition or order of Law or under any applicable legislation, against Pure Nickel or Explor which shall prevent the consummation of the Amalgamation;
- (d) there shall have been no action taken under any Applicable Law or by any Governmental Authority which:
  - (i) makes it illegal or otherwise directly or indirectly restrains, enjoins or prohibits the completion of the Amalgamation; or
  - (ii) 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 on Pure Nickel or Explor, including due to any impact upon the assets, rights or interests of any of the Pure Nickel Subsidiary, subsequent to the Effective Date;
- (e) all consents, waivers, permits, exemptions, orders and approvals of, and any registrations and filings with, any Governmental Authority and the expiry of any waiting periods, required to permit the completion of the Amalgamation, and all third person and other consents, waivers, permits, exemptions, orders, approvals, agreements and amendments and modifications to agreements, indentures or arrangements, the failure of which to obtain or the non-expiry of which, either individually or in the aggregate would, or could reasonably be expected to have, a Material Adverse Effect on Pure Nickel or Explor or materially impede the completion of the Amalgamation, shall have been obtained or received on terms that are reasonably satisfactory to each Party;
- (f) the TSXV shall have conditionally approved the listing thereon of the Pure Nickel Shares to be issued to Explor Shareholders pursuant to the Amalgamation and the Pure Nickel Shares issuable pursuant to the Replacement Options, Adjusted Warrants and the Adjusted Debentures, subject only to such conditions, including the filing of documentation, as are acceptable to Pure Nickel and Explor, acting reasonably;

- (g) the distribution of the Consideration Securities pursuant to the Amalgamation shall (i) be exempt from registration and prospectus requirements of Applicable Canadian Securities Laws, and (ii) except with respect to persons deemed to be “control persons” of Pure Nickel or the equivalent under Canadian Securities Laws, the Pure Nickel Shares to be distributed in Canada pursuant to the Amalgamation shall not be subject to any resale restrictions under applicable Canadian Securities Laws.
- (h) the distribution of the Consideration Securities pursuant to the Amalgamation shall be exempt from the registration requirements of the U.S. Securities Act and, except with respect to persons who are “affiliates” (as that term is used in the U.S. Securities Act) of Pure Nickel, the Pure Nickel Shares to be issued in the United States pursuant to the Amalgamation shall not be subject to resale restrictions under the U.S. Securities Laws;
- (i) the Business Combination Agreement shall not have been terminated pursuant to Article 10;
- (j) The Sprott Subscription shall have been completed.

The conditions precedent in this Section 6.1 are for the mutual benefit of the Parties and may be waived, in whole or in part, at any time if waived by both Parties, such waiver being without prejudice to any other rights that each Party may have.

## **6.2 Conditions to Obligations of Pure Nickel**

The obligations of Pure Nickel to complete the transactions contemplated herein are subject to the fulfilment of the following conditions at or prior to the Effective Date:

- (a) the representations and warranties of Explor set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Material Adverse Effect qualifications contained in them, as of the Effective Date, as though made on and as of the Effective Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where any failure or failures of any such representations to be so true and correct in all respects would not reasonably be expected to have a Material Adverse Effect on Explor; and Pure Nickel shall have received a certificate of two senior officers of Explor (in each case without personal liability) addressed to Pure Nickel and dated as of the Effective Date confirming the same, such certificate to be in a form and substance satisfactory to Pure Nickel, acting reasonably;
- (b) all covenants of Explor under this Agreement to be performed on or before the Effective Date shall have been duly performed by Explor in all material respects, and Pure Nickel shall have received a certificate of two senior officers of Explor (in each case without personal liability) addressed to Pure Nickel and dated as of the Effective Date confirming the same, such certificate to be in a form and substance satisfactory to Pure Nickel, acting reasonably;
- (c) from the date of this Agreement to the Effective Date, there shall not have occurred, or have been disclosed to the public (if previously undisclosed to the public), any event, change, occurrence or state of facts that, either individually or in the aggregate, have or could reasonably be expected to have a Material Adverse Effect on Explor, and Pure Nickel shall have received a certificate of two senior officers of Explor (in each case without personal liability) addressed to Pure Nickel and dated as of the Effective Date

confirming the same, such certificate to be in a form and substance satisfactory to Pure Nickel, acting reasonably;

- (d) Pure Nickel shall have received resignations and releases in favour of Explor from such directors and officers of Explor as Pure Nickel may indicate in writing, such resignations to be effective as of the Effective Date and in form and substance satisfactory to Pure Nickel, acting reasonably;
- (e) Holders of no more than 5% of the outstanding Explor Shares shall have exercised Dissent Rights (or, if exercised, remain unwithdrawn), and Pure Nickel shall have received a certificate dated the Effective Date setting out in detail all Dissent Rights exercised or purported to have been exercised; and
- (f) Pure Nickel shall have received an opinion from Explor's counsel, in form and substance satisfactory to Pure Nickel, acting reasonably, as to title to the TWP.

The foregoing conditions precedent are for the benefit of Pure Nickel and may be waived, in whole or in part, by Pure Nickel in writing at any time.

### **6.3 Conditions to Obligations of Explor**

The obligation of Explor to complete the transactions contemplated herein is subject to the following conditions on or before the Effective Date or such other time as specified below:

- (a) the representations and warranties of Pure Nickel set forth in this Agreement shall be true and correct in all material respects as of the Effective Date as though made on and as of the Effective Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date, and except in each case, for those representations and warranties that are subject to a materiality qualification, which must be true and correct in all respects), and Explor shall have received a certificate of two senior officers of Pure Nickel (in each case without personal liability) addressed to Explor and dated as of the Effective Date confirming the same, such certificate to be in a form and substance satisfactory to Explor, acting reasonably;
- (b) all covenants of Pure Nickel under this Agreement to be performed on or before the Effective Date shall have been duly performed by Pure Nickel in all material respects, and Explor shall have received a certificate of two senior officers of Pure Nickel (in each case without personal liability) addressed to Explor and dated as of the Effective Date confirming the same, such certificate to be in a form and substance satisfactory to Explor, acting reasonably;
- (c) from the date of this Agreement to the Effective Date, there shall not have occurred, or have been disclosed to the public (if previously undisclosed to the public), any event, change, occurrence or state of facts that, either individually or in the aggregate, have or could reasonably be expected to have a Material Adverse Effect on Pure Nickel, and Explor shall have received a certificate of two senior officers of Pure Nickel (in each case without personal liability) addressed to Explor and dated as of the Effective Date confirming the same, such certificate to be in a form and substance satisfactory to Explor, acting reasonably;
- (d) Pure Nickel will have allotted and issued the Pure Nickel Shares to be exchanged for Explor Shares pursuant to the Amalgamation and delivered duly executed and

countersigned certificates representing such Pure Nickel Shares to the Depositary in accordance with the terms of the Amalgamation and the Depositary Agreement;

- (e) Pure Nickel will have granted the Replacement Options in exchange for the Explor Options (as the case may be), as at the Effective Date pursuant to the Amalgamation and will have executed and delivered counterparts for stock option agreements in respect of such Replacement Options; and
- (f) Pure Nickel shall have delivered evidence to Explor, acting reasonably, of the conditional approval of the listing and posting for trading on the TSXV of the Pure Nickel Shares to be issued pursuant to the Amalgamation, upon the exercise of Replacement Options, Adjusted Warrants and the Adjusted Debentures.

The foregoing conditions precedent are for the benefit of Explor and may be waived, in whole or in part, by Explor in writing at any time.

#### **6.4 Co-operation**

Each of the Parties shall use all reasonable commercial efforts to satisfy each of the conditions precedent to its obligations and take, or cause to be taken, all other actions and do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws, to permit the completion of the Amalgamation and the other transactions contemplated in this Agreement in accordance with the provisions of this Agreement and to complete and make effective the Amalgamation and the other transactions contemplated in this Agreement and to co-operate with each other in connection with the foregoing.

#### **6.5 Notice and Cure**

- (a) Each Party shall give prompt notice to the other Party of the occurrence, or failure to occur, at any time from the date hereof until the Effective Date, of any event or state of facts which occurrence or failure would be likely to or could:
  - (i) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect between the date hereof and the Effective Date;
  - (ii) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by such Party prior to the Effective Date; or
  - (iii) result in the failure to satisfy any of the conditions precedent in favour of the other Party contained in Section 6.1, 6.2 or 6.3, as the case may be.
- (b) Pure Nickel may not exercise its right to terminate this Agreement pursuant to Subsection 10.2(d)(i) and Explor may not exercise its right to terminate this Agreement pursuant to Subsection 10.2(c)(i) unless the Party seeking to terminate this Agreement shall have delivered a written notice to the other Parties specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the termination right. If any such notice is delivered, providing that a Party is diligently proceeding to cure such matter and such matter is reasonably capable of being cured, no Party may exercise such termination right until the earlier of (i) the Outside Date and (ii) the date that is fifteen (15) Business Days following receipt of such notice by the Party to whom the notice was delivered, if such matter has not been cured by such date.

## **6.6 Merger of Conditions**

The conditions in Sections 6.1, 6.2 and 6.3 shall be conclusively deemed to have been satisfied, waived or released at the Effective Date as contemplated herein.

## **ARTICLE 7 NON-SOLICITATION AND RIGHT TO MATCH**

### **7.1 Non-Solicitation**

- (a) Except as expressly provided in this Article 7, each Party agrees that it shall not, directly or indirectly, through any Representative, or otherwise, and shall not permit any such Representative to:
  - (i) solicit, assist, initiate, encourage or otherwise facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any information, permitting any visit to any facilities or properties of the Party or any of its Subsidiaries, including any material mineral properties, or entering into any form of written or oral agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal or potential Acquisition Proposal;
  - (ii) enter into or otherwise engage or participate in any discussions or negotiations with any person (other than the other Party and its affiliates) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal or potential Acquisition Proposal;
  - (iii) make a Change in Recommendation; or
  - (iv) accept, approve, endorse or recommend, or propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to an Acquisition Proposal for a period of no more than two (2) Business Days following the formal announcement of such Acquisition Proposal shall not be considered to be in violation of this Section 7.1 provided the Party's Board has rejected such Acquisition Proposal and affirmed its recommendation in favour of the Amalgamation before the end of such two (2) Business Day period).
- (b) Each Party shall, and shall cause its Subsidiaries and its Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiations, or other activities commenced prior to the date of this Agreement with any person (other than Pure Nickel and its affiliates) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal or potential Acquisition Proposal, and in connection therewith shall:
  - (i) discontinue access to and disclosure of all information, including any data room and any non-public or confidential information, properties, facilities, books and records of the Party or any Subsidiary of the Party; and
  - (ii) request, and exercise all rights it has to require: (A) the return or destruction of copies of any information regarding the Party or any Subsidiary of the Party provided to any person other than the other Party, and (B) the destruction of all

material including or incorporating or otherwise reflecting such information regarding the Party or any Subsidiary of the Party, using all necessary efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.

- (c) Each Party represents and warrants that it has not waived any confidentiality, standstill or similar agreement or restriction to which the Party or any of its Subsidiaries is a party, except to permit submissions of expressions of interest prior to the date of this Agreement, and further covenants and agrees: (i) that the Party shall take all necessary action to enforce each confidentiality, standstill or similar agreement or restriction to which the Party or any of its Subsidiaries is a party, and (ii) that neither the Party nor any of its Subsidiaries or any of their respective Representatives have or will, without the prior written consent of the other Party (which may be withheld or delayed in the other Party's sole and absolute discretion), release any person from, or waive, amend, suspend or otherwise modify such person's obligations respecting the Party or any of its Subsidiaries under any confidentiality, standstill or similar agreement or restriction to which the Party or any of its Subsidiaries is a party.
- (d) Notwithstanding Subsection 7.1(a) hereof and any other provision of this Agreement, if at any time following the date of this Agreement and prior to obtaining the approval of such Party's shareholders at the Explor Meeting or Pure Nickel Meeting, as applicable, a Party that receives a request for material non-public information, or to enter into discussions, from a Person that proposes to such Party an unsolicited bona fide written Acquisition Proposal that did not result from a breach of this Article 7 and that its Board determines in good faith after consultation with its financial advisor and outside legal counsel that such Acquisition Proposal constitutes or would reasonably be expected to constitute a Pure Nickel Superior Proposal or Explor Superior Proposal, as the case may be; then such Party may: (i) provide the Person making such Acquisition Proposal with access to material non-public information regarding such Party and its subsidiaries; and/or (ii) enter into, participate, facilitate and maintain discussions or negotiations with, and otherwise cooperate with or assist, the Person making such Acquisition Proposal, provided that such Party shall not, and shall not allow any of its subsidiaries or Representatives to disclose any non-public information with respect to such Person without having (A) entered into a confidentiality and standstill agreement on substantially the same terms as the other Party's Confidentiality Agreement, including a standstill provision at least as stringent as contained in the Confidentiality Agreement, and provided a copy of such confidentiality and standstill agreement promptly upon execution to the other Party; and (B) provided to the other Party a list of and access to the information made or to be made available to such Person. Any such confidentiality and standstill agreement may not include any provision calling for an exclusive right to negotiate with such Party and may not restrict such Party or any of its subsidiaries from complying with Article 7.
- (e) If a Party or any of its Subsidiaries or any of their respective Representatives, receives or otherwise become aware of any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, or any request for copies of, access to, or disclosure of, information relating to the Party or any of its Subsidiaries, including but not limited to information, access, or disclosure relating to the properties, facilities, books or records of the Party or any of its Subsidiaries, the

Party shall promptly (and in any event within 24 hours) notify the other Party, at first orally and then in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions; the identity of all persons making the Acquisition Proposal, inquiry, proposal, offer or request; copies of all documents, correspondence or other material received in respect of, from or on behalf of any such person; and any other information which the other Party may reasonably request. The Party shall keep the other Party promptly and fully informed of the status of developments and negotiations with respect to such Acquisition Proposal, inquiry, proposal, offer or request, including any changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request.

- (f) Each Party shall ensure that the Representatives of the Party and its Subsidiaries are aware of the provisions of this Section 7.1 and agree to be bound thereby, and it shall be responsible for any breach of such provisions by any of such persons.
- (g) The Parties agree that nothing in this Section 7.1 will prevent Pure Nickel from taking any actions (or from continuing with any activity commenced prior to the date of this Agreement) in the circumstances where: (i) the discussion and/or approach is being undertaken in connection with a proposed or potential Acquisition Proposal or any other transaction, which, in each case, is complimentary to the Amalgamation, in line with Pure Nickel's current strategy; or (ii) Pure Nickel has received Explor consent (such consent not to be unreasonably withheld).

## **7.2 Superior Proposal and Right to Match**

- (a) If a Party receives a Pure Nickel Superior Proposal or Explor Superior Proposal prior to the approval of the Amalgamation Resolution by the Explor Shareholders or the approval of the Pure Nickel Resolution by the Pure Nickel Shareholders, as the case may be, the Party's Board may, subject to compliance with Subsection 10.2(c)(ii) or Subsection 10.2(d)(ii), as applicable, terminate this Agreement in order to enter into a definitive agreement with respect to such Pure Nickel Superior Proposal or Explor Superior Proposal, if and only if:
  - (i) the Board of the Party in receipt of the Acquisition Proposal determines, in good faith, that the Acquisition Proposal constitutes an Explor Superior Proposal or Pure Nickel Superior Proposal, as the case may be;
  - (ii) the person making the Superior Proposal was not restricted from making such Pure Nickel Superior Proposal or Explor Superior Proposal pursuant to an existing standstill or similar restriction;
  - (iii) such Party has been, and continues to be, in compliance with its obligations under this Article 7;
  - (iv) such Party has delivered to the other Party a written notice of the determination of the Party's Board that such Acquisition Proposal constitutes a Pure Nickel Superior Proposal or Explor Superior Proposal, as the case may be, and of the intention of the Party's Board to enter into such definitive agreement, together with a written notice from the Party's Board regarding the value and financial terms that the Party's Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Acquisition Proposal (the "**Superior Proposal Notice**");

- (v) such Party has provided the other Party with a copy of such Acquisition Proposal in accordance with Subsection 7.1(e);
  - (vi) at least five (5) Business Days (the “**Matching Period**”) have elapsed from the date that is the later of the date on which the other Party received the Superior Proposal Notice and the date on which the other Party received a copy of such Acquisition Proposal from the Party;
  - (vii) during any Matching Period, the other Party has had the opportunity (but not the obligation), in accordance with Subsection 7.2(b), to offer to amend this Agreement and the Amalgamation in order for such Acquisition Proposal to cease to be a S Pure Nickel Superior Proposal or Explor Superior Proposal, as the case may be; and
  - (viii) the Party has:
    - (A) terminated this Agreement pursuant to Subsections 10.2(c)(ii) or 10.2(d)(ii), as applicable; and
    - (B) entered into a binding agreement, understanding or arrangement with respect to the Pure Nickel Superior Proposal or Explor Superior Proposal, as the case may be.
- (b) During the Matching Period, or such longer period as the Party issuing the Superior Proposal Notice may approve in writing for such purpose, the other Party shall have the right, but not the obligation, to offer to amend the terms of this Agreement and the Amalgamation. The Party’s Board shall review any proposal made by the other Party under Subsection 7.2(a)(vii) to amend the terms of this Agreement and the Amalgamation in good faith in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Pure Nickel Superior Proposal or Explor Superior Proposal, as the case may be ceasing to be a Pure Nickel Superior Proposal or Explor Superior Proposal, as the case may be, and shall negotiate in good faith with the other Party to make such amendments to the terms of this Agreement and the Amalgamation as would enable the Party to proceed with the transactions contemplated by this Agreement on such amended terms. If the Party’s Board determines that such Acquisition Proposal would cease to be a Pure Nickel Superior Proposal or Explor Superior Proposal, as the case may be, the Party shall promptly so advise the other Party and the Parties shall amend this Agreement to reflect such proposal made by the other Party, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing. If the Party’s Board continues to believe, in good faith after consultation with its financial advisors and outside legal counsel, that such Pure Nickel Superior Proposal or Explor Superior Proposal, as the case may be remains a Superior Proposal and therefore rejects the other Party’s amended proposal, the Party may, on termination of this Agreement in accordance with Subsections 10.2(c)(ii) or 10.2(d)(ii), as applicable, accept, approve, recommend, or enter into an agreement, understanding or arrangement in respect of such Pure Nickel Superior Proposal or Explor Superior Proposal, as the case may be.
- (c) Each successive amendment to any Acquisition Proposal shall constitute a new Acquisition Proposal for the purposes of this Section 7.2, and the other Party shall be afforded a new five (5) Business Day Matching Period from the later of the date on

which the other Party received the Superior Proposal Notice and a copy of the Acquisition Proposal from the Party in respect of each such new Acquisition Proposal.

- (d) The Party's Board shall promptly reaffirm its recommendation of the Amalgamation by press release after any Acquisition Proposal which is not determined to be a Pure Nickel Superior Proposal or Explor Superior Proposal, as the case may be, is publicly announced or the Party's Board determines that a proposed amendment to the terms of this Agreement as contemplated under Subsection 7.2(b) would result in an Acquisition Proposal no longer being a Pure Nickel Superior Proposal or Explor Superior Proposal, as the case may be. The Party shall provide the other Party and its outside legal counsel with a reasonable opportunity to review the form and content of any such press release and shall make all reasonable amendments to such press release as requested by the other Party and its counsel.
- (e) If the Party provides a Superior Proposal Notice to the other Party after a date that is less than ten (10) Business Days before the Explor Meeting or Pure Nickel Meeting, as the case may be, the Party shall either proceed with or shall postpone the Meeting, as directed by the other Party acting reasonably, to a date that is not more than fifteen (15) Business Days after the scheduled date of the Explor Meeting or Pure Nickel Meeting, as the case may be.

## **ARTICLE 8 INDEMNIFICATION AND INSURANCE**

### **8.1 Indemnification of Directors and Officers**

For a period of six years after the Effective Date, Pure Nickel shall: (i) maintain in effect the current or substantially similar provisions regarding indemnification of directors and officers contained in the constating documents of Explor and any director, officer or employee indemnification agreements of Explor; and (ii) indemnify the directors and officers of Explor to the fullest extent to which Explor is permitted to indemnify such directors and officers under its constating documents and Applicable Law.

### **8.2 Insurance**

Explor shall purchase "trailing" or "run-off" insurance for a period of six (6) years after the Effective Date, providing coverage to the directors and officers of Explor with respect to claims arising from facts or events which occurred on or before the Effective Date. Such coverage shall be on the same terms, in all material respects, as the coverage currently provided under policies maintained by Explor for the protection of directors and officers.

### **8.3 Beneficiaries**

This Article 8 shall survive the consummation of the Amalgamation and is intended to be for the benefit of, and shall be enforceable by, the persons described above and their respective heirs, executors, administrators and personal representatives and shall be binding on Explor and its successors and assigns, and, for such purpose, Explor hereby confirms that it is acting as agent and trustee on behalf of the persons described above and Pure Nickel acknowledges that this provision shall enure to the benefit of any successor corporation of Explor, including by way of wind-up or dissolution.

**ARTICLE 9  
AMENDMENT AND WAIVER**

**9.1 Amendment**

Subject to the provisions of the Amalgamation and Applicable Laws, this Agreement may, at any time, and from time to time before and after the holding of the Explor Meeting but not later than the Effective Date, be amended by written agreement of the Parties without further notice to or authorization on the part of the Explor Shareholders, and any such amendment may without limitation:

- (a) change the time for performance of any of the obligations or acts of any of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any documents to be delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants or conditions herein contained or waive or modify performance of any of the obligations of any of the Parties hereto;
- (d) waive compliance with or modify any mutual conditions precedent set out herein; and
- (e) complete or modify any Schedule of this Agreement, whether or not it is in substantially the form attached hereto.

**9.2 Waiver**

- (a) At any time prior to the Effective Date, any Party may:
  - (i) extend the time for the performance of any of the obligations or other acts of the other Party; or
  - (ii) waive compliance with any of the covenants or agreements of the other Party or with any conditions to its own obligations, but in each case only to the extent such obligations, agreements and conditions are intended for its benefit.
- (b) No waiver of any of the provisions of this Agreement shall constitute a waiver of any other provision (whether or not similar). No waiver shall be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement shall not operate as a waiver of that right. A single or partial exercise of any right shall not preclude a Party from any other or further exercise of that right or the exercise of any other right under this Agreement.

**ARTICLE 10  
TERMINATION**

**10.1 Term**

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

**10.2 Termination**

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

- (a) by mutual written consent of Pure Nickel and Explor;
- (b) by either Pure Nickel or Explor upon notice by either one to the other if:
  - (i) if the Amalgamation Resolution shall not have been approved or adopted by the Explor Shareholders at the Explor Meeting;

- (ii) if the Pure Nickel Resolutions shall not have been approved or adopted by the Pure Nickel Shareholders at the Pure Nickel Meeting;
  - (iii) if, after the date hereof, any final and non-appealable Applicable Law shall be effected by a Governmental Authority of competent jurisdiction that makes the consummation of the Amalgamation illegal or otherwise prohibits or enjoins any of the Parties from consummating the Amalgamation; or
  - (iv) if the Effective Date does not occur on or prior to the Outside Date, provided that the failure of the Effective Date to so occur is not due to the failure of the Party seeking to terminate this Agreement to perform or observe the covenants and agreements of such Party set forth herein;
- (c) By Explor:
- (i) subject to Section 6.5, if (A) Pure Nickel has not complied in all material respects with its covenants or obligations under this Agreement; or (B) any representation or warranty of Pure Nickel set out in this Agreement shall have been at the date hereof untrue or incorrect or shall have become untrue or incorrect in a material respect at any time prior to the Effective Date (except for those expressly stated to speak at or as of any earlier time), in each case, that would cause one or more conditions set forth in Sections 6.1 or 6.3 not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date;
  - (ii) in order to enter into a binding written definitive agreement with respect to a Explor Superior Proposal in compliance with Sections 7.1 and 7.2; or
  - (iii) if prior to the Effective Date: (a) the Pure Nickel Board shall have made a Change in Recommendation; (B) Pure Nickel shall have accepted or entered into or publicly proposes to accept or enter into (other than a confidentiality and standstill agreement permitted by Section 7.1) a legally binding written agreement, arrangement or understanding with respect to an Acquisition Proposal; or (C) Pure Nickel breaches Article 7 in any material respect; or
- (d) by Pure Nickel:
- (i) subject to Section 6.5, if (A) Explor has not complied in all material respects with its covenants or obligations under this Agreement; or (B) any representation or warranty of Explor set out in this Agreement shall have been at the date hereof untrue or incorrect or shall have become untrue or incorrect in a material respect at any time prior to the Effective Date (except for those expressly stated to speak at or as of any earlier time), in each case, that would cause one or more conditions set forth in Sections 6.1 or 6.2 not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date;
  - (ii) in order to enter into a binding written definitive agreement with respect to a Pure Nickel Superior Proposal in compliance with Sections 7.1 and 7.2; or
  - (iii) if prior to the Effective Date: (a) the Explor Board shall have made a Change in Recommendation; (B) Explor shall have accepted or entered into or publicly proposes to accept or enter into (other than a confidentiality and standstill agreement permitted by Section 7.1) a legally binding written agreement,

arrangement or understanding with respect to an Acquisition Proposal; or (C) Explor breaches Article 7 in any material respect.

### **10.3 Effect of Termination**

If the termination rights are exercised in accordance with Section 10.1, written notice thereof shall be given to the other Party, specifying the provisions hereof pursuant to which such termination is made and except as set out in this Section 10.3, Section 10.1 and Article 11, which provisions shall survive the termination of this Agreement, no Party shall have any further liability to perform its obligations under this Agreement.

### **10.4 Remedies**

The Parties acknowledge and agree that an award of money damages would be inadequate for any breach of this Agreement by any Party or its Representatives and any such breach would cause the non-breaching Party irreparable harm. Accordingly, the Parties agree that prior to the termination of this Agreement pursuant to Section 10.2, in the event of any breach or threatened breach of this Agreement by one of the Parties, the non-breaching Party will be entitled, without the requirement of posting a bond or other security, to equitable relief, including injunctive relief and specific performance. Such remedies will not be the exclusive remedies for any breach of this Agreement but will be in addition to all other remedies available at law or equity to each of the Parties.

## **ARTICLE 11 GENERAL**

### **11.1 Access to Information and Confidentiality**

From the date hereof until the earlier of the Effective Date and the termination of this Agreement, subject to compliance with applicable Law and the terms of any existing contracts, Explor shall, and shall cause its subsidiaries and their respective officers, directors, employees, independent auditors, accounting advisers and agents to, afford to Pure Nickel and to the officers, employees, agents and representatives of Pure Nickel such access as Pure Nickel may reasonably require at all reasonable times, including for the purpose of facilitating integration business planning, to their officers, employees, agents, properties, books, records and contracts, and shall furnish Pure Nickel with all data and information as Pure Nickel may reasonably request. Pure Nickel and Explor acknowledge and agree that information furnished pursuant to this Section 11.1 shall be subject to the terms and conditions of the Confidentiality Agreement.

### **11.2 Expenses**

Except as otherwise provided in this Agreement, the Parties agree that all out-of-pocket third-party transaction expenses of the Amalgamation, including legal fees, financial advisor fees, regulatory filing fees, all disbursements by advisors and printing and mailing costs, will be paid by the Party incurring such expense.

### **11.3 Notice**

- (a) Any notice, direction or other instrument required or permitted to be given hereunder will be in writing and may be given by delivering the same or sending the same by email transmission addressed as follows:

if to Pure Nickel:

Pure Nickel Inc.  
161 Bay St.

Suite 2700  
Toronto, ON M5J 2S1

Email: [REDACTED]  
Attention: David Russell, Chief Executive Officer

if to Explor:

Explor Resources Inc.  
15 Gamble St. East  
Suite 204  
Rouyn-Noranda, QC J9X 3B6

Email: [REDACTED]  
Attention: Christian Dupont, Chief Executive Officer

- (b) Any such notice, direction or other instrument, whether delivered or transmitted by email transmission, will be deemed to have been given at the time and on the date on which it was delivered to or received in the office of the addressee, as the case may be, if delivered or transmitted prior to 4:30 p.m. (local time) on a Business Day or at 9:00 a.m. (local time) on the subsequent Business Day if delivered or transmitted subsequent to such time.
- (c) Either Party hereto may change its address for service from time to time by notice given to the other Party hereto in accordance with this Section 11.3.
- (d) Any notice, direction or other instrument delivered under this Agreement will be signed by one or more duly authorized officers of the Party delivering it.
- (e) The delivery of any notice, direction or other instrument, or a copy thereof, to a Party hereunder will be deemed to constitute the representation and warranty of the Party who has delivered it to the other Party that such delivering Party is authorized to deliver such notice, direction or other instrument at such time under this Agreement (unless the receiving Party has actual knowledge to the contrary) and the receiving Party will not be required to make any inquiry to confirm such authority.

#### **11.4 Public Announcement**

No Party shall make any press release, public announcement or public statement regarding the Amalgamation or the other transactions contemplated herein which has not been previously reviewed and commented on by the other Party, except that any Party may issue a press release or make a filing with a regulatory authority if counsel for such Party advises that such press release or filing is necessary in order to comply with Applicable Laws or the rules and policies of any stock exchange, in which case such Party shall first make a reasonable effort to obtain the approval of the other Party and provided further that nothing herein shall restrict either Party from including in any press release, material change report, continuous disclosure document or other document required to be prepared, sent, delivered, distributed, disseminated or filed, any statement regarding this Agreement, the Amalgamation or the other transactions contemplated herein previously approved by the other Party or previously disclosed as permitted pursuant to this section. In addition, each Party shall consult with the other Party regarding, and provide the other Party a draft of, any press release, public announcement or public statement regarding the business, operations, results of operations, properties, assets, liabilities or financial condition of the respective Party or its Subsidiaries, and shall not issue any press release, public announcement or public statement inconsistent with the results of such consultation, and shall

consider in good faith any comments or revisions requested by the other Party, provided that a Party may issue any such press release or make such a filing with a regulatory authority if its counsel advises that such press release or filing is necessary to comply with Applicable Laws or the rules and policies of any stock exchange, in which case such Party shall first make a reasonable effort to enable the other Party to review and comment on any such press release or filing and to obtain the approval of the other Party and shall consider in good faith any comments or revisions requested by the other Party.

**11.5 Time of Essence**

Time is of the essence of this Agreement.

**11.6 Enurement**

This Agreement will be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

**11.7 Entire Agreement**

This Agreement, together with the Finance Documents and the Confidentiality Agreement, constitutes the entire agreement and understanding between the Parties with respect to the Amalgamation and other transactions contemplated hereby and supersede all other prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect thereto. There are no representations, warranties, terms, conditions, undertakings or collateral agreements, express, implied or statutory, between the Parties except as expressly set forth in this Agreement, the Finance Documents and the Confidentiality Agreement.

**11.8 Governing Law**

- (a) This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- (b) Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of the Province of Ontario in respect of all matters arising under or in relation to this Agreement and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

**11.9 Prohibition Against Assignment**

None of the Parties hereto may assign its rights or obligations under this Agreement without the prior written consent of the other Party.

**11.10 Third Party Beneficiaries**

Except as provided in Article 8 (which is intended to be for the benefit of the persons covered thereby and may be enforced by such persons at any time), each Party hereto intends that this Agreement will not benefit or create any right or give rise to any action on behalf of any person other than the Parties hereto, and no person other than the Parties hereto will be entitled to rely on the provisions hereof.

**11.11 Further Assurances**

Each Party shall, from time to time, and at all times hereafter at the reasonable request of the other Party, but without further consideration, do all such other acts and execute and deliver all such further documents and instruments as shall reasonably be required in order to fully perform and carry out the terms and intent hereof.

**11.12 Counterpart Executions and Electronic Transmissions**

This Agreement may be executed in counterparts, each of which when delivered (whether in originally executed form or by facsimile or other electronic transmission) will be deemed to be an original and all of which together will constitute one and the same document.

**[Remainder of page intentionally left blank]**

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

**PURE NICKEL INC.**

By: "Signed"  
Name: R. David Russell  
Title: President and CEO

**EXPLOR RESOURCES**

**INC.** By: "Signed"  
Name: Christian Dupont  
Title: President and CEO