

## ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT is dated for reference September 1, 2020.

BETWEEN:

**RED LAKE GOLD INC.**, a corporation incorporated under the laws of the Province of British Columbia

("Red Lake")

AND:

**ALMA GOLD INC.**, a corporation incorporated under the laws of the Province of British Columbia

("Spinco")

WHEREAS:

- A. Red Lake is the registered and beneficial owner of all of the issued and outstanding shares of Spinco;
- B. Red Lake and Spinco wish to proceed with a corporate restructuring by way of a statutory arrangement under the BCBCA, pursuant to which Red Lake and Spinco will participate in a series of transactions whereby, among other things, Red Lake will distribute the Spinco Shares (as defined herein) such that the holders of Red Lake Shares (as defined herein) (other than Dissenting Shareholders) will become holders of 100% of the issued and outstanding Spinco Shares;
- C. Red Lake proposes to convene a meeting of the Red Lake Shareholders to consider the Arrangement pursuant to Part 9, Division 5 of the BCBCA, on the terms and conditions set forth in the Plan of Arrangement attached as Exhibit "A" hereto; and
- D. Each of the Parties to this Agreement has agreed to participate in and support the Arrangement.

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

### ARTICLE 1 INTERPRETATION

#### 1.1 Definitions

In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following defined terms have the meanings set forth below:

- (a) "**Agreement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to this arrangement agreement (including the schedules hereto) as supplemented, modified or amended, and not to any particular article, section, schedule or other portion hereof;

- (b) "**Arrangement**" means the arrangement pursuant to the Arrangement Provisions as contemplated by the provisions of this Agreement and the Plan of Arrangement;
- (c) "**Arrangement Provisions**" means Part 9, Division 5 of the BCBCA;
- (d) "**Arrangement Resolution**" means the special resolutions of the Red Lake Shareholders to approve the Arrangement, as required by the Interim Order and the BCBCA;
- (e) "**BCBCA**" means the British Columbia *Business Corporations Act*, S.B.C. 2002, c. 57, as amended, including the regulations promulgated thereunder;
- (f) "**Board of Directors**" means the current and existing board of directors of Red Lake;
- (g) "**Business Day**" means a day other than a Saturday, Sunday or other than a day when banks in the City of Vancouver, British Columbia are not generally open for business;
- (h) "**Constating Documents**" means, in respect of Red Lake and Spinco, the Articles and related Notice of Articles under the BCBCA;
- (i) "**Closing Date**" has the meaning ascribed thereto in §5.2;
- (j) "**Court**" means the Supreme Court of British Columbia;
- (k) "**Dissent Procedures**" means the rules pertaining to the exercise of Dissent Rights as set forth in Division 2 of Part 8 of the BCBCA and Article 5 of the Plan of Arrangement;
- (l) "**Dissent Rights**" means the right of a registered Red Lake Shareholder to dissent from the Arrangement Resolutions in accordance with the provisions of the BCBCA, as modified by the Interim Order, and to be paid the fair value of the Red Lake Shares in respect of which the holder dissents;
- (m) "**Dissenting Shareholder**" means a registered holder of Red Lake Shares who dissents in respect of the Arrangement in strict compliance with the Dissent Procedures and who has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights;
- (n) "**Dissenting Shares**" means the Red Lake Shares in respect of which Dissenting Shareholders have exercised a right of dissent;
- (o) "**Effective Date**" means the date the Arrangement becomes effective under the BCBCA;
- (p) "**Effective Time**" means 10:00 a.m. (Vancouver time) on the Effective Date, or such other time on the Effective Date as agreed to in writing by Red Lake and Spinco;
- (q) "**Final Order**" means the order of the Court approving the Arrangement, as such order may be affirmed, amended or modified by any court of competent jurisdiction;
- (r) "**IFRS**" means international financial reporting standards in effect in Canada at the relevant time, including the accounting recommendations in the Handbook of the Canadian Institute of Chartered Accountants;
- (s) "**In the Money Amount**" at a particular time with respect to an option means the amount, if any, by which the fair market value of the underlying security exceeds the exercise price of the relevant option at such time;

- (t) "**Information Circular**" means the management information circular of Red Lake, including all schedules thereto, to be sent by Red Lake to the Red Lake Shareholders in connection with the Red Lake Meeting, together with any amendments or supplements thereto;
- (u) "**Interim Order**" means the interim order of the Court providing advice and directions in connection with the Red Lake Meeting and the Arrangement;
- (v) "**Laws**" means all laws, by-laws, statutes, rules, regulations, principles of law, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements and the terms and conditions of any grant of approval, permission, authority or license of any governmental entity (including the Canadian Securities Exchange) or self-regulatory authority, to the extent each of the foregoing have the force of law, and the term "applicable" with respect to such laws and in a context that refers to one or more Parties, means such laws as are applicable to such Party or its business, undertaking, property or securities and emanate from a Person having jurisdiction over the Party or Parties or its or their business, undertaking, property or securities; and "**Laws**" includes environmental laws;
- (w) "**New Red Lake Shares**" means the new class of common shares without par value which Red Lake will create and issue as described in §3.1(b)(ii) of the Plan of Arrangement and for which the Red Lake Class A Shares are, in part, to be exchanged under the Plan of Arrangement and which, immediately after completion of the transactions comprising the Plan of Arrangement, will be identical in every relevant respect to the Red Lake Shares;
- (x) "**Notice of Meeting**" means the notice of annual general and special meeting of the Red Lake Shareholders in respect of the Red Lake Meeting;
- (y) "**Parties**" means Red Lake and Spinco; and "**Party**" means any one of them;
- (z) "**Person**" means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;
- (aa) "**Plan of Arrangement**" means the plan of arrangement substantially in the form set out in Exhibit "A" to this Agreement, as amended or supplemented from time to time in accordance with Article 7 thereof and Article 6 hereof;
- (bb) "**Red Lake**" means Red Lake Gold Inc., a company existing under the BCBCA;
- (cc) "**Red Lake Class A Shares**" means the renamed and redesignated Red Lake Shares as described in §3.1(b)(i) of the Plan of Arrangement;
- (dd) "**Red Lake Meeting**" means the annual general and special meeting of the Red Lake Shareholders and any adjournments thereof to be held on October 16, 2020, and among other things, consider and consider advisable, approve the Arrangement;
- (ee) "**Red Lake Options**" means options to acquire Red Lake Shares, including options under the terms of which are deemed exercisable for Red Lake Shares, that are outstanding immediately prior to the Effective Time;
- (ff) "**Red Lake Replacement Options**" means an option to acquire a New Red Lake Share to be issued by Red Lake to a holder of a Red Lake Option pursuant to §3.1(d) of the Plan of Arrangement.
- (gg) "**Red Lake Shares**" means the common shares without par value in the authorized share capital of Red Lake, as constituted on the date of this Agreement;

- (hh) "**Red Lake Shareholders**" means the holders from time to time of Red Lake Shares;
- (ii) "**Red Lake Warrants**" means the common share purchase warrants of Red Lake outstanding on the Effective Date.
- (jj) "**Registrar**" means the Registrar of Companies for the Province of British Columbia duly appointed under the BCBCA;
- (kk) "**Spinco**" means Alma Gold Inc., a private company incorporated under the BCBCA, which is a wholly-owned subsidiary of Red Lake;
- (ll) "**Spinco Options**" means share purchase options issued pursuant to the Spinco stock option plan, including Spinco Options pursuant to §3.1(d) of the Plan of Arrangement;
- (mm) "**Spinco Shares**" means the common shares without par value in the authorized share structure of Spinco, as constituted on the date of this Agreement;
- (nn) "**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985 (5<sup>th</sup> Supp.) c.1, as amended; and
- (oo) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended.

## **1.2 Interpretation Not Affected by Headings, etc.**

The division of this Agreement into articles, sections and subsections is for convenience of reference only and does not affect the construction or interpretation of this Agreement. The terms "this Agreement", "hereof", "herein" and "hereunder" and similar expressions refer to this Agreement (including all attached Exhibits and Schedules) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

## **1.3 Number, etc.**

Words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders, and words importing persons include firms and corporations and vice versa.

## **1.4 Date for Any Action**

If any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day and a business day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day and a business day, as applicable, in such place.

## **1.5 Entire Agreement**

This Agreement, together with the agreements and documents herein and therein referred to, constitute the entire agreement among the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties with respect to the subject matter hereof.

## **1.6 Currency**

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

## **1.7 Accounting Matters**

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under International Financial Reporting Standards and all determinations of an accounting nature are required to be made shall be made in a manner consistent with International Financial Reporting Standards.

## **1.8 References to Legislation**

References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

## **1.9 Enforceability**

All representations, warranties, covenants and opinions in or contemplated by this Agreement as to the enforceability of any covenant, agreement or document are subject to enforceability being limited by applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally, and the discretionary nature of certain remedies (including specific performance and injunctive relief and general principles of equity).

## **1.10 Schedules**

The following exhibits and schedules attached hereto are incorporated into and form an integral part of this Agreement:

- i. Exhibit "A" - Plan of Arrangement to which the following schedules are attached:
  - Schedule "A" to the Plan of Arrangement – Clarence Stream North Gold Project held by Spinco
  - Schedule "B" to the Plan of Arrangement – Chambers Settlement Gold Project held by Spinco
  - Schedule "C" to the Plan of Arrangement – Special Resolutions to Approve the Plan of Arrangement

## **ARTICLE 2 THE ARRANGEMENT**

### **2.1 Arrangement**

The Parties agree to effect the Arrangement pursuant to the Arrangement Provisions on the terms and subject to the conditions contained in this Agreement and the Plan of Arrangement.

### **2.2 Effective Date**

The Arrangement shall become effective in accordance with the terms of the Plan of Arrangement on the Effective Date.

### **2.3 Commitment to Effect**

Subject to termination of this Agreement pursuant to Article 7 hereof, the Parties shall each use all reasonable efforts and do all things reasonably required to cause the Plan of Arrangement to become effective by no later than April 30, 2020, or by such other date as Red Lake and Spinco may determine, and in conjunction therewith to cause the conditions described in § 5.1 to be complied with prior to the Effective

Date. Without limiting the generality of the foregoing, the Parties shall proceed forthwith to apply for the Interim Order and Red Lake shall call the Red Lake Meeting and mail the Information Circular to the Red Lake Shareholders.

#### **2.4 Filing of Final Order**

Subject to the rights of termination contained in Article 7 hereof, upon the Red Lake Shareholders approving the Arrangement Resolutions in accordance with the provisions of the Interim Order and the BCBCA, Red Lake obtaining the Final Order and the other conditions contained in Article 5 hereof being complied with or waived, Red Lake on its behalf and on behalf of Spinco shall file with the Registrar:

- (a) the records and information required by the Registrar pursuant to the Arrangement Provisions; and
- (b) a copy of the Final Order.

#### **2.5 U.S. Securities Law Matters**

The Parties agree that the Arrangement will be carried out with the intention that the New Red Lake Shares and the Spinco Shares delivered upon completion of the Arrangement to Red Lake Shareholders will be issued by Red Lake and Spinco in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof. In order to ensure the availability of the exemption under Section 3(a)(10) of the U.S. Securities Act, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) the Arrangement will be subject to the approval of the Court and the Court will hold a hearing approving the fairness of the terms and conditions of the Arrangement;
- (b) prior to the hearing required to approve the Arrangement, the Court will be advised as to the intention of the Parties to rely on the exemption under Section 3(a)(10) of the U.S. Securities Act;
- (c) the Court will be required to satisfy itself as to the substantive and procedural fairness of the terms and conditions of the Arrangement to the Red Lake Shareholders subject to the Arrangement;
- (d) Red Lake will ensure that each Red Lake Shareholder entitled to receive New Red Lake Shares and Spinco Shares on completion of the Arrangement will be given adequate notice advising them of their right to attend the hearing of the Court to give approval of the Arrangement and providing them with sufficient information necessary for them to exercise that right;
- (e) the Red Lake Shareholder entitled to receive New Red Lake Shares and Spinco Shares on completion of the Arrangement will be advised that the New Red Lake Shares and Spinco Shares issued in the Arrangement have not been registered under the U.S. Securities Act and will be issued in reliance on the exemption under Section 3(a)(10) of the U.S. Securities Act;
- (f) the Final Order approving the Arrangement that is obtained from the Court will expressly state that the terms and conditions of the Arrangement is approved by the Court as being fair, substantively and procedurally, to the Red Lake Shareholders;
- (g) the Interim Order approving the Red Lake Meeting will specify that each Red Lake Shareholder will have the right to appear before the Court at the hearing of the Court to give approval of the Arrangement so long as the Red Lake Shareholder enters an appearance within a reasonable time and in accordance with the requirements of Section 3(a)(10) under the U.S. Securities Act; and

- (h) the Final Order shall include a statement substantially to the following effect:
- i. “This Order will serve as a basis of a claim to an exemption, pursuant to Section 3(a)(10) of the United States Securities Act of 1933, as amended, from the registration requirements otherwise imposed by that Act, regarding the issuance of New Red Lake Shares and Spinco Shares pursuant to the Plan of Arrangement.”

### **ARTICLE 3 COVENANTS**

#### **3.1 Covenants**

Each of the Parties covenants with the other that it will do and perform all such acts and things, and execute and deliver all such agreements, assurances, notices and other documents and instruments, as may reasonably be required to facilitate the carrying out of the intent and purpose of this Agreement.

#### **3.2 Interim Order and Final Order**

The Parties acknowledge that Red Lake will apply to and obtain from the Court, pursuant to the Arrangement Provisions, the Interim Order providing for, among other things, the calling and holding of the Red Lake Meeting for the purpose of considering and, if deemed advisable, approving and adopting the Arrangement Resolutions. The Parties each covenant and agree that if the approval of the Arrangement by the Red Lake Shareholders as set out in §5.1(b) hereof is obtained, Red Lake will thereafter (subject to the exercise of any discretionary authority granted to Red Lake’s directors) take the necessary actions to submit the Arrangement to the Court for approval and apply for the Final Order and, subject to compliance with any of the other conditions provided for in Article 5 hereof and to the rights of termination contained in Article 7 hereof, file the material described in §2.4 with the Registrar.

#### **3.3 Spinco Stock Option Plan**

In connection with, but prior to, the Arrangement, Spinco shall adopt the Spinco Stock Option Plan, which shall be substantially in the form attached to the Information Circular.

#### **3.4 Red Lake Options**

The Parties acknowledge that pursuant to the Arrangement, each Red Lake Option then outstanding to acquire one Red Lake Share shall be transferred and exchanged for:

- (a) one Red Lake Replacement Option to acquire one New Red Lake Share having an exercise price equal to the product of the original exercise price of the Red Lake Option multiplied by the fair market value of a New Red Lake Share at the Effective Time divided by the total of the fair market value of a New Red Lake Share and the fair market value of 0.95 of a Spinco Share at the Effective Time; and
- (b) one Spinco Option to acquire 0.95 of a Spinco Share, each whole Spinco Option having an exercise price equal to the product of the original exercise price of the Red Lake Option multiplied by the fair market value of 0.95 of a Spinco Share at the Effective Time divided by the total of the fair market value of one New Red Lake Share and 0.95 of a Spinco Share at the Effective Time,

provided that the aforesaid exercise prices shall be adjusted to the extent, if any, required to ensure that the aggregate In the Money Amount of the Red Lake Replacement Option and the Spinco Option immediately after the exchange does not exceed the In the Money Amount immediately before the exchange of the Red

Lake Option so exchanged . It is intended that subsection 7(1.4) of the Tax Act apply to the exchange of Red Lake Options; and Spinco agrees to promptly issue Spinco Shares upon the due exercise of Spinco Options.

### **3.5 Red Lake Warrants**

The Parties acknowledge that, from and after the Effective Date, all Red Lake Warrants shall entitle the holder to receive, upon due exercise of the Red Lake Warrant, for the original exercise price:

- (a) one New Red Lake Share for each Red Lake Share that was issuable upon due exercise of the Red Lake Warrant immediately prior to the Effective Time; and
- (b) 0.95 of a Spinco Share for each Red Lake Share that was issuable upon due exercise of the Red Lake Warrant immediately prior to the Effective Time;

and Spinco hereby covenants that it shall forthwith upon receipt of written notice from Red Lake from time to time issue, as directed by Red Lake, that number of Spinco Shares as may be required to satisfy the foregoing.

Red Lake shall, as agent for Spinco, collect and pay to Spinco an amount for each 0.95 of a Spinco Share so issued that is equal to the exercise price under the Red Lake Warrant multiplied by the fair market value of 0.95 of a Spinco Share at the Effective Time divided by the total of the fair market value of one New Red Lake Share and 0.95 of a Spinco Share at the Effective Time.

## **ARTICLE 4 REPRESENTATIONS AND WARRANTIES**

### **4.1 Representations and Warranties**

Each of the Parties represents and warrants to the other that:

- (a) it is a corporation duly incorporated and validly subsisting under the laws of its jurisdiction of existence, and has full capacity and authority to enter into this Agreement and to perform its covenants and obligations hereunder;
- (b) it has taken all corporate actions necessary to authorize the execution and delivery of this Agreement and this Agreement has been duly executed and delivered by it;
- (c) neither the execution and delivery of this Agreement nor the performance of any of its covenants and obligations hereunder will constitute a material default under, or be in any material contravention or breach of: (i) any provision of its constating or governing corporate documents, (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it or (iii) any agreement or instrument to which it is a party or by which it is bound; and
- (d) no dissolution, winding up, bankruptcy, liquidation or similar proceedings have been commenced or are pending or proposed in respect of it.



## **ARTICLE 5 CONDITIONS PRECEDENT**

### **5.1 Mutual Conditions Precedent**

The respective obligations of the Parties to consummate the transactions contemplated hereby, and in particular the Arrangement, are subject to the satisfaction, on or before the Effective Date or such other time specified, of the following conditions, any of which may be waived by the mutual written consent of such Parties without prejudice to their right to rely on any other of such conditions:

- (a) the Interim Order shall have been granted in form and substance satisfactory to Red Lake and Spinco, acting reasonably, and such order shall not have been set aside or modified in a manner unacceptable to Red Lake and Spinco, acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution, with or without amendment, shall have been approved and adopted by the Red Lake Shareholders at the Red Lake Meeting in accordance with the Arrangement Provisions, the Constating Documents of Red Lake, the Interim Order and the requirements of any applicable regulatory authorities;
- (c) the Final Order shall have been granted in form and substance satisfactory to Red Lake and Spinco, acting reasonably;
- (d) all other consents, orders, regulations and approvals, including regulatory and judicial approvals and orders required or necessary or desirable for the completion of the transactions provided for in this Agreement and the Plan of Arrangement shall have been obtained or received from the persons, authorities or bodies having jurisdiction in the circumstances, each in form acceptable to Red Lake and Spinco;
- (e) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and the Arrangement;
- (f) no law, regulation or policy shall have been proposed, enacted, promulgated or applied which interferes or is inconsistent with the completion of the Arrangement and Plan of Arrangement, including any material change to the income tax laws of Canada, which would reasonably be expected to have a material adverse effect on any of Red Lake, the Red Lake Shareholders or Spinco if the Arrangement is completed;
- (g) Dissent Rights shall not have been exercised by Red Lake Shareholders holding more than five percent (5%) of the issued and outstanding Red Lake Shares.
- (h) the Arrangement and this Agreement, with or without amendment, shall have been approved by Red Lake, as the sole shareholder of Spinco, to the extent required by, and in accordance with, the Arrangement Provisions and the Constating Documents of Spinco; and,
- (i) this Agreement shall not have been terminated under Article 7.

Except for the conditions set forth in this §5.1 which, by their nature, may not be waived, any of the other conditions in this §5.1 may be waived, either in whole or in part, by either Red Lake or Spinco, as the case may be, at its discretion.

## **5.2 Pre-Closing**

Unless this Agreement is terminated earlier pursuant to the provisions hereof, the Parties shall meet at the registered and records office of Red Lake, 810 - 789 West Pender Street, Vancouver, British Columbia V6C 1H2, at 10:00 a.m. (Vancouver time) on the Business Day immediately preceding the Effective Date, or at such date as they may mutually agree (the "**Closing Date**"), and each of them shall deliver to the other of them:

- (a) the documents required to be delivered by it hereunder to complete the transactions contemplated hereby, provided that each such document required to be dated the Effective Date shall be dated as of, or become effective on, the Effective Date and shall be held in escrow to be released upon the occurrence of the Effective Date; and
- (b) written confirmation as to the satisfaction or waiver by it of the conditions in its favour contained in this Agreement.

## **5.3 Merger of Conditions**

The conditions set out in §5.1 hereof shall be conclusively deemed to have been satisfied, waived or released upon the occurrence of the Effective Date.

## **5.4 Merger of Representations and Warranties**

The covenants in §3.1 hereof shall be conclusively deemed to have been complied with in all respects as of the Effective Date and the representations and warranties in §4.1 shall be conclusively deemed to be correct as of the Effective Date, and each shall accordingly merge in and not survive the effectiveness of the Arrangement.

# **ARTICLE 6 AMENDMENT**

## **6.1 Amendment**

This Agreement may at any time and from time to time before or after the holding of the Red Lake Meeting be amended by written agreement of the Parties hereto without, subject to applicable Laws, further notice to or authorization on the part of their respective securityholders and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; or
- (d) waive compliance with or modify any other conditions precedent contained herein;

provided that no such amendment reduces or materially adversely affects the consideration to be received by a Red Lake Shareholder without approval by the Red Lake Shareholders, given in the same manner as required for the approval of the Arrangement or as may be ordered by the Court.

**ARTICLE 7  
TERMINATION**

**7.1 Termination**

Subject to §7.2, this Agreement may at any time before or after the holding of the Red Lake Meeting, and before or after the granting of the Final Order, but in each case prior to the Effective Date, be terminated by a unanimous direction of the boards of directors of Red Lake and Spinco without further action on the part of the Red Lake Shareholders, and nothing expressed or implied herein or in the Plan of Arrangement shall be construed as fettering the absolute discretion by the Board of Directors of Red Lake or Spinco, respectively, to elect to terminate this Agreement and discontinue efforts to effect the Arrangement for whatever reasons it may consider appropriate.

**7.2 Cessation of Right**

The right of Red Lake or Spinco or any other Party to amend or terminate the Plan of Arrangement pursuant to §6.1 and §7.1 shall be extinguished upon the occurrence of the Effective Date.

**ARTICLE 8  
NOTICES**

**8.1 Notices**

All notices which may or are required to be given pursuant to any provision of this Agreement are to be given or made in writing and served personally or by registered mail in the case of:

**Red Lake Gold Inc., addressed to:**  
810 – 789 West Pender Street  
Vancouver, BC V6C 1H2  
Attention: President

**Alma Gold Inc., addressed to:**  
810 – 789 West Pender Street  
Vancouver, BC V6C 1H2  
Attention: President

or such other address as the Parties may, from time to time, advise to the other Parties hereto by notice in writing. The date or time of receipt of any such notice will be deemed to be the date of delivery or the time such telecopy is received.

**ARTICLE 9  
GENERAL**

**9.1 Assignment and Enurement**

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective successors and assigns. This Agreement may not be assigned by any Party hereto without the prior consent of the other Parties hereto.

**9.2 Disclosure**

Each Party shall receive the prior consent, not to be unreasonably withheld, of the other Parties prior to issuing or permitting any director, officer, employee or agent to issue, any press release or other written

statement with respect to this Agreement or the transactions contemplated hereby. Notwithstanding the foregoing, if any Party is required by law or administrative regulation to make any disclosure relating to the transactions contemplated herein, such disclosure may be made, but that Party will consult with the other Parties as to the wording of such disclosure prior to its being made.

### **9.3 Costs**

Each Party will bear its own costs and expenses in connection with the transactions contemplated hereby.

### **9.4 Severability**

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

### **9.5 Further Assurances**

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

### **9.6 Time of Essence**

Time shall be of the essence of this Agreement.

### **9.7 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein and the Parties hereto irrevocably attorn to the jurisdiction of the courts of the Province of British Columbia. Each of the Parties hereto hereby irrevocably and unconditionally consents to and submits to the jurisdiction of the courts of the Province of British Columbia in respect of all actions, suits or proceedings arising out of or relating to this Agreement or the matters contemplated hereby (and agrees not to commence any action, suit or proceeding relating thereto except in such courts) and further agrees that service of any process, summons, notice or document by single registered mail to the addresses of the Parties set forth in this Agreement shall be effective service of process for any action, suit or proceeding brought against any Party in such court. The Parties hereby irrevocably and unconditionally waive any objection to the laying of venue of any action, suit or proceeding arising out of this Agreement or the matters contemplated hereby in the courts of the Province of British Columbia and hereby further irrevocably and unconditionally waive and agree not to plead or claim in any such court that any such action, suit or proceeding so brought has been brought in an inconvenient forum.

**9.8 Waiver**

No waiver by any Party shall be effective unless in writing and any waiver shall affect only the matter, and the occurrence thereof, specifically identified and shall not extend to any other matter or occurrence.

**9.9 Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together constitute one and the same instrument.

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

**RED LAKE GOLD INC.**

**ALMA GOLD INC.**

Per: "Ryan Cheung"  
Ryan Cheung, Chief Financial Officer

Per: "Ryan Kalt"  
Ryan Kalt, President & CEO

**EXHIBIT "A"**

**TO THE ARRANGEMENT AGREEMENT**

**PLAN OF ARRANGEMENT  
UNDER DIVISION 5 OF PART 9  
OF THE  
*BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA) S.B.C. 2002, c. 57***

**ARTICLE 1  
DEFINITION AND INTERPRETATION**

**1.1** In this Plan of Arrangement, the following terms have the following meanings:

- (a) "**Arrangement**", "**herein**", "**hereof**", "**hereto**", "**hereunder**" and similar expressions mean and refer to the proposed arrangement involving Red Lake, Spinco and the Red Lake Shareholders pursuant to the Arrangement Provisions on the terms and conditions set forth in this Plan of Arrangement as supplemented, modified or amended, and not to any particular article, section or other portion hereof;
- (b) "**Arrangement Agreement**" means the arrangement agreement dated effective September 1, 2020 between Red Lake and Spinco with respect to the Arrangement, and all amendments thereto;
- (c) "**Arrangement Provisions**" means Division 5 of Part 9 of the BCBCA;
- (d) "**BCBCA**" means the British Columbia Business Corporations Act, S.B.C. 2002, c. 57, as amended, including the regulations promulgated thereunder;
- (e) "**Business Day**" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Vancouver, in the Province of British Columbia, for the transaction of banking business;
- (f) "**Court**" means the Supreme Court of British Columbia;
- (g) "**Depository**" means TSX Trust Company, or such other depository as Red Lake may determine;
- (h) "**Dissent Procedures**" means the rules pertaining to the exercise of Dissent Rights as set forth in Division 2 of Part 8 of the BCBCA and Article 5 of the Plan of Arrangement;
- (i) "**Dissent Rights**" has the meaning attributed to that term in §5.1 of this Plan of Arrangement;
- (j) "**Dissenting Share**" has the meaning attributed to that term in §3.1(a) of this Plan of Arrangement;
- (k) "**Effective Date**" means the date the Arrangement becomes effective under the BCBCA;
- (l) "**Effective Time**" means 10:00 a.m. (Vancouver time) on the Effective Date, or such other time on the Effective Date as agreed to in writing by Red Lake and Spinco;
- (m) "**Final Order**" means the final order of the Court approving the Arrangement; as such order may be affirmed, amended or modified by any court of competent jurisdiction;

- (n) **"In the Money Amount"** at a particular time with respect to an option means the amount, if any, by which the fair market value of the underlying security exceeds the exercise price of the relevant option at such time;
- (o) **"Information Circular"** means the management information circular of Red Lake, including all schedules thereto, to be sent by Red Lake to the Red Lake Shareholders in connection with the Red Lake Meeting, together with any amendments or supplements thereto;
- (p) **"Interim Order"** means the interim order of the Court providing advice and directions in connection with the Red Lake Meeting and the Arrangement;
- (q) **"New Red Lake Shares"** means the new class of common shares without par value which Red Lake will create and issue as described in §3.1(b)(ii) of the Plan of Arrangement and for which the Red Lake Class A Shares are, in part, to be exchanged under the Plan of Arrangement and which, immediately after completion of the transactions comprising the Plan of Arrangement, will be identical in every relevant respect to the Red Lake Shares;
- (r) **"Parties"** means, collectively, Red Lake and Spinco and **"Party"** means any one of them;
- (s) **"Plan"** or **"Plan of Arrangement"** means this plan of arrangement, as the same may be amended from time to time;
- (t) **"Red Lake"** means Red Lake Gold Inc., a company existing under the BCBCA;
- (u) **"Red Lake Class A Shares"** means the renamed and redesignated Red Lake Shares as described in §3.1(b)(i) of the Plan of Arrangement;
- (v) **"Red Lake Meeting"** means the annual general and special meeting of the Red Lake Shareholders and any adjournments thereof to be held on October 16, 2020, and among other things, consider and consider advisable, approve the Arrangement;
- (w) **"Red Lake Option Plan"** means the stock option plan of Red Lake;
- (x) **"Red Lake Options"** means options to acquire Red Lake Shares, including options under the terms of which are deemed exercisable for Red Lake Shares, that are outstanding immediately prior to the Effective Time;
- (pp) **"Red Lake Replacement Options"** means an option to acquire a New Red Lake Share to be issued by Red Lake to a holder of a Red Lake Option pursuant to §3.1(d) of the Plan of Arrangement.
- (y) **"Red Lake Shareholder"** means the holders from time to time of Red Lake Shares;
- (z) **"Red Lake Shares"** means the common shares without par value in the authorized share capital of Red Lake, as constituted on the date of this Agreement;
- (aa) **"Red Lake Warrants"** means share purchase warrants of Red Lake that are outstanding on the Effective Date;
- (bb) **"Registrar"** means the Registrar of Companies for the Province of British Columbia duly appointed under the BCBCA;
- (cc) **"Share Distribution Record Date"** means the close of business on November 6, 2020 or such other date as agreed to by Red Lake and Spinco, which date establishes the Red Lake Shareholders

who will be entitled to receive New Red Lake Shares and Spinco Shares pursuant to this Plan of Arrangement;

- (dd) "**Spinco**" means Alma Gold Inc., a private company incorporated under the BCBCA;
- (ee) "**Spinco Option**" means share purchase options issued pursuant to the Spinco Stock Option Plan, including the Spinco Options pursuant to §3.1(d) of the Plan of Arrangement;
- (ff) "**Spinco Shares**" means the common shares without par value in the authorized share structure of Spinco, as constituted on the date of the Arrangement Agreement; and
- (gg) "**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985 (5<sup>th</sup> Supp) c.1, as amended.

## **1.2 Interpretation Not Affected by Headings**

The division of this Plan of Arrangement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. Unless otherwise specifically indicated, the terms "this Plan of Arrangement", "hereof", "hereunder" and similar expressions refer to this Plan of Arrangement as a whole and not to any particular article, section, subsection, paragraph or subparagraph and include any agreement or instrument supplementary or ancillary hereto.

## **1.3 Number and Gender**

Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa; words importing any gender shall include all genders; and words importing persons shall include individuals, partnerships, associations, corporations, funds, unincorporated organizations, governments, regulatory authorities, and other entities.

## **1.4 Meaning**

Words and phrases used herein and defined in the BCBCA shall have the same meaning herein as in the BCBCA, unless the context otherwise requires.

## **1.5 Date for any Action**

If any date on which any action is required to be taken under this Plan of Arrangement is not a Business Day, such action shall be required to be taken on the next succeeding Business Day.

## **1.6 Governing Law**

This Plan of Arrangement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.



## ARTICLE 2 ARRANGEMENT AGREEMENT

### 2.1 Arrangement Agreement

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

### 2.2 Arrangement Effectiveness

This Plan of Arrangement will become effective in accordance with its terms and be binding on the Effective Date on Red Lake, the Red Lake Shareholders (including Dissenting Shareholders), holders of Red Lake Options and Red Lake Warrants and Spinco Shareholders at the Effective Time without any further act or formality as required on the part of any person, except as expressly provided herein.

## ARTICLE 3 ARRANGEMENT

### 3.1 The Arrangement

On the Effective Date, the following shall occur and be deemed to occur in the following chronological order without further act or formality notwithstanding anything contained in the provisions attaching to any of the securities of Red Lake or Spinco, but subject to the provisions of Article 5:

- (a) each Red Lake Share outstanding for which a Dissenting Shareholder has validly exercised his, her or its Dissent Rights (each a “**Dissenting Share**”) and for which such Dissenting Shareholder is ultimately entitled to be paid fair value will be deemed to have been repurchased by Red Lake for cancellation in consideration for a debt-claim against Red Lake to be paid the fair value of such Dissent Share in accordance with Article 5 of this Plan of Arrangement, net of any applicable withholding tax, and such Dissent Share will thereupon be cancelled;
- (b) the authorized share structure of Red Lake shall be altered by:
  - i. renaming and redesignating all of the issued and unissued Red Lake Shares as “Class A common shares without par value” and amending the special rights and restrictions attached to those shares to provide the holders thereof with two vote in respect of each share held, being the “**Red Lake Class A Shares**”; and
  - ii. creating a new class consisting of an unlimited number of “common shares without par value” with terms and special rights and restrictions identical to those of the Red Lake Shares immediately prior to the Effective Time, being the “**New Red Lake Shares**”;
- (c) Red Lake’s Notice of Articles shall be amended to reflect the alterations in §3.1(b);
- (d) each Red Lake Option then outstanding to acquire one Red Lake Share shall be transferred and exchanged for:
  - i. one Red Lake Replacement Option to acquire one New Red Lake Share having an exercise price equal to the product of the original exercise price of the Red Lake Option multiplied by the fair market value of a New Red Lake Share at the Effective Time divided by the total of the fair market value of a New Red Lake Share and the fair market value of 0.95 of a Spinco Share at the Effective Time; and

- ii. one Spinco Option to acquire 0.95 of a Spinco Share, each whole Spinco Option having an exercise price equal to the product of the original exercise price of the Red Lake Option multiplied by the fair market value of 0.95 of a Spinco Share at the Effective Time divided by the total of the fair market value of one New Red Lake Share and 0.95 of a Spinco Share at the Effective Time,

provided that the aforesaid exercise prices shall be adjusted to the extent, if any, required to ensure that the aggregate In the Money Amount of the Red Lake Replacement Option and the Spinco Option immediately after the exchange does not exceed the In the Money Amount immediately before the exchange of the Red Lake Option so exchanged . It is intended that subsection 7(1.4) of the Tax Act apply to the exchange of Red Lake Options; and Spinco agrees to promptly issue Spinco Shares upon the due exercise of Spinco Options;

- (e) each Red Lake Warrant then outstanding shall be deemed to be amended to entitle the holder thereof to receive, upon due exercise of the Red Lake Warrant, for the original exercise price:
  - i. one New Red Lake Share for each Red Lake Share that was issuable upon due exercise of the Red Lake Warrant immediately prior to the Effective Time; and
  - ii. 0.95 of a Spinco Share for each Red Lake Share that was issuable upon due exercise of the Red Lake Warrant immediately prior to the Effective Time;
- (f) each issued and outstanding Red Lake Class A Share outstanding on the Share Distribution Record Date shall be exchanged for: (i) one New Red Lake Share; and (ii) 0.95 of a Spinco Share, the holders of the Red Lake Class A Shares will be removed from the central securities register of Red Lake as the holders of such and will be added to the central securities register of Red Lake as the holders of the number of New Red Lake Shares that they have received on the exchange set forth in this §3.1(f), and the Spinco Shares transferred to the then holders of the Red Lake Class A Shares will be registered in the name of the former holders of the Red Lake Class A Shares and Red Lake will provide Spinco and its registrar and transfer agent notice to make the appropriate entries in the central securities register of Spinco;
- (g) all of the issued Red Lake Class A Shares shall be cancelled with the appropriate entries being made in the central securities register of Red Lake, and the aggregate paid-up capital (as that term is used for purposes of the Tax Act) of the New Red Lake Shares will be equal to that of the Red Lake Shares immediately prior to the Effective Time less the fair market value of the Spinco Shares distributed pursuant to §3.1(f); and
- (h) the Notice of Articles of Red Lake shall be amended to reflect the alterations in §3.1(g).

### **3.2 No Fraction Shares**

Notwithstanding any other provision of this Arrangement, while each Red Lake Shareholder's fractional shares and each holder of Red Lake Option's fractional options, respectively, will be combined, no fractional Spinco Shares shall be distributed to the Red Lake Shareholders and no fractional Spinco Options shall be distributed to the holders of Red Lake Options, and, as a result, all fractional amounts arising under this Plan of Arrangement shall be rounded down to the next whole number without any compensation therefor. Any Spinco Shares not distributed as a result of so rounding down shall be cancelled by Spinco.

### **3.3 Share Distribution Record Date**

In §3.1(f) the reference to a holder of a Red Lake Class A Share shall mean a person who is a Red Lake Shareholder on the Share Distribution Record Date, subject to the provisions of Article 5.

### **3.4 Deemed Time for Redemption**

The transactions and events set out in §3.1 shall occur and shall be deemed to occur at the Effective Time on the Effective Date for the exchange of Red Lake Class A Shares for New Red Lake Shares and Spinco Shares in the chronological order in which they are set out in §3.1.

### **3.5 Deemed Fully Paid and Non-Assessable Shares**

All New Red Lake Shares, Red Lake Class A Shares and Spinco Shares issued pursuant to this Plan of Arrangement shall be deemed to be validly issued and outstanding as fully paid and non-assessable shares for all purposes of BCBCA.

### **3.6 Withholding**

Each of Red Lake, Spinco and the Depositary shall be entitled to deduct and withhold from any cash payment or any issue, transfer or distribution of Spinco Shares made pursuant to this Plan of Arrangement such amounts as may be required to be deducted and withheld pursuant to the Tax Act or any other applicable law, and any amount so deducted and withheld will be deemed for all purposes of this Plan of Arrangement to be paid, issued, transferred or distributed to the person entitled thereto under the Plan of Arrangement. Without limiting the generality of the foregoing, any Spinco Shares so deducted and withheld may be sold on behalf of the person entitled to receive them for the purpose of generating cash proceeds, net of brokerage fees and other reasonable expenses, sufficient to satisfy all remittance obligations relating to the required deduction and withholding, and any cash remaining after such remittance shall be paid to the person forthwith.

### **3.7 Effectiveness**

The Arrangement shall become final and conclusively binding on the Red Lake Shareholders, Red Lake and Spinco on the Effective Date.

### **3.8 Supplementary Actions**

Notwithstanding that the transactions and events set out in §3.1 shall occur and shall be deemed to occur in the chronological order therein set out without any act or formality, each of Red Lake and Spinco shall be required to make, do and execute or cause and procure to be made, done and executed all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may be required to give effect to, or further document or evidence, any of the transactions or events set out in §3.1, including, without limitation, any resolutions of directors authorizing the issue, transfer or redemption of shares, any share transfer powers evidencing the transfer of shares and any receipt therefor, and any necessary additions to or deletions from share registers.

### **3.9 No Liens**

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any liens, restrictions, adverse claims or other claims of third parties of any kind.

### **3.10 U.S. Securities Law Matters**

The Court is advised that the Arrangement will be carried out with the intention that all securities issued on completion of the Arrangement will be issued in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) of the U.S. Securities Act.

## **ARTICLE 4 CERTIFICATES**

### **4.1 Red Lake Class A Shares**

Recognizing that the Red Lake Shares shall be renamed and redesignated as Red Lake Class A Shares pursuant to §3.1(b)(i) and that the Red Lake Class A Shares shall be exchanged partially for New Red Lake Shares pursuant to §3.1(f), Red Lake shall not issue replacement share certificates representing the Red Lake Class A Shares.

### **4.2 Spinco Certificates**

As soon as practicable following the Effective Date, Spinco shall deliver or cause to be delivered to the Depository certificates representing the Spinco Shares required to be issued to registered holders of Red Lake Shares as at immediately prior to the Effective Time in accordance with the provisions of §3.1(f) of this Plan of Arrangement, which certificates shall be held by the Depository as agent and nominee for such holders for distribution thereto in accordance with the provisions of §6.1 hereof.

### **4.3 New Red Lake Share Certificates**

As soon as practicable following the Effective Date, Red Lake shall deliver or cause to be delivered to the Depository certificates representing the New Red Lake Shares required to be issued to registered holders of Red Lake Shares as at immediately prior to the Effective Time in accordance with the provisions of §3.1(f) of this Plan of Arrangement, which certificates shall be held by the Depository as agent and nominee for such holders for distribution thereto in accordance with the provisions of §6.1 hereof.

### **4.4 Interim Period**

Any Red Lake Shares traded after the Share Distribution Record Date will represent New Red Lake Shares as of the Effective Date and shall not carry any rights to receive Spinco Shares.

### **4.5 Stock Option Agreements**

The stock option agreements for the Red Lake Options shall be deemed to be amended by Red Lake to reflect the adjusted exercise price of the Red Lake Replacement Options, and Spinco shall enter into stock option agreements for the Spinco Options issued pursuant to §3.1 (d) of this Plan of Arrangement.

### **4.6 Red Lake Warrants**

The Parties acknowledge that, from and after the Effective Date, all Red Lake Warrants shall entitle the holder to receive, upon due exercise of the Red Lake Warrant, for the original exercise price:

- (a) one New Red Lake Share for each Red Lake Share that was issuable upon due exercise of the Red Lake Warrant immediately prior to the Effective Time; and
- (b) 0.95 of a Spinco Share for each Red Lake Share that was issuable upon due exercise of the Red Lake Warrant immediately prior to the Effective Time;

and Spinco hereby covenants that it shall forthwith upon receipt of written notice from Red Lake from time to time issue, as directed by Red Lake, that number of Spinco Shares as may be required to satisfy the foregoing.

Red Lake shall, as agent for Spinco, collect and pay to Spinco an amount for each 0.95 of a Spinco Share so issued that is equal to the exercise price under the Red Lake Warrant multiplied by the fair market value of 0.95 of a Spinco Share at the Effective Time divided by the total of the fair market value of one New Red Lake Share and 0.95 of a Spinco Share at the Effective Time.

## **ARTICLE 5 DISSENT RIGHTS**

### **5.1 Dissent Right**

Each registered Red Lake Shareholder may exercise his, her or its Dissent Right under section 238(1)(d) of the BCBCA in connection with the Arrangement with respect to the registered Red Lake Shareholder's Red Lake Shares pursuant to and in the manner set forth in the Interim Order, sections 242 to 247 of the BCBCA and this Article, as the same may be modified by the Interim Order or the Final Order, provided that the written notice setting forth the objection of such registered Red Lake Shareholders to the Arrangement and exercise of Dissent Rights must be received by Red Lake not later than 10:00 a.m. (Vancouver time) on the Business Day that is two Business Days before the Meeting or any date to which the Meeting may be postponed or adjourned.

### **5.2 Dealing with Dissenting Shares**

If a Red Lake Shareholder exercises his, her or its Dissent Right, Red Lake shall on the Effective Date set aside and not distribute that portion of the Spinco Shares that is attributable to the Red Lake Shares for which the Dissent Right has been exercised. Registered Red Lake Shareholders who duly exercise Dissent Rights and who:

- (a) are ultimately entitled to be paid fair value for their Dissenting Shares by Red Lake shall be deemed not to have transferred their Dissenting Shares to Red Lake for cancellation as at the Effective Time pursuant to §3.1(a); or
- (b) are ultimately not entitled, for any reason, to be paid fair value for their Dissenting Shares, shall be deemed to have participated in the Plan of Arrangement on the same basis as any non-dissenting Red Lake Shareholder and shall receive New Red Lake Shares and Spinco Shares on the same basis as every other non-dissenting Red Lake Shareholder.

but in no case shall Red Lake be required to recognize such persons as holding Red Lake Shares on or after the Effective Date.

### **5.3 Reservation of Spinco Shares**

If a Red Lake Shareholder exercises Dissent Rights, Red Lake shall, on the Effective Date, set aside and not distribute that portion of the Spinco Shares which is attributable to the New Lake Shares for which Dissent Rights have been exercised. If the dissenting Red Lake Shareholder is ultimately not entitled to be paid for their Dissenting Shares, Red Lake shall distribute to such Red Lake Shareholder his or her pro rata portion of the Red Lake Shares. If a Red Lake Shareholder duly complies with the Dissent Procedures and is ultimately entitled to be paid for their Dissenting Shares, then Red Lake shall retain the portion of the Spinco Shares attributable to such Red Lake Shareholder and such shares will be dealt with as determined by the Board of Directors of Red Lake in its discretion.

## **ARTICLE 6 DELIVERY OF SHARES**

### **6.1 Delivery of Shares**

- (a) Upon surrender to the Depository for cancellation of a certificate that immediately before the Effective Time represented one or more outstanding Red Lake Shares, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depository may reasonably require, the holder of such surrendered certificate will be entitled to receive in exchange therefor, and the Depository shall deliver to such holder following the Effective Time, a certificate representing the New Red Lake Shares and a certificate representing the Spinco Shares that such holder is entitled to receive in accordance with §3.1 hereof.
- (b) After the Effective Time and until surrendered for cancellation as contemplated by §6.1(a) hereof, each certificate that immediately prior to the Effective time represented one or more Red Lake Shares shall be deemed at all times to represent only the right to receive in exchange therefor a certificate representing the New Red Lake Shares and a certificate representing the Spinco Shares that such holder is entitled to receive in accordance with §3.1 hereof.

### **6.2 Lost Certificates**

If any certificate that immediately prior to the Effective Time represented one or more outstanding Red Lake Shares that were exchanged for New Red Lake Shares and Spinco Shares in accordance with §3.1 hereof, shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depository shall deliver in exchange for such lost, stolen or destroyed certificate, the New Red Lake Shares and Spinco Shares that such holder is entitled to receive in accordance with §3.1 hereof. When authorizing such delivery of New Red Lake Shares and Spinco Shares that such holder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the holder to whom such securities are to be delivered shall, as a condition precedent to the delivery of such New Red Lake Shares and Spinco Shares give a bond satisfactory to Red Lake, Spinco and the Depository in such amount as Red Lake, Spinco and the Depository may direct, or otherwise indemnify Red Lake, Spinco and the Depository in a manner satisfactory to Red Lake, Spinco and the Depository, against any claim that may be made against Red Lake, Spinco or the Depository with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the articles of Red Lake.

### **6.3 Distribution with Respect to Unsurrendered Certificates**

No dividend or other distribution declared or made after the Effective Time with respect to New Red Lake Shares and Spinco Shares with a record date after the Effective Time shall be delivered to the holder of any unsurrendered certificate that, immediately prior to the Effective Time, represented outstanding Red Lake Shares unless and until the holder of such certificate shall have complied with the provisions of §6.1 or §6.2 hereof. Subject to applicable law and to §3.7 hereof, at the time of such compliance, there shall, in addition to the delivery of the New Red Lake Shares and Spinco Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such New Red Lake Shares and/or Spinco Shares, as applicable.

#### **6.4 Limitation and Proscription**

To the extent that a former Red Lake Shareholder shall not have complied with the provisions of §6.1 or §6.2 hereof, as applicable, on or before the date that is six (6) years after the Effective Date (the “Final Proscription Date”), then the New Red Lake Shares and Spinco Shares that such former Red Lake Shareholder was entitled to receive shall be automatically cancelled without any repayment of capital in respect thereof and the New Red Lake Shares and Spinco Shares to which such Red Lake Shareholder was entitled, shall be delivered to Spinco (in the case of the Spinco Shares) or Red Lake (in the case of New Red Lake Shares) by the Depositary and certificates representing such New Red Lake Shares and Spinco Shares shall be cancelled by Red Lake and Spinco, as applicable, and the interest of the former Red Lake Shareholder in such New Red Lake Shares and Spinco Shares or to which it was entitled shall be terminated as of such Final Proscription Date.

#### **6.5 Paramountcy**

From and after the Effective Time: (i) this Plan of Arrangement shall take precedence and priority over any and all Red Lake Shares, Red Lake Options or Red Lake Warrants issued prior to the Effective Time; and (ii) the rights and obligations of the registered holders of Red Lake Shares, Red Lake Options, Red Lake Warrants, Spinco, the Depositary and any transfer agent or other depositary therefor, shall be solely as provided for in this Plan of Arrangement.

### **ARTICLE 7 AMENDMENTS**

#### **7.1 Amendments**

Red Lake and Spinco may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification and/or supplement must be

- (a) set out in writing;
- (b) filed with the Court and, if made following the Red Lake Meeting, approved by the Court; and
- (c) communicated to holders of Red Lake Shares and Spinco Shares, as the case may be, if and as required by the Court.

#### **7.2 Amendments Made Prior to or at the Red Lake Meeting**

Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Red Lake at any time prior to the Red Lake Meeting with or without any other prior notice or communication, and if so proposed and accepted by the persons voting at the Red Lake Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

#### **7.3 Amendments Made After the Red Lake Meeting**

Red Lake, with the consent of Spinco, may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time after the Red Lake Meeting but prior to the Effective Date and any such amendment, modification or supplement which is approved by the Court following the Red Lake Meeting shall be effective and shall become part of the Plan of Arrangement for all purposes. Notwithstanding the foregoing any amendment, modification or supplement to this Plan of Arrangement may be made following the granting of the Final Order unilaterally by Red Lake, provided that it concerns a matter which, in the

reasonable opinion of Red Lake, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any holder of New Red Lake Shares or Spinco Shares.

**7.4 Withholding**

Notwithstanding any prior approvals by the Court or by Red Lake Shareholders, the Board of Directors may decide not to proceed with the Arrangement and to revoke the Arrangement Resolutions at any time prior to the Effective Time, without further approval of the Court or the Red Lake Shareholders.

**ARTICLE 8  
REFERENCE DATE**

**8.1** This Agreement is dated for reference the 1<sup>st</sup> day of September, 2020.



**SCHEDULE "A"**  
**TO THE PLAN OF ARRANGEMENT**

**Clarence Stream North Gold Project**

<b>Claim Number</b>	<b>Claim Group Name</b>	<b>Beneficial Owner</b>	<b>Number of Claim Units</b>	<b>Issue Date</b>	<b>Expiry Date</b>	<b>Area (Ha)</b>
9555	Pleasant Ridge	Alma Gold (100%) (held in Trust on behalf of Alma Gold)	13	2020-07-13	2021-07-13	294.4
9556	Kedron Stream	Alma Gold (100%) (held in Trust on behalf of Alma Gold)	139	2020-07-13	2021-07-13	3,145.4
			<b>152</b>			<b>3,439.8</b>

**SCHEDULE "B"**  
**TO THE PLAN OF ARRANGEMENT**

**Chambers Settlement Gold Project**

<b>Claim Number</b>	<b>Claim Group Name</b>	<b>Beneficial Owner</b>	<b>Number of Claim Units</b>	<b>Issue Date</b>	<b>Expiry Date</b>	<b>Area (Ha)</b>
9107	Chambers Settlement NE	Avalon Gold Resources Inc. (100%)	220	2019-03-19	2022-03-19	49,575
9108	Chambers Settlement S	Avalon Gold Resources Inc. (100%)	100	2019-03-19	2022-03-19	22,579
			<b>320</b>			<b>72,154</b>

## SCHEDULE "C"

### ARRANGEMENT RESOLUTION

#### RESOLUTION OF THE HOLDERS OF COMMON SHARES OF RED LAKE GOLD INC.

"BE IT RESOLVED as a special resolution that:

1. The Plan of Arrangement, as it may be modified, supplemented or amended in accordance with its terms, under Section 288 of the *Business Corporations Act* (British Columbia) attached as Schedule "B" to the Information Circular of Red Lake Gold Inc. (the "**Company**") accompanying the Notice of Meeting is authorized, approved and adopted;
2. The Arrangement Agreement dated as of September 1, 2020 between the Company and Alma Gold Inc. and all transactions contemplated therein, and any amendments thereto, the actions of the directors of the Company in approving the Plan of Arrangement and the Arrangement Agreement and amending the terms thereof in any manner, to the extent permitted by the Arrangement Agreement, and the actions of the directors and officers of in executing and delivering the Arrangement Agreement and any amendments thereto and causing the performance by the Company of its obligations thereunder are confirmed, ratified, authorized and approved;
3. The Arrangement Agreement and all of the transactions contemplated therein, the actions of the directors of the Company in approving the Plan of Arrangement and the Arrangement Agreement and the actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement and any amendments, modifications or supplements thereto are hereby confirmed, ratified and approved.
4. The Company is hereby authorized to apply for a final order from the Supreme Court of British Columbia (the "Court") to approve the Plan of Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented from time to time).
5. Notwithstanding that this special resolution has been passed (and the Plan of Arrangement approved and agreed to) by the shareholders of the Company or that the Arrangement has been approved by the Supreme Court of British Columbia, the board of directors of the Company, without further notice to or approval of the shareholders of the Company, may, in accordance with the terms of the Plan of Arrangement, elect not to proceed with the Plan of Arrangement or otherwise give effect to this special resolution, at any time prior to the Plan of Arrangement becoming effective; and
6. Any one or more directors or officers of the Company are authorized, for and on behalf of the Company, to execute and deliver any documents, agreements and instruments and to perform all such other acts and things in such person's opinion as may be necessary or desirable to give effect to the provisions of this special resolution, the Arrangement Agreement, and the matters contemplated by the Arrangement Agreement."