

FORM 7

MONTHLY PROGRESS REPORT

Name of Listed Issuer: **12 Exploration Inc.** (the "Issuer").

Trading Symbol: **TWLV**

Number of Outstanding Listed Securities: **85,878,941**

Date: **June 2020**

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

General Instructions

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

On June 12, 2020, the Issuer completed the previously announced business combination (the "Transaction") with 79North Ltd. ("79North"). See Item #7 below for further details.

On June 11, 2020, the Issuer announced the completion of a non-brokered private placement (the “Offering”) of subscription receipts of each of 79North and the Issuer for aggregate gross proceeds of approximately \$4,752,250. Pursuant to the Offering, the Issuer issued an aggregate of 3,979,999 Subscription Receipts (the “12Ex Subscription Receipts”) and 79North issued an aggregate of 26,501,656 Subscription Receipts (the “79North Subscription Receipts”, and, together with the 12Ex Subscription Receipts, the “Subscription Receipts”), each at a price of C\$0.15 per Subscription Receipt. Immediately prior to the completion of the Transaction on June 12, 2020, the gross proceeds of the Offering were released from escrow and each Subscription Receipt ultimately resulted in the holders being entitled one common share (“12Ex Share”) and one share purchase warrant of the Issuer (“12Ex Warrant”). Each 12Ex Warrant entitles the holder thereof to acquire an additional 12Ex Share at a price of C\$0.25 until June 12, 2023, subject to customary anti-dilution provisions.

In connection with the Offering, an aggregate of 2,133,714 finder warrants were issued and certain cash commissions were paid to registered representatives who assisted with the Offering. Each finder warrant is exercisable at a price of \$0.15 for a 12Ex Share and 12Ex Warrant until June 12, 2023, subject to customary anti-dilution provisions.

On June 16, 2020, the Issuer granted an aggregate of 3,500,000 incentive stock options exercisable at \$0.15 until June 16, 2025 pursuant to the Issuer’s stock option plan.

2. Provide a general overview and discussion of the activities of management.

None

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

See Item #7 below for further details.

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

None

5. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

In a press release dated June 16, 2020, the Issuer announced that it has entered into an agreement with General Research GmbH to provide investor relations services for a monthly fee of €6,250 for a term of one year, subject to extension at the Issuer’s option.

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

The Transaction was completed by way of a three-cornered amalgamation (the "Amalgamation") pursuant to which 79North amalgamated with a wholly-owned subsidiary of the Issuer, and the Issuer acquired all the issued and outstanding shares of 79North (the "79North Shares") in exchange for 12Ex Shares on the basis of one 12Ex Share for each 79North Share issued and outstanding, as a result of which 79North became a wholly-owned subsidiary of the Issuer. The Amalgamation also provided that all outstanding warrants to purchase common shares of 79North remain outstanding and now entitle the holders thereof to acquire equivalent securities of the Issuer in lieu of 79North on the same terms and conditions.

Through the Transaction, the Issuer has obtained 79North's interest in mineral concessions in northern Suriname (formerly Dutch Guiana). For further information on 79North's material property, the Nassau Gold Project, please refer to the Technical Report filed on the Issuer's SEDAR profile at www.sedar.com on June 12, 2020.

Upon completion of the Transaction, the Issuer now has 85,878,941 12Ex Shares issued and outstanding (non-diluted). In addition, the Issuer now has outstanding 4,000,000 stock options, 44,087,388 share purchase warrants, 1,726,783 broker warrants (each exercisable to acquire one 12Ex Share and one-half of one 12Ex Warrant) and 2,133,714 finder warrants (each exercisable to acquire one 12Ex Share and one 12Ex Warrant).

8. Describe the acquisition of new customers or loss of customers.

None

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

On June 12, 2020, in connection with the Transaction, each of the directors and officers of the Issuer prior to the Amalgamation resigned and their

replacements were subsequently appointed. See Item #16 below for further details.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

On June 10, 2020, the Issuer arranged for a statement of claim to be issued against Sela Kriki Okanisi Resources NV (“Sela Kriki”) and its directors by the Ontario Superior Court of Justice with respect a dispute with Sela Kriki regarding its interest in the Sela Creek Gold Project. The Issuer is claiming damages in the amount of USD\$5,300,000 consisting of \$700,000 in cash payments and \$4,600,000 in exploration activities previously expended by the Issuer. A defence is expected to be delivered by August 24, 2020.

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None

14. Provide details of any securities issued and options or warrants granted.

Security	Number Issued	Details of Issuance	Use of Proceeds⁽¹⁾
12Ex Subscription Receipts	3,979,999	Issued in connection with the Offering	Net proceeds will be used to fund exploration and development of the Nassau Gold Project, acquisition of additional gold exploration projects, and for general corporate purposes.
Common Shares	3,979,999	Issued upon conversion of the 12Ex Subscription Receipts	N/A
Warrants	3,979,999	Issued upon conversion of the 12Ex Subscription Receipts	N/A
Common Shares	71,888,842	Issued to Former 79North shareholders in	N/A

		connection with the Transaction	
Warrants	39,787,389	Each warrant of 79North now entitles the holders to acquire one 12Ex Share	N/A
Broker Warrants	1,726,783	Each broker warrant of 79North now entitles the holder to acquire one 12Ex Share and one-half of one 12Ex Warrant	
Finder Warrants	2,133,714	Issued in connection with the Offering/Transaction	N/A
Options	3,500,000	Issued to directors and officers of the Issuer	N/A

(1) State aggregate proceeds and intended allocation of proceeds.

15. Provide details of any loans to or by Related Persons.

None

16. Provide details of any changes in directors, officers or committee members.

On June 12, 2020, the following director and officer changes were effected: (a) Eric Klein was replaced as President and Chief Executive Officer of the Issuer by Jon North (Jon North was also appointed Chairman); (b) Vic Hugo was replaced as Chief Financial Officer of the Issuer by Carmelo Marrelli; and (c) the previous directors of the Issuer, being Eric Klein, Jay Goldman and Greg Wilson, were replaced by Jon North, Elaine Ellingham, Daryl Hodges and Philip MacDonnell.

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

None

Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there were is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated **July 3, 2020**.

Jon North

Name of Director or Senior
Officer

“Jon North”

Signature

President and CEO

Official Capacity

<i>Issuer Details</i> Name of Issuer 12 Exploration Inc.	For Month End June 2020	Date of Report YY/MM/D 20/07/03
Issuer Address 82 Richmond Street East		
City/Province/Postal Code Toronto, Ontario M5C 1P1	Issuer Fax No. ()	Issuer Telephone No. (416) 786-6348
Contact Name Jon North	Contact Position President & CEO	Contact Telephone No. (416) 786-6348
Contact Email Address jon@79north.ca	Web Site Address http://www.79north.ca	