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**CIRCULAR 120-16**  
**September 30, 2016**

**ANTICIPATED CONTRACT ADJUSTMENT**  
**Newmarket Gold Inc. (NMI) Announces Acquisition by Kirkland Lake Gold Inc. (KLG)**  
**Plan of Arrangement**

**THE FOLLOWING INFORMATION IS PREPARED FOR THE CONVENIENCE OF CANADIAN DERIVATIVES CLEARING CORPORATION (CDCC) MEMBERS AND BOURSE DE MONTRÉAL INC. (THE BOURSE) APPROVED PARTICIPANTS. THIS DOCUMENT IS AN UNOFFICIAL SUMMARY OF CERTAIN TERMS OF THE AFOREMENTIONED ADJUSTMENT. CDCC AND THE BOURSE ACCEPT NO RESPONSIBILITY FOR THE ACCURACY OR COMPLETENESS OF THE SUMMARY. CDCC MEMBERS AND BOURSE APPROVED PARTICIPANTS MUST ENSURE THEY HAVE REVIEWED THE DOCUMENTATION PUBLISHED BY THE ISSUERS INVOLVED IN THIS CORPORATE ACTION.**

The Bourse and CDCC would like to inform you that Kirkland Lake Gold Inc. agreed to buy Newmarket Gold Inc. in an equity deal valued at C\$1.01 billion (\$772 million), creating what the companies said will be a low-cost producer with operations in Canada and Australia.

Under the agreement, Newmarket shareholders will receive 0.475 of a post consolidation share for each of their pre-deal shares, implying a price of C\$5.28 per Newmarket common stock, the companies said in a statement. That represents a 9.4 percent premium to Newmarket’s closing price on Wednesday.

The deal will give existing Kirkland shareholders 57 percent of the combined company, and to Newmarket shareholders 43 percent. Kirkland Chief Executive Officer Tony Makuch will lead the company and sit on its board, while Kirkland Chairman Eric Sprott will have the same title in the combined company.

Together, the two companies will have a market capitalization of about C\$2.4 billion and produce more than 500,000 ounces of gold a year, with all-in sustaining costs of less than \$1,015 an ounce, according to the statement.

**PLEASE ENSURE THAT ALL CLIENTS WHO HAVE EITHER LONG OR SHORT POSITIONS IN THIS OPTION CLASS ARE ADVISED OF THIS NOTICE.**

For further information, please contact Market Operations Department at (514) 871-7877. Clearing members may contact the CDCC Member Services Department.

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