

# **ARRANGEMENT AGREEMENT**

**BETWEEN:**

**PAMPA METALS CORPORATION**

– and –

**RUGBY RESOURCES LTD.**

– and –

**AEGIS RESOURCES LTD.**

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## **ARRANGEMENT AGREEMENT**

**THIS ARRANGEMENT AGREEMENT** is made as of April 21, 2025,

**BETWEEN:**

**PAMPA METALS CORPORATION**, a company governed by the laws of the Province of British Columbia

(**"Pampa Metals"**)

- and -

**RUGBY RESOURCES LTD.**, a company governed by the laws of the Province of British Columbia

(**"Rugby"**)

- and -

**AEGIS RESOURCES LTD.**, a company governed by the laws of the Province of British Columbia,

(**"SpinCo"**)

**WHEREAS:**

- A. Pampa Metals wishes to acquire all of the issued and outstanding Common Shares, or shares exchanged therefor, being the New Common Shares, pursuant to a plan of arrangement under the provisions of the BCBCA;
- B. The Rugby Board has determined, after receiving financial and legal advice and following the receipt of a unanimous recommendation from the Special Committee, that the Arrangement is in the best interests of Rugby, and the Rugby Board has resolved to recommend that the Rugby Shareholders vote in favour of the Arrangement, all subject to the terms and the conditions contained in this Agreement;
- C. Pampa Metals has entered into the Voting Agreements with the Rugby Locked-Up Shareholders, pursuant to which, among other things, such Rugby Locked-Up Shareholders agree, subject to the terms and conditions thereof, to vote the Common Shares held by them in favour of the Arrangement Resolution; and
- D. Pampa Metals and Rugby have agreed that, prior to the acquisition of Rugby by Pampa Metals, Rugby will transfer to SpinCo the SpinCo Assets and transfer to the Rugby Shareholders SpinCo Shares, all subject to the terms and conditions contained in this Agreement and the Spinout Transfer Agreements.

**NOW THEREFORE**, in consideration of the covenants and agreements herein contained, the parties hereto agree as follows:

## **ARTICLE 1 INTERPRETATION**

### **1.1 Definitions**

In this Agreement, the following words, terms and expressions (and all grammatical variations thereof) shall have the following meanings:

- (a) **“Acquisition Proposal”** means, other than the transactions contemplated by this Agreement, and other than any transaction involving only Rugby or Pampa Metals and/or one or more of its wholly owned subsidiaries, any offer, proposal, expression of interest, or inquiry (written or oral) from any person or group of persons (other than a Party or any of its affiliates) after the date hereof relating to:
  - (i) any acquisition or sale, direct or indirect (including by way of lease, royalty, joint venture or other arrangement having the same economic effect as a sale), of:
    - (A) the assets of Rugby and/or one or more of its subsidiaries that, individually or in the aggregate, constitute 20% or more of the consolidated assets of Rugby and its subsidiaries, taken as a whole; or
    - (B) 20% or more of any voting or equity securities, or any securities exchangeable for or convertible into voting or equity securities, of Rugby or any of its subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of Rugby and its subsidiaries, taken as a whole;
  - (ii) any take-over bid, tender offer or exchange offer for any class of voting or equity securities, or any securities exchangeable for or convertible into voting or equity securities, of Rugby and/or one or more of its subsidiaries that, if consummated, would result in such person or persons beneficially owning 20% or more of any class of such securities;
  - (iii) a plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, joint venture, partnership, liquidation, dissolution or other similar transaction involving Rugby or any of its subsidiaries whose assets individually or in the aggregate constitute 20% or more of the consolidated assets of Rugby taken as a whole;

- (iv) any transaction or series of transactions similar to those referred to in paragraphs (i), (ii), or (iii) above involving Rugby or any of its subsidiaries;  
or
- (v) any public announcement of an intention to do any of the foregoing;
- (b) “**Affected Person**” has the meaning set forth in Section 2.11;
- (c) “**affiliate**” has the meaning specified in the BCBCA;
- (d) “**Agreement**” “**this Agreement**”, “**the Agreement**”, “**hereof**”, “**herein**”, “**hereto**”, “**hereby**”, “**hereunder**” and similar expressions mean this arrangement agreement, including all schedules annexed hereto, as the same may be amended, supplemented or otherwise modified from time to time, in each case in accordance with the terms hereof, and all references to “**Articles**”, “**Sections**”, “**Schedules**” and “**Exhibits**” mean and refer to the specified article, section, schedule or exhibit of this Agreement;
- (e) “**Arrangement**” means the arrangement involving Rugby, SpinCo and Pampa Metals under the provisions of Part 9, Division 5 of the BCBCA, on the terms and subject to the conditions set forth in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with this Agreement or the Plan of Arrangement or at the direction of the Court in the Final Order provided such amendment or variation is acceptable to both Rugby and Pampa Metals, each acting reasonably;
- (f) “**Arrangement Resolution**” means the special resolution of the Rugby Shareholders to be considered and, if thought fit, passed by the Rugby Shareholders by the Required Vote at the Rugby Meeting, to be in substantially the form and content of Schedule “B”\_hereto, with such changes as may be agreed to by Rugby and Pampa Metals, each acting reasonably;
- (g) “**BCBCA**” means the *Business Corporations Act* (British Columbia) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;
- (h) “**business day**” means any day on which commercial banks are generally open for business in the City of Vancouver, British Columbia, other than a Saturday, a Sunday or a day observed as a statutory holiday in the City of Vancouver, British Columbia;
- (i) “**Change in Recommendation**” has the meaning specified in Section 7.2(c)(i)(A);
- (j) “**Cobrasco Project**” means Rugby’s 100% owned Cobrasco copper molybdenum project located in Columbia, subject to the Rio Tinto Royalty;

- (k) “**commercially reasonable efforts**” or “**reasonable commercial efforts**” with respect to any Party means the use by such Party of its reasonable efforts consistent with reasonable commercial practice without payment or incurrence of any material liability or obligation;
- (l) “**Common Shares**” means the common shares in the capital of Rugby as presently constituted;
- (m) “**Confidentiality Agreement**” means the confidentiality agreement dated as of January 6, 2025 between Pampa Metals and Rugby;
- (n) “**Consideration**” means the consideration to be received by the Rugby Shareholders pursuant to the Plan of Arrangement as consideration for their New Common Shares consisting of one Consideration Share for each 6.4 New Common Shares held;
- (o) “**Consideration Shares**” means the Pampa Metals Shares to be issued as consideration for the Rugby Shares pursuant to the Plan of Arrangement;
- (p) “**Contract**” means any written or oral contract, agreement, license, franchise, lease, arrangement, commitment, joint venture, partnership or other right or obligation which a Party or any of its subsidiaries is a party or by which it or any of its subsidiaries is bound or to which any of their respective properties or assets is subject;
- (q) “**Court**” means the Supreme Court of British Columbia;
- (r) “**CSE**” means the Canadian Securities Exchange;
- (s) “**Depository**” means Computer Share Trust Company of Canada, or such other trust company, bank or financial institution agreed to in writing between Pampa Metals and Rugby, acting reasonably;
- (t) “**Disclosure Requirements**” has the meaning set forth in Section 5.4(e);
- (u) “**Dissent Rights**” means the rights of dissent exercisable by the Rugby Shareholders in respect of the Arrangement described in the Plan of Arrangement;
- (v) “**Effective Date**” means the date upon which the Arrangement becomes effective as provided in the Plan of Arrangement;
- (w) “**Effective Time**” has the meaning specified in the Plan of Arrangement;
- (x) “**Environment**” means the natural environment (including soil, land surface or subsurface strata), surface waters, groundwater, sediment, ambient air (including all layers of the atmosphere), organic and inorganic matter and living organisms, and any other environmental medium or natural resource and all sewer systems;

- (y) **“Environmental Laws”** means all applicable federal, provincial, state, territorial, local and foreign Laws imposing liability or standards of conduct for or relating to the regulation of activities, materials, substances or wastes in connection with or for or to the protection of human health, safety, the environment or natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation) and under common law;
- (z) **“Fairness Opinion”** means the written opinion of the Financial Advisor, delivered to the Special Committee to the effect that as of the date of such opinion, subject to the assumptions and limitations set out therein, the Arrangement is fair, from a financial point of view, to the Rugby Shareholders (other than Pampa Metals and its affiliates);
- (aa) **“Final Order”** means the final order of the Court under Section 291 of the BCBCA, in a form acceptable to Rugby and Pampa Metals, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both Rugby and Pampa Metals, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both Rugby and Pampa Metals, each acting reasonably) on appeal;
- (bb) **“Financial Advisor”** means Evans & Evans, Inc.;
- (cc) **“Governmental Entity”** means: (a) any international, multinational, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, minister, ministry, bureau, agency or instrumentality, domestic or foreign; (b) any stock exchange, including the TSXV and CSE, as applicable; (c) any subdivision, agent, commission, board or authority of any of the foregoing; or (d) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, antitrust, foreign investment, expropriation or taxing authority under or for the account of any of the foregoing;
- (dd) **“Hazardous Substances”** means any waste or other substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws, and specifically including tailings, petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials or any substance which is deemed under Environmental Laws to be deleterious to natural resources or occupational or public health and safety;
- (ee) **“IFRS”** means International Financial Reporting Standards formulated by the International Accounting Standards Board, as updated and amended from time to time;



- (ff) **“In-the-Money Amount”** means, in respect of an option at any time, the amount, if any, by which the aggregate fair market value, at that time, of the shares subject to that option exceeds the aggregate exercise price under such option;
- (gg) **“Indebtedness”** means, with respect to any person, without duplication, (a) indebtedness of such person for borrowed money, secured or unsecured, (b) every obligation of such person evidenced by bonds, debentures, notes or other similar instruments, (c) every obligation of such person under purchase money mortgages, conditional sale agreements or other similar instruments relating to purchased property or assets, (d) every capitalized lease obligation of such person, (e) every obligation of such person under interest rate cap, swap, collar or similar transactions, commodity price hedging transactions or currency hedging transactions (valued at the termination value thereof), (f) amounts owing by such person as deferred purchase price for property or services, including all seller notes and “earn out” payments, whether material or not, which, for greater certainty, shall not include accounts payable related to expenses incurred in the ordinary course of business or expenses incurred pursuant to the Transactions and shall include accounts payable related to capital expenditures in excess of \$20,000, royalties and stream purchase obligations, (g) with respect to any obligation of the type referred to above, all accrued and unpaid interest, premiums, penalties, breakage costs, unwind costs, fees, termination costs, redemption costs, expenses and other charges with respect to any thereof, and (h) every obligation of the type referred to above of any other person, the payment of which such person has guaranteed or for which such person is otherwise responsible or liable;
- (hh) **“Intellectual Property”** means any inventions, patent applications, patents, trade-marks (both registered and unregistered) and applications for trademark registrations, trade names, copyrights (both registered and unregistered), trade secrets, databases, know-how, URLs, websites, algorithms, designs, inventions (whether or not patentable and whether or not reduced to practice), slogans, logos and all other and proprietary information or technology;
- (ii) **“Interim Order”** means the interim order of the Court to be issued following the application therefor contemplated by Section 2.2, in a form acceptable to Rugby and Pampa Metals, each acting reasonably, providing for, among other things, the calling and holding of the Rugby Meeting, as such order may be amended, supplemented or varied by the Court (with the consent of both Rugby and Pampa Metals, each acting reasonably);
- (jj) **“Law” or “Laws”** means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgments, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, and the term **“applicable”** with respect to such Laws (including Environmental 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;

- (kk) **“Legal Actions”** has the meaning specified in Section 3.1(o);
- (ll) **“Liens”** means any hypothecations, mortgages, liens, charges, security interests, pledges, claims, encumbrances and 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, but excluding (i) security interests, liens, charges or other encumbrances or imperfections in title arising in the ordinary course of business or by operation of Law, (ii) security interests, liens, charges or other encumbrances arising under sales contracts with title retention provisions or equipment leases with third parties entered into in the ordinary course of business and (iii) security interests, liens, charges or other encumbrances for Taxes or charges from a Governmental Entity which are not due and payable or which thereafter may be paid without penalty;
- (mm) **“Made Available”** means information that has been uploaded to the Rugby Data Room or the Pampa Metals Data Room (to which Pampa Metals or Rugby, respectively, has been granted access) at least two business days prior to the date of this Agreement;
- (nn) **“Material Contract”** means:
  - (i) any Contract that is in effect and was not entered into in the ordinary course of business of a Party or any of its subsidiaries, whether written, oral, expressed or implied;
  - (ii) any lease of real property by a Party or any of its subsidiaries, as tenant, with third parties providing for annual rentals of \$50,000 or more;
  - (iii) any Contract (including one of indemnification, guarantee or other like commitment or obligation to any person under which a Party or any of its subsidiaries is obliged to make payments on an annual basis in excess of \$50,000 in the aggregate;
  - (iv) any partnership, limited liability company agreement, shareholder agreement, joint venture, alliance agreement or other similar agreement or arrangement relating to the formation, creation, operation, management, business or control of any person, partnership or joint venture that is not a wholly-owned subsidiary of a Party (other than any such agreement or arrangement relating to the operation or business of a property in the ordinary course and which is not material with respect to such property);

- (v) any Contract (other than with or among wholly-owned subsidiaries) under which Indebtedness is outstanding or may be incurred or pursuant to which any property or asset of a Party or any of its subsidiaries is mortgaged, pledged or otherwise subject to a Lien, or any Contract restricting the incurrence of Indebtedness by a Party or any subsidiary or the incurrence of Liens on securities of subsidiaries or restricting the payment of dividends;
- (vi) Contracts entered into by a Party or any of its subsidiaries relating to any outstanding commitment for capital expenditures in excess of \$50,000 in the aggregate;
- (vii) Contracts containing any rights on the part of any party, including joint venture partners or entities, to acquire Mineral Rights or other property rights from a Party or any of its subsidiaries;
- (viii) Contracts containing any rights on the part of a Party or any of its subsidiaries to acquire Mineral Rights or other property rights from any person (including any subsidiary of such Party);
- (ix) any Contract that purports to limit the right of a Party or any of its subsidiaries or affiliates to, in any material respect (i) engage in any line of business, or (ii) compete with any person or operate in any location;
- (x) any Contract entered into in the past 12 months or in respect of which the applicable transaction has not yet been consummated for the acquisition or disposition, directly or indirectly (by amalgamation, merger or otherwise), of assets or capital stock or other equity interests of another person, in each case other than in the ordinary course of business;
- (xi) any standstill or similar Contract currently restricting the ability of a Party or any of its subsidiaries to offer to purchase or purchase the assets or equity securities of another person;
- (xii) any agreement to license material Intellectual Property rights to or from the business; and
- (xiii) any Contract entered into with an Employee or any other service provider of a Party or any of its subsidiaries that provides for severance, change-in-control, transaction bonus or other similar payments,

provided that “**Material Contract**” specifically does not include any confidentiality agreement with a third party in respect of a potential alternative transaction to the Arrangement;

- (oo) “**material fact**” and “**material change**” have the meaning specified under Securities Laws;

- (pp) “**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*;
- (qq) “**Mineral Rights**” has the meaning specified in Section 3.1(t);
- (rr) “**New Common Shares**” means the new class of common shares of Rugby which will be created and added to the authorized share structure of Rugby pursuant to the Plan of Arrangement and which Rugby will be authorized to issue on and after the Effective Time;
- (ss) “**Outside Date**” means June 30, 2025, or such later date as may be agreed between Pampa Metals and Rugby;
- (tt) “**Pampa Metals Board**” means the board of directors of Pampa Metals;
- (uu) “**Pampa Metals Data Room**” means the electronic data room maintained by Pampa Metals in relation to the Transactions contemplated by this Agreement;
- (vv) “**Pampa Metals Disclosure Letter**” means the letter of disclosure dated as of the date hereof that has been provided by Pampa Metals to Rugby contemporaneously with the execution of this Agreement;
- (ww) “**Pampa Metals Financial Statements**” has the meaning specified in Section 4.1(i);
- (xx) “**Pampa Metals Match Period**” has the meaning specified in Section 6.2(a)(iv);
- (yy) “**Pampa Metals Material Adverse Effect**” means any change, effect, event, circumstance, fact or occurrence that individually or in the aggregate with other such changes, effects, events, circumstances, facts or occurrences (a) is, or would reasonably be expected to be, material and adverse to the business, affairs, results of operations, assets, properties, capital, condition (financial or otherwise), rights, liabilities, obligations (whether absolute, accrued, conditional or otherwise) or prospects of Pampa Metals and its subsidiaries, taken as a whole, or (b) materially impairs or delays, or could reasonably be expected to materially impair to delay, the consummation of the Transactions or the ability of Pampa Metals to perform its obligations hereunder other than any change, effect, event, circumstance, fact or occurrence resulting from:
  - (i) any change, development or condition generally affecting the mining industry;
  - (ii) any change in the price of gold, silver or copper;
  - (iii) any change, development or condition in global or national political conditions (including any protest, riot, facility takeover for emergency purposes, outbreak of hostilities or war (whether or not declared) or acts of

espionage, sabotage or terrorism or any escalation or worsening of the foregoing) or any weather-related event or natural disaster, including earthquake, flood or forest fire;

- (iv) any epidemic, pandemic or outbreak of illness or other health crisis or public health event, or the worsening of any of the foregoing;
- (v) any change in general economic, business, banking, regulatory, political or market conditions or in financial, credit, currency, commodities or securities markets in Canada, the United States or globally;
- (vi) any change in applicable generally acceptable accounting principles, including IFRS, or the interpretation or application thereof by a Governmental Entity;
- (vii) changes, developments or conditions in or relating to currency exchange, interest or inflation rates;
- (viii) any adoption, proposal, implementation or change in applicable Laws after the date of this Agreement or in any interpretation, application or non-application of any applicable Laws by any Governmental Entity;
- (ix) the execution, announcement and pendency of this Agreement or the consummation of the Transactions contemplated hereby or thereby (provided, that this clause (ix) shall not apply with respect to any representation or warranty the purpose of which is to address the consequences resulting from the execution and delivery of this Agreement or the consummation of the Transactions contemplated by this Agreement or the performance of obligations under this Agreement);
- (x) any actions or inactions expressly required by this Agreement or Law or that are taken (or omitted to be taken) at the request, or with the prior written consent, of the Rugby; or
- (xi) any change in the market price or trading volume of any securities of Pampa Metals (it being understood that the facts or circumstances underlying such changes in market price or trading volume may be taken into account, to the extent permitted by this Agreement, in determining whether a Pampa Metals Material Adverse Effect has occurred);

provided, however, that (i) any such event, change, occurrence, effect, development, state of facts or circumstances referred to in paragraphs (a) and (c) to and including (h) above shall not apply to the extent that any such event, change, occurrence, effect, development, state of facts or circumstances disproportionately affects (individually or, together with other events, changes, occurrences, effects, developments, state of facts or circumstances) Pampa Metals and its subsidiaries, taken as a whole, compared to other companies of similar size operating in the same

industry as Pampa Metals; and (ii) 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 Pampa Metals Material Adverse Effect has occurred;

- (zz) **“Pampa Metals Mineral Rights”** has the meaning specified in Section 4.1(s)(ii);
- (aaa) **“Pampa Metals Option Plan”** means the stock option plan as approved by the shareholders of Pampa Metals on September 21, 2023;
- (bbb) **“Pampa Metal Options”** means options to purchase Pampa Metals Shares issued pursuant to the Pampa Metals Option Plan or any predecessor option plan and described in the Pampa Metals Disclosure Letter;
- (ccc) **“Pampa Metals Organizational Documents”** has the meaning specified in Section 4.1(a);
- (ddd) **“Pampa Metals’ Public Disclosure Record”** means all documents filed by or on behalf of Pampa Metals on SEDAR+ after April 1, 2023 and prior to the date of this Agreement;
- (eee) **“Pampa Metal RSU Plan”** means the restricted share unit plan of Pampa Metals titled 2023 Restricted Share Unit Plan;
- (fff) **“Pampa Metal RSUs”** means the restricted share units issuable into Pampa Metals Shares granted pursuant to the Pampa Metals RSU Plan or any predecessor plan and described in the Pampa Metals Disclosure Letter;
- (ggg) **“Pampa Metals Shareholders”** means the holders of the Pampa Metals Shares;
- (hhh) **“Pampa Metals Shares”** means the common shares in the capital of Pampa Metals, which Pampa Metals is authorized to issue as presently constituted;
- (iii) **“Pampa Metal Warrants”** means the warrants issued by Pampa Metals to acquire Pampa Metals Shares as set forth in the Pampa Metals’ Disclosure Letter;
- (jjj) **“Parties”** means, collectively, Rugby, SpinCo and Pampa Metals, and **“Party”** means Rugby, SpinCo or Pampa Metals;
- (kkk) **“Permit”** means any license, permit, certificate, franchise, consent, order, grant, easement, covenant, approval, classification, registration or other authorization of or from any Governmental Entity;
- (lll) **“person”** includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, unincorporated organization, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

- (mmm) **“Plan of Arrangement”** means the plan of arrangement substantially in the form of Schedule “A” hereto and any amendments or variations thereto made in accordance with the provisions of this Agreement, the applicable provisions of the Plan of Arrangement or at the direction of the Court in the Final Order with the consent of Rugby and Pampa Metals, each acting reasonably;
- (nnn) **“Post-Signing Returns”** has the meaning specified in Section 5.1(h)(i);
- (ooo) **“Regulatory Approvals”** means (i) those sanctions, rulings, consents, waivers, orders, exemptions, permits and other approvals of any Governmental Entity or stock exchange, and the lapse (without objection), exemption or waiver of a prescribed time under any Law that states that a transaction may not be implemented until after a prescribed time lapses following the giving of notice or supply of information or documents, set forth in Schedule “C”, and (ii) such other sanctions, rulings, consents, waivers, orders, exemptions, permits and other approvals of any Governmental Entity or stock exchange, and the lapse (without objection), exemption or waiver of any prescribed time under any Law that states that a transaction may not be implemented until after a prescribed time lapses following the giving of notice or supply of information or documents, required to consummate the Plan of Arrangement, except, in the case of (ii) only, for those sanctions, rulings, consents, waivers, orders, exemptions, permits and other approvals, the failure to obtain which, individually or in the aggregate, would not reasonably be expected to result in a Rugby Material Adverse Effect or a Pampa Metals Material Adverse Effect;
- (ppp) **“Release”** has the meaning prescribed in any Environmental Law and includes any sudden, intermittent or gradual release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, migration, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement or introduction of a Hazardous Substance, whether accidental or intentional, into the Environment;
- (qqq) **“Replacement Option”** has the meaning specified in Section 2.12(c);
- (rrr) **“Representatives”** of a person, means the directors, officers, employees, advisors, agents or other representatives or persons acting on behalf of such person (including lawyers, accountants and financial and other professional advisors);
- (sss) **“Required Vote”** has the meaning specified in Section 2.2(b)(iii);
- (ttt) **“Returns”** means all reports, forms, filings, elections, designations, notices, schedules, statements, estimates, declarations of estimated tax, information statements, returns, and other documents (whether in tangible, electronic or other form), and including any amendments, schedules, attachments, supplements, appendices and exhibits relating to, or required to be filed with a Governmental Entity or prepared with respect to, Taxes;

- (uuu) **“Rio Tinto Royalty”** means the 1% net smelter returns royalty over the Cobrasco Project held by Rio Tinto;
- (vvv) **“Rugby Board”** means the board of directors of Rugby;
- (www) **“Rugby Circular”** means the notice of the Rugby Meeting and the accompanying management information circular, including all schedules, appendices and exhibits thereto, to be sent to the Rugby Shareholders in connection with the Rugby Meeting, as amended or supplemented in accordance with the terms of this Agreement;
- (xxx) **“Rugby Data Room”** means the electronic data room maintained by Rugby in relation to the Transactions contemplated hereby;
- (yyy) **“Rugby Disclosure Letter”** means the letter of disclosure dated as of the date hereof that has been provided by Rugby to Pampa Metals contemporaneously with the execution of this Agreement;
- (zzz) **“Rugby Employees”** means all employees of Rugby and its subsidiaries;
- (aaaa) **“Rugby Financial Statements”** has the meaning specified in Section 3.1(j);
- (bbbb) **“Rugby Locked-Up Shareholders”** means each of the directors of Rugby and certain Rugby Shareholders holding 5% or greater of the outstanding Common Shares;
- (cccc) **“Rugby Material Adverse Effect”** means any change, effect, event, circumstance, fact or occurrence that individually or in the aggregate with other such changes, effects, events, circumstances, facts or occurrences (a) is, or would reasonably be expected to be, material and adverse to the business, affairs, results of operations, assets, properties, capital, condition (financial or otherwise), rights, liabilities, obligations (whether absolute, accrued, conditional or otherwise) or prospects of Rugby and its subsidiaries, taken as a whole, or (b) materially impairs or delays, or could reasonably be expected to materially impair to delay, the consummation of the Transactions or the ability of Rugby to perform its obligations hereunder, other than any change, effect, event, circumstance, fact or occurrence resulting from:
  - (i) any change, development or condition generally affecting the mining industry;
  - (ii) any change in the price of gold, silver or copper;
  - (iii) any change, development or condition in global or national political conditions (including any protest, riot, facility takeover for emergency purposes, outbreak of hostilities or war (whether or not declared) or acts of espionage, sabotage or terrorism or any escalation or worsening of the



foregoing) or any weather related event or natural disaster, including earthquake, flood or forest fire;

- (iv) any epidemic, pandemic or outbreak of illness or other health crisis or public health event, or the worsening of any of the foregoing;
- (v) any change in general economic, business, banking, regulatory, political or market conditions or in financial, credit, currency, commodities or securities markets in Canada, the United States or globally;
- (vi) any change in applicable generally acceptable accounting principles, including IFRS, or the interpretation or application thereof by a Governmental Entity;
- (vii) changes, developments or conditions in or relating to currency exchange, interest or inflation rates;
- (viii) any adoption, proposal, implementation or change in applicable Laws after the date of this Agreement or in any interpretation, application or non-application of any applicable Laws by any Governmental Entity;
- (ix) the execution, announcement and pendency of this Agreement, the Spinout Transaction or the consummation of the Transactions contemplated hereby or thereby (provided, that this clause (i) shall not apply with respect to any representation or warranty the purpose of which is to address the consequences resulting from the execution and delivery of this Agreement or the consummation of the Transactions contemplated by this Agreement or the performance of obligations under this Agreement);
- (x) any actions or inactions expressly required by this Agreement, the Spinout Transaction or Law or that are taken (or omitted to be taken) at the request, or with the prior written consent, of the Pampa Metals; or
- (xi) any change in the market price or trading volume of any securities of the Company (it being understood that the facts or circumstances underlying such changes in market price or trading volume may be taken into account, to the extent permitted by this Agreement, in determining whether Rugby Material Adverse Effect has occurred);

*provided, however, that (i) any such event, change, occurrence, effect, development, state of facts or circumstances referred to in paragraphs (a) and (c) to and including (h) above shall not apply to the extent that any such event, change, occurrence, effect, development, state of facts or circumstances disproportionately affects (individually or, together with other events, changes, occurrences, effects, developments, state of facts or circumstances) Rugby and its subsidiaries, taken as a whole, compared to other companies of similar size operating in the same industry as Rugby; and (ii) 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 Rugby Material Adverse Effect has occurred;

- (dddd) **“Rugby Meeting”** means the special meeting of the Rugby Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with this Agreement and the Interim Order for the purpose of considering and, if thought fit, approving, the Arrangement Resolution;
- (eeee) **“Rugby Mineral Rights”** has the meaning specified in Section 3.1(t)(ii);
- (ffff) **“Rugby Organizational Documents”** has the meaning specified in Section 3.1(b);
- (gggg) **“Rugby Option Plan”** means the restated stock option plan as approved by the Rugby Shareholders on December 5, 2024;
- (hhhh) **“Rugby Options”** means options to purchase Common Shares issued pursuant to the Rugby Option Plan or any predecessor option plan and described in the Rugby Disclosure Letter;
- (iiii) **“Rugby Plans”** has the meaning specified in Section 3.1(w)(iii);
- (jjjj) **“Rugby’s Public Disclosure Record”** means all documents filed by or on behalf of Rugby on SEDAR+ after April 1, 2023 and prior to the date of this Agreement;
- (kkkk) **“Rugby RSUs”** means the restricted share units issuable into Common Shares granted pursuant to the Rugby RSU Plan or any predecessor plan and described in the Rugby Disclosure Letter;
- (llll) **“Rugby RSU Plan”** means the amended and restated restricted share unit and deferred share unit compensation plan approved by the Rugby Shareholders on December 4, 2024;
- (mmmm) **“Rugby Shareholders”** means the holders of the Common Shares;
- (nnnn) **“Rugby Subsidiaries”** and **“Rugby Subsidiary”** has the meanings specified in Section 3.1(b);
- (oooo) **“Rugby Warrants”** means the warrants issued by Rugby to acquire Common Shares as set forth in the Rugby Disclosure Letter;
- (pppp) **“Section 3(a)(10) Exemption”** has the meaning ascribed to such term in Section 2.3;
- (qqqq) **“Securities Act”** means the *Securities Act* (British Columbia);
- (rrrr) **“Securities Authorities”** means the applicable securities commissions or other securities regulatory authorities in each province and territory of Canada and the

United States Securities and Exchange Commission or securities authority of any U.S. state;

(ssss) “**Securities Laws**” means the Securities Act, the U.S. Exchange Act, the U.S. Securities Act, and all other applicable Canadian provincial and United States federal and state securities Laws;

(tttt) “**SEDAR+**” means the System for Electronic Document Analysis and Retrieval;

(uuuu) “**Special Committee**” means the special committee of independent director of the Rugby Board;

(vvvv) “**SpinCo**” means Aegis Resources Ltd., a company incorporated under the BCBCA;

(wwwv) “**SpinCo Assets**” has the meaning ascribed thereto in the Plan of Arrangement;

(xxxx) “**SpinCo Shares**” means common shares in the capital of SpinCo;

(yyyy) “**Spinout Transaction**” means the transfer of the SpinCo Assets from Rugby to SpinCo and the transfer of the SpinCo Shares to the Rugby Shareholders pursuant to the Plan of Arrangement;

(zzzz) “**Spinout Transfer Agreements**” means the agreement or agreements to be entered into between Rugby or an affiliate of Rugby and SpinCo in connection with the Spinout Transaction pursuant to which SpinCo will acquire the SpinCo Assets;

(aaaaa) “**subsidiary**” means, with respect to a specified body corporate, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified body corporate and shall include any body corporate, partnership, joint venture or other entity over which such specified body corporate exercises direction or control or which is in a like relation to a subsidiary;

(bbbbb) “**Superior Proposal**” means a *bona fide* written Acquisition Proposal (i) that did not result from a breach of Section 6.1 or Section 6.2; (ii) that the Rugby Board has determined in good faith (after receipt of advice from its external financial and legal advisors) is reasonably capable of being completed in accordance with its terms without undue delay, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal and the person making such Acquisition Proposal; (iii) that is not subject to a financing condition and, if the consideration is being funded through borrowed monies, the funds necessary to complete the Acquisition Proposal have been demonstrated to be available to the reasonable satisfaction of the Rugby Board; (iv) that is not subject to any due diligence and/or access condition; (v) that, in the case of an Acquisition Proposal to acquire all of

the outstanding Common Shares, is available to all of the Rugby Shareholders (other than the person making the Acquisition Proposal and its affiliates) on the same terms and conditions; (vi) in respect of which the Rugby Board has determined in good faith (after receipt of advice from its external financial and legal advisors) that: (A) failure to recommend such Acquisition Proposal to the Rugby Shareholders would be inconsistent with its fiduciary duties under applicable Law, and (B) having regard for all of its terms and conditions, such Acquisition Proposal would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable to the Rugby Shareholders (other than Pampa Metals and its affiliates), from a financial point of view, than the Arrangement (including any adjustment to the terms and conditions of the Arrangement proposed by Pampa Metals pursuant to Section 6.2(b)); and (vii) is not subject, either by the terms of the Acquisition Proposal or by virtue of any applicable Law, to any requirement that any approval of the shareholders of the person making the Acquisition Proposal be obtained;

- (ccccc) “**Tax Act**” means the *Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;
- (ddddd) “**Taxes**” means (A) any and all domestic and foreign federal, state, provincial, municipal and local taxes, assessments and other governmental charges, duties, impositions, levies, withholdings, fees, premiums and liabilities imposed by any Governmental Entity, including Canada Pension Plan and provincial pension plan contributions, instalments, unemployment insurance contributions and employment insurance contributions, worker’s compensation and deductions at source, including taxes based on or measured by gross receipts, income, profits, sales, capital, use, severance, and occupation, and including goods and services, value added, ad valorem, transfer, franchise, withholding, customs, payroll, , recapture, employment , excise and property duties and taxes, together with all interest, penalties, and fines, and (B) any liability for the payment of any amount of the type described in the immediately preceding clause (A) as a result of being a “transferee” (within the meaning of Section 160 of the Tax Act or any other similar applicable Law) or successor of another entity or a member of a related, non-arm’s length, affiliated, consolidated, unitary or combined group;
- (eeeeee) “**third party**” means any person other than Rugby or Pampa Metals or any of their Representatives, or any of their respective affiliates and their affiliates’ respective Representatives;
- (fffff) “**Transaction Personal Information**” has the meaning set forth in Section 9.1;
- (ggggg) “**Transactions**” means the Arrangement, which includes the Spinout Transaction and the transactions contemplated by this Agreement to be undertaken in connection with the Arrangement;
- (hhhhh) “**TSXV**” means the TSX Venture Exchange;

- (iiii) “**U.S. Exchange Act**” means the *United States Securities Exchange Act of 1934*;
- (jjjj) “**U.S. Securities Act**” means the *United States Securities Act of 1933*;
- (kkkk) “**Voting Agreements**” means the voting support agreements (including all amendments thereto) to be entered into between Pampa Metals and the Rugby Locked-up Shareholders setting forth the terms and conditions upon which they agree, among other things, to vote their Common Shares in favour of the Arrangement Resolution; and
- (llll) “**Withholding Obligations**” has the meaning set forth in Section 2.11.

## 1.2 Certain Rules of Interpretation

In this Agreement:

- (a) Time. Time is of the essence in and of this Agreement.
- (b) Calculation of Time. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends. Where the last day of any such time period is not a business day, such time period shall be extended to the next business day following the day on which it would otherwise end.
- (c) Business Days. Whenever any action to be taken or payment to be made pursuant to this Agreement would otherwise be required to be made on a day that is not a business day, such action shall be taken or such payment shall be made on the first business day following such day.
- (d) Currency. Unless otherwise specified, all references to amounts of money in this Agreement refer to the lawful currency of Canada.
- (e) Headings. The descriptive headings preceding Articles and Sections of this Agreement are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections. The division of this Agreement into Articles and Sections and the insertion of a table of contents shall not affect the interpretation of this Agreement.
- (f) Including. Where the word “**including**” or “**includes**” is used in this Agreement, it means “**including without limitation**” or “**includes without limitation**”.
- (g) Plurals and Genders. The use of words in the singular or plural, or referring to a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such persons or circumstances as the context otherwise permits.

- (h) Statutory References. Any reference to a statute shall mean the statute in force as at the date of this Agreement (together with all regulations, rules and published policies promulgated thereunder), as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute thereto, unless otherwise expressly provided.
- (i) Ordinary Course. Any reference to an action taken by a person in the ordinary course means that such action is consistent with past practices of such person and is taken in the ordinary course of the normal day-to-day business and operations of such person; provided that in any event such action is not unreasonable or unusual.
- (j) Knowledge. Any reference to “**the knowledge of Rugby**” means the actual knowledge, in their capacity as directors and/or officers of Rugby and its subsidiaries and not in their personal capacity, of Cecil Bond and Alejandro Adams after reasonable inquiry, and references to “**to the knowledge of Pampa Metals**” means the actual knowledge, in their capacity as directors and/or officers of Pampa Metals, and not in their personal capacity, of Joseph van den Elsen, and solely in respect of financial matters, and William Tsang, after reasonable inquiry.
- (k) Accounting Matters. Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made shall be made in a manner consistent with IFRS.

### **1.3 Schedules**

The following Schedules are annexed to this Agreement and are incorporated by reference into this Agreement and form a part hereof:

|              |   |                        |
|--------------|---|------------------------|
| Schedule “A” | - | Plan of Arrangement    |
| Schedule “B” | - | Arrangement Resolution |
| Schedule “C” | - | Regulatory Approvals   |

## **ARTICLE 2 THE ARRANGEMENT**

### **2.1 The Arrangement**

The Arrangement will be implemented in accordance with, and subject to the terms and conditions contained in, this Agreement and the Plan of Arrangement.

### **2.2 Interim Order**

- (a) As soon as reasonably practicable following the date of this Agreement, but in any event in sufficient time to hold the Rugby Meeting in accordance with Section 2.5(a), Rugby shall prepare and file an application to the Court, pursuant to Section 291 of the BCBCA, for the Interim Order in a manner and form reasonably

acceptable to Pampa Metals, and thereafter diligently seek the Interim Order in such form.

- (b) The notice of motion for the application referred to in Section 2.2(a) shall request that the Interim Order provide, among other things:
  - (i) for the class of persons to whom notice is to be provided in respect of the Arrangement and the Rugby Meeting and for the manner in which such notice is to be provided;
  - (ii) for confirmation of the record date for the Rugby Meeting;
  - (iii) that the requisite approval for the Arrangement Resolution shall be:
    - (A) the affirmative vote of not less than  $66\frac{2}{3}\%$  of the votes cast on the Arrangement Resolution by the Rugby Shareholders, voting together as a single class, present in person or represented by proxy at the Rugby Meeting; and
    - (B) if required, a simple majority of the votes cast on the Arrangement Resolution by Rugby Shareholders present in person or represented by proxy at the Rugby Meeting (excluding Common Shares held by certain “related parties” and “interested parties (as such terms are defined in MI 61-101) in accordance with the requirements of MI 61-101),  
  
(collectively, the “**Required Vote**”);
  - (iv) that in all other respects the terms, restrictions and conditions of the articles of Rugby, including quorum requirements, shall apply in respect of the Rugby Meeting;
  - (v) for the grant of the Dissent Rights to registered holders of Common Shares, as contemplated in the Plan of Arrangement;
  - (vi) for the notice requirements with respect to the hearing of the application to the Court for the Final Order;
  - (vii) that the Rugby Meeting may be adjourned or postponed from time to time by Rugby without the need for additional approval of the Court;
  - (viii) that the record date for Rugby Shareholders entitled to notice of and to vote at the Rugby Meeting will not change in respect of any adjournment(s) or postponement(s) of the Rugby Meeting;
  - (ix) that the Parties intend to rely on the Section 3(a)(10) Exemption, subject to and conditioned on the Court’s determination that the Arrangement is

substantively and procedurally fair to the Rugby Shareholders who are entitled to receive Consideration Shares pursuant to the Arrangement; and

- (x) for such other matters of Pampa Metals may reasonably require, subject to the consent of Rugby, such consent not to be unreasonably withheld, delayed or conditional.

## **2.3 United States Matters**

The Parties agree that the Arrangement will be carried out with the intention that all Consideration Shares and SpinCo Shares issued under 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 (the “**Section 3(a)(10) Exemption**”). In order to ensure the availability of the Section 3(a)(10) Exemption, the Parties agree that the Arrangement will be carried out on the following basis:

- (i) the Arrangement will be subject to the approval of the Court;
- (ii) the Court will be advised as to the intention of the Parties to rely on the Section 3(a)(10) Exemption based on the Court’s approval of the Arrangement for the issuance of the Consideration Shares and SpinCo Shares prior to the hearing required to approve the Arrangement;
- (iii) the Circular shall contain a statement advising the Rugby Shareholders that the Consideration Shares and SpinCo Shares have not been registered under the U.S. Securities Act and will be issued in reliance on the Section 3(a)(10) Exemption and exemptions under applicable U.S. state securities laws and may be subject to restrictions on resale under the securities laws of the United States, including, as applicable, Rule 144 under the U.S. Securities Act with respect to affiliates;
- (iv) the Court will be required to satisfy itself as to the fairness of the terms and conditions of the Arrangement to the Rugby Shareholders subject to the Arrangement;
- (v) the Court will hold a hearing before approving the procedural and substantive fairness of the terms and conditions of the Arrangement;
- (vi) the Court will have determined, prior to approving the Arrangement, that the terms and conditions of the exchanges of Consideration Shares and SpinCo Shares under the Arrangement are fair to the Rugby Shareholders pursuant to the Arrangement;
- (vii) the order approving the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as being fair to the Rugby Shareholders pursuant to the terms and conditions of the Arrangement;



- (viii) Rugby will ensure that each person entitled to Consideration Shares or SpinCo Shares pursuant to 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; and
- (ix) the Interim Order will specify that each person entitled to Consideration Shares or SpinCo Shares pursuant to the Arrangement will have the right to appear before the Court so long as they enter an appearance within a reasonable time.
- (x) the Final Order shall include statements substantially to the following effect:

“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 distribution of securities of Pampa Metals Corporation and Rugby Resources Ltd. pursuant to the Plan of Arrangement.

“The terms and conditions of the Arrangement are procedurally and substantively fair to the securityholders of Rugby Resources Ltd. and are hereby approved by the Court.”

## **2.4 The Rugby Circular**

- (a) Subject to Pampa Metals’ compliance with Section 2.4(b), as promptly as reasonably practicable after the execution of this Agreement, but in any event in sufficient time to hold the Rugby Meeting in accordance with Section 2.5(a), Rugby shall prepare, in consultation with Pampa Metals, the Rugby Circular together with any other documents required by applicable Laws in connection with the Rugby Meeting. Rugby shall provide Pampa Metals and its Representatives with a reasonable opportunity to review and comment on the Rugby Circular and such other documents, including by providing on a timely basis a description of any information required to be supplied by Pampa Metals for inclusion in the Rugby Circular prior to its mailing to the Rugby Shareholders and filing in accordance with the Interim Order and applicable Laws, and will give reasonable consideration to all comments made by Pampa Metals and its representatives, provided that all information relating to Pampa Metals included in the Rugby Circular shall be in form and content satisfactory to Pampa Metals. Rugby shall provide Pampa Metals with a final copy of the Rugby Circular before its filing with the Court and before its mailing to the Rugby Shareholders.
- (b) Pampa Metals shall ensure that such information does not include any misrepresentation concerning Pampa Metals or its affiliates or respective assets. Pampa Metals will, in a timely manner, furnish Rugby with all such information regarding Pampa Metals and its affiliates and their respective assets as is reasonably

requested by Rugby or otherwise required by applicable Laws to be included in the Rugby Circular by the Interim Order. Pampa Metals shall ensure that such information does not include any misrepresentation concerning Pampa Metals or its affiliates. Pampa Metals shall also use commercially reasonable efforts to obtain any necessary consents from any of its auditors, qualified persons and any other advisors to the use of any financial, technical or other expert information required to be included in the Rugby Circular and to the identification in the Rugby Circular of each such advisor.

- (c) Pampa Metals shall indemnify and save harmless Rugby and its representatives from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which Rugby or any of its representatives may be subject or which Rugby or any of its representatives may suffer as a result of, or arising from, any misrepresentation contained in any information included in the Rugby Circular that was furnished by Pampa Metals, its affiliates and their respective representatives acting on their behalf, in writing, for inclusion in the Rugby Circular and such information was accurately reflected in the Rugby Circular by Rugby.
- (d) On the date of mailing thereof, Rugby shall ensure that the Rugby Circular complies in all material respects with all applicable Laws and the Interim Order and shall contain sufficient detail to permit the Rugby Shareholders to form a reasoned judgment concerning the matters to be placed before them at the Rugby Meeting, and, without limiting the generality of the foregoing, shall ensure that the Rugby Circular does not contain any misrepresentation (except that Rugby shall not be responsible for any information included in the Rugby Circular relating to Pampa Metals and its affiliates and their respective assets that was provided by Pampa Metals expressly for inclusion in the Rugby Circular).
- (e) As promptly as reasonably practicable after the issuance of the Interim Order, Rugby will cause the Rugby Circular and such other documents to be sent to the Rugby Shareholders and filed with the appropriate Securities Authorities, in each case as required by applicable Laws and the Interim Order. The Rugby Circular shall include (i) that the Rugby Board has received the Fairness Opinion, (ii) the general terms of the Fairness Opinion, (iii) the approval of the Rugby Board of the Arrangement, (iv) the determination by the Rugby Board that, after reviewing financial and legal advice, that the Arrangement is fair to the Rugby Shareholders and is in the best interests of Rugby, (v) the recommendation of the Rugby Board that the Rugby Shareholders vote in favour of the Arrangement Resolution, unless such approval or recommendation has been withdrawn, modified or amended in accordance with the terms of this Agreement, (vi) a statement that, subject to the terms of this Agreement and the Voting Agreements, each Rugby Locked-Up Shareholder has agreed in the Voting Agreements to vote all such individual's securities in favour the Arrangement Resolution and against any resolution that is inconsistent with the Arrangement Resolution, and (vii) copy of the Fairness Opinion.

- (f) Rugby shall ensure that the Rugby Circular complies in all material respects with the Interim Order and all applicable Laws and, without limiting the generality of the foregoing, that the Rugby Circular does not, at the time of mailing, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or that is necessary to make the statements contained therein not misleading in light of the circumstances under which they are made (other than with respect to any information relating to Pampa Metals or its affiliates, including the Pampa Metals Shares, or provided by Pampa Metals). Pampa Metals shall provide information relating to it, its affiliates and the Pampa Metals Shares for inclusion in the Rugby Circular and will ensure such information does not contain any untrue statement of a material fact or omit a fact that is necessary to make the statements contained therein not misleading in light of the circumstances under which they are made.
- (g) Each of the Parties shall promptly notify the other if at any time before the Effective Time it becomes aware that the Rugby Circular contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or that is necessary to make the statements contained therein not misleading in light of the circumstances under which they are made, or that otherwise requires an amendment or supplement to the Rugby Circular, and the Parties shall cooperate in the preparation of any such amendment or supplement and, if required by applicable Law or by the Court, Rugby will cause the same to be distributed or otherwise disseminated to the Rugby Shareholders and/or filed with the applicable Securities Authorities.
- (h) Rugby will promptly inform Pampa Metals of any requests or comments made by Securities Authorities in connection with the Rugby Circular, and will allow Pampa Metals and its representatives an opportunity to comment on any response materials and participate in any meetings with Securities Authorities.

## **2.5 The Rugby Meeting**

Subject to the terms of this Agreement and receipt of the Interim Order:

- (a) As soon as reasonably practicable after the date of this Agreement, Rugby shall convene and hold the Rugby Meeting for the purpose of considering the Arrangement Resolution.
- (b) Except (i) as required by applicable Laws, (ii) for purposes of obtaining a quorum or (iii) by valid Rugby Shareholder action, Rugby shall not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the Rugby Meeting without the prior written consent of Pampa Metals, other than in the circumstances contemplated by Section 6.2(c) or Section 7.3.
- (c) Unless the Rugby Board has made a Change in Recommendation in accordance with this Agreement, Rugby shall use commercially reasonable efforts to solicit from the Rugby Shareholders proxies in favour of the approval of the Arrangement

Resolution and against any resolution submitted by any Rugby Shareholder that is inconsistent with the Arrangement Resolution.

- (d) Rugby shall advise Pampa Metals of any Dissent Rights exercised or purported to have been exercised by any Rugby Shareholder received by Rugby in relation to the Arrangement Resolution and any withdrawal of Dissent Rights received by Rugby and, subject to applicable Laws, any written communications sent by or on behalf of Rugby to any Rugby Shareholder exercising or purporting to exercise Dissent Rights in relation to, or otherwise intending to oppose (other than through the voting of Common Shares) the Arrangement Resolution.
- (e) Rugby will give notice to Pampa Metals of the Rugby Meeting and allow Pampa Metals' representatives and legal counsel to attend the Rugby Meeting.

## **2.6 Final Order**

If (a) the Interim Order is obtained, and (b) the Arrangement Resolution is passed at the Rugby Meeting by Rugby Shareholders by the Required Vote as provided for in the Interim Order and as required by applicable Law, and (c) the Regulatory Approvals are obtained, subject to the terms of this Agreement, Rugby shall as soon as reasonably practicable but in any event not less than three (3) business days thereafter submit the Arrangement to the Court, pursuant to Section 291 of the BCBCA, for the Final Order and thereafter diligently pursue an application for the Final Order.

## **2.7 Court Proceedings and Materials**

- (a) Subject to the terms of this Agreement, Pampa Metals will cooperate with, assist and consent to Rugby seeking the Interim Order and the Final Order, including by providing Rugby on a timely basis any information required to be supplied by Pampa Metals in connection therewith. Rugby will provide Pampa Metals and its legal counsel with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, including by providing on a timely basis a description of any information required to be supplied by Pampa Metals for inclusion in such material, prior to the service and filing of that material, and Rugby will give reasonable consideration to all comments made by Pampa Metals and its representatives. Rugby will ensure that all material filed with the Court in connection with the Arrangement is consistent in all material respects with the terms of this Agreement and the Plan of Arrangement. Rugby will also provide legal counsel to Pampa Metals on a timely basis with copies of any notices and evidence served on Rugby or its legal counsel in respect of the applications for the Interim Order, the Final Order or any other proceeding related to this Agreement, the Arrangement or the Transactions or any appeal therefrom and of any written notice received by Rugby indicating any intention to oppose the granting of the Interim Order or the Final Order or to appeal the Interim Order or the Final Order.

- (b) Subject to applicable Law, Rugby will not file any material with the Court in connection with this Agreement, the Arrangement or the Transactions or any appeal therefrom or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated hereby or with Pampa Metals' prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided that nothing herein shall require Pampa Metals to agree or consent to any increase in the Consideration or other modification or amendment to such filed or served materials that expands or increases Pampa Metals' obligations set forth in this Agreement.

## **2.8 Arrangement and Effective Date**

The Parties shall each use commercially reasonable efforts to cause the Effective Date to occur on or prior to the Outside Date, and in any event, shall take all steps required to give effect to the Arrangement within three (3) Business Days following the satisfaction or waiver of all conditions to completion of the Arrangement set out in Article 8 (excluding any conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to satisfaction or waiver of such conditions, to the extent they may be waived, on the Effective Date), or on such other date as may agreed upon by the Parties in writing, and the Arrangement shall be effective at the Effective Time on the Effective Date and will have all of the effects provided by applicable Law. The closing of the Arrangement will take place remotely by exchange of documents and signatures on their electronic counterparts.

## **2.9 Payment of Consideration**

Pampa Metals will, no later than two Business Days prior to the Effective Date, deposit in escrow with the Depositary sufficient Pampa Metals Shares to satisfy the Consideration to be paid pursuant to the Arrangement to the Rugby Shareholders.

## **2.10 Announcement and Shareholder Communications**

Rugby and Pampa Metals shall jointly publicly announce the Arrangement promptly following the execution of this Agreement by Rugby and Pampa Metals, the text and timing of such announcement to be approved by Rugby and Pampa Metals in advance, acting reasonably. Each Party shall consult with the other Party prior to issuing any other press releases or otherwise making public written statements with respect to the Arrangement or this Agreement and shall provide the other Party with a reasonable opportunity to review and comment on all such press releases or public written statements prior to the release thereof. Rugby and Pampa Metals shall co-operate in the preparation of presentations, if any, to the Rugby Shareholders regarding the Plan of Arrangement. The obligations of the Parties in this Section 2.10 shall be subject to each Party's overriding obligation to make any disclosure or filing required under applicable Laws or stock exchange rules or listing agreement, and the Party making such disclosure shall use reasonable best efforts to give prior oral or written notice to the other Party and reasonable opportunity to review or comment on the disclosure or filing, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing.

## 2.11 Withholding Taxes

Pampa Metals, Rugby, SpinCo and the Depositary shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any person under this Agreement and from all dividends (including deemed dividends), interest, or other amounts payable to any former Rugby Shareholder, including any person who has exercised Dissent Rights (each, an “**Affected Person**”), all such amounts as Pampa Metals, Rugby, SpinCo and the Depositary determines, acting reasonably, are required or permitted to be deducted and withheld with respect to such payment under Canadian or United States tax Laws, including the Tax Act, or any other applicable Law (“**Withholding Obligations**”). To the extent that such amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes under this Agreement as having been paid to the person in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity or person entitled thereto. Rugby, Pampa Metals, and the Depositary have the right to sell, or cause a broker to sell, on behalf of any Affected Person, such consideration, including such number of Common Shares, New Common Shares, or the Consideration as is sufficient to fund the Withholding Obligations (after deducting commissions payable to the broker and other costs and expenses). None of Rugby, Pampa Metals, the Depositary, or any broker will be liable for any loss arising out of any sale of such shares including any loss relating to the manner or timing of such sale, the prices at which the shares are sold, or otherwise.

## 2.12 Convertible Securities

For greater certainty, Pampa Metals acknowledges and agrees that upon completion of the Arrangement:

- (a) each Rugby Warrant outstanding immediately prior to the Effective Time, shall on the Effective Time be adjusted in accordance with its terms and thereafter shall entitle the holder thereof upon exercise of such Rugby Warrant following the Effective Time, on the same terms and conditions as were applicable to such Rugby Warrant before the Effective Time, other than the exercise price per Rugby Share, to purchase from Pampa Metals for the same aggregate consideration, the number of Pampa Metals Shares (rounded down to the nearest whole number) equal to the number of Rugby Shares subject to such Rugby Warrant immediately prior to the Effective Time divided by 6.4 in accordance with such adjustment;
- (b) on the Effective Date, Pampa Metals will deliver, in a form mutually acceptable to the Parties, an assumption agreement reflecting the foregoing; and
- (c) pursuant to the terms of the Rugby Option Plan, each Rugby Option outstanding immediately prior to the Effective Time, whether vested or unvested, shall be deemed to be exchanged for an option (a “**Replacement Option**”) to purchase from Pampa Metals, the number of Pampa Metals Shares (rounded down to the nearest whole number) equal to (A) the number of Rugby Shares subject to such Rugby Option immediately prior to the Effective Time divided by (B) 6.4, at an exercise price per Rugby Share (rounded up to the nearest whole cent) otherwise

purchasable pursuant to such Rugby Option immediately prior to the Effective Time multiplied by 6.4, exercisable until the original expiry date of such Rugby Option. All terms and conditions of the Replacement Options, including the terms, conditions, and manner of exercising shall be governed by the Pampa Metals Option Plan, and any document evidencing a Rugby Option shall thereafter evidence and be deemed to evidence such Replacement Option. It is intended that subsection 7(1.4) of the Tax Act apply to such exchange of options. Accordingly, and notwithstanding the foregoing, the exercise price of a Replacement Option shall be adjusted as necessary to ensure that the In-the-Money Amount of the Replacement Option immediately after the exchange pursuant to this Section 2.12 does not exceed the In-the-Money Amount of the Rugby Option immediately prior to such exchange.

### **ARTICLE 3**

#### **REPRESENTATIONS AND WARRANTIES OF RUGBY**

##### **3.1 Representations and Warranties**

Rugby hereby represents and warrants to and in favour of Pampa Metals as follows except as disclosed or qualified in the Rugby Disclosure Letter (which Rugby Disclosure Letter is being executed and delivered contemporaneously herewith and is deemed to constitute an integral part of this Agreement and to modify the representations and warranties of Rugby contained in this Agreement and which shall make reference to the applicable section, subsection, paragraph or subparagraph below), and acknowledges that Pampa Metals is relying upon such representations and warranties in connection with the entering into of this Agreement:

- (a) **Rugby Board Approval.** As of the date hereof, the Rugby Board, after consultation with its financial and legal advisors and following the receipt and review of a recommendation from the Special Committee, has determined unanimously that the Arrangement is fair, from a financial point of view, to the Rugby Shareholders and is in the best interests of Rugby and has resolved unanimously to recommend to the Rugby Shareholders that they vote their Common Shares in favour of the Arrangement, and the Rugby Board has unanimously approved the Arrangement and the execution and performance of this Agreement.
- (b) **Organization and Qualification.** Rugby is a corporation or company duly created and validly existing under the Laws of its jurisdiction of incorporation, continuance, amalgamation or formation, as the case may be, and has all necessary corporate or legal power, authority and capacity to own, lease, license or otherwise hold its property and assets as now owned, leased, licensed or otherwise held, and to carry on its business as it is now being conducted. Rugby and each of its subsidiaries being acquired by Pampa Metals pursuant to the Arrangement (collectively the “**Rugby Subsidiaries**” and individually a “**Rugby Subsidiary**”) is duly registered or otherwise authorized and qualified to do business and each is in good standing in each jurisdiction in which the character of its property and assets owned, leased, licensed or otherwise held, or the nature of its activities, makes such registration or

authorization and qualification necessary, except where the failure to be so registered, authorized, qualified or in good standing would not reasonably be expected to have a Rugby Material Adverse Effect. Correct, current and complete copies of the articles of incorporation, continuance or amalgamation, memorandum of association and, if applicable, by-laws or articles of association (or the equivalent formation or organizational documents), together with all amendments thereto, of Rugby and each of the Rugby Subsidiaries (collectively, the “**Rugby Organizational Documents**”) have been Made Available to Pampa Metals.

- (c) Capitalization. The authorized and issued capital of Rugby consists of an unlimited number of Common Shares, of which, as of the close of business of April 14, 2025, 417,057,381 Common Shares have been validly issued and are outstanding as fully paid and non-assessable shares and have not been issued in violation of any pre-emptive rights. As disclosed by Rugby in Section 3.1(c) of the Rugby Disclosure Letter, as of the close of business on April 14, 2025 an aggregate of up to 15,430,000 Common Shares are issuable upon the exercise of Rugby Options, an aggregate of up to nil Common Shares are issuable upon the vesting of Rugby RSUs, an aggregate of up to 124,155,872 Common Shares are issuable pursuant to the Rugby Warrants, and such Common Shares have been duly authorized and, upon issuance, will be validly issued and outstanding as fully paid and non-assessable shares, and will not have been issued in violation of any pre-emptive rights. Except in connection with the Spinout Transaction, there are no options, warrants, conversion privileges, commitments (contingent or otherwise) or other Contract or any right or privilege (whether by Law, pre-emptive or contractual) capable of becoming an agreement, for the purchase, allotment or issuance of, or subscription for, any securities of Rugby, or any securities convertible or exchangeable into, or exercisable for, or otherwise evidencing a right to acquire, any securities of Rugby. All of the Common Shares, the Rugby Options, Rugby RSUs and the Rugby Warrants have been issued in compliance with all applicable corporate Laws, Securities Laws and the Rugby Organizational Documents. Other than the Common Shares, the Rugby Options, Rugby RSUs and the Rugby Warrants, there are no securities of Rugby or of any of the Rugby Subsidiaries outstanding which have the right to vote generally (or are convertible into or exchangeable for securities having the right to vote generally) with the Rugby Shareholders on any matter. There are no outstanding Contracts or other obligations of Rugby to (i) repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any of its outstanding securities or (ii) make any investment in or provide any funds to (whether in the form of a loan, capital contribution or otherwise) any person, other than a wholly-owned subsidiary of Rugby. There are no outstanding bonds, debentures or other evidences of Indebtedness of Rugby or any of the Rugby Subsidiaries having the right to vote with the Rugby Shareholders on any matters.



(d) Subsidiaries.

- (i) All of the Rugby Subsidiaries (whether registered or beneficial) are set forth in Section 3.1(d) of Rugby Disclosure Letter. The following information with respect to each Rugby Subsidiary is accurately set out in Section 3.1(d) of Rugby Disclosure Schedule: (A) its name; (B) the registered holder of such Rugby Subsidiary's equity securities or equity interests; and (C) its jurisdiction of incorporation, organization or formation. Except as set forth in Section 3.1(d) of Rugby Disclosure Letter, Rugby does not otherwise own, directly or indirectly, any capital stock or other equity securities of any person or have any direct or indirect equity or ownership interest in any business.
- (ii) Each Rugby Subsidiary is duly incorporated, organized and is validly existing under the Laws of its jurisdiction of incorporation and has the corporate power, capacity and authority to own, dispose and cause the conveyance of its assets and conduct its business as now owned and conducted. Each Rugby Subsidiary is duly qualified to carry on business in each jurisdiction in which its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities make such qualification necessary.
- (iii) Rugby is, directly or indirectly, the registered and beneficial owner of all of the issued and outstanding securities of each Rugby Subsidiary, free and clear of all Liens, and all such securities have been duly and validly authorized and issued, are fully paid, and if a Rugby Subsidiary is a corporation, are non-assessable. No such securities have been issued in violation of any Law or pre-emptive or similar rights.

- (e) Authority Relative to this Agreement. Rugby and SpinCo have all necessary corporate power, authority and capacity to execute, deliver and perform their obligations under this Agreement. All necessary corporate action has been taken by Rugby and SpinCo to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder, and, except for approval by the Rugby Shareholders by the Required Vote, no other corporate proceedings on the part of Rugby and SpinCo are necessary to authorize the execution and delivery by them of this Agreement or the performance of their obligations under this Agreement other than, with respect to the Rugby Circular and other matters relating directly thereto, the approval of the Rugby Board. This Agreement has been duly executed and delivered by Rugby and SpinCo and constitutes a legal, valid and binding obligation of Rugby and SpinCo, enforceable against them in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

- (f) No Violations. Subject to obtaining the Regulatory Approvals set out in Schedule “C” and other than in connection with or in compliance with the provisions of applicable corporate Laws and Securities Laws as expressly contemplated by this Agreement in connection with the Interim Order, the Final Order and the Rugby Circular, no filing or registration with, or authorization, consent or approval of, any Governmental Entity or stock exchange is required on the part of Rugby in connection with the Arrangement, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals which, if not received, would not reasonably be expected to (i) be material to Rugby or (ii) prevent or restrict or delay the consummation of the Transactions. Except as disclosed in Section 3.1(f) of the Rugby Disclosure Letter and subject to obtaining the Regulatory Approvals set forth in Schedule “C”, the execution and delivery of this Agreement by Rugby, and the performance by Rugby of its obligations under this Agreement, will not:
- (i) result in a violation, contravention or default (or an event which with or without notice or lapse of time or both, would constitute a default) under, or require any consent, approval or notice under any of the terms, conditions or provisions of (A) the Rugby Organizational Documents, (B) any Law applicable to Rugby or any of the Rugby Subsidiaries or any of their property or (C) any Contract to which Rugby or any of the Rugby Subsidiaries is a party or by which it or any of its property may be subject or by which Rugby or any of the Rugby Subsidiaries is bound;
  - (ii) grant any person a right to reduce fees or other payments to Rugby or any of the Rugby Subsidiaries, or a right of first refusal, first opportunity or other right or option to acquire securities or property of Rugby or any of the Rugby Subsidiaries, or a right to compel Rugby or any of the Rugby Subsidiaries to acquire securities or other property of any other person;
  - (iii) give rise to any right of termination or acceleration of Indebtedness of Rugby or any of the Rugby Subsidiaries, or cause any Indebtedness of Rugby or any of the Rugby Subsidiaries to come due before its stated maturity, or cause any credit commitment to cease to be available to Rugby or any of the Rugby Subsidiaries;
  - (iv) cause any payment or other obligation to be imposed on Rugby or any of the Rugby Subsidiaries under, any of the terms, conditions or provisions of any Contract to which Rugby or any of the Rugby Subsidiaries is a party or by which it or any of its property or assets is bound;
  - (v) result in the creation of any Lien upon any of the securities or property of Rugby or any of the Rugby Subsidiaries (including the Rugby Mineral Rights); or
  - (vi) cause the suspension or revocation of any Permit held by Rugby or any of the Rugby Subsidiaries that is in effect on the date hereof.

- (g) Compliance with Laws. Each of Rugby and the Rugby Subsidiaries, in all material respects, (i) has conducted its business in compliance with, and is conducting its business in compliance with, all applicable Laws in each jurisdiction in which it conducts business, and (ii) is not in default of any filings with, or payment of any licence, registration or qualification fee owing to, any Governmental Entity under the Laws of any jurisdiction in which it conducts business. None of Rugby, any of the Rugby Subsidiaries, or, to the Knowledge of Rugby, their respective directors, officers or employees acting on behalf of Rugby or the Rugby Subsidiaries is violating any provision of the *Corruption of Foreign Public Officials Act (Canada)* or the *United States Foreign Corrupt Practices Act of 1977*, to the extent applicable, and, to the Knowledge of Rugby, no agent acting on behalf of Rugby or the Rugby Subsidiaries has violated or is violating such Laws. None of Rugby or any of the Rugby Subsidiaries is under investigation with respect to the foregoing or has received any notice that any violation of the foregoing is being or may be alleged.
- (h) Reporting Status and Securities Laws Matters. Rugby is a “reporting issuer” and is not on the list of reporting issuers in default (where such concept exists) and is not in default under applicable Securities Laws. No Rugby Subsidiary is subject to the continuous disclosure requirements under any Securities Laws or any similar requirements under the applicable Laws of its jurisdiction of formation.
- (i) Reports. The documents comprising the Rugby Public Disclosure Record (i) did not, as of their respective dates or dates of amendment, if applicable, 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 therein, not misleading in light of the circumstances under which they were made, and (ii) complied in all material respects with applicable Securities Laws at the time they were filed or furnished. Rugby has timely filed or furnished, or caused to be filed or furnished, with the Securities Authorities all amendments, forms, reports, schedules, statements and other documents required to be filed or furnished by Rugby or any of the Rugby Subsidiaries with the Securities Authorities since April 1, 2023. Rugby has not filed any confidential material change report which, at the date hereof, remains confidential.
- (j) Rugby Financial Statements. Rugby’s audited consolidated financial statements (including the consolidated statements of financial position, the consolidated statements of loss and comprehensive loss, the consolidated statements of cash flows, and the consolidated statements of changes in equity) as at and for the fiscal years ended February 29, 2024 and February 28, 2023 and interim period ended November 30, 2024 (including the notes thereto) and related management’s discussion and analysis for such periods (collectively, the “**Rugby 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 audited statements, in the related report of the Rugby’s independent auditors, or (ii) that unaudited interim consolidated financial statements are subject to normal period-end adjustments and they may omit notes which are not required

by applicable Laws and IFRS in the unaudited statements) and fairly present in all material respects the consolidated financial position, results of operations and cash flows of Rugby and its subsidiaries (on a consolidated basis) as of the dates thereof and for the periods indicated therein and reflect reserves required by IFRS in respect of all material contingent liabilities, if any, of Rugby and the its subsidiaries on a consolidated basis. Except as disclosed in Section 3.1(j) of the Rugby Disclosure Letter, there has been no material change in Rugby's accounting policies, except as described in the notes to the Rugby Financial Statements, since November 30, 2024.

- (k) Books and Records. The financial books, records and accounts of Rugby and each of the Rugby Subsidiaries (i) have been maintained in all material respects in compliance with applicable Laws and IFRS on a basis consistent with prior years, (ii) accurately and fairly reflect the material transactions, acquisitions and dispositions of the property and assets of Rugby and each of the Rugby Subsidiaries and (iii) accurately and fairly reflect the basis for the Rugby Financial Statements. Rugby's minute books and those of each of the Rugby Subsidiaries are complete and accurate in all material respects, other than those portions of minutes of meetings reflecting discussions of the Arrangement or alternative transactions. True and complete copies of the minute books of Rugby have been Made Available to Pampa Metals.
- (l) Whistleblower Reporting. No employee, consultant or agent of Rugby or any of the Rugby Subsidiaries nor any attorney representing Rugby or any of the Rugby Subsidiaries, whether or not employed by Rugby or any of the Rugby Subsidiaries, has reported evidence of a material violation of any Securities Laws, breach of fiduciary duty or similar material violation by Rugby or any of the Rugby Subsidiaries or their respective officers, directors, employees, agents or independent contractors to Rugby's management, audit committee (or other committee designated for the purpose) of the Rugby Board or the Rugby Board.
- (m) Absence of Certain Changes. Since November 30, 2024, except as disclosed in the Rugby Public Disclosure Record or the Rugby Disclosure Letter or as contemplated by this Agreement:
  - (i) Rugby and each of the Rugby Subsidiaries have conducted its business only in the ordinary course of business consistent with past practice;
  - (ii) there has not occurred any fact, development, circumstance, change, matter, action, condition, event or occurrence that required the filing of a material change report under applicable Securities Laws;
  - (iii) there has not been any material damage, destruction or other casualty loss with respect to any material asset owned, leased or otherwise used by Rugby or any of the Rugby Subsidiaries, whether or not covered by insurance;

- (iv) there has not been any acquisition or disposition by Rugby or any of the Rugby Subsidiaries of any material property or assets;
- (v) there has not been any expenditure or commitment to expend by Rugby with respect to capital expenses in excess of \$50,000;
- (vi) there has not been any incurrence, assumption or guarantee by Rugby or the Rugby Subsidiaries of any Indebtedness, any creation or assumption by Rugby or the Rugby Subsidiaries of any Lien on any material assets or any making by Rugby or the Rugby Subsidiaries of any loan, advance or capital contribution to or investment in any other person other than a wholly-owned subsidiary of Rugby;
- (vii) there has been no dividend or distribution of any kind declared, paid or made by Rugby on the Common Shares; and
- (viii) other than in the ordinary course of business, there has not been any material increase in or material modification of the compensation payable to or to become payable by Rugby or any of the Rugby Subsidiaries to any of their respective directors, officers, employees or consultants or any grant to any such director, officer, employee or consultant of any retention, change-in-control, transaction, severance or termination pay or any increase or modification of any retention, change-in-control, transaction, severance or termination pay, bonus, pension, insurance or benefit arrangement (excluding the granting of Rugby Options or Rugby RSUs) made to, for or with any of such directors, officers, employees or consultants.
- (ix) neither Rugby nor any of the Rugby Subsidiaries has entered into, or amended, any Material Contract;
- (n) No Undisclosed Liabilities. Except as disclosed in the Rugby Financial Statements, Rugby and the Rugby Subsidiaries have no material liabilities, Indebtedness or obligations of any nature that would be required to be disclosed on a consolidated balance sheet of Rugby (or the notes thereon) prepared in accordance with IFRS (whether accrued, absolute, contingent or otherwise) other than liabilities, Indebtedness or obligations incurred since November 30, 2024 by Rugby and the Rugby Subsidiaries in the ordinary course of business. Section 3.1(n) of the Rugby Disclosure Letter sets out a list of all Indebtedness outstanding among Rugby and any of the Rugby Subsidiaries.
- (o) Litigation. There are no claims, actions, suits, demands, arbitrations, charges, indictments, orders, hearings or other civil, criminal, administrative or investigative proceedings, or other investigations or examinations (collectively, “**Legal Actions**”) pending or, to the knowledge of Rugby, threatened against, and to the knowledge of Rugby, no facts or circumstances exist that could reasonably be expected to form the basis of a Legal Action against, Rugby or any of the Rugby Subsidiaries or against any of their respective property or assets, at law or in equity,

in each case, which would, individually or in the aggregate, reasonably be expected to have a Rugby Material Adverse Effect.

(p) Taxes.

- (i) Rugby and each of the Rugby Subsidiaries has (A) duly and timely filed, or caused to be filed, all Returns required to be filed by it with the appropriate Governmental Entity prior to the date hereof, other than those which have been administratively waived, and all such Returns are true, complete, and correct in all material respects and have not been materially amended; (B) paid on a timely basis all Taxes and all assessments and reassessments of Taxes due on or before the date hereof, including installments on account of Taxes for the current year required by applicable Law, other than Taxes which are being or have been contested in good faith and for which adequate reserves have been provided in the Rugby Financial Statements; (C) duly and timely withheld, or caused to be withheld, all Taxes required or permitted by Law to be withheld by it (including Taxes and other amounts required or permitted 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 account of any person, including any employees, officers or directors and any non-resident person) and duly and timely remitted, or caused to be remitted, to the appropriate Tax authority such Taxes required by Law to be remitted by it; and (D) duly and timely collected, or caused to be collected, any sales, use, or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Law to be collected by it and duly and timely remitted to the appropriate Tax authority any such amounts required by Law to be remitted by it; (ii) (A) to the knowledge of Rugby, there are no audits or investigations in progress, pending or threatened in writing by any Governmental Entity with respect to Taxes against Rugby, any of the Rugby Subsidiaries or any of the assets of Rugby or any of the Rugby Subsidiaries; and (B) no deficiencies, litigation, proposed adjustments or matters in controversy with respect to Taxes exist or have been asserted or have been raised in writing by any Governmental Entity which remain unresolved at the date hereof, and no action or proceeding for assessment or collection of Taxes has been taken, asserted, or to the knowledge of Rugby, threatened, against Rugby or any of the Rugby Subsidiaries or any of their respective assets, except, in each case, as are being contested in good faith and for which adequate reserves have been provided in the Rugby Financial Statements.
- (ii) No claim has ever been made by a taxing authority in a jurisdiction where Rugby or any of the Rugby Subsidiaries does not file a Tax Return that Rugby or any of the Rugby Subsidiaries is or may be subject to taxation by that jurisdiction.

- (iii) For the purposes of the Tax Act and any other relevant Tax purposes, (A) Rugby is resident in Canada; and (B) each of the Rugby Subsidiaries is resident in the jurisdiction in which it was formed.
- (iv) There are no Liens for Taxes upon any properties or assets of Rugby or any of the Rugby Subsidiaries (other than Liens relating to Taxes not yet due and payable and for which adequate reserves have been recorded on the most recent Rugby Financial Statements).
- (q) Personal Property. Rugby and the Rugby Subsidiaries have good and valid title to, or a valid and enforceable leasehold interest in, all personal property that is, individually or in the aggregate, material to the operation of Rugby's business as currently conducted, free and clear of any Liens.
- (r) Contracts. Prior to the date hereof, Rugby has Made Available to Pampa Metals true and complete copies of all Rugby Material Contracts, other than the engagement letter between Rugby and the Financial Advisor (the economic terms of which have been Made Available to Pampa Metals). All Rugby Material Contracts are in full force and effect and are the valid and binding obligations of Rugby or the Rugby Subsidiaries, as applicable, and, to the knowledge of Rugby, the valid and binding obligation of each other party thereto subject to the qualification that enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered. None of Rugby, the Rugby Subsidiaries or, to the knowledge of Rugby, any of the other parties thereto, is in breach or violation of, or default (in each case, with or without notice or lapse of time or both) under, any Rugby Material Contract, none of Rugby or any the Rugby Subsidiaries has received or given any notice of a default under any such Rugby Material Contract which remains uncured, and none of Rugby or any of the Rugby Subsidiaries has waived any rights under any such Rugby Material Contract, except, in each case, for such breaches, violations, defaults and waivers as would not, individually or in the aggregate, reasonably be expected to be material to Rugby. There exists no state of facts which, after notice or lapse of time or both, would trigger any pre-emptive rights or rights of first refusal under the Rugby Material Contracts, except for such pre-emptive rights or rights of first refusal which, if triggered, would not, individually or in the aggregate, reasonably be expected to be material to Rugby.
- (s) Leased Property. Each property currently leased or subleased by Rugby or any of the Rugby Subsidiaries, other than any leases in respect of the Mineral Rights, is listed in Section 3.1(s) of the Rugby Disclosure Letter, identifying the name of the entity holding such leasehold interest and the documents under which such leasehold interest are held. Neither Rugby nor any of the Rugby Subsidiaries is in violation of any material covenants or not in compliance with any material condition or restrictions under such leasehold documents.

(t) Interest in Mineral Rights.

- (i) None of Rugby or the Rugby Subsidiaries owns any real property other than the Rugby Mineral Rights.
- (ii) All of the mineral interests, rights and ancillary rights (including any fee land, patented and unpatented mining claims and mill sites, deeds, concessions, exploration licences, exploitation licences, prospecting or other permits, approvals, authorizations or consents, mining leases, mining rights, easements and leases, surface use and access rights, and water rights) (collectively, the “**Mineral Rights**”) held by Rugby and the Rugby Subsidiaries which will not form part of the SpinCo Assets (the “**Rugby Mineral Rights**”) are set out in Section 3.1(t) of the Rugby Disclosure Letter.
- (iii) Except as disclosed in Section 3.1(t) of the Rugby Disclosure Letter and except for the Rio Tinto Royalty:
  - (A) Rugby or a Rugby Subsidiary is the sole legal and beneficial owner of all right, title and interest in and to the Rugby Mineral Rights, free and clear of any Liens;
  - (B) Rugby or a Rugby Subsidiary has good and sufficient title to the Rugby Mineral Rights and all of the Rugby Mineral Rights are valid and subsisting and have been properly located and recorded in compliance with applicable Law;
  - (C) the Rugby Mineral Rights are in good standing under applicable Law and, to the knowledge of Rugby, all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, claim maintenance fees required to be paid under federal law in lieu of the performance of assessment work, in order to maintain the claims for all assessment years to which such fees apply, rentals, fees, expenditures, reclamation bonds and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made or will be timely and properly performed on or for the benefit of the claims, and affidavits evidencing such work were or will be timely recorded, for all assessment years up to and including the assessment years ending on April 16, 2025 and May 15, 2024;
  - (D) there is no material adverse claim or material challenge in progress, pending or, to the knowledge of Rugby, threatened against or to the title to or ownership of any of the Rugby Mineral Rights, including any aboriginal and/or tribal title claims;



- (E) Rugby or a Rugby Subsidiary has the exclusive right to deal with all of the Rugby Mineral Rights;
  - (F) no person other than Rugby and a Rugby Subsidiary has any right, title, or interest in any of the Rugby Mineral Rights or the production or profits therefrom or any royalty in respect thereof or any right to acquire any such interest, and there are no adverse or competing claims in respect thereof;
  - (G) no person has any back-in rights, earn-in rights, rights of first refusal or similar provisions or rights or options that would affect Rugby's or a Rugby Subsidiary's right, title, or interest in any of the Rugby Mineral Rights;
  - (H) there are no material restrictions on the ability of Rugby and the Rugby Subsidiaries to use, transfer or exploit any of the Rugby Mineral Rights, except pursuant to the applicable Law or the terms of the Rugby Mineral Rights; and
  - (I) neither Rugby nor any of the Rugby Subsidiaries has received any notice, whether written or oral, from any Governmental Entity of any revocation or intention to revoke any interest of Rugby or a Rugby Subsidiary in any of the Rugby Mineral Rights.
- (u) No Expropriation. No property or asset of Rugby or the Rugby Subsidiaries (including any Rugby Mineral Rights) has been taken or expropriated by any Governmental Entity nor has any notice or proceeding in respect thereof been given or commenced nor, to the knowledge of Rugby, is there any intent or proposal to give any such notice or to commence any such proceeding.
- (v) Permits. Except as disclosed in the Rugby Public Disclosure Record, Rugby and each of the Rugby Subsidiaries has obtained and is in compliance, in all material respects, with all material Permits required by applicable Laws to conduct its current business as it is now being conducted.
- (w) Employment Matters
- (i) Except as disclosed in Schedule 3.1(w) of the Rugby Disclosure Letter, neither Rugby nor any of the Rugby Subsidiaries:
    - (A) is a party to any written or oral agreement, arrangement, plan, obligation or understanding providing for severance or termination payments to, or any employment, retention or change of control agreement (including any agreements that provide for bonus or "golden parachute" payments or any similar payments resulting from the completion of the transactions contemplated by this

Agreement) with, any current or former employees or consultants of Rugby; nor

- (B) is a party to any collective bargaining agreement or is, or in the past three years has been, subject to any application for certification or threatened or apparent union-organizing campaigns for Rugby Employees not covered under a collective bargaining agreement nor are there, or in the past three years have there been, any current, pending or threatened strikes or lockouts at Rugby or any of the Rugby Subsidiaries.
- (ii) Rugby and the Rugby Subsidiaries have been and are now in compliance, in all material respects, with all applicable Laws with respect to employment and labour and there are no current, pending or, to the knowledge of Rugby, threatened proceedings before any Governmental Entity with respect to employment or termination of employment of employees or independent contractors.
- (iii) Section 3.1(w) of the Rugby Disclosure Letter contains a list of all health, dental, welfare, supplemental unemployment benefit, bonus, incentive, termination, severance, change of control, profit sharing, option, insurance, incentive, incentive compensation, change in control, retention, deferred compensation, share purchase, share compensation, disability, pension, supplemental pension or retirement plans, post-termination employee benefits and other material employee or director compensation or benefit plans, policies, trusts, funds, agreements or arrangements for the benefit of directors or former directors of Rugby or any of the Rugby Subsidiaries, Rugby Employees or former Rugby Employees or individuals working on contract with Rugby or any of the Rugby Subsidiaries or other individuals providing services to Rugby or any of the Rugby Subsidiaries, which are maintained by or binding upon Rugby or any of the Rugby Subsidiaries or in respect of which Rugby or any of the Rugby Subsidiaries has any actual or potential liability or to which Rugby or any of the Rugby Subsidiaries contributes or is required to contribute (collectively, the “**Rugby Plans**”). True, current and complete copies of the following have been Made Available to Pampa Metals (where applicable): (A) the Rugby Plans and all amendments thereto; (B) the most recently prepared actuarial report or financial statement relating to a Rugby Plan, where applicable; and (C) all material trust agreements, funding agreements or insurance contracts relating to a Rugby Plan. All obligations of Rugby or any of the Rugby Subsidiaries regarding the Rugby Plans have been satisfied in all material respects.
- (iv) All of the Rugby Plans are and have been established, registered (where required), qualified and, in all material respects, administered in accordance with all applicable Laws, and in accordance with their terms and the terms

of agreements between Rugby and/or any of the Rugby Subsidiaries, as the case may be, and their respective employees and former employees who are members of, or beneficiaries under, the Rugby Plans.

- (v) No Rugby Plan is subject to any pending or, to the knowledge of Rugby, threatened investigation, examination, audit, litigation or other proceeding, action or claim initiated by any Governmental Entity, or by any other party (other than routine claims for benefits), except for such investigations, examinations, audits, litigation or other proceedings, actions or claims which would not, individually or in the aggregate, reasonably be expected to be material to Rugby.
- (vi) No Rugby Plan provides any non-pension post retirement or post-employment benefits.
- (vii) Except as disclosed in Section 3.1(w) of the Rugby Disclosure Letter no person will, as a result of Rugby completing the Transactions (either alone or upon the occurrence of any subsequent termination of employment), become entitled to: (i) any retirement, severance, bonus or other similar payment or benefit (or any increase therein); (ii) the acceleration of the vesting, the time to exercise or the time of payment of any outstanding stock option or employee benefits; (iii) the forgiveness or postponement of payment of any Indebtedness owing by such person to Rugby or any of the Rugby Subsidiaries; (iv) receive any additional payments, compensation or benefits, or funding of any compensation or benefits, under or in respect of any employee benefits (including a cash surrender or similar payment in respect of outstanding stock options); or (v) any “parachute payment”.
- (viii) Neither Rugby nor any of the Rugby Subsidiaries has any obligation to gross-up, indemnify or otherwise reimburse any current or former Rugby Employee, director or other service provider for any Taxes incurred by such individual.
- (x) Insurance. All policies or binders of insurance maintained by Rugby or the Rugby Subsidiaries have been Made Available to Pampa Metals and Rugby is in compliance in all material respects with all requirements with respect thereto. Rugby and each of the Rugby Subsidiaries is covered by valid and currently effective insurance policies issued in favour of Rugby or any of the Rugby Subsidiaries that Rugby has determined to be commercially reasonable, taking into account the size, nature and stage of development by Rugby and the industries in which Rugby and the Rugby Subsidiaries operate. With respect to each insurance policy issued in favour of Rugby or any of the Rugby Subsidiaries, or pursuant to which Rugby or any of its subsidiaries is a named insured or otherwise a beneficiary under an insurance policy (i) the policy is in full force and effect and all premiums due thereon have been paid, (ii) to the knowledge of Rugby, no insurer on any such policy has been declared insolvent or placed in receivership, debt restructuring proceedings or liquidation, and no notice of cancellation or termination has been

received by Rugby or any of the Rugby Subsidiaries with respect to any such policy, (iii) no insurer under any such policy has cancelled or generally disclaimed liability under any such policy or indicated any intent to do so or not to renew any such policy, (iv) there is no material claim by Rugby or any of the Rugby Subsidiaries pending under any such policy that has been denied or disputed by the insurer, (v) all material claims under such policies have been filed in a timely fashion and (vi) Rugby has not received written notice of any threatened termination of, or material premium increase with respect to, any such policy. Except as disclosed in Section 3.1(x) of the Rugby Disclosure Letter, none of Rugby nor the Rugby Subsidiaries has entered into any Contract providing indemnification rights in favour of any present or former officers, directors or employees of Rugby or any of the Rugby Subsidiaries.

- (y) Related Party Transactions. Neither Rugby nor any of the Rugby Subsidiaries is indebted to any director, officer, employee or agent of, or independent contractor to, Rugby or any of the Rugby Subsidiaries or any of their respective affiliates or associates (except for amounts due as normal salaries, fees and bonuses and in reimbursement of ordinary expenses) other than as disclosed in the Rugby Disclosure Letter. Except as disclosed in the Rugby Public Disclosure Record filed on or before the date hereof, no director, officer, employee or agent of Rugby or any of the Rugby Subsidiaries or any of their respective affiliates or associates is a party to any loan, contract, arrangement or understanding or other transactions with Rugby or any of the Rugby Subsidiaries required to be disclosed pursuant to Securities Laws.
- (z) Environment. Except as disclosed in Section 3.1(z) of the Rugby Disclosure Letter:
  - (i) Each of Rugby and the Rugby Subsidiaries is in compliance in all material respects with all, and has not violated any, Environmental Laws;
  - (ii) None of Rugby, the Rugby Subsidiaries or, to Rugby's knowledge, any other person has Released any Hazardous Substances (in each case except in compliance in all material respects with applicable Environmental Laws) on, at, in, under or from any of the immovable properties, real properties or any lands subject to the Rugby Mineral Rights currently or, to Rugby's knowledge, previously owned, leased or operated by Rugby or any of the Rugby Subsidiaries. To the knowledge of Rugby, there are no Hazardous Substances or other conditions that could reasonably be expected to result in material liability of or materially and adversely affect Rugby or any of the Rugby Subsidiaries under or related to any Environmental Law on, at, in, under or from any of the immovable properties, real properties or any lands subject to the Rugby Mineral Rights currently or, to Rugby's knowledge, previously owned, leased or operated by Rugby or any of the Rugby Subsidiaries;
  - (iii) There are no pending claims or, to the knowledge of Rugby, threatened claims, against Rugby or any of the Rugby Subsidiaries arising out of any

Environmental Laws or in respect of any civil or criminal responsibility for acts or omissions with respect to the Environment;

- (iv) Rugby and the Rugby Subsidiaries are in possession of, and in compliance with, all environmental Permits that are required to own, lease and operate the Rugby Mineral Rights and to conduct its business as it is now being conducted;
  - (v) Rugby has Made Available to Pampa Metals, its affiliates and its advisors copies of (A) all environmental assessments, reports, audits and other documents in its possession (to the extent not superseded by a subsequent assessment, report, audit or other document, as applicable) relating to any real property currently owned, leased or operated by Rugby or any of the Rugby Subsidiaries or any real property that relates to the Rugby Mineral Rights, and (B) any other such assessments, reports, audits and other documents which are in its possession that relate to the current or past environmental condition of any real property currently or formerly owned, leased or operated by Rugby or any of the Rugby Subsidiaries or any real property that relates to the Rugby Mineral Rights.
- (aa) Restrictive Covenants. Except as disclosed in Section 3.1(aa) of the Rugby Disclosure Letter, there is no arbitral award, judgment, injunction, order or decree binding upon Rugby or the Rugby Subsidiaries that has the effect of materially restricting, prohibiting or materially impairing any business practice of any of them, any acquisition or disposition of property by any of them or the conduct of the business by any of them as currently conducted.
  - (bb) ESTMA Filings. Rugby has not filed and was not required to file information returns under the *Extractive Sector Transparency Measures Act* (Canada) for the years ended February 28, 2023 and February 29, 2024.
  - (cc) Brokers. Except for the Financial Advisor, no agent, broker, finder, investment banker or other person is entitled to any brokerage, finder's or other fee or commission from, or to the reimbursement of any of its expenses by, Rugby or any of the Rugby Subsidiaries in connection with this Agreement or the Arrangement based on arrangements made by or on behalf of Rugby.
  - (dd) Taxes. Rugby is a "taxable Canadian corporation" for purposes of the Tax Act.
  - (ee) Shareholder and Similar Agreements. Rugby is not party to any shareholder, pooling, voting trust or other similar agreement relating to the issued and outstanding shares in the capital of Rugby or any of the Rugby Subsidiaries.

### **3.2 Survival of Representations and Warranties**

No investigation by or on behalf of Pampa Metals or its affiliates or its or their Representatives will mitigate, diminish or affect the representations or warranties made by Rugby

in this Agreement or any certificate delivered by Rugby pursuant to this Agreement. The representations and warranties of Rugby contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

## **ARTICLE 4**

### **REPRESENTATIONS AND WARRANTIES OF PAMPA METALS**

#### **4.1 Representations and Warranties of Pampa Metals**

Pampa Metals hereby represents and warrants to and in favour of Rugby and SpinCo as follows except as disclosed or qualified in the Pampa Metals Disclosure Letter (which Pampa Metals Disclosure Letter is being executed and delivered contemporaneously herewith and is deemed to constitute an integral part of this Agreement and to modify the representations and warranties of Pampa Metals contained in this Agreement and which shall make reference to the applicable section, subsection, paragraph or subparagraph below), and acknowledges that Rugby and SpinCo are relying upon such representations and warranties in connection with the entering into of this Agreement:

- (a) **Organization and Qualification.** Pampa Metals is a corporation or company duly created and validly existing under the Laws of its jurisdiction of incorporation, continuance, amalgamation or formation, as the case may be, and has all necessary corporate or legal power, authority and capacity to own, lease, license or otherwise hold its property and assets as now owned, leased, licensed or otherwise held, and to carry on its business as it is now being conducted. Pampa Metals and each of its subsidiaries is duly registered or otherwise authorized and qualified to do business and each is in good standing in each jurisdiction in which the character of its property and assets, owned, leased, licensed or otherwise held, or the nature of its activities makes such registration or authorization and qualification necessary except where the failure to be so registered, authorized qualified or in good standing would not reasonably be expected to have a Pampa Metals Material Adverse Effect. Correct, current and complete copies of the articles of incorporation, continuance or amalgamation, memorandum of association and, if applicable, by-laws or articles of association (or the equivalent formation or organizational documents), together with all amendments thereto, of Pampa Metals (collectively, the “**Pampa Metals Organizational Documents**”) have been Made Available to Rugby.
- (b) **Capitalization.** The authorized and issued capital of Pampa Metals consists of an unlimited number of Pampa Metals Shares, of which, as of the close of business of April 14, 2025, 107,473,718 Pampa Metals Shares have been validly issued and are outstanding as fully paid and non-assessable shares and have not been issued in violation of any pre-emptive rights. As of the close of business of April 14, 2025, an aggregate of up to 3,635,000 Pampa Metals Shares are issuable upon the exercise of Pampa Metals Options, 1,150,000 Pampa Metals Shares are issuable upon vesting of Pampa Metals RSUs and 34,205,729 Pampa Metals Shares are issuable pursuant to the Pampa Metals Warrants, the exercise prices, expiration dates and

vesting dates (before any acceleration thereof) of which are set forth in Section 4.1(b) of the Pampa Metals Disclosure Letter, and such Pampa Metals Shares have been duly authorized and, upon issuance, will be validly issued and outstanding as fully paid and non-assessable shares, and will not have been issued in violation of any pre-emptive rights. Except as disclosed in Section 4.1(b) of the Pampa Metals Disclosure Letter, there are no options, warrants, conversion privileges, commitments (contingent or otherwise) or other Contract or any right or privilege (whether by Law, pre-emptive or contractual) capable of becoming an agreement, for the purchase, allotment or issuance of, or subscription for, any securities of Pampa Metals, or any securities convertible or exchangeable into, or exercisable for, or otherwise evidencing a right to acquire, any securities of Pampa Metals. All of the Pampa Metals Shares, the Pampa Metals Warrants and the Pampa Metals Options have been issued or created, as the case may be, in compliance with all applicable corporate Laws, Securities Laws and the Pampa Metals Organizational Documents. Other than the Pampa Metals Shares, the Pampa Metals Warrants and the Pampa Metals Options, and there are no securities of Pampa Metals or of any of its subsidiaries outstanding which have the right to vote generally (or are convertible into or exchangeable for securities having the right to vote generally) with the Pampa Metals Shareholders on any matter. There are no outstanding Contracts or other obligations of Pampa Metals to (i) repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any of its outstanding securities or (ii) make any investment in or provide any funds to (whether in the form of a loan, capital contribution or otherwise) any person, other than a wholly-owned subsidiary of Pampa Metals. There are no outstanding bonds, debentures or other evidences of Indebtedness of Pampa Metals or any of its subsidiaries having the right to vote with the Pampa Metals Shareholders on any matters.

(c) Ownership of Subsidiaries.

- (i) All of the Pampa Metals' subsidiaries or interests (whether registered or beneficial) in any person are set forth in Section 4.1(c) of the Pampa Metals Disclosure Letter. The following information with respect to each Pampa Metals subsidiary is accurately set out in Section 4.1(c) of the Pampa Metals Disclosure Schedule: (A) its name; (B) the registered holder of such Pampa Metals subsidiaries' equity securities or equity interest; and (C) its jurisdiction of incorporation, organization or formation. Except as set forth in Section 4.1(c) of the Pampa Metals Company Disclosure Letter, Pampa Metals does not otherwise own, directly or indirectly, any capital stock or other equity securities of any person or have any direct or indirect equity or ownership interest in any business.
- (ii) Each Pampa Metals subsidiary is duly incorporated, organized and is validly existing under the Laws of its jurisdiction of incorporation and has the corporate power, capacity and authority to own, dispose and cause the conveyance of its assets and conduct its business as now owned and

conducted. Each Pampa Metals subsidiary is duly qualified to carry on business in each jurisdiction in which its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities make such qualification necessary.

- (iii) Pampa Metals is, directly or indirectly, the registered and beneficial owner of all of the issued and outstanding securities of each Pampa Metals subsidiary, free and clear of all Liens, and all such securities have been duly and validly authorized and issued, are fully paid, and if a Pampa Metals subsidiary is a corporation, are non-assessable. No such securities have been issued in violation of any Law or pre-emptive or similar rights.
- (d) Authority Relative to this Agreement. Pampa Metals has all necessary corporate power, authority and capacity to execute, deliver and perform its obligations under this Agreement. All necessary corporate action has been taken by Pampa Metals to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder and no other corporate proceedings on the part of Pampa Metals are necessary to authorize the execution and delivery by it of this Agreement or the performance of its obligations under this Agreement. Without limiting the generality of the foregoing, no approval of the holders of Pampa Metals Shares is required for Pampa Metals to issue the Pampa Metals Shares as the Consideration required to be issued pursuant to the Arrangement, or to otherwise consummate the Arrangement. This Agreement has been duly executed and delivered by Pampa Metals and constitutes a legal, valid and binding obligation of Pampa Metals enforceable against it in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.
- (e) No Violations. Subject to obtaining the Regulatory Approvals set out in Schedule “C” and other than in connection with or in compliance with the provisions of applicable corporate Laws and Securities Laws as expressly contemplated by this Agreement, no filing or registration with, or authorization, consent or approval of, any Governmental Entity or stock exchange is required on the part of Pampa Metals in connection with the Arrangement, except for such filings or registrations which, if not made, or for such authorizations, consents or approvals which, if not received, would not reasonably be expected to (i) be material to Pampa Metals or (ii) prevent or materially restrict or delay the consummation of the Transactions. Subject to obtaining the Regulatory Approvals set forth in Schedule “C”, the execution and delivery of this Agreement by Pampa Metals, and the performance by Pampa Metals of its obligations under this Agreement, will not:
  - (i) result in a violation, contravention or default (or an event which with or without notice or lapse of time or both, would constitute a default) under,



or require any consent, approval or notice under any of the terms, conditions or provisions of (A) the Pampa Metals Organizational Documents, (B) any Law applicable to Pampa Metals or any of its subsidiaries or any of their property or (C) any Contract to which Pampa Metals or any of its subsidiaries is a party or by which it or any of its property may be subject or by which Pampa Metals or any of its subsidiaries is bound;

- (ii) grant any person a right to reduce fees or other payments to Pampa Metals or any of its subsidiaries, or a right of first refusal, first opportunity or other right or option to acquire securities or property of Pampa Metals or any of its subsidiaries, or a right to compel Pampa Metals or any of its subsidiaries to acquire securities or other property of any other person;
  - (iii) give rise to any right of termination or acceleration of Indebtedness of Pampa Metals or any of its subsidiaries, or cause any Indebtedness of Pampa Metals or any of its subsidiaries to come due before its stated maturity, or cause any credit commitment to cease to be available to Pampa Metals or any of its subsidiaries;
  - (iv) cause any payment or other obligation to be imposed on Pampa Metals or any of its subsidiaries under, any of the terms, conditions or provisions of any Contract to which Pampa Metals or any of its subsidiaries is a party or by which it or any of its property or assets is bound;
  - (v) result in the creation of any Lien upon any of the securities or property of Pampa Metals or any of its subsidiaries (including the Pampa Metals Mineral Rights); or
  - (vi) cause the suspension or revocation of any Permit held by Pampa Metals or any of its subsidiaries that is in effect on the date hereof.
- (f) Compliance with Laws. Each of Pampa Metals and its subsidiaries in all material respects, (i) has conducted its business in compliance with, and is conducting its business in compliance with, all applicable Laws in each jurisdiction in which it conducts business, and (ii) is not in default of any filings with, or payment of any licence, registration or qualification fee owing to, any Governmental Entity under the Laws of any jurisdiction in which it conducts business. None of Pampa Metals, any of its subsidiaries, or, to the Knowledge of Pampa Metals, their respective directors, officers or employees acting on behalf of Pampa Metals or its subsidiaries is violating any provision of the *Corruption of Foreign Public Officials Act (Canada)* or the *United States Foreign Corrupt Practices Act of 1977*, to the extent applicable, and, to the Knowledge of Pampa Metals, no agent acting on behalf of Pampa Metals or its subsidiaries has violated or is violating such Laws. None of Pampa Metals or any of its subsidiaries, is under investigation with respect to the foregoing, or has received any notice that any violation of the foregoing is being or may be alleged.

- (g) Certain Securities Law Matters. Pampa Metals is a “reporting issuer” and is not on the list of reporting issuers in default (where such concept exists) and is not in default under applicable Securities Laws. Other than in respect to the possible listing on the TSXV of the Pampa Metals Shares and corresponding delisting from the CSE, no delisting of, suspension of trading in or cease trading order with respect to any securities of Pampa Metals and, to the knowledge of Pampa Metals, no inquiry or investigation (formal or informal) of any Securities Authority, has occurred, is in effect or ongoing or, to the knowledge of Pampa Metals, been threatened in writing. No subsidiary of Pampa Metals is subject to the continuous disclosure requirements under any Securities Laws or any similar requirements under the applicable Laws of its jurisdiction of formation. The Pampa Metals Shares to be issued by Pampa Metals to the Rugby Shareholders as the Consideration in connection with the Arrangement will not be subject to any statutory hold or restricted period under securities legislation of any province or territory of Canada and, subject to restrictions contained therein in respect of “control distributions”, will be freely tradable within Canada by the holders thereof and assuming that the condition set forth in Section 8.1(e) of this Agreement is satisfied, will not constitute “restricted securities” within the meaning of Rule 144 of the U.S. Securities Act.
- (h) Reports. The documents comprising Pampa Metals’ Public Disclosure Record (i) did not, as of their respective dates or dates of amendment, if applicable, 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 therein, not misleading in light of the circumstances under which they were made, and (ii) complied in all material respects with applicable Securities Laws at the time they were filed or furnished. Pampa Metals has timely filed or furnished or caused to be filed or furnished with the Securities Authorities all amendments, forms, reports, schedules, statements and other documents required to be filed or furnished by Pampa Metals with the Securities Authorities since April 1, 2023. Pampa Metals has not filed any confidential material change report which, at the date hereof, remains confidential.
- (i) Pampa Metals Financial Statements. Pampa Metals’ audited consolidated financial statements (including the consolidated statements of financial position, the consolidated statements of loss and comprehensive loss, the consolidated statements of cash flows, and the consolidated statements of changes in shareholders’ equity) as at and for the fiscal years ended December 31, 2023 and 2022 and interim period ended September 30, 2024 (including the notes thereto) and related management’s discussion and analysis (collectively, the “**Pampa Metals 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 audited statements, in the related report of the Pampa Metals’ independent auditors, or (ii) that unaudited interim consolidated financial statements are subject to normal period-end adjustments and they may omit notes which are not required by applicable Laws and IFRS in the unaudited statements) and fairly present in all material respects the consolidated financial

position, results of operations and cash flows of Pampa Metals and its subsidiaries as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim consolidated financial statements, to normal period-end adjustments) and reflect reserves required by IFRS in respect of all material contingent liabilities, if any, of Pampa Metals and its subsidiaries on a consolidated basis. There has been no material change in Pampa Metals' accounting policies, except as described in the notes to the Pampa Metals Financial Statements, since September 30, 2024.

- (j) Books and Records. To the knowledge of Pampa Metals, the financial books, records and accounts of Pampa Metals and each of its subsidiaries (i) have been maintained in all material respects in compliance with applicable Laws and IFRS on a basis consistent with prior years, (ii) accurately and fairly reflect the material transactions, acquisitions and dispositions of the property and assets of Pampa Metals and each of its subsidiaries and (iii) accurately and fairly reflect the basis for the Pampa Metals Financial Statements. Pampa Metals' minute books and those of each of its material subsidiaries are complete and accurate in all material respects, other than those portions of minutes of meetings reflecting discussions of the Arrangement. True and complete copies of the minute books of Pampa Metals have been Made Available to Rugby.
- (k) Whistleblower Reporting. To the knowledge of Pampa Metals, no employee, consultant or agent of Pampa Metals or any of its subsidiaries nor any attorney representing Pampa Metals or any of its subsidiaries, whether or not employed by Pampa Metals or any of its subsidiaries, has reported evidence of a material violation of any Securities Laws, breach of fiduciary duty or similar material violation by Pampa Metals or any of its subsidiaries or their respective officers, directors, employees, agents or independent contractors to Pampa Metals' management, audit committee (or other committee designated for the purpose) of the Pampa Metals Board or the Pampa Metals Board.
- (l) Absence of Certain Changes. Since September 30, 2024, except as disclosed in Pampa Metals' Public Disclosure Record, or as contemplated by this Agreement:
  - (i) Pampa Metals and each of its subsidiaries have conducted their business only in the ordinary course of business consistent with past practice;
  - (ii) there has not occurred any fact, development, circumstance, change, matter, action, condition, event or occurrence that required the filing of a material change report under applicable Securities Laws;
  - (iii) there has not been any material damage, destruction or other casualty loss with respect to any material asset owned, leased or otherwise used by Pampa Metals or any of its subsidiaries, whether or not covered by insurance;
  - (iv) there has not been any acquisition or disposition by Pampa Metals or any of its subsidiaries of any material property or assets;

- (v) there has not been any incurrence, assumption or guarantee by Pampa Metals or its subsidiaries of any Indebtedness, any creation or assumption by Pampa Metals or its subsidiaries of any Lien on any material assets or any making by Pampa Metals or its subsidiaries of any loan, advance or capital contribution to or investment in any other person other than a wholly-owned subsidiary of Pampa Metals;
- (vi) there has been no dividend or distribution of any kind declared, paid or made by Pampa Metals on the Pampa Metals Shares;
- (vii) other than in the ordinary course of business, there has not been any material increase in or material modification of the compensation payable to or to become payable by Pampa Metals or any of its subsidiaries to any of their respective directors, officers, employees or consultants or any grant to any such director, officer, employee or consultant of any retention, change-in-control, transaction, severance or termination pay or any increase or modification of any retention, change-in-control, transaction, severance or termination pay, bonus, pension, insurance or benefit arrangement (excluding the granting of options) made to, for or with any of such directors, officers, employees or consultants; and
- (viii) neither Pampa Metals nor any of its subsidiaries has entered into, or amended, any Material Contract;
- (m) No Undisclosed Liabilities. Pampa Metals and its subsidiaries have no material liabilities, Indebtedness or obligations of any nature that would be required to be disclosed on a consolidated balance sheet of Pampa Metals (or the notes thereon) prepared in accordance with IFRS (whether accrued, absolute, contingent or otherwise) other than liabilities, Indebtedness or obligations incurred since September 30, 2024 by Pampa Metals and its subsidiaries in the ordinary course of business. Section 4.1(m) of the Pampa Metals Disclosure Letter sets out a list of all material Indebtedness outstanding among Pampa Metals and any of its subsidiaries.
- (n) Litigation. There are no Legal Actions pending or, to the knowledge of Pampa Metals, threatened against and to the knowledge of Pampa Metals, no facts or circumstances exist that could reasonably be expected to form the basis of a Legal Action against, Pampa Metals or any of its subsidiaries or against any of their respective property or assets, at law or in equity, in each case, which would, individually or in the aggregate, reasonably be expected to have a Pampa Metals Material Adverse Effect.
- (o) Taxes.
  - (i) Pampa Metals and each of its subsidiaries has (A) duly and timely filed, or caused to be filed, all Returns required to be filed by it with the appropriate Governmental Entity prior to the date hereof, other than those which have

been administratively waived, and all such Returns are true, complete, and correct in all material respects and have not been materially amended; (B) paid on a timely basis all Taxes and all assessments and reassessments of Taxes due on or before the date hereof, including installments on account of Taxes for the current year required by applicable Law, other than Taxes which are being or have been contested in good faith and for which adequate reserves have been provided in the Pampa Metals Financial Statements; (C) duly and timely withheld, or caused to be withheld, all Taxes required or permitted by Law to be withheld by it (including Taxes and other amounts required or permitted 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 account of any person, including any employees, officers or directors and any non-resident person) and duly and timely remitted, or caused to be remitted, to the appropriate Tax authority such Taxes required by Law to be remitted by it; and (D) duly and timely collected, or caused to be collected, any sales, use, or transfer taxes, including goods and services, harmonized sales and provincial or territorial sales taxes, required by Law to be collected by it and duly and timely remitted to the appropriate Tax authority any such amounts required by Law to be remitted by it; (ii) (A) to the knowledge of Pampa Metals, there are no audits or investigations in progress, pending or threatened in writing by any Governmental Entity with respect to Taxes against Pampa Metals, any of its subsidiaries or any of the assets of Pampa Metals or any of its subsidiaries; and (B) no deficiencies, litigation, proposed adjustments or matters in controversy with respect to Taxes exist or have been asserted or have been raised in writing by any Governmental Entity which remain unresolved at the date hereof, and no action or proceeding for assessment or collection of Taxes has been taken, asserted, or to the knowledge of Pampa Metals, threatened, against Pampa Metals or any of its subsidiaries or any of their respective assets, except, in each case, as are being contested in good faith and for which adequate reserves have been provided in the Pampa Metals Financial Statements.

- (ii) No claim has ever been made by a taxing authority in a jurisdiction where Pampa Metals or any of its subsidiaries does not file a Tax Return that Pampa Metals or any of its subsidiaries is or may be subject to taxation by that jurisdiction.
- (iii) For the purposes of the Tax Act and any other relevant Tax purposes, (A) Pampa Metals is resident in Canada; and (B) each of Pampa Metals' subsidiaries is resident in the jurisdiction in which it was formed.
- (iv) There are no Liens for Taxes upon any properties or assets of Pampa Metals or any of its subsidiaries (other than Liens relating to Taxes not yet due and payable and for which adequate reserves have been recorded on the most recent Pampa Metals Financial Statements).

- (p) Personal Property. Pampa Metals and its subsidiaries have good and valid title to, or a valid and enforceable leasehold interest in, all personal property that is, individually or in the aggregate, material to the operation of Pampa Metals' business as currently conducted, free and clear of any Liens.
- (q) Contracts. Prior to the date hereof, Pampa Metals has Made Available to Rugby true and complete copies of all Pampa Metals Material Contracts. All Pampa Metals Material Contracts are in full force and effect and are the valid and binding obligations of Pampa Metals or its subsidiaries, as applicable, and, to the knowledge of Pampa Metals, the valid and binding obligation of each other party thereto subject to the qualification that enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered. None of Pampa Metals, its subsidiaries or, to the knowledge of Pampa Metals, any of the other parties thereto, is in breach or violation of, or default (in each case, with or without notice or lapse of time or both) under, any Pampa Metals Material Contract, none of Pampa Metals or any of its subsidiaries has received or given any notice of a default under any such Pampa Metals Material Contract which remains uncured, and none of Pampa Metals or any of its subsidiaries has waived any rights under any such Pampa Metals Material Contract, except in each case, for such breaches, violations, defaults and waivers as would not, individually or in the aggregate, reasonably be expected to be material to Pampa Metals. There exists no state of facts which, after notice or lapse of time or both, would trigger any pre-emptive rights or rights of first refusal under the Pampa Metals Material Contracts, except for such pre-emptive rights or rights of first refusal which, if triggered, would not, individually or in the aggregate, reasonably be expected to be material to Pampa Metals.
- (r) Leased Property. Each property currently leased or subleased by Pampa Metals or any of its subsidiaries, other than any leases in respect of the Mineral Rights, is listed in Section 4.1(r) of the Pampa Metals Disclosure Letter, identifying the name of the entity holding such leasehold interest and the documents under which such leasehold interest are held. Neither Pampa Metals nor any of its subsidiaries is in violation of any material covenants or not in compliance with any material condition or restrictions under such leasehold documents.
- (s) Interest in Mineral Rights.
  - (i) None of Pampa Metals or its subsidiaries owns any real property other than the Pampa Metals Mineral Rights.
  - (ii) All of the mineral interests, rights and ancillary rights (including any fee land, patented and unpatented mining claims and mill sites, deeds, concessions, exploration licences, exploitation licences, prospecting or other permits, approvals, authorizations or consents, mining leases, mining rights, easements and leases, surface use and access rights, and water rights)

(collectively, the “**Pampa Metals Mineral Rights**”) are set out in Section 4.1(s) of the Pampa Metals Disclosure Letter.

(iii) Except as disclosed in Section 4.1(s) of the Pampa Metals Disclosure Letter:

- (A) Pampa Metals or a subsidiary of Pampa Metals is the sole legal and beneficial owner of all right, title and interest in and to the Pampa Metals Mineral Rights, free and clear of any Liens;
- (B) Pampa Metals or a subsidiary of Pampa Metals has good and sufficient title to the Pampa Metals Mineral Rights and all of the Pampa Metals Mineral Rights are valid and subsisting and have been properly located and recorded in compliance with applicable Law;
- (C) the Pampa Metals Mineral Rights are in good standing under applicable Law and, to the knowledge of Pampa Metals, all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, claim maintenance fees required to be paid under federal law in lieu of the performance of assessment work, in order to maintain the claims for all assessment years to which such fees apply, rentals, fees, expenditures, reclamation bonds and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made or will be timely and properly performed on or for the benefit of the claims, and affidavits evidencing such work were or will be timely recorded, for all assessment years up to and including the assessment year ending on December 31, 2024;
- (D) there is no material adverse claim or material challenge in progress, pending or, to the knowledge of Pampa Metals, threatened against or to the title to or ownership of any of the Pampa Metals Mineral Rights, including any aboriginal and/or tribal title claims;
- (E) Pampa Metals or a subsidiary of Pampa Metals has the exclusive right to deal with all of the Pampa Metals Mineral Rights;
- (F) no person other than Pampa Metals and its subsidiaries has any right, title, or interest in any of the Pampa Metals Mineral Rights or the production or profits therefrom or any royalty in respect thereof or any right to acquire any such interest, and there are no adverse or competing claims in respect thereof;
- (G) no person has any back-in rights, earn-in rights, rights of first refusal or similar provisions or rights or options that would affect Pampa Metals’ or a subsidiary of Pampa Metals’ right, title, or interest in any of the Pampa Metals Mineral Rights;

- (H) there are no material restrictions on the ability of Pampa Metals and its subsidiaries to use, transfer or exploit any of the Pampa Metals Mineral Rights, except pursuant to the applicable Law or the terms of the Pampa Metals Mineral Rights; and
  - (I) neither Pampa Metals nor any of its subsidiaries has received any notice, whether written or oral, from any Governmental Entity of any revocation or intention to revoke any interest of Pampa Metals or a subsidiary of Pampa Metals in any of the Pampa Metals Mineral Rights;
- (t) No Expropriation. No property or asset of Pampa Metals or its subsidiaries (including any Pampa Metals Mineral Rights) has been taken or expropriated by any Governmental Entity nor has any notice or proceeding in respect thereof been given or commenced nor, to the knowledge of Pampa Metals, is there any intent or proposal to give any such notice or to commence any such proceeding.
- (u) Permits. Except as disclosed in the Pampa Metals Public Disclosure Record, Pampa Metals and each of its subsidiaries has obtained and is in compliance, in all material respects, with all material Permits required by applicable Laws to conduct its current business as it is now being conducted.
- (v) Related Party Transactions. Neither Pampa Metals nor any of its subsidiaries is indebted to any director, officer, employee or agent of, or independent contractor to, Pampa Metals or any of its subsidiaries or any of their respective affiliates or associates (except for amounts due as normal salaries and bonuses and in reimbursement of ordinary expenses). Except as disclosed in the Pampa Metals Public Disclosure Record filed on or before the date hereof, no director, officer, employee or agent of Pampa Metals or any of its subsidiaries or any of their respective affiliates or associates is a party to any loan, contract, arrangement or understanding or other transactions with Pampa Metals or any of its subsidiaries required to be disclosed pursuant to Securities Laws.
- (w) Environment.
  - (i) Each of Pampa Metals and its subsidiaries is in compliance in all material respects with all, and has not violated any, Environmental Laws;
  - (ii) None of Pampa Metals, its subsidiaries or, to Pampa Metals' knowledge, any other person has Released any Hazardous Substances (in each case except in compliance in all material respects with applicable Environmental Laws) on, at, in, under or from any of the immovable properties, real properties or any lands subject to the Pampa Metals Mineral Rights currently or, to Pampa Metals' knowledge, previously owned, leased or operated by Pampa Metals or any of its subsidiaries. To the knowledge of Pampa Metals, there are no Hazardous Substances or other conditions that could reasonably be expected to result in material liability of or materially



and adversely affect Pampa Metals or any of its subsidiaries under or related to any Environmental Law on, at, in, under or from any of the immovable properties, real properties or any lands subject to the Pampa Metals Mineral Rights currently or, to Pampa Metals' knowledge, previously owned, leased or operated by Pampa Metals or any of its subsidiaries;

- (iii) There are no pending claims or, to the knowledge of Pampa Metals, threatened claims, against Pampa Metals or any of its subsidiaries arising out of any Environmental Laws or in respect of any civil or criminal responsibility for acts or omissions with respect to the Environment; and
- (iv) Pampa Metals and its subsidiaries are in possession of, and in compliance with, all environmental Permits that are required to own, lease and operate the Pampa Metals Mineral Rights and to conduct its business as it is now being conducted.
- (x) Restrictive Covenants. There is no arbitral award, judgment, injunction, order or decree binding upon Pampa Metals or its subsidiaries that has the effect of materially restricting, prohibiting or materially impairing any business practice of any of them, any acquisition or disposition of property by any of them or the conduct of the business by any of them as currently conducted.
- (y) ESTMA Filings. Pampa Metals has not filed information returns under the *Extractive Sector Transparency Measures Act* (Canada) for the years ended December 31, 2023 and December 31, 2024.
- (z) Brokers. No agent, broker, finder, investment banker or other person is entitled to any brokerage, finder's or other fee or commission from, or to the reimbursement of any of its expenses by, Pampa Metals or any of its subsidiaries in connection with this Agreement or the Arrangement based on arrangements made by or on behalf of Pampa Metals.
- (aa) Taxes. Pampa Metals is a "taxable Canadian corporation" for purposes of the Tax Act.
- (bb) Shareholder and Similar Agreements. Pampa Metals is not party to any shareholder, pooling, voting trust or other similar agreement relating to the issued and outstanding shares in the capital of Pampa Metals or any of its subsidiaries.

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

No investigation by or on behalf of Rugby or its affiliates or its or their Representatives will mitigate, diminish or affect the representations or warranties made by Pampa Metals in this Agreement or any certificate delivered by Pampa Metals pursuant to this Agreement. The representations and warranties of Pampa Metals contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

## **ARTICLE 5**

### **COVENANTS OF THE PARTIES**

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

Rugby covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, unless Pampa Metals shall otherwise agree in writing, or except as is otherwise expressly permitted or contemplated by this Agreement, the Plan of Arrangement, the Spinout Transaction or as is otherwise required by applicable Law or any Governmental Entities or stock exchange or as provided in Section 5.1 of the Rugby Disclosure Letter:

- (a) the business of Rugby and the Rugby Subsidiaries shall be conducted only, and Rugby and the Rugby Subsidiaries shall not take any action except, in the ordinary course of business, and Rugby shall, and shall cause the Rugby Subsidiaries and its and their representatives to, use commercially reasonable efforts to maintain and preserve the Rugby Subsidiaries' business organization, assets, properties, employees, goodwill and business relationships, including the Rugby Mineral Rights;
- (b) Rugby shall not, and shall not permit any of the Rugby Subsidiaries to, directly or indirectly:
  - (i) amend any Rugby Organizational Documents, except as may be agreed by Pampa Metals and Rugby, acting reasonably, to rectify any outstanding deficiencies in respect thereof;
  - (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of the securities of any subsidiary owned by a person other than Rugby, other than in the case of any subsidiary wholly-owned by Rugby, any dividends payable to Rugby or any other wholly-owned subsidiary of Rugby;
  - (iii) adjust, split, combine or reclassify its Common Shares;
  - (iv) issue, grant, sell or cause or, permit a Lien to be created on, or agree to issue, grant, sell or cause or permit a Lien to be created on any Common Shares or shares of the Rugby Subsidiaries or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares of Rugby or any of the Rugby Subsidiaries, other than (A) the issuance of Common Shares issuable pursuant to the terms of the outstanding Rugby Options, Rugby RSUs and Rugby Warrants, and (B) transactions between two or more of Rugby's wholly-owned subsidiaries or between Rugby and its wholly-owned subsidiary;
  - (v) redeem, purchase or otherwise acquire or subject to a Lien any of its outstanding securities or securities convertible into or exchangeable or

exercisable for any such securities, unless otherwise required by the terms of such securities and other than in transactions between two or more of Rugby's wholly-owned subsidiaries or between Rugby and its wholly-owned subsidiary;

- (vi) amend or modify the terms of any of its securities;
- (vii) adopt a plan of liquidation or resolution providing for the winding-up, liquidation or dissolution of Rugby or any of the Rugby Subsidiaries;
- (viii) amend its accounting policies or adopt new accounting policies;
- (ix) make, change, or rescind any material Tax election, make a request for a Tax ruling, change any annual Tax accounting period, adopt or change any method of Tax accounting or reporting income or deductions, amend any material Tax returns or file claims for Tax refunds, enter into (or offer to enter into) any agreement (including any waiver) with any Governmental Entity relating to material Taxes (including consent to any extension or waiver of any limitation period with respect to Taxes), settle (or offer to settle) or compromise any Tax claim, action, suit, litigation, proceeding, arbitration, investigation, audit, controversy, or assessment, or surrender any right to claim a Tax refund, offset or other reduction in Tax liability, all except as may be required by applicable Laws or a relevant Governmental Entity;
- (x) other than in relation to the SpinCo Assets, pledge, lease, license or cause or permit any material Liens to be created on any Rugby Mineral Rights or assets or sell or dispose of any Rugby Mineral Rights;
- (xi) except in the ordinary course of business, acquire (by merger, amalgamation, consolidation or acquisition of shares or assets or otherwise) any corporation, partnership or other business organization or division thereof or any property or asset, or make any investment either by the purchase of securities, contributions of capital (other than to wholly-owned subsidiaries), property transfer, or purchase of any property or enter into or extend any option to acquire, or exercise an option to acquire, any property or assets of any other person;
- (xii) incur any Indebtedness 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;
- (xiii) except in the ordinary course of business, including, without limitation, expenditures related to the costs of the Transactions and the acquisition of long-lead time items, make or commit to make capital expenditures that, are, in the aggregate, in excess of \$50,000;

- (xiv) pay, discharge or satisfy any claims, liabilities or obligations which, individually or in the aggregate, are in excess of \$50,000, other than the payment, discharge or satisfaction of liabilities reflected or reserved against in the Rugby Financial Statements;
- (xv) except in the ordinary course of business and waive, release, grant or transfer any rights which, individually or in the aggregate, have a value in excess of \$50,000 or settle any material Legal Action;
- (xvi) except as set out in the Rugby Disclosure Letter, enter into any Contract or series of Contracts, other than in the ordinary course, resulting in a new Contract or series of related new Contracts having a term in excess of 12 months and that would not be terminable by Rugby or its subsidiaries upon notice of 90 days or less from the date of the relevant Contract, or that would impose annual payment or other financial obligations on Rugby or any of the Rugby Subsidiaries in excess of \$50,000;
- (xvii) enter into any Contract that would limit or otherwise restrict Rugby or any of the Rugby Subsidiaries or any of their successors, or that would, after the Effective Time, limit or otherwise restrict Pampa Metals or any of its affiliates or any of their successors, from engaging or competing in any line of business or in any geographic area;
- (xviii) enter into any union recognition agreement, collective bargaining agreement, works council agreement or similar agreement with any trade union or representative body without the prior written approval of Pampa Metals, except as required by Law;
- (xix) increase the compensation or benefits payable or to become payable to Rugby's directors or officers (whether from Rugby or any of its subsidiaries), enter into or modify any employment, severance, or similar agreements or arrangements with, or grant any bonuses, salary increases, severance or termination pay to, any director or officer of Rugby other than as required by agreements already entered into which agreements are disclosed in the Rugby Public Disclosure Record or otherwise Made Available to Pampa Metals prior to the date hereof;
- (xx) in the case of employees who are not directors or officers of Rugby, take any action other than in the ordinary course of business with respect to the grant of any bonuses, salary increases, severance or termination pay or with respect to any increase of benefits payable in effect on the date hereof;
- (xxi) make any loans to any officer, director or employee of Rugby or any of the Rugby Subsidiaries; or
- (xxii) authorize or propose any of the foregoing, or enter into, modify or terminate any Contract with respect to any of the foregoing.

- (c) Rugby shall notify Pampa Metals of the occurrence any fact, development, circumstance, change, matter, action, condition, event or occurrence that, individually or in the aggregate with all other facts, circumstances, chances, matters, actions, conditions, events or occurrences, has or would reasonably be expected to have a Rugby Material Adverse Effect.
- (d) Rugby shall file all financial statements required by applicable Securities Law, and such statements shall be prepared in accordance with IFRS, consistently applied (except as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of the Rugby's independent auditors) and fairly present in all material respects the consolidated financial position, results of operations and cash flows of Rugby and its subsidiaries (on a consolidated basis) as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim consolidated financial statements, to normal period-end adjustments) and reflect reserves required by IFRS in respect of all material contingent liabilities, if any, of Rugby and its subsidiaries on a consolidated basis.
- (e) Rugby shall and shall cause each of the Rugby Subsidiaries to maintain and preserve all of its material rights under each of the Rugby Mineral Rights not comprised in the SpinCo Assets, including for greater certainty, all work required to be performed and filed in respect thereof, the payment of all Taxes, claim maintenance fees required to be paid under federal law in lieu of the performance of assessment work in order to maintain the claims for all assessment years to which such fees apply, rentals, fees, expenditures, reclamation bonds and other payments in respect thereof, and all related filings in respect thereof will be timely and properly performed on or for the benefit of the claims.
- (f) Rugby shall use its commercially reasonable efforts to cause the current insurance (or re-insurance) policies maintained by Rugby or any of the Rugby Subsidiaries that is placed by Rugby, including directors' and officers' insurance, not to be cancelled or terminated and to prevent any of the coverage thereunder from lapsing, 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.
- (g) Rugby shall use its commercially reasonable efforts to effect all necessary continuations or cancellations of insurance (or re-insurance) policies maintained by Rugby or any of the Rugby Subsidiaries that is placed by Rugby, including directors' and officers' insurance, as agreed with Pampa Metals.
- (h) Rugby and the Rugby Subsidiaries will:
  - (i) prepare all material Tax Returns required to be filed by them before the Effective Date ("**Post-Signing Returns**") in a manner consistent, in all

material respects, with past practice, except as otherwise required by applicable Laws and shall, at least 15 business days prior to the applicable filing deadline therefor, provide drafts of such returns to Pampa Metals and make such reasonable changes to each such Post-Signing Return as are requested by Pampa Metals, provided that such changes are communicated to Rugby no later than five business days prior to the applicable filing deadline;

- (ii) timely file all Post-Signing Returns;
  - (iii) fully and timely withhold, collect, remit, and pay all Taxes which are to be withheld, collected, remitted, or paid to the extent due and payable; and
  - (iv) properly reserve (and reflect such reserve in their books and records and financial statements), for all Taxes payable by them for which no Post-Signing Return is due prior to the Effective Date in a manner consistent with past practice; and
- (i) neither Rugby nor any of the Rugby Subsidiaries shall plan, announce, implement or effect any reduction-in-force, lay-off, early retirement program, severance or other program or effort concerning the termination of employment of employees of Rugby or any of its subsidiaries (other than isolated employee terminations consistent with past practice).

## **5.2 Covenants of Pampa Metals**

Pampa Metals covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, unless Rugby shall otherwise agree in writing (which consent shall not be unreasonably withheld, conditioned or delayed), or except as is otherwise expressly permitted or contemplated by this Agreement, the Plan of Arrangement, or as is otherwise required by applicable Law or any Governmental Entities or stock exchange:

- (a) the business of Pampa Metals and its subsidiaries shall be conducted only, and Pampa Metals and its subsidiaries shall not take any action except, in the ordinary course of business, and Pampa Metals shall, and shall cause its subsidiaries and its and their representatives to, use commercially reasonable efforts to maintain and preserve its and its subsidiaries' business organization, assets, properties, employees, goodwill and business relationships, including the Pampa Metals Mineral Rights;
- (b) Pampa Metals shall not, and shall not permit any of its subsidiaries to, directly or indirectly:
  - (i) amend any Pampa Metals Organizational Documents, except as may be agreed by Pampa Metals and Rugby, acting reasonably, to rectify any outstanding deficiencies in respect thereof;

- (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of the securities of any subsidiary owned by a person other than Pampa Metals, other than in the case of any subsidiary wholly-owned by Pampa Metals, any dividends payable to Pampa Metals or any other wholly-owned subsidiary of Pampa Metals;
- (iii) adjust, split, combine or reclassify its shares;
- (iv) issue, grant, sell or cause or, permit a Lien to be created on, or agree to issue, grant, sell or cause or permit a Lien to be created on any shares of Pampa Metals or its subsidiaries or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares of Pampa Metals or any of its subsidiaries, other than (A) the issuance of Pampa Metals Shares issuable pursuant to the terms of the outstanding securities, and (B) transactions between two or more of Pampa Metals' wholly-owned subsidiaries or between Pampa Metals and a wholly-owned subsidiary;
- (v) redeem, purchase or otherwise acquire or subject to a Lien any of its outstanding securities or securities convertible into or exchangeable or exercisable for any such securities, unless otherwise required by the terms of such securities and other than in transactions between two or more of Pampa Metals' wholly-owned subsidiaries or between Pampa Metals and a wholly-owned subsidiary;
- (vi) amend or modify the terms of any of its securities;
- (vii) adopt a plan of liquidation or resolution providing for the winding-up, liquidation or dissolution of Pampa Metals or any of its subsidiaries;
- (viii) amend its accounting policies or adopt new accounting policies;
- (ix) make, change, or rescind any material Tax election, make a request for a Tax ruling, change any annual Tax accounting period, adopt or change any method of Tax accounting or reporting income or deductions, amend any material Tax returns or file claims for Tax refunds, enter into (or offer to enter into) any agreement (including any waiver) with any Governmental Entity relating to material Taxes (including consent to any extension or waiver of any limitation period with respect to Taxes), settle (or offer to settle) or compromise any Tax claim, action, suit, litigation, proceeding, arbitration, investigation, audit, controversy, or assessment, or surrender any right to claim a Tax refund, offset or other reduction in Tax liability, all except as may be required by applicable Laws or a relevant Governmental Entity;

- (x) pledge, lease, license or cause or permit any material Liens to be created on any Pampa Metals Mineral Rights or assets which or sell or dispose of any Pampa Metals Mineral Rights;
- (xi) except in the ordinary course of business, acquire (by merger, amalgamation, consolidation or acquisition of shares or assets or otherwise) any corporation, partnership or other business organization or division thereof or any property or asset, or make any investment either by the purchase of securities, contributions of capital (other than to wholly-owned subsidiaries), property transfer, or purchase of any property or enter into or extend any option to acquire, or exercise an option to acquire, any property or assets of any other person;
- (xii) incur any Indebtedness 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;
- (xiii) except in the ordinary course of business, including, without limitation, expenditures related to the costs of the Transactions and the acquisition of long-lead time items, make or commit to make capital expenditures that are, in the aggregate, in excess of \$50,000;
- (xiv) pay, discharge or satisfy any claims, liabilities or obligations which, individually or in the aggregate, are in excess of \$50,000, other than the payment, discharge or satisfaction of liabilities reflected or reserved against in the Pampa Metals Financial Statements;
- (xv) except as disclosed in the Pampa Metals Disclosure letter, except in the ordinary course of business, waive, release, grant or transfer any rights which, individually or in the aggregate, have a value in excess of \$50,000 or settle any material Legal Action;
- (xvi) except as disclosed in the Pampa Metals Disclosure Letter, enter into any Contract or series of Contracts, other than in the ordinary course, resulting in a new Contract or series of related new Contracts having a term in excess of 12 months and that would not be terminable by Pampa Metals or its subsidiaries upon notice of 90 days or less from the date of the relevant Contract, or that would impose annual payment or other financial obligations on Pampa Metals or any of its subsidiaries in excess of \$50,000;
- (xvii) enter into any Contract that would limit or otherwise restrict Pampa Metals or any of its subsidiaries or any of their successors, or that would, after the Effective Time, limit or otherwise restrict Pampa Metals or any of its affiliates or any of their successors, from engaging or competing in any line of business or in any geographic area;



- (xviii) enter into any union recognition agreement, collective bargaining agreement, works council agreement or similar agreement with any trade union or representative body without the prior written approval of Rugby, except as required by Law;
  - (xix) increase the compensation or benefits payable or to become payable to Pampa Metals' directors or officers (whether from Pampa Metals or any of its subsidiaries), enter into or modify any employment, severance, or similar agreements or arrangements with, or grant any bonuses, salary increases, severance or termination pay to, any director or officer of Pampa Metals, other than as required by agreements already entered into which agreements are disclosed in the Pampa Metals' Public Disclosure Record or otherwise Made Available to Rugby prior to the date hereof. For the purposes of this Section 5.2(b)(xix), increases made in the ordinary course of business prior to the date of this Agreement as required by agreements already disclosed in the Pampa Metals' Public Disclosure Record, but which increases have not yet been publicly disclosed, shall be deemed to be included in the Pampa Metals' Public Disclosure Record;
  - (xx) in the case of employees who are not directors or officers of Pampa Metals, take any action other than in the ordinary course of business with respect to the grant of any bonuses, salary increases, severance or termination pay or with respect to any increase of benefits payable in effect on the date hereof;
  - (xxi) make any loans to any officer, director or employee of Pampa Metals or any of its subsidiaries; or
  - (xxii) authorize or propose any of the foregoing, or enter into, modify or terminate any Contract with respect to any of the foregoing.
- (c) Pampa Metals shall notify Rugby of the occurrence any fact, development, circumstance, change, matter, action, condition, event or occurrence that, individually or in the aggregate with all other facts, circumstances, chances, matters, actions, conditions, events or occurrences, has or would reasonably be expected to have a Pampa Metals Material Adverse Effect.
- (d) Pampa Metals shall file all financial statements required by applicable Securities Law, and such statements shall be prepared in accordance with IFRS, consistently applied (except as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of the Pampa Metals' independent auditors) and fairly present in all material respects the consolidated financial position, results of operations and cash flows of Pampa Metals and its subsidiaries (on a consolidated basis) as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim consolidated financial statements, to normal period-end adjustments) and reflect reserves required by IFRS in respect of all material contingent liabilities, if any, of Pampa Metals and its subsidiaries on a consolidated basis.

- (e) Pampa Metals shall, and shall cause each of its subsidiaries to, maintain and preserve all of its material rights under each of the Pampa Metals Mineral Rights, including for greater certainty, all work required to be performed and filed in respect thereof, the payment of all Taxes, claim maintenance fees required to be paid under federal law in lieu of the performance of assessment work in order to maintain the claims for all assessment years to which such fees apply, rentals, fees, expenditures, reclamation bonds and other payments in respect thereof, and all related filings in respect thereof will be timely and properly performed on or for the benefit of the claims.
- (f) Pampa Metals shall use its commercially reasonable efforts to cause the current insurance (or re-insurance) policies maintained by Pampa Metals or any of its subsidiaries that is placed by Pampa Metals, including directors' and officers' insurance, not to be cancelled or terminated and to prevent any of the coverage thereunder from lapsing, 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.
- (g) Pampa Metals shall use its commercially reasonable efforts to effect all necessary continuations or cancellations of insurance (or re-insurance) policies maintained by Pampa Metals or any of its subsidiaries that is placed by Pampa Metals, including directors' and officers' insurance, as agreed with Rugby.
- (h) Pampa Metals and its subsidiaries will:
  - (i) prepare all material Post-Signing Returns in a manner consistent in all material respects with past practice, except as otherwise required by applicable Laws and shall, at least 15 days prior to filing any such returns, provide drafts of such returns to Rugby for Rugby' approval, which approval shall not be unreasonably withheld, conditioned or delayed;
  - (ii) submit copies of each Post-Signing Return in draft form to Rugby, no later than 30 business days prior to the applicable filing deadline therefor, and make such reasonable changes to each such Post-Closing Return as are requested by Rugby, provided that such changes are communicated to Pampa Metals no later than five business days prior to the applicable filing deadline;
  - (iii) timely file all Post-Signing Returns;
  - (iv) fully and timely withhold, collect, remit, and pay all Taxes which are to be withheld, collected, remitted, or paid, to the extent due and payable; and
  - (v) properly reserve (and reflect such reserve in their books and records and financial statements), for all Taxes payable by them for which no

Post-Signing Return is due prior to the Effective Date in a manner consistent with past practice.

- (i) Neither Pampa Metals nor any of its subsidiaries shall plan, announce, implement or effect any reduction-in-force, lay-off, early retirement program, severance or other program or effort concerning the termination of employment of Pampa Metals Employees (other than isolated employee terminations consistent with past practice).
- (j) Pampa Metals shall, following the Effective Time, take all steps required to deliver Pampa Metals Shares (subject to any applicable exchange ratio adjustment) on any exercise of Rugby Warrants or Replacement Options on the same basis as the Consideration.

### **5.3 Mutual Covenants Regarding the Arrangement**

In addition to the specific covenants contained in this Agreement and subject to the provisions of this Agreement, each of the Parties shall, and shall cause their respective subsidiaries to, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, use commercially reasonable efforts to perform all obligations required or desirable to be performed by them under this Agreement, co-operate with each other in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the Transactions and, without limiting the generality of the foregoing, each of Pampa Metals and Rugby shall, and shall cause their respective subsidiaries to:

- (a) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder, as set forth in Article 8, to the extent the same is within its control, and to take or cause to be taken other actions, and to do or cause to be done other things, necessary, proper or advisable under applicable Laws to consummate the Arrangement, including using commercially reasonable efforts to: (i) oppose, lift or rescind any injunction or restraining order against it or other order or action against it seeking to stop, or otherwise adversely affecting its ability to make and complete, the Arrangement; and (ii) co-operate with the other Parties in connection with the performance by it and its subsidiaries of their obligations hereunder;
- (b) both before and after the Effective Date, use commercially reasonable efforts to execute and do all acts, further deeds, things and assurances as may be required in the reasonable opinion of the other Party's legal counsel to permit the completion of the Transactions;
- (c) use commercially reasonable efforts to obtain necessary waivers, consents and approvals required to be obtained in connection with the Transactions from other parties to the Rugby Material Contracts; provided, however, that notwithstanding anything to the contrary in this Agreement, in connection with obtaining any approval or consent from any person (other than a Governmental Entity or stock

exchange) with respect to the Transactions, (i) neither Rugby or any of its subsidiaries shall be required to pay or commit to pay to such person whose approval or consent is being solicited any cash or other consideration, or make any commitment or incur any liability or other obligation due to such person, and (ii) neither Pampa Metals nor any of its affiliates shall be required to pay or commit to pay to such person whose approval or consent is being solicited any cash or other consideration, or make any commitment or incur any liability or other obligation to such person;

- (d) use commercially reasonable efforts to effect all necessary registrations, filings, requests and submissions of information required by Governmental Entities or stock exchanges from the Parties or any of their respective subsidiaries relating to the Arrangement;
- (e) apply for and use commercially reasonable efforts to obtain all Regulatory Approvals and, in doing so, keep the other Parties reasonably informed as to the status of the proceedings related to obtaining any Regulatory Approval, including providing the other Parties with copies of all related applications and notifications, in draft form, in order for the other Parties to provide comments thereon; provided, however, that notwithstanding anything to the contrary in this Agreement, in connection with obtaining any Regulatory Approval, neither Rugby nor Pampa Metals is under any obligation to (i) negotiate or agree to the sale, divestiture or disposition of the assets, properties or businesses of either Party or either Party's subsidiaries, (ii) negotiate or agree to any form of behavioural remedy including an interim or permanent hold separate order, or any form of undertakings or other restrictions on the assets, properties or businesses of either Party or either Party's subsidiaries, or (iii) take any steps or actions that would, in its sole discretion, affect either Party's right to own, use or exploit any of its assets or any of the assets of any of its subsidiaries or its right to own, use or exploit any of its assets or any of the assets of any of its subsidiaries;
- (f) use commercially reasonable efforts to defend all lawsuits or other legal, regulatory or other proceedings involving such Party or any of its affiliates challenging or affecting this Agreement or the consummation of the Transactions;
- (g) promptly notify the other Party of:
  - (i) any written communication from any person alleging that the consent of such person (or another person) is or may be required in connection with the Transactions (and the response thereto from such Party, its subsidiaries or its Representatives);
  - (ii) any material communication from any Governmental Entity or stock exchange in connection with the Transactions (and the response thereto from such Party, its subsidiaries or its Representatives); and

- (iii) any Legal Actions threatened or commenced against or otherwise affecting such Party or any of its subsidiaries that are related to the Transactions.
- (h) not agree to any voluntary extension of any statutory deadline or waiting period or to any voluntary delay of the consummation of Transactions at the request of any Governmental Entity, stock exchange or any other person without the written consent of the other Party (such consent not to be unreasonably withheld, conditioned or delayed).

#### **5.4 Preparation of Filings**

- (a) The Parties shall, as promptly as practicable hereafter, cooperate in: (i) the preparation of any application to obtain the Regulatory Approvals, (ii) the preparation of any filings, documents and submissions required or reasonably requested by any Governmental Entity or stock exchange (including filings, documents and submissions of information reasonably requested in respect of, or meetings held in relation to, the Regulatory Approvals), and (iii) the preparation of any other documents deemed by any of the Parties to be necessary or advisable to discharge the Parties' respective obligations under applicable Laws in connection with the Arrangement and all other matters contemplated by this Agreement. Rugby and Pampa Metals will provide each other with drafts and reasonable opportunity to comment on all notices and information supplied to or filed with any Governmental Entity or stock exchange (including notices and information which Rugby or Pampa Metals, in each case acting reasonably, considers confidential and sensitive which may be provided on a confidential and privileged basis only to external counsel of the other Party), and all notices and correspondence received from any Governmental Entity or stock exchange relating to the Arrangement or this Agreement. Neither Party shall participate in any meeting with any Governmental Entity or stock exchange relating to the Arrangement or this Agreement unless it consults with the other Party in advance, and to the extent permitted by the Governmental Entity or stock exchange, gives the other Party the opportunity to be present thereat. Pampa Metals shall pay all filing fees incurred in connection with the applicable Regulatory Approvals.
- (b) Each of the Parties shall furnish to each other Party, on a timely basis, all information as may be required to effectuate the foregoing actions, and each covenants that, to its knowledge, no information so furnished by it in writing in connection with those actions or otherwise in connection with the consummation of the actions contemplated by this Agreement will 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 with respect to any information relating to and provided by any third party that is not an affiliate of such Party).
- (c) Each of the Parties shall promptly notify the other Parties if at any time before the Effective Time it becomes aware that an application for a Regulatory Approval or any other order, registration, consent, ruling, exemption, no-action letter or

approval in connection with the Arrangement or this Agreement, any registration statement or any circular or any other notice or filing under applicable Laws contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or that is necessary to make the statements contained therein not misleading in light of the circumstances under which they are made, or that otherwise requires an amendment or supplement, and the Parties shall cooperate in the preparation of such amendment or supplement as required.

- (d) Rugby shall not make any filing with any Governmental Entity or any stock exchange with respect to the Arrangement without prior consultation with Pampa Metals, and Pampa Metals shall not make any filing with any Governmental Entity or stock exchange with respect to the Arrangement without prior consultation with Rugby; provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any disclosure or filing required under applicable Laws, and the Party making any such disclosure shall use commercially reasonable efforts to give timely prior oral or written notice to the other Party and reasonable opportunity for the other Party to review or comment on the disclosure or filing (other than with respect to confidential information contained in such disclosure or filing which may be provided on a confidential and privileged basis only to external counsel of the other Party), and if such prior notice is not possible, to give such notice immediately following the making of any such disclosure or filing.
- (e) If, at any time after the Effective Time, Pampa Metals, Rugby, or SpinCo determines, or becomes aware that an "advisor" (as defined in the Tax Act for purposes of section 237.3 of the Tax Act or for purposes of section 237.4 of the Tax Act, as applicable) has determined, that the transactions contemplated by this Agreement, the Plan of Arrangement, or the Spinout Transfer Agreements, or any transaction that may be considered to be part of the same series of transactions as the transactions contemplated by this Agreement, the Plan of Arrangement, or the Spinout Transfer Agreements, are or would be subject to the reporting requirements under section 237.3 of the Tax Act, or the notification requirements under section 237.4 of the Tax Act, or any substantially similar provision of any applicable Tax Laws (the "**Disclosure Requirements**"), Pampa Metals, Rugby, or SpinCo, as the case may be, will inform the other Parties of its intent, or its advisor's intent, to comply with the Disclosure Requirements and the Parties will cooperate with respect to preparing and filing the applicable information returns or notifications, or both.

## **5.5 Access to Information**

From the date hereof until the earlier of the Effective Time and the termination of this Agreement, subject to compliance with applicable Law and the terms of any existing Contracts, each Party shall, and shall cause its subsidiaries and its and their respective Representatives to, afford to the other Party and its Representatives such access as the Party may reasonably require at all reasonable times for the purpose of facilitating integration business planning, to its officers, employees, agents, properties, offices, assets, books, records and

Contracts, and shall furnish the Party with such data (including financial and operating data) and information in its possession and control as the Party may reasonably request for such purpose. Without limiting the foregoing, (i) each Party and its Representatives shall, upon reasonable prior notice, have the right to conduct inspections of each of the properties on or in respect of which the other Party or any of its subsidiaries has the Mineral Rights, and (ii) each Party shall, and shall cause its subsidiaries and its and their Representatives to, make available to the other Party and its Representatives, such data (including financial and operating data) and information in its possession and control as the Party may request in respect of the Legal Actions relating to it. The Parties acknowledge and agree that information furnished pursuant to this Section 5.5 shall be subject to the terms and conditions of the Confidentiality Agreement.

## **5.6 Insurance and Indemnification**

- (a) Pampa Metals will, or will cause Rugby and the Rugby Subsidiaries to, maintain in effect without any reduction in amount or scope for six (6) years from the Effective Date customary policies of directors' and officers' liability insurance providing protection no less favourable than the protection provided by the policies maintained by Rugby and the Rugby Subsidiaries that are in effect immediately prior to the Effective Time and providing protection in respect of claims made prior to or within six (6) years after the Effective Date arising from facts or events that occurred on or prior to the Effective Date. Furthermore, prior to the Effective Time, Rugby may, in the alternative, purchase run off directors' and officers' liability insurance for a period of up to six years from the Effective Time and in such event none of Pampa Metals, Rugby or any of the Rugby Subsidiaries will have any further obligation under this Section 5.6(a), except that from and after the Effective Time, Rugby or Pampa Metals, as applicable, agrees not to take any action to terminate such directors' and officers' liability insurance.
- (b) Following the Effective Time, Pampa Metals shall cause Rugby and each Rugby Subsidiary (or their successors) to comply with all of their obligations to the present and former employees, directors and officers of Rugby and the Rugby Subsidiaries under the agreements, benefit plans and rights to indemnification or exculpation as are contained in the Rugby Plans, including by paying to the individuals party to such agreements, in each case, such amounts as are required in accordance with such agreements. Such rights to indemnification or exculpation shall not be amended, repealed or otherwise modified in a manner that would adversely affect the rights of present and former officers and directors of Rugby and the Rugby Subsidiaries for a period of six years from the Effective Time.
- (c) This Section 5.6 shall survive termination of this Agreement if such termination occurs after the Effective Time. The provisions of this Section 5.6 are intended for the benefit of, and shall be enforceable by, each present and former employee, director or officer of Rugby or its subsidiaries, each insured or indemnified person, and the heirs and legal representatives of each of such persons and, for such purpose, Rugby hereby confirms that it is acting as agent and trustee on their behalf.

## **5.7 Resignations**

Rugby shall obtain and deliver to Pampa Metals at the Effective Time evidence reasonably satisfactory to Pampa Metals of the resignations and releases effective as of the Effective Time, of all of the directors of Rugby requested by Pampa Metals.

## **5.8 Adjustment to Consideration Regarding Distributions**

If on or after the date hereof, either (a) other than as contemplated in connection with the Transactions, Rugby declares, sets aside or pays any dividend or other distribution on the Common Shares, or (b) Pampa Metals declares, sets aside or pays any dividend or other distribution on the Pampa Metals Shares, Pampa Metals and Rugby and the Rugby Board and the board of directors of Pampa Metals shall make such adjustments to the consideration to be paid to holders of Common Shares pursuant to the Arrangement as they determine acting in good faith to be necessary to restore such intention of the Parties in the circumstances. For greater certainty, if Rugby takes any of the actions referred to above, the aggregate consideration to be paid by Pampa Metals shall be decreased by an equivalent amount, and if Pampa Metals takes any of such actions, the aggregate cash consideration to be paid by Pampa Metals to Rugby Shareholders shall be increased by an equivalent amount. Notwithstanding the foregoing, nothing in this Section 5.8 shall restrict the ability of Pampa Metals to terminate this Agreement pursuant to Section 7.2(c) in the event the condition precedent to the obligations of Pampa Metals set out in Section 8.2 shall not have been met.

## **5.9 Pampa Metals Board**

On the Effective Date, Rugby shall be entitled to elect one person to the Pampa Metals Board and Pampa Metals shall on the Effective Date appoint such nominee to the Board and shall include such nominee on the slate of directors to be put forth for election to the board of directors of Pampa Metals at the annual general meeting of Pampa Metal's Shareholders

# **ARTICLE 6 ADDITIONAL AGREEMENTS**

## **6.1 Non-Solicitation**

- (a) Except in connection with the SpinCo Assets or SpinCo, Rugby shall, and shall direct and cause its Representatives and its subsidiaries and their respective Representatives to, immediately cease and cause to be terminated any existing solicitation, encouragement, discussion or negotiation with any third party with respect to any potential Acquisition Proposal, whether or not initiated by Rugby and, in connection therewith, promptly (and in any event within ten business days following the date hereof) request the return or destruction of all information provided to any third party that, at any time since January 1, 2024, has entered into a confidentiality or similar agreement with Rugby relating to a potential Acquisition Proposal, to the extent that such information has been provided and has not previously been returned or destroyed, and shall use its commercially reasonable efforts to confirm that such requests are honoured in accordance with the terms of



such confidentiality agreement. On the date hereof, Rugby shall terminate access by any third person who has made or could reasonably be expected to make an Acquisition Proposal (other than Pampa Metals and its Representatives) to any data room (virtual or actual) containing any confidential information of each Party or any of its subsidiaries. Rugby undertakes to enforce all standstill, non-disclosure, non-disturbance, non-solicitation, and similar agreements or covenants that it has entered into prior to the date of this Agreement and that it enters into after the date of this Agreement; provided, however, that the foregoing shall not prevent the Rugby Board from considering an Acquisition Proposal (that was not solicited after the date hereof in contravention of this Agreement) that the Rugby Board has determined constitutes, or could reasonably be expected to result in, a Superior Proposal.

- (b) Except as expressly provided in this Article 6, Rugby shall not, and shall not authorize or permit any of its subsidiaries or its Representatives to take any action of any kind that might, directly or indirectly, interfere with the successful and timely completion of the Transactions, including any action to:
  - (i) solicit, initiate, encourage or otherwise knowingly facilitate (including by way of furnishing information, permitting any visit to any facilities or properties of Rugby or any of its subsidiaries or entering into any Contract) the initiation of any inquiries, proposals or offers regarding an Acquisition Proposal;
  - (ii) engage or participate in or otherwise facilitate any discussions or negotiations with, or provide any information to, any person regarding an Acquisition Proposal, provided that, for greater certainty, Rugby may advise any person making an unsolicited Acquisition Proposal of the existence of this Section 6.1;
  - (iii) make a Change in Recommendation;
  - (iv) accept, approve, endorse or recommend or remain neutral with respect to, or propose publicly to approve, endorse or recommend or remain neutral with respect to, any Acquisition Proposal or any inquiry, proposal or offer that could reasonably be expected to lead to an Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a publicly announced or otherwise publicly disclosed Acquisition Proposal for a period of no more than fifteen calendar days will not be considered to be a violation of this Section 6.1, provided that the Rugby Board has rejected such Acquisition Proposal and affirmed the recommendation before the end of such fifteen calendar day period or in the event that the Rugby Meeting is scheduled to occur within such fifteen calendar day period, prior to the third business day prior to the date of such meeting); or

- (v) accept or enter into, or publicly propose to accept or enter into, any Contract (including any letter of intent or agreement in principle) in respect of any Acquisition Proposal (other than a confidentiality agreement permitted by Section 6.1(e) or requiring Rugby to abandon, terminate or fail to consummate the Arrangement or providing for the payment of any break, termination or other fees or expenses to any person in the event that Rugby completes the Transactions or any other transaction with Pampa Metals or any of its affiliates agreed to prior to any termination of this Agreement.
- (c) Subject to Section 6.1(e) Rugby shall, and shall not authorize or permit any of its subsidiaries to, directly or indirectly, amend, modify or release any third party from any confidentiality agreement, standstill agreement or standstill provisions contained in any agreement to which it is a party, and shall strictly enforce the terms thereof (it being acknowledged and agreed that the automatic termination or release of any standstill provisions of any such agreement as the result of the entering into or announcement of this Agreement by Rugby pursuant to the terms of any such agreement, shall not be a violation of this Section 6.1(c)).
- (d) Notwithstanding Section 6.1(a) and any other provision of this Agreement, if Rugby receives an unsolicited written Acquisition Proposal, the Rugby Board shall prior to the approval of the Arrangement Resolution by Rugby Shareholders, be permitted to contact the person making the Acquisition Proposal and its Representatives solely for the purpose of clarifying the terms and conditions of such Acquisition Proposal and the likelihood of consummation so as to determine whether such proposal is, or would reasonably be expected to lead to a Superior Proposal provided that notice of such Acquisition Proposal has been provided to Pampa Metals.
- (e) Notwithstanding Section 6.1(a), Section 6.1(c) and any other provision of this Agreement, the Rugby Board shall, prior to the approval of the Arrangement Resolution by the Rugby Shareholders, be permitted to participate in discussions or negotiations with, or furnish information to, any person that has made a *bona fide* unsolicited written Acquisition Proposal delivered by such person to Rugby after the date hereof if:
  - (i) Rugby has complied with all other requirements of this Section 6.1 in all respects;
  - (ii) the Rugby Board has determined in good faith (after receipt of advice from its external financial and legal advisors) that such Acquisition Proposal constitutes or, if consummated in accordance with its terms, would reasonably be expected to be a Rugby Superior Proposal;
  - (iii) at least one business day prior to entering into any discussions or negotiations furnishing any information to such person, Rugby gives Pampa Metals written notice of the identity of such person and of Rugby's intention

to furnish public information or access to, or enter into discussions with, such person; and

- (iv) prior to entering into any discussions or negotiations furnishing any information to such person, (A) the Rugby Board has received from such person an executed confidentiality agreement (if one had not already been entered into prior to the date hereof) which is no less favourable to Rugby than the Confidentiality Agreement and which contains a standstill provision on terms that are not more favourable to such third party than the terms of the standstill in the Confidentiality Agreement are to Pampa Metals (including in respect of a standstill) but which allows such person, its affiliates and Representatives to make an Acquisition Proposal to and negotiate the terms of an Acquisition Proposal, and any agreement related thereto, with the Rugby Board or any Representatives of Rugby, in each case on a confidential basis, and (B) Pampa Metals has been provided with a copy of such confidentiality agreement, and thereafter Pampa Metals shall be provided promptly with a list of any information provided to such person, or in the case of information that was not previously made available to Pampa Metals, Rugby shall make such information available to Pampa Metals.
- (f) Rugby shall promptly (and in any event within one business day following receipt by Rugby) notify Pampa Metals at first orally and then in writing, of all inquiries, proposals or offers relating to or constituting an Acquisition Proposal, all requests for discussions or negotiations relating to an Acquisition Proposal and all requests for non-public information relating to Rugby or any of its subsidiaries or for access to the properties, books or records of Rugby or any of its subsidiaries, in each case received on or after the date hereof, by it or any of its subsidiaries, or any of its Representatives. Such notice shall include a description of the terms and conditions of any such Acquisition Proposal or such inquiry, proposal, offer or request known to Rugby (including Rugby valuation of any non-cash consideration), the identity of the person making such Acquisition Proposal or such inquiry, proposal offer or request, a copy of such inquiry, proposal, offer or request (if in writing). Thereafter, Rugby shall keep Pampa Metals informed on a prompt basis of the status, including any change to the terms, of any such inquiry, proposal, offer or request.
- (g) Rugby shall at all times ensure that its subsidiaries and its and its subsidiaries Representatives are aware of the provisions of this Section 6.1, and it will be responsible for any breach of this Section 6.1 by such subsidiaries and Representatives.

## **6.2 Rugby Right to Accept a Superior Proposal**

- (a) Notwithstanding Section 6.1(a) and any other provision of this Agreement, prior to the approval of the Arrangement by the Required Vote, the Rugby Board may amend, modify or withdraw its approval or recommendation of the Arrangement

and/or accept, approve, recommend or enter into a definitive agreement for the implementation of an Acquisition Proposal if, and only to the extent that:

- (i) Rugby has complied with all applicable requirements of Section 6.1 and Section 6.2;
  - (ii) the Rugby Board has determined in good faith (after receipt of advice from its external financial and legal advisors) that the Acquisition Proposal constitutes a Superior Proposal;
  - (iii) Rugby has provided Pampa Metals with a notice in writing that such Acquisition Proposal is a Superior Proposal (and such notice shall include Rugby's valuation of any non-cash consideration) and the Rugby Board proposes to amend, modify or withdraw its approval or recommendation of the Arrangement and/or accept, approve, recommend or enter into a definitive agreement for the implementation of such Acquisition Proposal, together with, if applicable, a copy of any proposed agreement relating to such Rugby Superior Proposal, in each case at least five Business Days prior to the date on which the Rugby Board proposes to accept, approve, recommend or enter into any agreement relating to such Rugby Superior Proposal;
  - (iv) three Business Days shall have elapsed from the date on which Pampa Metals received the notice and, if applicable, agreement referred to in Section 6.2(a)(iii) from Rugby in respect of the Superior Proposal (the "**Pampa Metals Match Period**") and, if Pampa Metals has proposed to amend the terms of the Transactions in accordance with Section 6.2(b), the Rugby Board (after receiving advice from its external financial and legal advisors) shall have determined in good faith that the Acquisition Proposal continues to be a Superior Proposal as compared to the amendment to the terms of this Agreement and the Arrangement proposed by Pampa Metals in accordance with Section 6.2(b); and
  - (v) such Superior Proposal does not obligate or permit Rugby or any other person to interfere with or seek to interfere with the completion of the Arrangement or to complete any transaction that would contravene Section 5.1 and does not impose or provide for the payment of any break, termination or other fees or expenses to the other party in the event that Rugby or any of its subsidiaries completes the associated Transactions or any similar other transaction with Pampa Metals and any agreement in respect of such Superior Proposal provides that (A) Rugby shall be permitted to call the Rugby Meeting as contemplated in this Agreement, and (B) such agreement shall terminate upon the approval of the Arrangement Resolution by the Rugby Shareholders.
- (b) During each Pampa Metals Match Period, Pampa Metals shall have the right, but not the obligation, to offer to amend the terms of the Transactions. The Rugby

Board shall review any proposal by Pampa Metals to amend the terms of the Transactions in order to determine, in good faith in the exercise of its fiduciary duties, whether Pampa Metals' proposal to amend the Transactions would, upon acceptance by Rugby, result in the Acquisition Proposal ceasing to be a Superior Proposal compared to the proposed amendment to the Transactions. If the Rugby Board so determines, it will promptly enter into an amended agreement with Pampa Metals reflecting the amended proposal.

- (c) If Rugby receives an Acquisition Proposal within five business days of the date scheduled for the Rugby Meeting, Rugby shall be permitted to postpone or adjourn the Rugby Meeting to a day not more than 10 days after the date scheduled for the Rugby Meeting in order to deal with such Acquisition Proposal and, if the Rugby Board determines such Acquisition Proposal to be a Superior Proposal, to observe and satisfy the Pampa Metals Match Period. Where Rugby has provided Pampa Metals notice pursuant to Section 6.2(a)(iii) and the Rugby Meeting is scheduled to be held prior to the expiry of the Pampa Metals Match Period, if directed to do so by Pampa Metals, Rugby shall postpone or adjourn the Rugby Meeting as directed by Pampa Metals to a date designated by Pampa Metals (which shall not be later than 10 days after the scheduled date of the Rugby Meeting or any previous postponement or adjournment thereof). Rugby shall, in the event that Rugby and Pampa Metals amend the terms of this Agreement or the Arrangement pursuant to Section 7.5, ensure that the details of such amended Agreement or Arrangement are communicated to the Rugby Shareholders prior to the holding or resumption of the postponed or adjourned the Rugby Meeting.
- (d) The Rugby Board shall promptly (and in any event within three business days) reaffirm its recommendation of the Arrangement by news release after the Rugby Board determines that the proposed amendment to the Transactions and the Arrangement would result in an Acquisition Proposal that was publicly announced not being a Superior Proposal and Pampa Metals has so amended the terms of this Agreement. Pampa Metals and its counsel shall be given a reasonable opportunity to review and comment on the form and content of any such news release and Rugby shall give reasonable consideration to all comments made by Pampa Metals and its counsel.
- (e) Each successive modification of any Acquisition Proposal will constitute a new Acquisition Proposal for purposes of Section 6.1 and the requirement under Section 6.2(a)(iv) to initiate a new Pampa Metals Match Period.
- (f) Nothing in this Agreement shall prevent the Rugby Board from responding through a directors' circular or otherwise as required by applicable Laws to an Acquisition Proposal that it determines is not a Rugby Superior Proposal. Pampa Metals and its counsel shall be given a reasonable opportunity to review and comment on the content of any directors' circular prior to its printing and Rugby shall give reasonable consideration to all comments made by Pampa Metals and its counsel.

## **ARTICLE 7**

### **TERM, TERMINATION, AMENDMENT AND WAIVER**

#### **7.1 Term**

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

#### **7.2 Termination**

- (a) Termination By Mutual Consent. This Agreement may be terminated at any time prior to the Effective Time by mutual written consent of the Parties.
- (b) Termination By Either Pampa Metals or Rugby. This Agreement may be terminated by any Party at any time prior to the Effective Time if:
  - (i) the Effective Time has not occurred on or prior to the Outside Date, except that the right to terminate this Agreement under this Section 7.2(b)(i) shall not be available to any Party if the failure of the Effective Time to occur by such date is the result of the breach of, or failure to fulfill, any of such Party's obligations under this Agreement or any representation or warranty of such Party being untrue or incorrect;
  - (ii) after the date hereof, there shall be enacted or made any applicable Law (or any applicable Law shall have been amended) or there shall exist any injunction or court order that makes consummation of the Arrangement illegal or otherwise prohibits or enjoins Rugby or Pampa Metals from consummating the Arrangement and such applicable Law, injunction or court order shall have become final and non-appealable; or
  - (iii) the Required Vote is not obtained at the Rugby Meeting (or any adjournment or postponement thereof).
- (c) Termination By Pampa Metals. This Agreement may be terminated by Pampa Metals at any time prior to the Effective Time if:
  - (i) the Rugby Board shall have:
    - (A) withdrawn, qualified, amended or modified, or proposed publicly to withdraw, qualify, amend or modify, in a manner adverse to Pampa Metals its approval of the Arrangement or its recommendation that the Rugby Shareholders vote in favour of the Arrangement Resolution (it being understood that simply taking a neutral position or no position with respect to an Acquisition Proposal following the public announcement thereof shall itself be considered an adverse modification) (a "**Change in Recommendation**"); or

- (B) approved or recommended, or proposed publicly to withdraw, qualify, amend or recommend, any Acquisition Proposal by a person other than Pampa Metals and its subsidiaries and joint actors;
    - (C) failed to reaffirm its approval of the Arrangement or its recommendation that the Rugby Shareholders vote in favour of the Arrangement Resolution as and when required under this Agreement or within three business days of being requested to do so in writing by Pampa Metals, acting reasonably;
  - (ii) subject to Section 7.3, and provided that Pampa Metals is not then in material breach of its obligations under this Agreement:
    - (A) any representation or warranty of Rugby under this Agreement is materially untrue, or incorrect or shall have become untrue or incorrect, in either case such that the condition contained in Section 8.2(b) would be incapable of satisfaction; or
    - (B) Rugby is in material default of a covenant or obligation hereunder (other than Section 6.1 or Section 6.2) such that the condition contained in Section 8.2(a) would be incapable of satisfaction; or
  - (iii) Rugby breaches any of its covenants or agreements in Section 6.1 or Section 6.2.
- (d) Termination By Rugby. This Agreement may be terminated by Rugby at any time prior to the Effective Time if:
- (i) Rugby, subject to complying with Section 6.2, proposes to amend, modify or withdraw its approval or recommendation of the Arrangement and/or accept, approve, recommend or enter into a definitive agreement for the implementation of a Superior Proposal;
  - (ii) subject to Section 7.3, and provided that Rugby is not then in material breach of its obligations under this Agreement:
    - (A) any representation or warranty of Pampa Metals under this Agreement is materially untrue or incorrect, or shall have become untrue or incorrect, in either case such that the condition contained in Section 8.3(b) would be incapable of satisfaction; or
    - (B) Pampa Metals is in material default of a covenant or obligation hereunder such that the condition contained in Section 8.3(a) would be incapable of satisfaction.

### **7.3 Notice and Cure Provisions**

- (a) Each of Rugby and Pampa Metals shall give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the earlier of the termination of this Agreement and the Effective Time of any event or state of facts which occurrence or failure would, or would be likely to:
  - (i) cause any of the representations or warranties of either Party contained herein to be untrue or inaccurate in any material respect on the date hereof or at the Effective Time; or
  - (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by either Party hereunder prior to the Effective Time.
- (b) Pampa Metals shall not exercise its right to terminate this Agreement pursuant to Section 7.2(c)(ii) and Rugby may not exercise its right to terminate this Agreement pursuant to Section 7.2(d)(ii) unless the Party seeking to terminate the Agreement shall have delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters that the Party delivering such notice is asserting as the basis for the termination right. If any such notice is delivered, provided that a Party is proceeding diligently to cure such matter and such matter is capable of being cured (except matters arising out of the failure to make appropriate disclosure in their Disclosure Letter), no Party may exercise such termination right, until the earlier of (i) the Outside Date, and (ii) the date that is twenty (20) 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. If such notice has been delivered prior to the date of the Rugby Meeting, such meeting shall, unless the Parties agree otherwise, be postponed or adjourned until the expiry of such period (without causing any breach of any other provision contained herein). If such notice has been delivered prior to the filing of the relevant documents in accordance with the BCBCA pursuant to Section 2.7, such filing shall be postponed until two business days after the expiry of such period.

### **7.4 Effect of Termination**

If this Agreement is terminated in accordance with Section 7.2, this Agreement shall forthwith become void and of no further force or effect and no Party shall have any further obligations or liability hereunder except as provided in last sentence of Section 5.5, Sections 9.1, 9.4, 9.8, 9.9, 9.12 and 9.14 and this Section 7.4 and the Confidentiality Agreement and as otherwise expressly contemplated hereby. For greater certainty, and notwithstanding anything in this Agreement to the contrary, nothing contained in this Section 7.4 or otherwise in this Agreement shall relieve any Party from liability (including damages for loss of economic benefits (including lost synergies), as applicable) for any deliberate breach of any provision of this Agreement. No termination of this Agreement shall affect the obligations of the Parties pursuant to the Confidentiality Agreement, except to the extent specified therein.



## **7.5 Amendment**

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Rugby Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, and any such amendment may, subject to the Interim Order and Final Order and applicable Laws, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive or modify any inaccuracies or modify any representation, term or provision contained herein or in any document delivered pursuant hereto; or
- (c) waive compliance with or modify any of the conditions precedent referred to in Article 8 or any of the covenants herein contained or modify performance of any of the obligations of the parties.

## **7.6 Waiver**

Either Rugby or Pampa Metals may:

- (a) waive, in whole or in part, any inaccuracy of any representation or warranty made to it hereunder or in any document to be delivered pursuant hereto,
- (b) extend the time for the performance of any of the obligations or acts of the other Party;
- (c) waive any of the covenants herein contained for its benefit or waive any of the obligations of the other Party; and
- (d) waive the fulfillment of any condition to its own obligations contained herein, only to the extent the fulfillment of such condition are intended for its benefit

provided, however, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived.

## **ARTICLE 8 CONDITIONS**

### **8.1 Mutual Conditions Precedent**

The obligations of the Parties to complete the Transactions are subject to the satisfaction or waiver by Rugby and Pampa Metals on or before the Effective Date of each of the following conditions, which are for the mutual benefit of each of Rugby and Pampa Metals and which may only be waived, in whole or in part, by the mutual consent of each of Rugby and Pampa Metals:

- (a) the Interim Order shall have been obtained in form and substance satisfactory to each of Rugby and Pampa Metals, each acting reasonably, and shall not have been set aside or modified in a manner unacceptable to either Rugby or Pampa Metals, each acting reasonably, on appeal or otherwise;
- (b) the Arrangement Resolution, in form and substance acceptable to Rugby and Pampa Metals, each acting reasonably, shall have been approved at the Rugby Meeting by not less than the Required Vote, in accordance with the Interim Order;
- (c) the Final Order shall have been obtained in form and substance satisfactory to each of Rugby and Pampa Metals, each acting reasonably, and shall not have been set aside or modified in any manner unacceptable to either Rugby and Pampa Metals, each acting reasonably, on appeal or otherwise;
- (d) no applicable Law shall have been enacted or made (and no applicable Law shall have been amended) that makes consummation of the Arrangement illegal or that prohibits or otherwise restrains (whether temporarily or permanently) Rugby and Pampa Metals from consummating the Arrangement or any of the other Transactions;
- (e) the Consideration Shares and the SpinCo Shares to be issued in the United States pursuant to the Arrangement shall be exempt from registration requirements under the U.S. Securities Act pursuant to the Section 3(a)(10) Exemption; provided, however, that Rugby shall not be entitled to rely on the provisions of this Section 8.1(e) in failing to consummate the Transactions in the event that Rugby fails to advise the Court prior to the hearing in respect of the Final Order, as required by the terms of the foregoing exemptions, that Pampa Metals will rely on the foregoing exemptions based on the Court's approval of the transaction;
- (f) the TSXV shall have, if required, accepted notice for filing of all transactions of the Parties contemplated herein or necessary to complete the Arrangement subject only to compliance with the usual requirements of the TSXV;
- (g) CSE shall have, if required, accepted notice for filing of all transactions of the Parties contemplated herein or necessary to complete the Arrangement subject only to compliance with the usual requirements of the CSE;
- (h) Rugby or an affiliate and SpinCo shall have entered into the Spinout Transaction Agreements;
- (i) all Regulatory Approvals shall have been obtained, received or concluded; and
- (j) this Agreement shall not have been terminated in accordance with its terms.

## **8.2 Additional Conditions Precedent to the Obligations of Pampa Metals**

The obligation of Pampa Metals to complete the Transactions shall be subject to the satisfaction or waiver by Pampa Metals, on or before the Effective Date, of each of the following conditions, which are for the exclusive benefit of Pampa Metals and which may only be waived, in whole or in part, by Pampa Metals:

- (a) all covenants of Rugby under this Agreement to be performed on or before the Effective Date shall have been duly performed by Rugby in all material respects, and Rugby shall have provided Pampa Metals with a certificate, addressed to Pampa Metals and dated as of the Effective Date, signed on behalf of Rugby by two of its senior executive officers certifying such performance as of the Effective Date;
- (b) the representations and warranties of Rugby set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Rugby Material Adverse Effect qualifications contained in them, of the Effective Time with the same force and effect as if made on and as of the Effective Date (except (i) to the extent such representations and warranties speak as of an earlier date, the accuracy of which shall be determined as of such earlier date, or (ii) as affected by the Transactions), except where any failure or failures of any such representations and warranties to be so true and correct in all respects would not, individually or in the aggregate, result in a Rugby Material Adverse Effect, and Rugby shall have provided Pampa Metals with a certificate, addressed to Pampa Metals and dated as of the Effective Date, signed on behalf of Rugby by two of its senior executive officers certifying such accuracy as of the Effective Date;
- (c) between the date hereof up to and including the Effective Date, there shall not have occurred any fact, development, circumstance, change, matter, action, condition, event or occurrence that, individually or in the aggregate with all other facts, circumstances, changes, matters, actions, conditions, events or occurrences, has had, or would reasonably be expected to have a Rugby Material Adverse Effect;
- (d) Pampa Metals shall have received resignations and releases effective at of the Effective Time from all of the directors of Rugby requested by Pampa Metals, as contemplated under Section 5.7;
- (e) the aggregate number of Common Shares held, directly or indirectly, by Rugby Shareholders who have properly exercised Dissent Rights in connection with the Arrangement shall not exceed five percent (5%) of the outstanding Common Shares; and
- (f) all requisite third party and other consents, waivers, permits, exemptions, orders and approvals that Pampa Metals may reasonably consider to be necessary or desirable in connection with the consummation of the Transactions shall have been obtained or received in form and substance satisfactory to Pampa Metals, acting reasonably, and reasonable evidence of such receipt shall have been delivered to Pampa Metals, except where the failure to obtain or receive any such consent,

waiver, permit, exemption, order or approval would not reasonably be expected to result in a Rugby Material Adverse Effect.

### **8.3 Additional Conditions Precedent to the Obligations of Rugby**

The obligation of Rugby to complete the Transactions shall be subject to the satisfaction or waiver by Rugby on or before the Effective Date of each of the following conditions, which are for the exclusive benefit of Rugby and which may only be waived, in whole or in part, by Rugby:

- (a) all covenants of Pampa Metals under this Agreement to be performed on or before the Effective Date shall have been duly performed by Pampa Metals in all material respects, and Pampa Metals shall have provided Rugby with a certificate, addressed to Rugby and dated as of the Effective Date, signed on behalf of Pampa Metals by two of its senior executive officers certifying such performance as of the Effective Date;
- (b) the representations and warranties of Pampa Metals set forth in this Agreement shall be true and correct in all respects, without regard to any materiality or Pampa Metals Material Adverse Effect qualifications contained in them, of the Effective Time with the same force and effect as if made on and as of the Effective Date (except (i) to the extent such representations and warranties speak as of an earlier date, the accuracy of which shall be determined as of such earlier date, or (ii) as affected by the Transactions), except where any failure or failures of any such representations and warranties to be so true and correct in all respects would not, individually or in the aggregate, result in a Pampa Metals Material Adverse Effect, and Pampa Metals shall have provided Rugby with a certificate, addressed to Rugby and dated as of the Effective Date, signed on behalf of Pampa Metals by two of its senior executive officers certifying such accuracy as of the Effective Date;
- (c) between the date hereof up to and including the Effective Date, there shall not have occurred any fact, development, circumstance, change, matter, action, condition, event or occurrence that, individually or in the aggregate with all other facts, circumstances, changes, matters, actions, conditions, events or occurrences, has had, or would reasonably be expected to have a Pampa Metals Material Adverse Effect;
- (d) the aggregate number of Common Shares held, directly or indirectly, by Rugby Shareholders who have properly exercised Dissent Rights in connection with the Arrangement shall not exceed five percent (5%) of the outstanding Common Shares;
- (e) Pampa Metals shall have complied with its obligations under Section 2.9;
- (f) Pampa Metals shall have taken all necessary action to cause Bryce Roxburgh to be appointed to the Pampa Metals Board as at the Effective Time; and

- (g) there shall be no resale restrictions on the Consideration Shares to be issued to Rugby Shareholders as the Consideration pursuant to the Arrangement under Securities Laws in Canada, except in respect of those holders who are subject to restrictions on resales as a result of being a “control person” under Securities Laws in Canada or as required pursuant to stock exchange policies.

#### **8.4 Satisfaction of Conditions**

The conditions precedent set out in Section 8.1, Section 8.2 and Section 8.3 shall be conclusively deemed to have been satisfied, waived or released on the Effective Date.

### **ARTICLE 9 GENERAL PROVISIONS**

#### **9.1 Privacy**

Each Party shall comply with applicable privacy Laws in the course of collecting, using and disclosing personal information about an identifiable individual in connection with the transactions contemplated herein (the “**Transaction Personal Information**”). Each Party shall not disclose Transaction Personal Information of the other Party to any person other than to its advisors who are evaluating and advising on the transactions contemplated by this Agreement. Pampa Metals completes the transactions contemplated by this Agreement, Pampa Metals shall not, following the Effective Date, without the consent of the individuals to whom Transaction Personal Information of Rugby relates or as permitted or required by applicable Law, use or disclose such Transaction Personal Information:

- (a) for purposes other than those for which such Transaction Personal Information was collected by Rugby prior to the Effective Date; and
- (b) which does not relate directly to the carrying on of Rugby’s business or to the carrying out of the purposes for which the transactions contemplated by this Agreement were implemented.

Each Party shall protect and safeguard the Transaction Personal Information of the other Party against unauthorized collection, use or disclosure. Each Party shall cause its advisors to observe the terms of this Section and to protect and safeguard Transaction Personal Information of the other Party in their possession. If this Agreement is terminated, each Party shall promptly deliver to the other Party all Transaction Personal Information of the other Party in its possession or in the possession of any of its advisors, including all copies, reproductions, summaries or extracts thereof.

#### **9.2 Public Notices**

All public notices to third parties and all other publicity concerning the matters contemplated by this Agreement shall be jointly planned and coordinated by the Parties and no Party shall act unilaterally in this regard without the prior written approval of the other Parties, such approval not to be unreasonably withheld, conditioned or delayed, except to the extent that

the Party making such notice is required to do so by applicable Laws in circumstances where prior consultation with the other Parties is not practicable, provided concurrent notice to the other Parties is provided.

### **9.3 Notices to Parties**

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by e-mail transmission, or as of the following business day if sent by prepaid overnight courier, to the Parties at the following addresses (or at such other addresses as shall be specified by either Party by notice to the other given in accordance with these provisions):

- (a) if to Pampa Metals:

Pampa Metals Corporation  
#501 – 543 Granville Street  
Vancouver, BC V6C 1X8

Attention: Joseph van den Elsen, Chief Executive Officer  
Email: [Redacted]

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

Morton Law LLP  
750 West Pender Street, #1200  
Vancouver, British Columbia V6C 1G8

Attention: Edward Mayerhofer  
E-Mail: [Redacted]

- (b) if to Rugby:

Rugby Resources Ltd.  
1890 – 1075 West Georgia Street  
Vancouver, British Columbia V6E 3C9

Attention: Bryce Roxburgh, Chief Executive Officer  
Email: [Redacted]

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

Gowling WLG (Canada) LLP  
550 Burrard Street, Suite 2300, Bentall 5  
Vancouver, British Columbia V6C 2B5

Attention: Cyndi Laval  
E-Mail: [Redacted]

#### **9.4 Governing Law; Waiver of Jury Trial**

This Agreement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and shall be construed and treated in all respects as a British Columbia contract. Each of the Parties hereby irrevocably attorns to the non-exclusive jurisdiction of the Courts of the Province of British Columbia in respect of all matters arising under and in relation to this Agreement and the Arrangement. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS OR THE ACTIONS OF THE PARTIES IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT OF THIS AGREEMENT.

#### **9.5 Further Assurances**

Each Party shall use commercially reasonable efforts do all such things and provide reasonable assurances as may be required to consummate the Transactions, and each Party shall provide such further documents or instruments as reasonably required by any other Party as necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after the Effective Time.

#### **9.6 Expenses**

Except as otherwise specifically provided in this Agreement, each Party to this Agreement shall pay its respective legal, accounting and other professional advisory fees, costs and expenses incurred in connection with the negotiation, preparation or execution of this Agreement, and all documents and instruments executed or delivered pursuant to this Agreement, as well as any other costs and expenses incurred.

#### **9.7 Injunctive Relief**

The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to specific performance, an injunction or injunctions and other equitable relief to prevent breaches of this Agreement, any requirement for the securing or posting of any bond in connection with the obtaining of such specific performance or any such injunctive or other equitable relief hereby being waived. 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.

#### **9.8 Entire Agreement**

This Agreement, the Rugby Disclosure Letter, the Pampa Metals Disclosure Letter and the Confidentiality Agreement constitute the entire agreement, and supersede all other prior agreements and understandings, both written and oral, between the Parties with respect to the

subject matter hereof and thereof. There are no other covenants, agreements, representations, warranties, conditions, whether direct or collateral, express or implied, that form part of or affect this Agreement except as otherwise provided in this Agreement. The execution of this Agreement has not been induced by, nor do any of the Parties rely upon or regard as material, any representations, promises, agreements or statements not incorporated into this Agreement including any documents or information in any due diligence examinations and data reviews. This Agreement shall not be amended, added to or qualified except by written agreement signed by all of the Parties.

#### **9.9 Assignment and Enurement**

Pampa Metals may assign all or any part of its rights under this Agreement to, and its obligations under this Agreement may be assumed by, its wholly-owned subsidiary, provided that if such assignment and/or assumption takes place, Pampa Metals shall continue to be liable jointly and severally with such subsidiary for all of its obligations hereunder and such subsidiary shall remain at all times up to and including the Effective Date a wholly-owned subsidiary of Pampa Metals. This Agreement shall not be otherwise assignable by any Party without the prior written consent of the other party hereto. This Agreement shall be binding on and shall enure to the benefit of the Parties and their respective successors and permitted assigns.

#### **9.10 No Liability**

No director or officer of Pampa Metals shall have any personal liability whatsoever to Rugby under this Agreement, or any other document delivered in connection with the transactions contemplated hereby on behalf of Pampa Metals. No director or officer of Rugby shall have any personal liability whatsoever to Pampa Metals under this Agreement, or any other document delivered in connection with the transactions contemplated hereby on behalf of Rugby. Except with respect to Section 5.6, this Agreement will not benefit or create any right or cause any action in or 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.

#### **9.11 Severability**

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

#### **9.12 Waiver**

Except as otherwise expressly set forth herein, no waiver of any provision of this Agreement shall be binding unless it is in writing. No indulgence or forbearance by a Party shall constitute a waiver of such Party's right to insist on performance in full and in a timely manner of



all covenants in this Agreement. Waiver of any provision shall not be deemed to waive the same provision thereafter, or any other provision of this Agreement, at any other time.

**9.13 No Third Party Beneficiaries**

Except for the rights of the Rugby Shareholders to receive the consideration for their Common Shares following the Effective Time pursuant to the Arrangement, which rights are hereby acknowledged and agreed by Pampa Metals, and except as provided in Section 5.5, this Agreement is not intended to confer any rights or remedies upon any person other than the Parties to this Agreement. Pampa Metals appoints Rugby as the trustee and agent for the individuals specified in Section 5.6 with respect to the covenants and agreements in Section 5.6 and Rugby accepts such appointment.

**9.14 Rules of Construction**

The Parties to this Agreement have been represented by counsel during the negotiation and execution of this Agreement and waive the application of any Laws or rule of construction providing that ambiguities in any agreement or other document shall be construed against the party drafting such agreement or other document.

**9.15 Counterparts; Execution**

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed electronic copy of this Agreement, and such executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

*[Signature page to follow]*

**IN WITNESS WHEREOF** Rugby, SpinCo and Pampa Metals have caused this Agreement to be executed as of the date first written above.

**PAMPA METALS RESOURCES LTD.**

By: (Signed) "Joseph van den Elsen"  
Name: Joseph van den Elsen  
Title: Chief Executive Officer

**RUGBY RESOURCES LTD.**

By: (Signed) "Cecil Bond"  
Name: Cecil Bond  
Title: Executive Vice President & Director

**AEGIS RESOURCES LTD.**

By: (Signed) "Alejandro Adams"  
Name: Alejandro Adams  
Title: Director

**SCHEDULE “A”**

**PLAN OF ARRANGEMENT**

Attached hereto

**PLAN OF ARRANGEMENT  
UNDER SECTION 288 OF THE  
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)**

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

In this Plan of Arrangement, the following words, terms and expressions (and all grammatical variations thereof) shall have the following meanings:

**“affiliate”** has the meaning specified in the BCBCA;

**“Affected Person”** has the meaning assigned to that term in Section 5.5 of this Plan of Arrangement;

**“Arrangement”** means the arrangement involving Rugby, SpinCo and Pampa Metals under the provisions of Part 9, Division 5 of the BCBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations thereto made in accordance with Section 7.5 of the Arrangement Agreement or this Plan of Arrangement or made at the direction of the Court in the Final Order provided that such amendment or variation is acceptable to both Rugby and Pampa Metals, each acting reasonably;

**“Arrangement Agreement”** means the arrangement agreement dated April 21, 2025 between Rugby, SpinCo and Pampa Metals, including all schedules annexed hereto, as the same may be amended, supplemented or otherwise modified from time to time;

**“Arrangement Resolution”** means the special resolution of the Rugby Shareholders to be considered and, if thought fit, passed by the Rugby Shareholders at the Rugby Meeting, to be in substantially the form and content of Schedule B to the Arrangement Agreement, with such changes as may be agreed to by Rugby and Pampa Metals, each acting reasonably;

**“BCBCA”** means the *Business Corporations Act* (British Columbia), and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

**“business day”** means any day on which commercial banks are generally open for business in the City of Vancouver, British Columbia, other than a Saturday, a Sunday or a day observed as a statutory holiday in the City of Vancouver, British Columbia;

**“Class A Shares”** has the meaning assigned to that term in Section 3.1(f) of this Plan of Arrangement;

**“Common Shares”** means the Common shares in the capital of Rugby as they exist prior to the Effective Time or as they may be redesignated or changed thereafter, in accordance with Section 3.1(c)(i) of this Plan of Arrangement;

**“Consideration”** means the consideration to be received by the Rugby Shareholders pursuant to the Plan of Arrangement, as consideration for their New Common Shares consisting of one Pampa Metals Share for each 6.4 New Common Share held;

**“Court”** means the Supreme Court of British Columbia;

**“CSE”** means the Canadian Securities Exchange;

**“Depository”** means Computershare Trust Company of Canada, or such other trust company, bank or financial institution agreed to in writing between Pampa Metals and Rugby, acting reasonably;

**“Dissent Rights”** means the rights of dissent exercisable by the Rugby Shareholders in respect of the Arrangement described in Article 4 of this Plan of Arrangement;

**“Dissenting Shareholder”** means a Rugby Shareholder who duly and validly exercises Dissent Rights in respect of the Arrangement in compliance with the Dissent Rights described in Article 4 of this Plan of Arrangement and who does not withdraw or is not deemed to have withdrawn such exercise of Dissent Rights prior to the Effective Time;

**“Effective Date”** means the date upon which the Arrangement becomes effective as provided in this Plan of Arrangement;

**“Effective Time”** means the beginning of the day (Vancouver time) on the Effective Date (which is designated as 12:01 a.m. for purposes of the BCBCA) or such other time as may be agreed to by the Parties;

**“Final Order”** means the final order of the Court pursuant to section 291 of the BCBCA, in a form acceptable to Pampa Metals and Rugby, each acting reasonably, approving the Arrangement as such order may be amended by the Court (with the consent of both Rugby and Pampa Metals, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both Rugby and Pampa Metals, each acting reasonably) on appeal;

**“Governmental Entity”** means: (a) any international, multinational, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, minister, ministry, bureau, agency or instrumentality, domestic or foreign; (b) any stock exchange, including the TSXV and CSE, as applicable; (c) any subdivision, agent, commission, board or authority of any of the foregoing; or (d) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, antitrust, foreign investment, expropriation or taxing authority under or for the account of any of the foregoing;

**“holder”** means, when used with reference to the Common Shares, a registered holder of the Common Shares, as shown in the register maintained by or on behalf of Rugby in respect thereof;

**“In-the-Money Amount”** means, in respect of an option at any time, the amount, if any, by which the aggregate fair market value, at that time, of the shares subject to that option exceeds the aggregate exercise price under such option;

**“Interim Order”** means the interim order of the Court to be issued following the application therefor contemplated by Section 2.2 of the Arrangement Agreement, in a form acceptable to Rugby and Pampa Metals, each acting reasonably, providing for, among other things, the calling and holding of Rugby Meeting, as such order may be amended, supplemented or varied by the Court (with the consent of both Rugby and Pampa Metals, each acting reasonably);

**“Law” or “Laws”** means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgments, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, 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;

**“Letter of Transmittal”** means the letter of transmittal sent by Rugby to holders of Common Shares for use in connection with the Arrangement providing for the delivery of certificates representing Common Shares to the Depositary;

**“Liens”** means any hypothecations, mortgages, liens, charges, security interests, pledges, claims, encumbrances and 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, but excluding (i) security interests, liens, charges or other encumbrances or imperfections in title arising in the ordinary course of business or by operation of Law, (ii) security interests, liens, charges or other encumbrances arising under sales contracts with title retention provisions or equipment leases with third parties entered into in the ordinary course of business and (iii) security interests, liens, charges or other encumbrances for taxes or charges from a Governmental Entity which are not due and payable or which thereafter may be paid without penalty;

**“New Common Shares”** means the new class of common shares which will be created and added to the authorized share structure of Rugby pursuant to Section 3.1(c)(ii) of this Plan of Arrangement and which Rugby will be authorized to issue after the Effective Time;

**“Non-Distributed Shares”** has the meaning assigned to that term in Section 4.5 of this Plan of Arrangement;

**“Pampa Metals”** means Pampa Metals Corporation, a company incorporated under the BCBCA;

**“Pampa Metals Shares”** means the common shares in the capital of Pampa Metals;

**“Parties”** means, collectively, Rugby, Pampa Metals and SpinCo, and **“Party”** means Rugby or Pampa Metals;

**“person”** includes an individual, limited or general partnership, limited liability company, limited liability partnership, trust, joint venture, association, body corporate, unincorporated organization, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

**“Plan of Arrangement”** means this Plan of Arrangement and any amendments or variations hereto made in accordance with the provisions of the Arrangement Agreement, the applicable provisions of this Plan of Arrangement or at the direction of the Court in the Final Order with the consent of Rugby and Pampa Metals, each acting reasonably;

**“Replacement Option”** has the meaning assigned to that term in Section 3.5 of this Plan of Arrangement;

**“Rugby”** means Rugby Resources Ltd., a company existing under the BCBCA;

**“Rugby Meeting”** means the special meeting of the Rugby Shareholders, including any adjournment or postponement thereof, to be called and held in accordance with the Arrangement Agreement and the Interim Order for the purpose of considering and, if thought fit, approving, the Arrangement Resolution;

**“Rugby Options”** means the options to purchase Common Shares issued pursuant to the Rugby Option Plan;

**“Rugby Option Plan”** means the restated stock option plan of Rugby approved by the Rugby Shareholders an outstanding immediately prior to the Effective Time;

**“Rugby Shareholders”** means the holders of the Common Shares;

**“Rugby Warrants”** means the share purchase warrants of Rugby outstanding immediately prior to the Effective Time to purchase Common Shares;

**“SpinCo”** means Aegis Resources Ltd., a company incorporated under the BCBCA;

**“SpinCo Assets”** means the assets purchased by, assigned or granted to, or acquired by SpinCo from Rugby or an affiliate of Rugby pursuant to Section 3.1(a) and the Spinout Transfer Agreements as more particularly set forth on Schedule B;

**“SpinCo Shares”** means the common shares in the capital of SpinCo, being all of the issued and outstanding shares of SpinCo;

**“Spinout Transfer Agreements”** means the agreement or agreements to be entered into between Rugby or an affiliate of Rugby and SpinCo pursuant to which SpinCo will acquire the SpinCo Assets;

**“Step (d)”** has the meaning assigned to that term in Section 3.1(d) of this Plan of Arrangement;

**“Tax Act”** means the *Income Tax Act* (Canada) and the regulations made thereunder, as now in effect and as they may be promulgated or amended from time to time;

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

**“Withholding Obligations”** has the meaning assigned to that term in Section 5.5 of this Plan of Arrangement.

## **1.2 Definitions in Arrangement Agreement**

All terms used in this Plan of Arrangement that are not defined in Section 1.1 or elsewhere herein and that are defined in the Arrangement Agreement shall have the respective meanings specified in the Arrangement Agreement.

## **1.3 Certain Rules of Interpretation**

In this Plan of Arrangement:

- (a) Time. Time is of the essence in and of this Plan of Arrangement. All times expressed herein are Vancouver, British Columbia time, unless otherwise stated herein.
- (b) Calculation of Time. Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends. Where the last day of any such time period is not a business day, such time period shall be extended to the next business day following the day on which it would otherwise end.
- (c) Business days. Whenever any action to be taken or payment to be made pursuant to this Plan of Arrangement would otherwise be required to be made on a day that is not a business day, such action shall be taken or such payment shall be made on the first business day following such day.
- (d) Currency. Unless otherwise specified, all references to amounts of money in this Plan of Arrangement refer to the lawful currency of Canada.

- (e) Headings. The descriptive headings preceding Articles and Sections of this Plan of Arrangement are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections. The division of this Plan of Arrangement into Articles and Sections and the insertion of a table of contents shall not affect the interpretation of this Plan of Arrangement.
- (f) Including. Where the word “**including**” or “**includes**” is used in this Plan of Arrangement, it means “**including without limitation**” or “**includes without limitation**”.
- (g) Plurals and Genders. The use of words in the singular or plural, or referring to a particular gender, shall not limit the scope or exclude the application of any provision of this Plan of Arrangement to such persons or circumstances as the context otherwise permits.
- (h) Statutory References. Any reference to a statute shall mean the statute in force as at the date of this Plan of Arrangement (together with all regulations promulgated thereunder), as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute thereto, unless otherwise expressly provided.

## **ARTICLE 2**

### **BINDING EFFECT**

#### **2.1 Arrangement Agreement**

The Plan of Arrangement is made pursuant to and is subject to the provisions of the Arrangement Agreement.

#### **2.2 Binding Effect**

This Plan of Arrangement shall become effective at the Effective Time and, at and after the Effective Time, shall be binding on:

- (a) Rugby;
- (b) SpinCo;
- (c) Pampa Metals;
- (d) the Depositary; and
- (e) all registered and beneficial Rugby Shareholders, including Dissenting Shareholders,

in each case without any further authorization, act or formality on the part of any person, except as expressly provided herein.



## **ARTICLE 3 THE ARRANGEMENT**

### **3.1 Arrangement**

Unless otherwise indicated, the following shall occur and shall be deemed to occur, commencing at the Effective Time, sequentially in the following order, and without any further authorization, act or formality on the part of any person except as expressly provided herein:

- (a) Rugby will transfer, assign or grant all of the SpinCo Assets to SpinCo in accordance with the Spinout Transfer Agreements in consideration of the number of SpinCo Shares such that immediately after the forgoing issuance Rugby will hold in the aggregate that number of SpinCo Shares that is equal to one-tenth (1/10th) of the total number of Common Shares issued and outstanding immediately after the deemed transfer and cancelation of Common Shares pursuant to Section 3.1(b);
- (b) each Common Share held by a Dissenting Shareholder shall be deemed to be transferred by such Dissenting Shareholder (free and clear of any Liens) to Rugby for cancellation, and:
  - (i) Rugby shall be obligated to pay each such Dissenting Shareholder the amount determined in accordance with Section 4.1 for such Common Shares;
  - (ii) each such Dissenting Shareholder shall cease to be the holder of such Common Shares and shall cease to have any rights as a holder of such Common Shares, other than the right to be paid the amount determined in accordance with Section 4.1 for such Common Shares;
  - (iii) each such Dissenting Shareholder's name shall be removed as the holder of such Common Shares from the register of Common Shares maintained by or on behalf of Rugby; and
  - (iv) such Common Shares shall be cancelled in the register of Common Shares maintained by or on behalf of Rugby;
- (c) the authorized share structure, the notice of articles and the articles of Rugby shall be altered to:
  - (i) change the designation of the existing Common Shares to "Class A shares" and, for greater certainty, Rugby's central securities register for the Common Shares shall be deemed to be the central securities register for the Class A shares;
  - (ii) create a new class of shares without par value designated as "Common shares" (being the New Common Shares), with an unlimited number of New Common Shares as the authorized capital; and
  - (iii) consequential on the creation of the New Common Shares, attach the special rights set out in Schedule A to the New Common Shares;
- (d) the capital of Rugby in respect of the Common Shares will be reduced, and deemed to be reduced pursuant to section 74 of the BCBCA, by an amount equal to the fair market value of the SpinCo Shares held by Rugby and Rugby will transfer and be deemed to have transferred all SpinCo Shares held by it to the Shareholders (other than Dissenting Shareholders) on the basis of one SpinCo Share for each ten (10) Common Shares held

by such Shareholders at the Effective Time, and the transfer of such SpinCo Shares to the Shareholders (other than Dissenting Shareholders) will be deemed to be full payment of such reduction of capital, and for greater certainty, subject to Section 4.5, Rugby shall be deemed not to be the holder thereafter of any such SpinCo Shares and the appropriate entries shall be made in the central securities register of SpinCo (collectively, "**Step (d)**"), all with the intent that such reduction of capital be made in the course of the reorganization of the capital of Rugby contemplated herein to which section 86 of the Tax Act applies and in accordance with the reorganization of the business of Rugby contemplated herein to which subsection 84(2) of the Tax Act applies, and:

- (i) each recipient of SpinCo Shares transferred pursuant to this Section 3.1(d) shall be deemed to be the holder of the number of SpinCo Shares so transferred to such recipient; and
  - (ii) the name of each such recipient shall be entered on the central securities register of SpinCo as the holder of the number of the SpinCo Shares so transferred to such recipient;
- (e) each Common Share issued and outstanding immediately prior to the Effective Time (other than Common Shares held by Dissenting Shareholders) will be exchanged, and deemed to be exchanged (without any action on the part of the holder of the Common Share) for one New Common Share, and no other consideration will be received or receivable therefor by any holder of the Common Shares, with the intent that such exchange is a fully tax-deferred rollover pursuant to subsection 86(1) of the Tax Act, and:
  - (i) each Shareholder, other than Dissenting Shareholders, shall be deemed to cease to be the holder of any Common Shares, shall cease to have any rights with respect to such Common Shares and shall be deemed to be the holder of the number of New Common Shares issued to such Shareholder;
  - (ii) the name of each Shareholder shall be removed from the central securities register of Rugby as the holder of the Common Shares so exchanged and shall be added to the central securities register of Rugby as the holder of the New Common Shares so issued to such Shareholder;
  - (iii) each holder of the Common Shares, other than Dissenting Shareholders, shall be deemed to have executed and delivered all consents, releases, assignments and waivers, statutory or otherwise, required to exchange such Common Shares as described above; and
  - (iv) the Common Shares shall be deemed to have been cancelled and the appropriate entries shall be made in Rugby's central securities register;
- (f) for greater certainty, the aggregate capital of the New Common Shares for the purposes of the BCBCA, as of the Effective Time, will equal the capital of the Common Shares immediately before the exchange contemplated in Section 3.1(e), computed after deducting the reduction in capital pursuant to Step (d) above, and on or as soon as practicable after the Effective Date, Rugby's notice of articles and articles shall be altered to cancel the Common Shares (then designated as "**Class A Shares**"), none of which will be issued and outstanding at such time; and
- (g) each New Common Share outstanding immediately following the exchange contemplated in Section 3.1(e) shall be transferred (free and clear of all Liens) by the holders thereof to Pampa Metals and:

- (i) Pampa Metals, subject to Article 5, shall be obligated to issue and deliver to each such holder the Consideration;
- (ii) each such holder shall cease to be the holder of such New Common Shares and shall cease to have any rights as a holder of such New Common Shares, other than the right, subject to Article 5, to receive (A) the Consideration in exchange for such New Common Shares in accordance with Section 3.1(g)(i), and (B) any dividends or other distributions payable in respect of the Pampa Metals Shares, in accordance with Section 5.2, and, in each case less any amounts required to be withheld, in accordance with Section 5.5;
- (iii) each such holder's name shall be removed as the holder of such New Common Shares from the register of New Common Shares maintained by or on behalf of Rugby; and
- (iv) Pampa Metals shall be deemed to be the holder of such New Common Shares (free and clear of any Liens) and shall be entered as the holder of such New Common Shares in the register of New Common Shares maintained by or on behalf of Rugby.

The exchanges, issuance, delivery and cancellations contemplated by this Section 3.1 shall be deemed to occur on the Effective Date, notwithstanding that certain of the procedures related thereto are not completed until after the Effective Time or after the Effective Date.

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

All New Common Shares and SpinCo Shares issued or distributed 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 the BCBCA.

### **3.3 Supplementary Actions**

Notwithstanding that the transaction and events set out in Section 3.1 shall occur and shall be deemed to occur in the order therein set out without any act or formality, each of Rugby, SpinCo and Pampa Metals 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 further document or evidence any of the transactions or events set out in Sections 3.1 and 3.2, including without limitation, any resolutions of directors authorizing the issue, exchange, transfer, redemption or purchase for cancellation of shares, any share transfer powers evidencing the transfer of shares and any receipt therefore, any promissory notes and receipts therefore, any necessary addition to or deletions from share registers or other registries.

### **3.4 No Fractional Shares**

In no event shall any holder be entitled to receive a fractional SpinCo Share, New Common Share or Pampa Metals Share under this Plan of Arrangement. In the event that a fractional SpinCo Share, New Common Share or Pampa Metals Share would, but for this Section 3.4, be issuable in connection with the Arrangement, such fractional SpinCo Share, New Common Share or Pampa Metals Share, as the case may be, shall be rounded down to the nearest whole share without any additional compensation.

### 3.5 Treatment of Rugby Options and Rugby Warrants

For greater certainty, Pampa Metals and Rugby agree that upon completion of the Arrangement:

- (a) each Rugby Warrant outstanding immediately prior to the Effective Time, shall on the Effective Time be adjusted in accordance with its terms and thereafter shall entitle the holder thereof upon exercise of such Rugby Warrant following the Effective Time, on the same terms and conditions as were applicable to such Rugby Warrant before the Effective Time, to purchase from Pampa Metals for the same aggregate consideration, the number of Pampa Metals Shares (rounded down to the nearest whole number) equal to the number of Common Shares subject to such Rugby Warrant immediately prior to the Effective Time divided by 6.4; and
- (b) pursuant to the terms of the Rugby Option Plan, each Rugby Option outstanding immediately prior to the Effective Time, whether vested or unvested, shall be deemed to be exchanged for an option (a “**Replacement Option**”) to purchase from Pampa Metals, the number of Pampa Metals Shares (rounded down to the nearest whole number) equal to (A) the number of Common Shares subject to such Rugby Option immediately prior to the Effective Time divided by (B) 6.4, at an exercise price per Common Share (rounded up to the nearest whole cent) otherwise purchasable pursuant to such Rugby Option immediately prior to the Effective Time multiplied by 6.4, exercisable until the expiry date of such Rugby Option in accordance with the Rugby Option Plan, and any agreement governing such Rugby Option. All terms and conditions of the Replacement Options, including the terms, conditions, and manner of exercising shall be governed by the Pampa Metals Option Plan, and any document evidencing a Rugby Option shall thereafter evidence and be deemed to evidence such Replacement Option. It is intended that subsection 7(1.4) of the Tax Act apply to such exchange of options. Accordingly, and notwithstanding the foregoing, the exercise price of a Replacement Option shall be adjusted as necessary to ensure that the In-the-Money Amount of the Replacement Option immediately after the exchange pursuant to this Section 3.5(b) does not exceed the In-the-Money Amount of the Rugby Option immediately prior to such exchange.

## ARTICLE 4 RIGHTS OF DISSENT

### 4.1 Rights of Dissent

- (a) Holders of Common Shares may exercise rights of dissent in connection with the Arrangement with respect to their Common Shares pursuant to and in the manner set forth in Part 8 – Division 2 of the BCBCA as modified by the Interim Order and this Section 4.1 (the “**Dissent Rights**”), provided that, notwithstanding subsection 242 of the BCBCA, the written notice of dissent contemplated by subsection 242(2) of the BCBCA must be received by Rugby c/o Gowling WLG (Canada) LLP, Bentall 5, 550 Burrard Street, Suite 2300, Vancouver, BC V6C 2B5, Attention: Cyndi Laval, not later than 4:00 p.m. (Vancouver time) on the date which is two days immediately preceding the Meeting.
- (b) Holders of Common Shares who duly exercise Dissent Rights and who are ultimately entitled to be paid fair value for their Common Shares, which fair value shall be the fair value of such Common Shares immediately before the passing of the Arrangement Resolution, shall be deemed to have irrevocably transferred their Common Shares to Rugby immediately prior to the Effective Time, without any further authorization, act or formality and free and clear of all Liens and thereupon such Common Shares will be, and will be deemed to be, cancelled and the former holders of such Common Shares shall

cease to have any rights as former holders of Common Shares other than their right to be paid fair value for their Common Shares.

- (c) Shareholders who exercise, or purport to exercise, Dissent Rights, and who are ultimately determined not to be entitled, for any reason, to be paid fair value for their Common Shares, shall be deemed to have participated in the Arrangement on the same basis as any non-Dissenting Shareholder as at and from the Effective Time and shall receive, and be entitled to receive, only the consideration for each Common Share on the basis set forth in Article 3 that such holder would have received pursuant to the Arrangement if such holder had not exercised Dissent Rights.

## **4.2 Holders**

In no circumstances shall Rugby, SpinCo, Pampa Metals or any other person be required to recognize a person exercising Dissent Rights unless such person is a registered holder of the Common Shares in respect of which such Dissent Rights are sought to be exercised, or is a beneficial holder of such Common Shares and complies with the dissent procedures set forth in Division 2 – Part 8 of the BCBCA as may be modified by the Interim Order.

## **4.3 Recognition of Dissenting Shareholders**

None of Rugby, SpinCo, Pampa Metals nor any other person shall be required to recognize a Dissenting Shareholder as a registered or beneficial owner of Common Shares at or after the Effective Time, and at the Effective Time the names of such Dissenting Shareholders shall be deleted from the register of holders of Common Shares maintained by or on behalf of Rugby.

## **4.4 Dissent Right Availability**

A Shareholder is not entitled to exercise Dissent Rights with respect to Common Shares if such holder votes (or instructs, or is deemed, by submission of any incomplete proxy, to have instructed his, her or its proxyholder, to vote) or in the case of a beneficial holder caused, or is deemed to have caused, the registered shareholder to vote, in favour of the Arrangement at the Rugby Meeting.

## **4.5 Reservation of SpinCo Shares**

If a Shareholder exercises the Dissent Right, Rugby shall on the Effective Date set aside and not distribute that portion of SpinCo Shares which are attributable to the Common Shares for which Dissent Rights have been exercised. If a Shareholder exercises the Dissent Right, but does not properly comply with the dissent procedures or, subsequent to giving his or her notice of dissent, acts inconsistently with such dissent, then Rugby shall distribute to such Shareholder his or her pro rata portion of the SpinCo Shares. If a Shareholder duly complies with the dissent procedures, then Rugby shall retain the portion of SpinCo Shares attributable to such Shareholder (the “**Non-Distributed Shares**”), and the Non-Distributed Shares will be dealt with as determined by the board of directors of Rugby in its discretion.

# **ARTICLE 5 CERTIFICATES AND DELIVERY OF SHARES**

## **5.1 Exchange of Certificates for SpinCo Shares and Pampa Metals Shares**

- (a) At and after the Effective Time and until surrendered for cancellation as contemplated by this Section 5.1, each certificate that immediately prior to the Effective Time represented one or more outstanding Common Shares (other than Common Shares held by Dissenting Shareholders), shall be deemed at all times to represent only the right, subject

to this Article 5, to receive (i) a certificate representing the SpinCo Shares transferred, in accordance with Section 3.1(d), (ii) a certificate representing the Pampa Metals Shares issuable, in accordance with Section 3.1(g), and (iii) any dividends or other distributions payable in respect of such Pampa Metals Shares, in accordance with Section 5.2, in each case less any amounts required to be withheld, in accordance with Section 5.5, and any certificate so surrendered shall forthwith be cancelled.

- (b) Prior to the Effective Time, Rugby shall deposit or cause to be deposited with the Depositary, for the benefit of the persons that were holders of Common Shares immediately prior to the Effective Time (other than Dissenting Shareholders), a certificate or certificates representing that whole number of SpinCo Shares issuable in accordance with Section 3.1(a).
- (c) Prior to the Effective Time, Pampa Metals shall deposit or cause to be deposited with the Depositary, for the benefit of the persons that were holders of Common Shares immediately prior to the Effective Time (other than Dissenting Shareholders), a certificate or certificates representing that whole number of Pampa Metals Shares issuable in exchange for New Common Shares in accordance with Section 3.1(g).
- (d) Recognizing that the Common Shares of Rugby will be re-designated as "Class A Shares" and that they will be cancelled upon the exchange of the Common Shares for the New Common Shares, Rugby will not issue any new share certificates reflecting the re-designation of Common Shares as "Class A Shares".
- (e) Upon surrender to the Depositary for cancellation of a certificate that immediately prior to the Effective Time represented one or more outstanding Common Shares, together with a duly completed Letter of Transmittal, such other documents and instruments as would have been required to effect the transfer of the Common Shares formerly represented by such certificate under the terms of such certificate, the BCBCA or the articles of Rugby, and such other documents and instruments as the Depositary, Rugby or Pampa Metals may reasonably require, the person that was the holder of such Common Shares shall be entitled to receive, and as promptly as practicable after the Effective Time the Depositary shall deliver to such holder, or make available for pick-up at its offices during normal business hours, the certificates representing the SpinCo Shares and Pampa Metals Shares transferred or issuable, in accordance with Section 3.1, less any amount withheld pursuant to Section 5.5.
- (f) In the event of a transfer of ownership of Common Shares prior to the Effective Time that was not registered in the register of Common Shares maintained by or on behalf of Rugby, the certificate or certificates representing the number of SpinCo Shares and Pampa Metals Shares transferred or issuable in accordance with Section 3.1 may be registered in the name of and issued to the transferee if the certificate representing such Common Shares is presented to the Depositary together with all documents and instruments required to be delivered pursuant to Section 5.1(e) and all documents and instruments required to evidence and effect such transfer.

## **5.2 Distributions with Respect to Unsurrendered Certificates**

No dividends or other distributions paid, declared or made with respect to Pampa Metals Shares with a record date after the Effective Date shall be paid to the holder of any unsurrendered certificate that immediately prior to the Effective Time represented outstanding Common Shares, unless and until the holder of such certificate shall have complied with the provisions of Section 5.1. Subject to applicable Law, and to the provisions of Section 5.4, at the time such holder shall have complied with the provisions of Section 5.1 (or, in the case of clause (b) below, at the appropriate payment date), there shall be paid

to such person, without interest, (a) the amount of dividends or other distributions with a record date after the Effective Date theretofore paid with respect to the Pampa Metals Shares to which such person is entitled pursuant hereto, and (b) on the appropriate payment date, the amount of dividends or other distributions with a record date after the Effective Date but prior to the date of compliance by such person with the provisions of Section 5.1 and a payment date subsequent to the date of such compliance and payable with respect to such Pampa Metals Shares.

### 5.3 Lost Certificates

In the event any certificate that immediately prior to the Effective Time represented one or more outstanding Common Shares that were exchanged pursuant to Section 3.1 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming such certificate to be lost, stolen or destroyed and upon such person otherwise complying with the provisions of Section 5.1, such person shall be entitled to receive, in accordance with the provisions of this Article 5, any certificates representing SpinCo Shares or Pampa Metals Shares to which such person is entitled pursuant to Section 5.1, any dividends or other distributions to which such person is entitled pursuant to Section 5.2, in each case less any amount withheld pursuant to Section 5.5; provided that, as a condition precedent to any such issuance and payment, such person shall have provided a bond satisfactory to Rugby, Pampa Metals and the Depositary in such amount as Rugby, Pampa Metals or the Depositary may direct, or otherwise indemnify Rugby and Pampa Metals in a manner satisfactory to Rugby and Pampa Metals against any claim that may be made against Rugby or Pampa Metals with respect to the certificate alleged to have been lost, stolen or destroyed.

### 5.4 Extinction of Rights

Any certificate that immediately prior to the Effective Time represented outstanding Common Shares that were exchanged pursuant to Section 3.1 that is not deposited in the manner required by Section 5.1 on or prior to the sixth anniversary of the Effective Date shall cease to represent a claim or interest of any kind or nature, including as a securityholder of SpinCo or Pampa Metals. On such date, the SpinCo Shares and Pampa Metals Shares to which the holder of such certificate would otherwise have been entitled shall be deemed to have been surrendered for no consideration to SpinCo and Pampa Metals, as the case may be, or its successor. None of Rugby, SpinCo, Pampa Metals or the Depositary shall be liable to any person in respect of any cash delivered to a public official pursuant to any applicable abandoned property, escheat or similar law.

### 5.5 Withholding Rights

Rugby, Pampa Metals and the Depositary shall each be entitled to deduct or withhold from any consideration, dividend or other distribution otherwise payable to any holder of Common Shares, New Common Shares, or the Consideration, or any other person pursuant to this Plan of Arrangement or the Arrangement Agreement (each, an **"Affected Person"**), including any payment or delivery pursuant to the exercise of a right of dissent, to the extent applicable, all such amounts as Rugby, Pampa Metals or the Depositary determines, acting reasonably, are required or permitted to be deducted or withheld with respect to such payment under Canadian or United States tax Laws, including the Tax Act, or any other applicable Law (**"Withholding Obligations"**). To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the person in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity or person entitled thereto. Rugby, Pampa Metals, and the Depositary have the right to sell, or cause a broker to sell, on behalf of any Affected Person, such consideration, including such number of Common Shares, New Common Shares, or the Consideration as is sufficient to fund the Withholding Obligations (after deducting commissions payable to the broker and other costs and expenses). None of Rugby, Pampa Metals, the Depositary, or any broker will be liable for any loss arising out of any sale of such shares including any loss relating to the manner or timing of such sale, the prices at which the shares are sold, or otherwise.

## **ARTICLE 6 AMENDMENTS**

### **6.1 Amendments to Plan of Arrangement**

- (a) Rugby and Pampa Metals may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must be (i) set out in writing, (ii) agreed to in writing by Rugby and Pampa Metals, (iii) filed with the Court and, if made following the Rugby Meeting, approved by the Court and (iv) communicated to the Rugby Shareholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by Rugby at any time prior to the Rugby Meeting (provided that Pampa Metals shall have consented thereto in writing) with or without any other prior notice or communication, and if so proposed and approved at the Rugby Meeting in the manner required by the Interim Order, shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Rugby Meeting shall be effective only if (i) it is consented to by each of Pampa Metals and Rugby, and (ii) if required by the Court, it is approved by the Rugby Shareholders voting in the manner directed by the Court.
- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time unilaterally by Pampa Metals, provided that it concerns a matter that in the opinion of Pampa Metals, acting reasonably, 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 person that, immediately prior to the Effective Time, was a holder of Common Shares.
- (e) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

## **ARTICLE 7 FURTHER ASSURANCES AND ADJUSTMENTS**

### **7.1 Further Assurances**

Notwithstanding that the transactions contemplated in this Plan of Arrangement shall occur and be deemed to occur in the order set out in Section 3.1 and shall become effective without any further act or formality, each of Rugby and Pampa Metals shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them in order further to document or evidence any of the transactions or events set out herein.

### **7.2 Encumbrances**

Any exchange or transfer of securities pursuant to the Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.



### **7.3 Paramountcy**

From and after the Effective Time: (a) the Plan of Arrangement shall take precedence and priority over any and all right and restrictions attached to the Common Shares issued prior to the Effective Time, (b) the rights and obligations of the Rugby Shareholders, Rugby, Pampa Metals, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in the Plan of Arrangement, and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Pampa Metals Shares shall be deemed to have been settled, compromised, released and determined without liability except as set forth in the Plan of Arrangement.

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

### **New Common Share Special Rights**

The New Common Shares shall have attached thereto the following special rights:

#### **Voting Rights**

Except as required by law or by these Articles, the holders of the New Common Shares, as such, are entitled to receive notice of every meeting of shareholders of Rugby and are entitled to vote at those meetings in person or by proxy.

#### **Notice**

Notwithstanding anything to the contrary in these Articles, for so long as Rugby is not a public company, Rugby must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in any other manner as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of Rugby, at least 11 days before the meeting.

#### **Dividends**

Except as otherwise provided in these Articles, the holders of the New Common Shares, as such, are entitled to receive on the date fixed for payment, and Rugby will pay, such dividends as the directors may in their sole and absolute discretion declare from time to time.

Except as otherwise provided in these Articles, the directors may, in their sole and absolute discretion, at any time:

- (i) declare and pay, or set apart for payment, a dividend on the New Common Shares independently of any dividend on, and without also declaring or paying or setting apart for payment any dividend (whether or not of a similar amount or similar kind) on, any one or more other classes of shares in Rugby; and
- (ii) declare and pay, or set apart for payment, dividends on shares of any one or more classes of shares in Rugby other than the New Common Shares independently of any dividend on, and without also declaring or paying or setting apart for payment any dividend (whether or not of a similar amount or similar kind) on, the New Common Shares.

#### **Winding Up**

In the event of the liquidation or dissolution of Rugby, or of any distribution of property and assets of Rugby among its shareholders for the purpose of winding up its affairs, the holders of the New Common Shares, as such, will, subject to the rights of the holders of any other class of shares in Rugby entitled to receive property and assets of Rugby upon such a distribution in priority to the holders of the New Common Shares, on a share-for-share basis be entitled to share in all remaining property and assets of Rugby.

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

### **SpinCo Assets to be acquired from Rugby**

- (i) 100% of the shares of Rugby Pty Limited, which holds a 20% interest in the Georgetown copper-gold project in Australia.
- (ii) an option to earn an up to 100% interest in the El Zanjón gold-silver property in Argentina pursuant to an option agreement between Rugby (to be assigned to SpinCo) and Biz Latin Hub S.A., dated July 17, 2019.
- (iii) 100% of the shares of Minera Proximo Resources Australia (S.A.S.), which holds a 100% interest in the Venidero gold-silver project in Argentina.
- (iv) a 20% beneficial interest in Volador Colombia S.A.S., free carried, which holds a 100% interest in the Cobrasco copper project in Colombia. See Note 1.
- (v) a 1.5% net smelter returns royalty on the Mantau iron oxide-copper-gold project in Chile, subject to a buyback right.

Note 1: Rugby and SpinCo will enter into an agreement pursuant to which Rugby will confirm that as at the Effective Time it holds 20% of the shares of Volador Colombia S.A.S. in bare trust for SpinCo, representing an effective 20% interest in the Cobrasco project.

## SCHEDULE “B”

### ARRANGEMENT RESOLUTION

#### BE IT RESOLVED THAT:

**1.1** The arrangement (the “**Arrangement**”) pursuant to section 288 of the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) involving Rugby Resources Ltd. (the “**Company**”), pursuant to the arrangement agreement (the “**Arrangement Agreement**”) among the Company, Pampa Metals Corporation and Aegis Resources Ltd. dated April 21, 2025, all as more particularly described and set forth in the management information circular of the Company dated ●, 2025 (the “**Circular**”), accompanying the notice of this meeting (as the Arrangement may be amended, restated, supplemented or novated from time to time in accordance with its terms) is hereby authorized, approved and adopted.

**1.2** The plan of arrangement, as it has been or may be modified, supplemented or amended in accordance with the Arrangement Agreement and its terms, (the “**Plan of Arrangement**”), the full text of which is set out as Schedule [●] to the Circular, is hereby authorized, approved and adopted.

**1.3** The Arrangement Agreement and all the transactions contemplated therein, the actions of the directors of the Company in approving the 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 modifications, supplements or amendments thereto, are hereby ratified and approved.

**1.4** The Company is hereby authorized to apply for a final order from the Supreme Court of British Columbia (the “**Court**”) to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be, or may have been, modified, supplemented or amended from time to time in accordance with their terms).

**1.5** Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the security holders of the Company entitled to vote thereon or that the Arrangement has been approved by the Court, the directors of the Company are hereby authorized and empowered, at their discretion, without further notice to or approval of the security holders of the Company: (i) to amend or modify the Arrangement Agreement or the Plan of Arrangement, to the extent permitted by their terms; and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and any related transactions.

**1.6** Any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered, under the corporate seal of the Company or otherwise, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person’s opinion may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, the Arrangement Agreement and the completion

of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement and the matters authorized thereby, including:

- (a) all actions required to be taken by or on behalf of the Company, and all necessary filings and obtaining the necessary approvals, consents and acceptances of the appropriate regulatory authorities; and
- (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by the Company,

such determination, in each case, to be conclusively evidenced by the execution and delivery of such other document or instrument or the doing of any other such act or thing.

**SCHEDULE “C”**

**REGULATORY APPROVALS**

TSX Venture Exchange

Court

Canadian Securities Exchange