

TREVALI MINING CORPORATION

– and –

CERRO DE PASCO RESOURCES INC.

SHARE PURCHASE AGREEMENT

DATED NOVEMBER 5, 2021

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SHARE PURCHASE AGREEMENT

This Share Purchase Agreement dated November 5, 2021 is made

BETWEEN

TREVALI MINING CORPORATION (the “Vendor”)

- and -

CERRO DE PASCO RESOURCES INC. (the “Purchaser”)

RECITALS

- A. The Vendor is the registered and beneficial owner of the Shares (as defined herein).
- B. The Vendor is willing to sell the Shares to the Purchaser, and the Purchaser is willing to purchase the Shares from the Vendor, on and subject to the terms and conditions contained in this Agreement (as defined herein).

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged by each Party, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions. In this Agreement:

“Adjustment Date” means the third Business Day after the Closing Date Working Capital is finally determined in accordance with Section 2.5 or 2.6, as the case may be.

“Affiliate” means, with respect to any Person, any other Person who directly or indirectly controls, is controlled by or is under direct or indirect common control with such Person, and includes any Person in like relation to an Affiliate. A Person shall be deemed to **“control”** another Person if such Person owns, directly or indirectly, more than 50% of the issued share capital or the voting rights attaching to the issued share capital of such other Person or possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such other Person, whether through the ownership of voting securities, by contract or otherwise; and the term **“controlled”** shall have a similar meaning.

“Aged Receivables” has the meaning set out in Section 7.11.

“Agreement” means this Share Purchase Agreement and all the Exhibits and the Schedules attached hereto.

“Amended Glencore Agreements” means the

[Redacted information relates to confidential matters of the Vendor.]

“Applicable Law” means, with respect to any Person, property, transaction, event or other matter, (a) any foreign or domestic constitution, treaty, law, statute, regulation, code,

ordinance, principle of common law or equity, municipal by-law, Order or other requirement having the force of law, (b) any policy, practice, protocol, standard or guideline of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (collectively, in the foregoing clauses (a) and (b), "**Law**"), in each case relating or applicable to such Person, property, transaction, event or other matter, and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation.

"**Arbiter**" has the meaning set out in Section 9.11.

"**Arbitration Rules**" has the meaning set out in Section 9.11.

"**Base Cash Amount**" has the meaning set out in Section 2.2(b).

"**Bond**" means the mine closure guarantee letter (Policy Number 3012021017625) for the Santander Mine issued by AVLA Peru in favour of the *Ministerio de Energía y Minas* (Ministry of Energy and Mines) of Peru in the aggregate amount of approximately US\$11,516,713 as of the date hereof.

"**Books and Records**" means the Financial Records and all other books, records, files and papers of a Person, including drawings, engineering information, manuals and data, sales and advertising materials, sales and purchase correspondence, trade association files, research and development records, lists of present and former customers and suppliers, marketing lists and marketing consent records, personnel, employment and other records, and the minute and share certificate books of a Person and all records, data and information stored electronically, digitally or on computer-related media.

"**Business**" means the business carried on by the Corporation in Peru in relation to the ownership and operation of the Santander Mine.

"**Business Day**" means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Vancouver, British Columbia, Canada, the City of Montréal, Québec, Canada or Lima, Peru.

"**CAD\$**" means the lawful currency of Canada.

"**Cash Amount**" has the meaning set out in Section 2.2(b).

"**Claim Notice**" has the meaning set out in Section 6.4.

"**Closing**" means the completion of the purchase and sale of the Shares in accordance with the provisions of this Agreement.

"**Closing Date**" means November 30, 2021 or such earlier or later date as may be agreed to in writing by the Vendor and the Purchaser.

"**Closing Date Statement**" means the balance sheet of the Corporation as at 12:01 a.m. on the Closing Date, prepared on a consistent basis and applying IFRS accounting principles, policies and practices, except as varied by Schedule 2.5 hereto, as finally determined pursuant to Sections 2.5 or 2.6, as the case may be.

“Closing Date Working Capital” means the amount, whether positive or negative, equal to the total of the Corporation’s current assets less the total of its current liabilities as shown on the Closing Date Statement and, for these purposes, “current assets” and “current liabilities” shall consist of assets and liabilities so classified on the Closing Date Statement.

“Closing Time” means the time of Closing on the Closing Date provided for in Section 4.1.

“Confidential Information” means, in relation to the Corporation, the Vendor, the Purchaser or any of their Affiliates (each, a **“Discloser”**):

- (a) all information, in whatever form communicated or maintained, whether orally, in writing, electronically, in computer readable form or otherwise, that a Discloser discloses to or that is gathered for inspection by a Party (the **“Recipient”**) or any of the Recipient’s Representatives in the course of the Recipient’s review of the transactions contemplated by this Agreement, whether provided before or after the date of this Agreement, including information that contains or otherwise reflects information concerning the Discloser or its business, affairs, financial condition, assets, liabilities, operations, prospects or activities, and specifically includes financial information, budgets, business plans, ways of doing business, business results, prospects, forecasts, engineering reports, environmental reports, evaluations, legal opinions, names of venture partners and contractual parties, and any information provided to the Discloser by third parties under circumstances in which the Discloser has an obligation to protect the confidentiality of such information;
- (b) all plans, proposals, reports, analyses, notes, studies, forecasts, compilations or other information, in any form, that are based on, contain or reflect any Confidential Information regardless of the identity of the Person preparing the same (**“Notes”**); and
- (c) the fact that information has been disclosed or made available to the Recipient or the Recipient’s Representatives;

but does not include any information that:

- (d) is at the time of disclosure to or gathering for inspection by the Recipient or any of the Recipient’s Representatives, or thereafter becomes, generally available to the public, other than as a result of a disclosure by the Recipient or any of the Recipient’s Representatives in breach of this Agreement;
- (e) is or was received by the Recipient or any of the Recipient’s Representatives on a non-confidential basis from a source other than the Discloser or its Representatives if such source is not prohibited from disclosing the information to the Recipient or any of the Recipient’s Representatives by a confidentiality agreement with, or a contractual, fiduciary or other legal confidentiality obligation to, the Discloser; or
- (f) was known by the Recipient or any of the Recipient’s Representatives prior to disclosure in connection with the transactions contemplated by this Agreement and was not subject to any contractual, fiduciary or other legal confidentiality obligation on the part of the Recipient.

“Confidentiality Agreement” means the confidentiality agreement entered into between the Vendor and the Purchaser dated March 8, 2021.

“Consideration Shares” has the meaning set out in Section 2.2(a).

“Contracts” means all pending and executory contracts, agreements, leases, understandings and arrangements (whether oral or written) to which a Person is a party or by which a Person or any of its respective properties or assets or its business is bound or under which such Person has rights or obligations.

“Contingent Cash Amount” has the meaning set out in Section 2.2(c).

“Convertible Debenture” means the unsecured convertible debenture dated June 15, 2021 with a face value of CAD\$1,500,000 repayable in one year with interest at 10% per year.

“Corporation” means Trevali Peru S.A.C.

“Corporation Audited Financial Statements” has the meaning set out in Section 3.1(8).

“Corporation Financial Statements” has the meaning set out in Section 3.1(8).

“Corporation Material Adverse Effect” means any one or more changes, effects, events, occurrences, circumstances or states of fact, either individually or in the aggregate, that is, or could reasonably be expected to be, material and adverse to the Business or the operations, affairs, assets, properties, liabilities, capitalization, prospects or condition (financial or otherwise) of the Corporation, other than changes, effects, events, occurrences, circumstances or states of fact which result directly from: (i) the announcement, pendency or consummation of the transactions contemplated by this Agreement; (ii) changes, developments or conditions affecting the mining industry and/or the mining industry in Peru generally; (iii) changes in the general political (including strikes, lockouts, riots or facility takeover for emergency purposes), economic, business, banking, regulatory, interest rate, inflationary, financial, currency exchange or market (including the capital, financial, credit, securities or commodity market) conditions, whether global, national or regional; (iv) the commencement, continuation or escalation of any war, armed hostilities or acts of terrorism; (v) earthquakes, volcanoes, tsunamis, hurricanes, tornados or similar catastrophes or the incurrance of any other calamity or crisis; (vi) any epidemics, pandemics (including COVID-19); (vii) any adoption, change, implementation or proposed change in Applicable Law, including any laws in respect to Taxes; (viii) any action, omission, effect, change, event or occurrence taken, made, caused, requested or directed by or on behalf of the Purchaser, as required by Applicable Law or in accordance with the terms of this Agreement; or (ix) the failure in and of itself of the Vendor or the Corporation to meet any internal or published projections, forecasts or guidance estimates of production, costs, revenues, earnings or cash flows of the Vendor or the Corporation or of any securities analysts, it being understood that the causes underlying such failure may be taken into account in determining whether a Corporation Material Adverse Effect has occurred; provided, however, that such changes, effects, events, occurrences, circumstances or states of fact referred to in clause (ii), (iii), (iv), (v), (vi) or (vii) above does not disproportionately adversely affect the Corporation compared to other companies or entities of similar size operating in the mining industry.

“Corporation Material Contract” means any Contract of the Corporation (i) which involves or may reasonably be expected to involve the payment to or by the Corporation of more than CAD\$250,000 over the term of that Contract, (ii) that if terminated or modified, or if it ceased to be in effect, would reasonably be expected to have a Corporation Material Adverse Effect; (iii) relating directly or indirectly to the guarantee of any liabilities or obligations or to indebtedness for borrowed money in excess of CAD\$250,000 in the aggregate; (iv) restricting the occurrence of indebtedness by the Corporation or restricting the payment of dividends by the Corporation; (v) that creates an exclusive dealing arrangement or right of first offer or refusal that is material to the Corporation; (vi) that materially limits or restricts (A) the ability of the Corporation to engage in any line of business or carry on business in any geographic area, or (B) the scope of Persons to whom the Corporation may sell products or deliver services, or (vii) that is otherwise material to the Corporation.

“Corporation Mineral Rights” has the meaning set out in Section 3.1(17)(a).

“Corporation Properties” has the meaning set out in Section 3.1(17)(a).

“Corporation Shares” means all of the issued and outstanding common shares of the Corporation having a par value of one Peruvian Sol (S/. 1.00).

“Corporation Unaudited Financial Statements” has the meaning set out in Section 3.1(8).

“CSE” means the Canadian Securities Exchange.

“Damages” means, whether or not involving a Third Party Claim, any: direct loss; cost; claim; interest; fine; penalty; assessment; Tax; damages available at law or in equity, excluding incidental, exemplary, punitive, consequential, special and aggravated damages; and expense (including consultant’s and expert’s fees and expenses and reasonable costs, fees and expenses of legal counsel on a full indemnity basis, without reduction for tariff rates or similar reductions and reasonable costs, fees and expenses of investigation, defence or settlement).

“Determination Date” has the meaning set out in Section 6.6(4)(a).

“Direct Claim” has the meaning set out in Section 6.4.

“Discloser” has the meaning set out in the definition of Confidential Information.

“Employee Plans” has the meaning set out in Section 3.1(25).

“Environment” means the air, surface water, ground water, body of water, any land (including surface land and sub-surface strata), soil or underground space, all living organisms and the interacting natural systems that include components of the air, land, water, and inorganic matters and living organisms, and the environment or natural environment as defined in any Environmental Law, and “Environmental” shall have a corresponding meaning;

“Environmental Law” means Applicable Law in respect of the protection of the Environment including, without limitation, those relating to the security of, or harm or damage to, the natural environment or any species or organisms that make use of it, public

or occupational health or safety, or the manufacture, importation, handling, transportation, storage, disposal and treatment of Hazardous Substances.

“Estimated Cash Amount” has the meaning set out in Section 2.3.

“Excess Closing Date Working Capital” means the portion of the Closing Date Working Capital that exceeds the Target Working Capital.

“Financial Records” means all of the books of account, financial and accounting information and records, Tax Returns and records and other financial data and information of a Person.

“Governmental Authority” means:

- (a) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise);
- (b) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government;
- (c) any court, tribunal, commission, mediator, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions; and
- (d) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange.

“Glencore Agreements” Contract No. _____ between the Corporation, the Vendor and Glencore Peru S.A.C. dated December 1, 2015 providing for the sale of zinc concentrates from the Santander Mine and Contract No. _____ between the Corporation, the Vendor and Glencore Peru S.A.C. dated December 1, 2015 providing for the sale of lead concentrates from the Santander Mine.

“Glencore Assignment and Assumption Agreement” means the assignment and assumption agreement to be entered into on the Closing Date among the Vendor, the Purchaser and Glencore International AG providing for the assignment by the Vendor and the assumption by the Purchaser of the Vendor’s rights and obligations under the Amended Glencore Agreements on customary terms and conditions satisfactory to the parties thereto, acting reasonably.

“Hazardous Substance” means any solid, liquid, gas, odour, heat, sound, vibration, radiation or combination of them that may impair the natural environment, injure or damage property or plant or animal life or harm or impair the health of any individual, and includes any contaminant, waste or substance or material defined, prohibited, regulated or reportable pursuant to any Environmental Law.

“IFRS” means International Financial Reporting Standards as issued by the International Accounting Standards Board.

“Indemnified Party” means a Person whom the Vendor or the Purchaser, as the case may be, is required to indemnify under Article 6.

“Indemnifying Party” means, in relation to an Indemnified Party, the Party that is required to indemnify such Indemnified Party under Article 6.

“Indemnity Share” and **“Indemnity Shares”** have the meanings set out in Section 6.6(4)(a).

“Independent Accountant” has the meaning set out in Section 2.6.

“Interim Period” means the period from the date of execution of this Agreement to the Closing Time.

“Law” has the meaning set out in the definition of **“Applicable Law”**.

“Legal Proceeding” means any litigation, proceeding, action, application, suit, investigation, hearing, claim, complaint, deemed complaint or grievance, civil, administrative, regulatory or criminal, or arbitration, mediation or alternative dispute resolution proceeding or other similar proceeding, before or by any Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review.

“Liability” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“Licence” means any licence, permit, certificate, consent, authorization, approval or other evidence of authority issued or granted to, conferred upon, or otherwise created for, a Person by any Governmental Authority.

“Lien” means any lien, mortgage, charge, hypothec, pledge, security interest, adverse interest, prior assignment, option, warrant, lease, sublease, right to possession, encumbrance, claim, right or restriction, whether contingent or absolute, which affects, by way of a conflicting ownership interest or otherwise, the right, title or interest in or to any particular property, and includes any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing.

“Limitation Act” has the meaning set out in Section 6.7(1).

“Magistral Deposits” means the Magistral North, Magistral Central, Magistral South, Rosa, Bono, Fatima North, Fatima South, Magistral Central-North and Oyon deposits at the Santander Mine.

“Material Customer” has the meaning set out in Section 3.1(24)

“Material Supplier” has the meaning set out in Section 3.1(24).

“NI 43-101” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators.

“**Nominee Share**” has the meaning set out in Section 4.2(b).

“**Notes**” has the meaning set out in paragraph (b) of the definition of “**Confidential Information**”.

“**NSR Agreement**” means the net smelter return royalty agreement in substantially the form attached hereto as Exhibit A.

“ ” has the meaning set out in Section 6.2(d). *[Redacted information relates to confidential matters of the Vendor.]*

“ ” has the meaning set out in Section 6.2(d).

“**Order**” means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

“**Ordinary Course of Business**”, when used in relation to the taking of action by a Person, means that the action:

- (a) is consistent in nature, scope and magnitude with the past practices of the Person and is taken in the ordinary course of the normal day-to-day operations of the Person;
- (b) is similar in nature, scope and magnitude to actions customarily taken in the ordinary course of the normal day-to-day operations of the other Persons that are in lines of business that are the same as the Person; and
- (c) does not require authorization of the shareholders of the Person or any other separate or special authorization of any nature.

“**Outside Date**” has the meaning set out in Section 8.1(d).

“**Party**” means a party to this Agreement and any reference to a Party includes its successors and permitted assigns and “**Parties**” means every Party.

“**Permitted Liens**” means:

- (a) Liens for Taxes and utilities that in each case are not yet due or are not in arrears;
- (b) construction, mechanics’, carriers’, workers’, repairers’, storers’ or other similar Liens (inchoate or otherwise) if, individually or in the aggregate: (i) they are not material; (ii) they arose or were incurred in the Ordinary Course of Business; and (iii) the indebtedness secured by them is not in arrears;
- (c) minor title defects or irregularities, minor unregistered easements or rights of way, restrictions in the original grant from a Governmental Authority and other minor unregistered restrictions affecting the use of real property if such title defects, irregularities or restrictions are complied with and do not, in the aggregate, materially adversely affect: (i) the operation of business or the continued use of the real property to which they relate after the Closing on substantially the same basis as business is currently being operated and such real property is currently being used; or (ii) the marketability of such real property;

- (d) easements, covenants, rights of way and other restrictions if registered provided that they are complied with and do not, in the aggregate, materially adversely affect: (i) the operation of business or the continued use of the real property to which they relate after the Closing on substantially the same basis as business is currently being operated and such real property is currently being used; or (ii) the marketability of such real property; and
- (e) registered agreements with municipalities or public utilities if they: (i) have been complied with or adequate security has been furnished to secure compliance; and (ii) do not, in the aggregate, materially adversely affect (A) the operation of business or the continued use of the real property to which they relate after the Closing on substantially the same basis as business is currently being operated and such real property is currently being used, or (B) the marketability of such real property.

“Person” is to be broadly interpreted and includes an individual, a corporation, a company, a partnership, a trust, an unincorporated organization or joint venture, a Governmental Authority and the executors, administrators or other legal representatives of an individual in such capacity.

“Personal Information” means information about an identifiable individual and includes any information that constitutes personal information within the meaning of one or more Privacy Laws.

“Pre-Closing Tax Period” means a taxation year or other fiscal period that ends on or before the Closing Time.

“Pre-Emptive Right Agreement” means the pre-emptive right agreement in substantially the form attached hereto as Exhibit B.

“Privacy Law” means the *Personal Information Protection Act* (British Columbia) and any comparable Applicable Law.

“Purchase Price” has the meaning set out in Section 2.2.

“Purchaser” has the meaning set out in the preamble hereto.

“Purchaser Audited Financial Statements” has the meaning set out in Section 3.2(7).

“Purchaser Financial Statements” has the meaning set out in Section 3.2(7).

“Purchaser Fundamental Representations” has the meaning given to it in Section 6.5(2)(a).

“Purchaser Material Adverse Effect” means any one or more changes, effects, events, occurrences, circumstances or states of fact, either individually or in the aggregate, that is, or could reasonably be expected to be, material and adverse to the Business or the operations, affairs, assets, properties, liabilities, capitalization, prospects or condition (financial or otherwise) of the Purchaser and its subsidiaries, either individually or taken as a whole, other than changes, effects, events, occurrences, circumstances or states of fact which result directly from: (i) the announcement, pendency or consummation of the transactions contemplated by this Agreement; (ii) changes, developments or conditions

affecting the mining industry and/or the mining industry in Peru generally; (iii) changes in the general political (including strikes, lockouts, riots or facility takeover for emergency purposes), economic, business, banking, regulatory, interest rate, inflationary, financial, currency exchange or market (including the capital, financial, credit, securities or commodity market) conditions, whether global, national or regional; (iv) the commencement, continuation or escalation of any war, armed hostilities or acts of terrorism; (v) earthquakes, volcanoes, tsunamis, hurricanes, tornados or similar catastrophes or the incurrence of any other calamity or crisis; (vi) any epidemics, pandemics (including COVID-19); (vii) any adoption, change, implementation or proposed change in Applicable Law, including any laws in respect to Taxes; (viii) any action, omission, effect, change, event or occurrence taken, made, caused, requested or directed by or on behalf of the Vendor, as required by Applicable Law or in accordance with the terms of this Agreement; or (ix) the failure in and of itself of the Purchaser to meet any internal or published projections, forecasts or guidance estimates of production, costs, revenues, earnings or cash flows of the Purchaser or of any securities analysts, it being understood that the causes underlying such failure may be taken into account in determining whether a Purchaser Material Adverse Effect has occurred; provided, however, that such changes, effects, events, occurrences, circumstances or states of fact referred to in clause (ii), (iii), (iv), (v), (vi) or (vii) above does not disproportionately adversely affect the Purchaser and/or any of its subsidiaries compared to other companies or entities of similar size operating in the mining industry.

“Purchaser Options” means the outstanding options to purchase Purchaser Shares granted under the stock option plan of the Purchaser.

“Purchaser Public Disclosure Record” means all prospectuses, management information circulars, news releases, reports, schedules, forms and other documents filed by the Purchaser on SEDAR.

“Purchaser Shares” means the Common shares without par value in the capital of the Purchaser.

“Purchaser Unaudited Financial Statements” has the meaning set out in Section 3.2(7).

“Purchaser Warrants” means the outstanding common share purchase warrants of the Purchaser to purchase Purchaser Shares.

“Purchaser’s Indemnified Parties” means the Purchaser and the Purchaser’s Affiliates and their respective Representatives.

“Recipient” has the meaning set out in the definition of **“Confidential Information”**.

“Regulatory Authorities” means any regulatory or governmental agency having jurisdiction over the Corporation, on the one hand, or the Purchaser or any of its subsidiaries, on the other hand, or their respective activities.

“Release” has the meaning set out in Section 4.3(i).

“Remaining Damages” has the meaning set out in Section 6.6(4)(b).

“Representative” when used with respect to a Person means each director, officer, employee, consultant, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

“Santander Mine” means the mine located in the district of Santa Cruz de Andamarca, Province of Huaral, Department of Lima, which is the subject of the Santander Technical Report.

“Santander Technical Report” means the technical report prepared for the Vendor entitled *“Mineral Reserve Estimation Technical Report on the Santander Mine, Province de Huaral, Peru”* dated March 31, 2017 (effective October 31, 2016).

“Securities Act” means the *Securities Act* (Quebec) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time.

“Securities Authorities” means the *Autorité des marchés financiers* (Quebec) and the applicable securities commissions and other securities regulatory authorities in each of the other provinces of Canada.

“Securities Laws” means the Securities Act, together with all other applicable federal and provincial securities Laws, rules and regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time.

“SEDAR” means the System for Electronic Document Analysis and Retrieval.

“Shares” means the 247,401,888 Corporation Shares owned by the Vendor.

“Shortfall Closing Date Working Capital” means the difference between the Target Working Capital and the amount of the Closing Date Working Capital if the Closing Date Working Capital Amount is less than the Target Working Capital.

“STIP Bonuses” means the STIP Target (% of Annual Salary) multiplied by the 2021 Annual Salary, in each case as described in Schedule 3.1(19) of the Vendor Disclosure Letter, pro-rated to the Closing Date in respect of each employee of the Company listed in Schedule 3.1(19) of the Vendor Disclosure Letter.

“Straddle Period” means a taxation year or fiscal period that includes, but does not begin or end on, the Closing Date.

“Stub Period Returns” has the meaning set out in Section 7.5(1).

“Surface Land” has the meaning set out in Section 3.1(17)(a).

“Target Working Capital” means US\$7,500,000.

“Taxes” means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, levies, duties or impositions, including income taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions,

social security premiums, workers' compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, sales taxes, customs duties, excise or other taxes of any kind whatsoever imposed or charged by any Governmental Authority or any loss or relief, together with any interest, penalties, fines or additions with respect thereto and any interest in respect of such additions or penalties.

"Tax Matters" has the meaning set out in Section 7.7.

"Tax Returns" means all returns, reports, declarations, elections, notices, filings, information returns, and statements in respect of Taxes that are required to be filed or lodged with any applicable Governmental Authority, including all amendments, schedules, associated calculations, attachments or supplements thereto and whether in tangible or electronic form.

"Third Party Claim" has the meaning set out in Section 6.4.

"Threatened", when used in relation to a Legal Proceeding or other matter, means that a demand or statement (oral or written) has been made or a notice (oral or written) has been given that a claim is to be asserted, commenced, taken or otherwise pursued in the future.

"Transaction Personal Information" means any Personal Information in the possession, custody or control of the Corporation or the Vendor at or before the Closing Time, including Personal Information about employees, suppliers, customers, directors, officers or shareholders of the Corporation that is disclosed to the Purchaser or any Representative of the Purchaser.

"Vendor" has the meaning set out in the preamble hereto.

"Vendor Disclosure Letter" means the disclosure letter executed by the Vendor and delivered to the Purchaser prior to or concurrently with the execution of this Agreement.

"Vendor Fundamental Representations" has the meaning given to it in Section 6.5(1)(a).

"Vendor's Indemnified Parties" means the Vendor, its Affiliates and their respective Representatives.

1.2 Actions on Non-Business Days. If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

1.3 Currency and Payment Obligations. Except as otherwise expressly provided in this Agreement:

- (a) all dollar amounts referred to in this Agreement are stated in CAD\$;
- (b) any payment to be made pursuant to this Agreement shall be made:
 - (i) by wire transfer of immediately available funds to the bank account specified by the payee; and

- (ii) any payment due on a particular day must be received by and be available to the payee not later than 5:00 p.m. (Montreal time) on the due date and any payment made after that time shall be deemed to have been made and received on the next Business Day.

1.4 Calculation of Time. In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. (Montreal time) on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. (Montreal time) on the next succeeding Business Day.

1.5 Knowledge of the Vendor. Where any representation, warranty or other statement in this Agreement is expressed to be made by the Vendor to its knowledge or is otherwise expressed to be limited in scope to facts or matters known to the Vendor, or of which the Vendor is aware, it shall mean the actual knowledge of Ricus Grimbeek and Brendan Creaney, after due inquiry.

1.6 Knowledge of the Purchaser. Where any representation, warranty or other statement in this Agreement is expressed to be made by the Purchaser to its knowledge or is otherwise expressed to be limited in scope to facts or matters known to the Purchaser, or of which the Purchaser is aware, it shall mean the actual knowledge of Neil Ringdahl and Guy Goulet, after due inquiry.

1.7 Additional Rules of Interpretation.

(1) *Gender and Number.* In this Agreement, unless the context requires otherwise, words in one gender include all genders and words in the singular include the plural and vice versa.

(2) *Headings and Table of Contents.* The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.

(3) *Section References.* Unless the context requires otherwise, references in this Agreement to Articles, Sections, Schedules or Exhibits are to Articles or Sections of this Agreement, and Schedules or Exhibits to this Agreement.

(4) *Words of Inclusion.* Wherever the words "include", "includes" or "including" are used in this Agreement, they shall be deemed to be followed by the words "without limitation" and the words following "include", "includes" or "including" shall not be considered to set forth an exhaustive list.

(5) *References to this Agreement.* The words "hereof", "herein", "hereto", "hereunder", "hereby" and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.

(6) *Statute References.* Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time.

(7) *Document References.* All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as signed, transferred, novated, amended, supplemented, modified, varied, restated or replaced from time

to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules and exhibits attached thereto.

(8) *Dates and Time.* All references to time in or in connection with this Agreement shall be to Montreal time, unless otherwise specified.

1.8 Schedules and Exhibits. The following are the Schedules and Exhibits attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

EXHIBITS

- | | |
|---|-----------------------------|
| A | NSR Agreement |
| B | Pre-Emptive Right Agreement |

SCHEDULES

- | | |
|--------|--------------------------------|
| 2.5 | Draft Closing Date Statement |
| 4.2(h) | Vendor Consents |
| 4.3(f) | Purchaser Consents |
| 4.3(g) | Purchaser Regulatory Approvals |

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Schedules and the interpretation provisions set out in this Agreement apply to the Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Schedules to a designated Article, Section or other subdivision refer to the Article, Section or other subdivision, respectively, of this Agreement.

**ARTICLE 2
PURCHASE OF SHARES**

2.1 Purchase and Sale of Shares. At the Closing Time, on and subject to the terms and conditions of this Agreement (including the satisfaction or waiver of the conditions precedent set forth in Article 5), the Vendor shall sell to the Purchaser, and the Purchaser shall purchase from the Vendor, the Shares, free and clear of all Liens (it being understood by the Vendor and the Purchaser that any Liens discharged in connection with the Closing may remain listed or posted in public registries for a period of time after Closing as a function of local legal and regulatory processes, notwithstanding that such Liens ceased to be effective at Closing).

2.2 Purchase Price. The consideration payable by the Purchaser to the Vendor for the Shares (the "**Purchase Price**") shall be the aggregate of:

- (a) 10,000,000 Purchaser Shares (the "**Consideration Shares**");
- (b) CAD\$1,000,000 (the "**Base Cash Amount**") in cash, plus the amount of Excess Closing Date Working Capital, or minus the amount of Shortfall Closing Date Working Capital, as the case may be (the "**Cash Amount**"); and
- (c) Only to the extent such amount is payable pursuant to Section 2.4(b), US\$2,500,000 (the "**Contingent Cash Amount**") in cash,

in each case, payable in accordance with Sections 2.4 and 2.7.

2.3 Estimated Cash Amount. Within three (3) Business Days prior to the Closing Date, the Vendor, acting reasonably, shall provide to the Purchaser a written estimate of the Closing Date Working Capital, such estimate to be based on an internally prepared balance sheet of the Corporation prepared as of a date not more than five (5) Business Days prior to the Closing Date and calculated as nearly as possible in the manner in which the Closing Date Working Capital is to be determined pursuant to the provisions of Section 2.5. The estimate of Excess Closing Date Working Capital shall be added to, or the estimate of Shortfall Closing Date Working Capital subtracted from, as applicable, the Base Cash Amount and the result shall be the “**Estimated Cash Amount**”.

2.4 Satisfaction of Purchase Price. The Purchase Price shall be paid and satisfied as follows:

- (a) At Closing, the Purchaser shall
 - (i) deliver to the Vendor certificates or other evidences representing the Consideration Shares registered as directed by the Vendor; and
 - (ii) pay to the Vendor the Estimated Cash Amount by wire transfer of immediately available funds to the bank account specified by the Vendor.
- (b) On or before January 9, 2023, in the event that the average official spot price for zinc for the period beginning on January 1, 2022 and ending on December 31, 2022 (inclusive) on the London Metal Exchange is equal to or greater than US\$1.30 per pound, the Purchaser shall pay to the Vendor the Contingent Cash Amount by wire transfer of immediately available funds to the bank account specified by the Vendor.

2.5 Preparation of Closing Date Statement.

(1) *Draft Closing Date Statement.* Promptly after the Closing Date, the Purchaser shall prepare, at the Purchaser’s expense and in substantially the same manner and upon the same basis as the sample Closing Date Statement scheduled hereto in Schedule 2.5, a draft of the Closing Date Statement and a draft calculation of the Closing Date Working Capital, which shall be delivered to the Vendor no later than the 30th day following the Closing Date.

(2) *Access to Records, etc.* During the period from the date of delivery of the draft Closing Date Statement until the date no later than 15 days after delivery of the draft Closing Date Statement, the Purchaser shall give the Vendor and its Representatives such assistance and access to the books and records of the Corporation as the Vendor and its Representatives may reasonably request in order to enable them to reasonably assess the draft Closing Date Statement and the draft calculation of Closing Date Working Capital. The Vendor’s Representatives shall be entitled to be present at inventory counts and other procedures used in the preparation of the draft Closing Date Statement and shall be provided promptly with copies of all working papers created by the Purchaser and its Representatives in connection with such preparation.

(3) *Deemed Acceptance.* If the Vendor does not give a notice of objection in accordance with Section 2.6, the Vendor shall be deemed to have accepted the draft Closing Date Statement prepared by the Purchaser which shall be final and binding on the Parties and the draft Closing Date Statement shall constitute the Closing Date Statement for purposes of this Agreement immediately following the expiry date for the giving of such notice of objection.

2.6 Dispute Settlement. If the Vendor objects to any matter in the draft Closing Date Statement prepared pursuant to Section 2.5, the Vendor shall give notice to the Purchaser no later than 20 days after delivery of the draft Closing Date Statement. Any notice given by the Vendor shall set forth in detail the particulars of such objection. The Purchaser and the Vendor shall then use reasonable efforts to resolve such objection. If the matter is not resolved within 30 days of the delivery of the Vendor's objection, then the dispute with respect to such objection shall be submitted by the Purchaser and the Vendor to an accounting partner associated with an accounting firm of recognized national standing in Canada, which is independent of the Parties and their Affiliates (the "**Independent Accountant**"). If the Purchaser and the Vendor are unable to agree on the Independent Accountant within a further 10 day period, either the Purchaser or the Vendor may apply to the Supreme Court of British Columbia to have a court appoint the Independent Accountant. The Independent Accountant shall, as promptly as practicable (but in any event within 45 days following its appointment), make a determination of the Closing Date Working Capital, based solely on written submissions of the Purchaser and the Vendor given by them to the Independent Accountant. The submissions of each of the Purchaser and the Vendor shall be disclosed to the other, and the other shall be afforded a reasonable opportunity to respond thereto. The decision of the Independent Accountant as to the Closing Date Working Capital shall be final and binding upon the Parties and shall constitute the Closing Date Working Capital for purposes of this Agreement. In the case of an objection (in the manner set forth in this Section 2.6) and the retention of the Independent Accountant to determine such objection, the costs and expenses of the Independent Accountant will be borne by the Purchaser, on the one hand, and the Vendor, on the other hand, in proportion to the portion of the aggregate amount in dispute that is finally resolved by the Independent Accountant in a manner adverse to such Party. However, each such Party will bear its own costs in presenting its respective case to the Independent Accountant. For example, should the items in dispute total CAD\$100,000 in amount and the Independent Accountant awards CAD\$60,000 in favor of the Vendor's position, 60% of the costs would be borne by the Purchaser and 40% of the costs would be borne by the Vendor.

2.7 Payment of Cash Amount. The Purchaser shall pay the Estimated Cash Amount to the Vendor at Closing pursuant to Section 2.4. On the Adjustment Date (a) the Purchaser shall pay to the Vendor the amount, if any, by which the Cash Amount exceeds the Estimated Cash Amount or (b) the Vendor shall pay to the Purchaser the amount, if any, by which the Estimated Cash Amount exceeds the Cash Amount.

2.8 Restriction of Consideration Shares.

- (a) The Parties agree that the Vendor shall have the right to sell the Consideration Shares according to the following schedule:
 - (i) 10% at Closing; and
 - (ii) 15% every six (6) months thereafter;
- (b) The certificates evidencing the Consideration Shares shall bear legends reflecting the schedule in Section 2.8(a).

**ARTICLE 3
REPRESENTATIONS AND WARRANTIES**

3.1 Representations and Warranties of the Vendor. Except to the extent that such representations and warranties are qualified by the Vendor Disclosure Letter, the Vendor hereby represents and warrants to and in favour of the Purchaser as follows, and acknowledges that the

Purchaser is relying upon such representations and warranties in connection with the entering into of this Agreement:

(1) *Approval.* The execution and delivery of this Agreement and all other agreements and instruments to be executed by it as contemplated herein and the completion of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the Vendor.

(2) *Vendor Organization.* The Vendor is a corporation duly incorporated or an entity duly created and validly existing under all Applicable Laws of its jurisdiction of incorporation, continuance or creation and has all necessary corporate or other power, authority and capacity to own its property and assets as now owned and to carry on its business as it is now being conducted. No act or proceeding has been taken or authorized by or against the Vendor by any other Person in connection with the dissolution, liquidation, winding up, bankruptcy or insolvency of the Vendor or with respect to any amalgamation, merger, consolidation, arrangement or reorganization of, or relating to, the Vendor and, to the knowledge of the Vendor, no such proceedings have been Threatened by any other Person.

(3) *Vendor Authority Relative to this Agreement.* The Vendor has the requisite corporate power, authority and capacity to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by the Vendor and the performance by the Vendor of its obligations under this Agreement have been duly authorized by the board of directors of the Vendor and no other corporate proceedings on its part are necessary to authorize this Agreement. This Agreement has been duly executed and delivered by the Vendor and constitutes a legal, valid and binding obligation of the Vendor, enforceable against the Vendor in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Applicable Laws relating to or affecting rights of creditors generally and subject to the qualification that equitable remedies, including specific performance, are discretionary. The Vendor is not an insolvent person within the meaning of Applicable Law and will not become an insolvent person as a result of the Closing. There is no Order outstanding against or affecting the Vendor which, in any such case, affects adversely or might affect adversely the ability of the Vendor to enter into this Agreement or to perform its obligations hereunder.

(4) *Ownership of Shares.* Except as set out in the Vendor Disclosure Letter:

- (a) the Vendor is the registered and beneficial holder of the Shares with good and marketable title thereto, free and clear of all Liens;
- (b) no Person other than the Purchaser has, or has any right capable of becoming, any agreement, option, right or privilege for the purchase or other acquisition from the Vendor of any of the Shares;
- (c) there are no restrictions of any kind on the transfer of the Shares; and
- (d) the Shares have been validly issued in compliance with Applicable Law and are fully paid and non-assessable.

(5) *Corporation Organization.* The Corporation is a corporation duly incorporated and validly existing under all Applicable Laws of its jurisdiction of incorporation, continuance or creation and has all necessary corporate or other power, authority and capacity to own its property and assets as now owned and to carry on its business as it is now being conducted. The

Corporation does not have and has no legal obligation to maintain a Board of Directors. No act or proceeding has been taken or authorized by or against the Corporation by any other Person in connection with the dissolution, liquidation, winding up, bankruptcy or insolvency of the Corporation or with respect to any amalgamation, merger, consolidation, arrangement or reorganization of, or relating to, the Corporation and, to the knowledge of the Vendor, no such proceedings have been Threatened by any other Person. The Corporation:

- (a) has, in all material respects, all Licences necessary to conduct its business substantially as now conducted; and
- (b) is duly registered or otherwise authorized and qualified to do business and is in good standing in each jurisdiction in which the character of its properties, owned, leased, licenced or otherwise held, or the nature of its activities makes such qualification necessary, except where the failure to be so qualified is not material.

(6) *Capitalization.* The authorized share capital of the Corporation consists of 247,401,889 common shares with a par value of one Peruvian Sol (S/. 1.00). As of the date hereof, there are issued and outstanding 247,401,889 Corporation Shares. There are no options, warrants, conversion privileges or other rights, shareholder rights plans, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) of any character whatsoever requiring or which may require the issuance, sale or transfer by the Corporation of any securities of the Corporation, or any securities or obligations convertible into, or exchangeable or exercisable for, or otherwise evidencing a right or obligation to acquire, any securities of the Corporation. All outstanding Corporation Shares have been duly authorized and validly issued, are fully paid and non-assessable, and are not and will not be subject to, or issued in violation of, any pre-emptive rights. All Corporation Shares have been issued in compliance with all Applicable Laws. Other than the Corporation Shares, there are no securities of the Corporation outstanding which have the right to vote generally (or are convertible into or exchangeable for securities having the right to vote generally) with the holders of the Corporation Shares on any matter. There are no outstanding contractual or other obligations of the Corporation to repurchase, redeem or otherwise acquire any of the Corporation Shares or with respect to the voting or disposition of any of the Corporation Shares. There are no outstanding bonds, debentures or other evidences of indebtedness of the Corporation having the right to vote with the holders of the Corporation Shares on any matter.

(7) *No Subsidiaries.* The Corporation has no subsidiaries and the Corporation does not have, directly or indirectly, an equity interest in any other Person.

(8) *Financial Statements.* The Corporation's audited financial statements as at and for the fiscal year ended December 31, 2020 (the "**Corporation Audited Financial Statements**") and unaudited financial statements as at and for the nine month period ended September 30, 2021 (the "**Corporation Unaudited Financial Statements**") (the Corporation Audited Financial Statements and the Corporation Unaudited Financial Statements being collectively referred to as the "**Corporation Financial Statements**"). The Corporation Financial Statements were prepared in accordance with IFRS consistently applied (except as otherwise indicated in such financial statements, and except that the Corporation Unaudited Financial Statements may not contain footnotes and are subject to normal year-end adjustments, none of which individually or in the aggregate shall be material in nature or amount) and fairly present in all material respects the financial position, results of operations and changes in equity of the Corporation 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 the Corporation. There has been no material change in the Corporation's accounting policies since December 31, 2020.

(9) *Books and Records.* The Books and Records of the Corporation in all material respects:

- (a) have been maintained in accordance with good business practices and in accordance with IFRS and with the accounting principles generally accepted in the country of domicile of each such entity, on a basis consistent with prior years;
- (b) in each case are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of the Corporation; and
- (c) accurately and fairly reflect the basis for the Corporation Financial Statements.

(10) *Minute Books.* The minute books of the Corporation, are true and correct in all material respects and contain the minutes of all meetings of the shareholders and all resolutions passed by the shareholders.

(11) *No Undisclosed Liabilities.* The Corporation has no outstanding indebtedness or liabilities and is not a party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any Person, other than those disclosed in the Corporation Financial Statements or incurred in the Ordinary Course of Business of the Corporation since September 30, 2021.

(12) *No Material Adverse Effect.* Since December 31, 2020, there has been no Corporation Material Adverse Effect.

(13) *Absence of Certain Changes or Events.* Except as set out in the Vendor Disclosure Letter, since December 31, 2020, with respect to the Corporation, there has been no: (a) material change in cash management practices and policies, practices and procedures with respect to collection of accounts receivable, establishment of reserves for uncollectible accounts receivable, accrual of accounts receivable, inventory control, prepayment of expenses, payment of trade accounts payable, accrual of other expenses, deferral of revenue and acceptance of customer deposits, (b) entry into any Contract that would constitute a Corporation Material Contract, (c) incurrence, assumption or guarantee of any indebtedness for borrowed money in connection with the Business except unsecured current obligations and liabilities incurred in the Ordinary Course of Business, (d) forgiveness of any debt, reduction of any account receivable, or a release or waiver of any right or claim of the Corporation related to the Business, in each case except for in the Ordinary Course of Business, (e) transfer, assignment, sale or other disposition of any assets shown or reflected in the balance sheet of the Corporation Financial Statements, except for the sale of inventory in the Ordinary Course of Business, (f) material damage, destruction or loss, or any material interruption in use, of any Corporation asset, whether or not covered by insurance, (g) termination, material adverse modification to or cancellation of any Material Contract or Licence or any acceleration of any obligations thereunder, (h) imposition of any Lien upon any of the Corporation assets, except for Permitted Liens, (i) grant of any bonuses, whether monetary or otherwise, or increase in any wages, salary, severance, pension or other compensation or benefits in respect of any current or former employees, officers, independent contractors or consultants of the Corporation, (j) action to accelerate the vesting or payment of any compensation or benefit for any current or former employees, officers, independent contractors or consultants of the Corporation; (k) purchase, lease or other acquisition of the right to own, use or lease any property or assets in connection with the Business for an amount in excess of CAD\$100,000, individually or CAD\$250,000 in the aggregate, except in the Ordinary

Course of Business, or (l) entry into any Contract to do any of the foregoing, or any action or omission that would result in any of the foregoing.

(14) *Absence of Conflict.* The execution, delivery and performance of this Agreement by the Vendor and the completion (after giving effect to the actions contemplated hereunder) of the transactions contemplated by this Agreement by the Vendor do not and will not result in or constitute any of the following:

- (a) a default, breach or violation or an event that, with notice or lapse of time or both, would be a default, breach or violation of any of the terms, conditions or provisions of the constating documents, by-laws or unanimous shareholders agreement of the Vendor or the Corporation or of any Contract or Licence of the Vendor or the Corporation;
- (b) an event which, pursuant to the terms of any Contract or Licence of the Corporation, would cause any right or interest of the Corporation to come to an end or be amended in any way that is detrimental to the Business or entitle any other Person to terminate or amend any such right or interest or relieve any other Person of its obligations thereunder;
- (c) the creation or imposition of any Lien on any property or asset of the Corporation;
or
- (d) the violation of any Applicable Law.

(15) *Legal Proceedings.* Other than as provided in the Vendor Disclosure Letter, there are no Legal Proceedings pending or, to the knowledge of the Vendor, Threatened affecting the Corporation or affecting its property or assets at law or in equity including without limiting the generality of the foregoing, before or by any non-governmental organization, community, community group, aboriginal peoples or aboriginal group or any Governmental Authority and matters arising under Environmental Laws. Other than as provided in the Vendor Disclosure Letter, neither the Corporation nor its assets or properties is subject to any outstanding Order, unsatisfied judgment or award.

(16) *Taxes.* The Corporation has prepared and filed when due with each relevant Governmental Authority all Tax Returns required to be filed by or on behalf of the Corporation in respect of any Taxes. All such Tax Returns are correct and complete in all material respects, and no material fact has been omitted therefrom. No extension of time in which to file any such Tax Returns is in effect. The Corporation has paid in full and when due all Taxes required to be paid by it, whether or not such Taxes are shown on a Tax Return or on any assessments or reassessments. No Governmental Authority has asserted that the Corporation is required to file Tax Returns or pay any Taxes in any jurisdiction where it does not do so. The Corporation has complied with all applicable transfer pricing rules in all applicable jurisdictions and has maintained adequate contemporaneous documentation.

(17) *Interest in Properties and Mineral Rights.*

- (a) The Corporation is in possession of all the surface land relating to the Santander Mine pursuant to the Authorization for Mining Use of Surface Land Agreement executed with Comunidad Campesina Santa Cruz de Andamarca (the “**Surface Land**”) and is the sole legal and beneficial owner of all right, title and interest in and to all real property other than the Surface Land relating to the Santander Mine

(collectively, the “**Corporation Properties**”) all of which are listed in the Vendor Disclosure Letter, and has an interest, under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, in the Corporation’s material mineral interests and rights (including any material claims, concessions, exploration licences, exploitation licences, prospecting permits, mining leases and mining rights, in each case, either existing under Contract, by operation of Applicable Law or otherwise) (collectively, the “**Corporation Mineral Rights**”), all of which are listed in the Vendor Disclosure Letter, in each case, except as set out in the Vendor Disclosure Letter, free and clear of any Liens (other than Permitted Liens). All Books and Records relating to the Corporation Properties and the Corporation Mineral Rights have been provided by the Corporation to the Purchaser, and the Corporation does not have any interest in any other material real property or any material mineral interests and rights.

- (b) All of the Corporation Mineral Rights have been properly granted and recorded in compliance with Applicable Law and are comprised of valid and subsisting mining concessions.
- (c) The Corporation Properties and the Corporation Mineral Rights are in good standing under Applicable Law and, to the knowledge of the Vendor, all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, rentals, fees, expenditures and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made.
- (d) There is no material adverse claim against or challenge to the title to or ownership of the Corporation Properties or any of the Corporation Mineral Rights.
- (e) Except as set out in the Vendor Disclosure Letter, no Person other than the Corporation has any interest in the Corporation Properties or any of the Corporation Mineral Rights or the production or profits therefrom or any royalty in respect thereof or any right to acquire any such interest.
- (f) There are no back-in rights, earn-in rights, rights of first refusal or similar provisions or rights which would affect the Corporation’s interest in the Corporation Properties or any of the Corporation Mineral Rights.
- (g) There are no material restrictions on the ability of the Corporation to use, transfer or exploit the Corporation Properties or any of the Corporation Mineral Rights, except pursuant to Applicable Law.
- (h) The Corporation has not received any notices, whether written or oral, of any revocation or intention to revoke any interest of the Corporation in any of the Corporation Properties or any of the Corporation Mineral Rights including without limiting the generality of the foregoing, from any non-governmental organization, community, community group, aboriginal peoples or aboriginal group or any Governmental Authority, nor to the knowledge of the Vendor is such notice Threatened.
- (i) The Corporation has all surface rights, including leases, easements, rights of way and permits or licences that are required to undertake activities as presently contemplated on the Corporation Properties, including without limiting the generality of the foregoing, from landowners, any non-governmental organization,

community, community group, aboriginal peoples or aboriginal group or Governmental Authorities permitting the use of land by the Corporation, and mineral interests.

- (j) Except as set out in the Vendor Disclosure Letter, the Corporation has not entered into any Contracts with any non-governmental organization, community, community group, aboriginal peoples or aboriginal group.

(18) *Contracts.* All Corporation Material Contracts to which the Corporation is a party, all of which are listed in the Vendor Disclosure Letter, are in full force and effect, and the Corporation is entitled to all rights and benefits thereunder in accordance with the terms thereof. The Corporation has made available to the Purchaser for inspection true and complete copies of all Corporation Material Contracts, and all such Corporation Material Contracts have been provided to the Purchaser pursuant to its due diligence requests. All of the Corporation Material Contracts are valid and binding obligations of the Corporation enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction. The Corporation has complied in all material respects with all terms of such Corporation Material Contracts, have paid all amounts due thereunder, have not waived any rights thereunder and no material default or breach exists in respect thereof on the part of the Corporation or, to the knowledge of the Vendor, on the part of any other party thereto, and no event has occurred which, after the giving of notice or the lapse of time or both, would constitute such a material default or breach or trigger a right of termination of any of the Corporation Material Contracts. As at the date hereof, the Corporation has not received written notice that any party to a Corporation Material Contract intends to cancel, terminate or otherwise modify or not renew such Corporation Material Contract, and to the knowledge of the Vendor, no such action has been Threatened. The Corporation is not a party to any Corporation Material Contract that contains any non-competition obligation or otherwise restricts in any material way the Business.

(19) *Employment Matters.*

- (a) The Vendor Disclosure Letter sets out the following information for each employee and independent contractor of the Corporation: full name, position, status (i.e. active, leave, layoff, etc.), hire date, annual salary and unionized or non-unionized employee.
- (b) Neither the execution of this Agreement nor the consummation of the transactions contemplated hereby will result in any employee, consultant or contractor of the Corporation becoming entitled to, or any increase in, any material payment or benefit (including severance pay) or accelerate the timing of payment or vesting of any material compensation or benefits, in either case under any employee benefit plan of the Corporation in respect of the employees of the Corporation.
- (c) The Corporation has not made any Contracts with any labour union or employee association with respect to any collective agreement nor made commitments to or conducted negotiations with any labour union or employee association with respect to any future agreements and there is not, to the knowledge of the Vendor, any union organizing activity, pending or threatened, involving the Corporation's employees. There are currently no work stoppages or strikes (legal or otherwise) pending with respect to the Corporation or, to the knowledge of the Vendor, Threatened.

- (d) There are no employees on lay-off or who have been absent continually from work for a period in excess of one (1) month.
- (e) There are no current complaints, claims, investigations, demands, grievances or charges outstanding, nor are there any orders, decisions, awards, directions or convictions currently communicated, registered or outstanding in any tribunal or agency against or in respect of the Corporation under or in respect of any Applicable Law relating to employment.
- (f) The Corporation is in material compliance with all Applicable Law relating to employment, both in respect of financing obligations as well as in respect of their respective obligations to employees. The Corporation is in good standing with all agencies established pursuant to Applicable Law relating to employment with respect to premiums, assessments and employer financing obligations.
- (g) There is no written notice of assessment, provisional assessment, reassessment, supplementary assessment, penalty assessment or increased assessment which the Corporation has received before the date of this Agreement from any workplace safety and insurance or workers compensation board or similar Governmental Authority in any jurisdiction where the Business is carried on that remain unpaid.

(20) *Insurance.* All insurance maintained by the Corporation, the policies of which are listed in the Vendor Disclosure Letter, is in full force and effect and in good standing and the Corporation is not in default, whether as to payment of premium or otherwise, under the terms of any such insurance nor has the Corporation failed to give any notice or present any material claim under any such insurance in a due and timely fashion or received notice or otherwise become aware of any intent of an insurer to either claim any default on the part of the Corporation or not to renew any policy of insurance on its expiry or to increase any deductible or cost. The Vendor Disclosure Letter sets forth a list of all pending claims and the claims history for the Corporation with respect to the Business during the three (3) year period preceding the date hereof. There are no claims related to the Business under the Corporation's insurance policies that are pending as to which coverage has been questioned, denied or disputed or in respect of which there is an outstanding reservation of rights.

(21) *Environmental Matters.* Except as set out in the Vendor Disclosure Letter:

- (a) none of the Vendor, the Corporation, the Business or the Corporation Mineral Rights is subject to any material current or pending allegation, demand, direction, order, notice or prosecution with respect to any Environmental Laws with respect to tailings, waste rock, sediment from erosion, waste water, and surface water runoff from the Business or the Corporation Mineral Rights;
- (b) the Business and the property and assets as carried on or used by the Corporation has been carried on and used and are currently carried on and used in material compliance with all Environmental Laws. The Corporation possesses and is in compliance with all environmental Licences necessary to operate the Business, except where the failure to hold or comply with such Licences is not material;
- (c) none of the Vendor or the Corporation has received any notice alleging that the Corporation or the Business is in violation of or has any material liability under any Environmental Law that is unresolved and, in the case of a violation under

Environmental Law, the consequences of which would be materially adverse to the Corporation;

- (d) none of the Vendor or the Corporation has entered into or agreed to any consent, settlement or other agreement with a third party or Governmental Authority, nor are the Vendor or the Corporation subject to any Order in any judicial, administrative, arbitral or other forum relating to compliance with or liabilities under any Environmental Law;
- (e) the Corporation has not released or caused any release of any Hazardous Substances at, on, under or from any part of the Corporation Properties except in compliance with Environmental Law, and, to the knowledge of the Vendor, there are no Hazardous Substances present or migrating from any of the Corporation Properties. Without limiting the generality of the foregoing, the tailings produced by the Business or otherwise located on the Corporation Properties have not and do not generate acid above levels authorized by Environmental Law; and
- (f) the Vendor has made available to the Purchaser all environmental audits, assessments, reports and similar reviews and all material correspondence regarding environmental matters relating to the Corporation, the Business or the Corporation Properties.

(22) *Inventory.* All inventory of the Corporation consists of a quality and quantity usable and salable, except for obsolete, damaged, defective or slow-moving items that have been written off or written down to fair market value or for which adequate reserves have been established.

(23) *Accounts Receivable.* All of the Corporation's accounts receivable: (a) have arisen from bona fide transactions entered into by the Corporation involving the sale of goods or the rendering of services in the Ordinary Course of Business; (b) constitute valid, undisputed claims of the Corporation not subject to claims or set-off or other defences or counter-claims other than normal cash discounts accrued in the Ordinary Course of Business and provision for doubtful accounts; and (c) are collectible based on customer terms not to exceed ninety (90) days.

(24) *Customers and Suppliers.* The Vendor Disclosure Letter sets forth with respect to the Business (i) the largest customer of the Corporation for the last two financial years (the "**Material Customer**"); and (ii) the amount of consideration paid by the Material Customer during these periods. Neither the Vendor nor the Corporation has received any notice, and has no reason to believe, that the Material Customer has ceased, or intends to cease after the Closing, to use the goods or services of the Business or to otherwise terminate or materially reduce its relationship with the Business. There is no unresolved material dispute between the Corporation and the Material Customer. Subject to provision for doubtful accounts in the Corporation Unaudited Financial Statements, the Material Customer (A) is not delinquent in its payment to the Corporation by more than sixty (60) days, (B) has not refused or, to the knowledge of the Vendor, threatened to refuse to pay its obligations to the Corporation without valid reason, or (c) to the knowledge of the Vendor is not insolvent or bankrupt.

The Vendor Disclosure Letter sets forth with respect to the Business (i) the top ten (10) largest suppliers of the Business (measured by the dollar value of purchases) for the last two financial years (collectively, the "**Material Suppliers**"); and (ii) the amount of purchases from each Material Supplier during these periods. Neither of the Vendor nor the Corporation has received any notice, and has no reason to believe, that any of the Material Suppliers has ceased, or intends to cease, to supply goods or services to the Business or to otherwise terminate or materially reduce its

relationship with the Business. There is no unresolved material dispute between the Corporation and a Material Supplier, and no event has occurred that the Corporation reasonably expects will have a material and adverse effect on the Corporation's relations with any Material Supplier.

(25) *Benefit Plans.*

- (a) The Vendor Disclosure Letter contains a true and complete list of each retirement, pension, bonus, stock purchase, profit sharing, stock option, deferred compensation, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefit, unemployment benefit, vacation, incentive or other compensation plan or arrangement which is maintained, or otherwise contributed to or required to be contributed to, the Corporation for the benefit of employees or former employees of the Corporation (collectively, the "**Employee Plans**").
- (b) There are no participating employers that have any obligations or liabilities with respect to any Employee Plan other than the Corporation, and the Corporation has no obligation or liability under any Employee Plan, including to provide benefits, to any Person who is not an employee, director or officer or former employee, director or officer of the Corporation.
- (c) Each Employee Plan is in material compliance with and is, and has been, established, registered (where required by Applicable Law), administered and invested in all material respects in accordance with Applicable Law and the terms of such Employee Plans, including the terms of the material documents that support such Employee Plans.
- (d) With respect to each Employee Plan, true and complete copies of each of the following documents, if applicable, have been made available to the Purchaser: (i) the document(s) establishing the current terms of the Employee Plan; and (ii) all other Contracts material to the Employee Plan.
- (e) None of the Employee Plans provide benefits beyond retirement or other termination of service to employees or former employees of the Business or to the beneficiaries or dependents of such employees or former employees.
- (f) Neither of the Vendor or the Corporation has received any notice in writing of any pending investigation, and there are no current or, to the knowledge of the Vendor, Threatened investigations by any Governmental Authority involving or relating to any Employee Plan or any claims (except for claims for benefits payable in the Ordinary Course of operation of the Employee Plans) or Legal Proceedings against the Corporation in respect of any Employee Plan.
- (g) The Corporation does not have any obligation to pay any change-in-control, sale, completion, incentive, stay, retention and similar bonuses or payments to any current or former employee as a result of the transactions contemplated by this Agreement.

(26) *Licences.* The Corporation has, in all material respects, obtained and is, in all material respects, in compliance with all Licences required by Applicable Laws that are necessary to conduct the Business as it is now being conducted. Such Licences are in full force and effect and no material violations are or have been recorded in respect of any thereof. Neither the Vendor

nor the Corporation has received any written notice or other communication from any Governmental Authority or any other Person indicating that there is any actual, alleged, possible or potential violation of, or failure to comply with, any Applicable Laws related to the Business. Neither the Vendor nor the Corporation is a party to or bound by an Order relating to the Business, other than those Orders of general application.

(27) *Exploration Information.* The Vendor has provided the Purchaser with access to full and complete copies of all material exploration information and data relating to the Corporation Properties and the Corporation Mineral Rights which is owned by, or within the possession or control of, the Vendor, the Corporation or any of their Affiliates, including, without limitation, all material geological, geophysical and geochemical information and data (including all drill, sample and assay results and all maps) and all technical reports, feasibility studies and other similar reports and studies concerning the Corporation Properties and the Corporation Mineral Rights.

(28) *Regulatory.* Except as set out in the Vendor Disclosure Letter:

- (a) the Corporation has operated and is currently operating in material compliance with all Applicable Laws, including all applicable rules, regulations, guidelines and policies of any Regulatory Authorities; and
- (b) the Corporation has operated and is currently operating its Business in compliance with all Licences of the Regulatory Authorities in all material respects and has made all requisite material declarations and filings with the Regulatory Authorities. The Corporation has not received any written notices or other correspondence from the Regulatory Authorities regarding any circumstances that have existed or currently exist which would lead to a loss, suspension, or modification of, or a refusal to issue, any Licence relating to its activities.

(29) *Compliance with Laws.* In all material respects, the Corporation has complied with and is not in violation of any Applicable Laws.

(30) *Corrupt Practices Legislation.* Neither the Corporation nor its Affiliates, nor any of their respective officers, directors or employees acting on behalf of the Corporation or any its Affiliates has taken, committed to take or been alleged to have taken any action which would cause the Corporation or any of its Affiliates to be in violation of the United States' *Foreign Corrupt Practices Act* (and the regulations promulgated thereunder), the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) or any Applicable Law of similar effect of Peru or any other jurisdiction, and to the knowledge of the Vendor no such action has been taken by any of the agents or representatives acting on behalf of the Corporation or any of its Affiliates.

(31) *Finders' Fee.* There is no investment banker, broker, finder or other intermediary which has been retained by or is authorized to act on behalf of the Vendor or the Corporation who is entitled to any fee or commission in connection with the consummation of the transactions contemplated by this Agreement.

3.2 Representations and Warranties of the Purchaser. The Purchaser hereby represents and warrants to and in favour of the Vendor as follows, and acknowledges that the Vendor is relying upon such representations and warranties in connection with the entering into of this Agreement:

(1) *Approval.* The execution and delivery of this Agreement and all other agreements and instruments to be executed by it as contemplated herein and the completion of the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action on the part of the Purchaser. The board of directors of the Purchaser has authorized the issuance of the Consideration Shares and, upon the issuance of the Consideration Shares in accordance with the terms hereof the Consideration Shares will be validly issued as fully-paid and non-assessable Purchaser Shares. Upon their issuance in accordance with this Agreement, the Consideration Shares will not have attached thereto any legend setting out resale restrictions under applicable Securities Laws.

(2) *Authority Relative to this Agreement.* The Purchaser has the requisite corporate power, authority and capacity to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by the Purchaser and the performance by the Purchaser of its obligations under this Agreement have been duly authorized by the board of directors of the Purchaser and no other corporate proceedings on its part are necessary to authorize this Agreement. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other Applicable Laws relating to or affecting rights of creditors generally and subject to the qualification that equitable remedies, including specific performance, are discretionary. The Purchaser is not an insolvent person within the meaning of Applicable Law and will not become an insolvent person as a result of the Closing. There is no Order outstanding against or affecting the Purchaser which, in any such case, affects adversely or might affect adversely the ability of the Purchaser to enter into this Agreement or to perform its obligations hereunder.

(3) *Organization.* The Purchaser is a corporation duly incorporated and validly existing under all Applicable Laws of its jurisdiction of incorporation, continuance or creation and has all necessary corporate or other power, authority and capacity to own its property and assets as now owned and to carry on its business as it is now being conducted. No act or proceeding has been taken or authorized by or against the Purchaser by any other Person in connection with the dissolution, liquidation, winding up, bankruptcy or insolvency of the Purchaser or with respect to any amalgamation, merger, consolidation, arrangement or reorganization of, or relating to, the Purchaser, and no such proceedings have been Threatened. The Purchaser and each of its subsidiaries:

- (a) has, in all material respects, all Licences necessary to conduct its business substantially as now conducted as disclosed in the Purchaser Public Disclosure Record; and
- (b) 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 properties, owned, leased, licenced or otherwise held, or the nature of its activities makes such qualification necessary, except where the failure to be so qualified is not material.

(4) *Capitalization.* The authorized share capital of the Purchaser consists of an unlimited number of Purchaser Shares and an unlimited number of preferred shares, without par value, issuable in series. As of the close of business on October 31, 2021, there are issued and outstanding 275,442,851 Purchaser Shares. As of the close of business on October 31, 2021, an aggregate of up to 10,968,500 Purchaser Shares are issuable upon the exercise of 10,968,500 Purchaser Options, an aggregate of up to 18,955,718 Purchaser Shares are issuable upon the exercise of 18,955,718 Purchaser Warrants and an aggregate of up to 3,300,000 Purchaser

Shares are issuable upon the conversion of the Convertible Debenture and there are no other options, warrants, conversion privileges or other rights, shareholder rights plans, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) of any character whatsoever requiring or which may require the issuance, sale or transfer by the Purchaser of any securities of the Purchaser (including Purchaser Shares), or any securities or obligations convertible into, or exchangeable or exercisable for, or otherwise evidencing a right or obligation to acquire, any securities of the Purchaser (including Purchaser Shares). Other than the Purchaser Shares, the Purchaser Options, the Purchaser Warrants and the Convertible Debenture, there are no other securities of the Purchaser outstanding. All outstanding Purchaser Shares have been duly authorized and validly issued, are fully paid and non-assessable, and all Purchaser Shares issuable upon the exercise of Purchaser Options, the Purchaser Warrants and the Convertible Debenture in accordance with their respective terms have been duly authorized and, upon issuance, will be validly issued as fully paid and non-assessable, and are not and will not be subject to, or issued in violation of, any pre-emptive rights. All securities of the Purchaser (including the Purchaser Shares) have been issued in compliance with all Applicable Laws. Other than the Purchaser Shares, the Purchaser Options, the Purchaser Warrants and the Convertible Debenture, there are no securities of the Purchaser 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 holders of Purchaser Shares on any matter. There are no outstanding contractual or other obligations of the Purchaser or any of its subsidiaries to repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any of its outstanding securities. Other than the Convertible Debenture, there are no outstanding bonds, debentures or other evidences of indebtedness of the Purchaser or any of its subsidiaries having the right to vote with the holders of the outstanding Purchaser Shares on any matter.

(5) *Reporting Issuer Status and Securities Law Matters.* The Purchaser is a “reporting issuer” and not on the list of reporting issuers in default under applicable Securities Laws in British Columbia, Alberta, Ontario and Québec. No delisting, suspension of trading in or cease trading order with respect to any securities of the Purchaser and, to the knowledge of the Purchaser, no inquiry or investigation (formal or informal) of any Securities Authorities, is in effect or ongoing or, to the knowledge of the Purchaser, except to be implemented or undertaken.

(6) *Public Filings.* The Purchaser has filed all documents required to be filed by it in accordance with applicable Securities Laws. The Purchaser has filed all necessary documents and information required to be filed with the Securities Authorities and the CSE. All such documents and information comprising the Purchaser Public Disclosure Record, as of their respective dates (and the dates of any amendments thereto):

- (a) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; and
- (b) complied in all material respects with the requirements of applicable Securities Laws, and any amendments to the Purchaser Public Disclosure Record required to be made have been filed on a timely basis with the Securities Authorities or the CSE. The Purchaser has not filed any confidential material change report with any Securities Authorities that at the date of this Agreement remains confidential.

(7) *Purchaser Financial Statements.* The Purchaser’s audited financial statements as at and for the fiscal year ended December 31, 2020 (the “**Purchaser Audited Financial Statements**”) and unaudited financial statements as at and for the three and six months ended June 30, 2021 and 2020 (including the notes thereto) (the “**Purchaser Unaudited Financial**”

Statements” and collectively, the **“Purchaser Financial Statements”**) were prepared in accordance with IFRS consistently applied (except as otherwise indicated in such financial statements and the notes thereto or in the related report of the Purchaser’s independent auditors, and except that the unaudited Purchaser Unaudited Financial Statements may not contain footnotes and are subject to normal year-end adjustments, none of which individually or in the aggregate shall be material in nature or amount) and fairly present in all material respects the consolidated financial position, results of operations and changes in equity of the Purchaser and its subsidiaries 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 the Purchaser and its subsidiaries on a consolidated basis. There has been no material change in the Purchaser’s accounting policies, except as described in the notes to the Purchaser Financial Statements, since December 31, 2020.

(8) *Internal Controls and Financial Reporting.* The Purchaser has designed and implemented disclosure controls and procedures to provide reasonable assurance that material information relating to the Purchaser, including its consolidated subsidiaries, is made known to the Chief Executive Officer and the Chief Financial Officer of the Purchaser by others within those entities, as appropriate to allow timely decisions regarding required disclosure, particularly during the periods in which filings are being prepared. The Purchaser has disclosed, based on the most recent evaluation of its Chief Executive Officer and its Chief Financial Officer prior to the date hereof, to the Purchaser’s auditors and the audit committee of the board of directors of the Purchaser:

- (a) any significant deficiencies in the design or operation of its internal controls over financial reporting that are reasonably likely to adversely affect the Purchaser’s ability to record, process, summarize and report financial information and has identified for the Purchaser’s auditors and the board of directors of the Purchaser any material weaknesses in internal control over financial reporting; and
- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Purchaser’s internal control over financial reporting.

To the knowledge of the Purchaser, as at June 30, 2021, there were no material weaknesses or significant deficiencies in such internal controls and as of the date hereof, nothing has come to the attention of the Purchaser that has caused the Purchaser to believe that there are any material weaknesses or significant deficiencies in such internal controls.

(9) *No Undisclosed Liabilities.* The Purchaser and its subsidiaries have no outstanding indebtedness or liabilities and none is a party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any Person, other than those specifically identified in the Purchaser Financial Statements or incurred in the Ordinary Course of Business of the Purchaser and its subsidiaries since June 30, 2021.

(10) *No Material Adverse Effect.* Since December 31, 2020, except as disclosed in the Purchaser Public Disclosure Record, there has been no Purchaser Material Adverse Effect and the financial condition, business and material property of the Purchaser and its subsidiaries conform in all material respects to the description thereof contained in the Purchaser Public Disclosure Record.

(11) *Absence of Conflicting Agreements.* The execution, delivery and performance of this Agreement by the Purchaser and the completion (after giving effect to the actions contemplated hereunder) of the transactions contemplated by this Agreement by the Purchaser do not and will not result in or constitute any of the following:

- (a) a default, breach or violation or an event that, with notice or lapse of time or both, would be a default, breach or violation of any of the terms, conditions or provisions of the constating documents or by-laws of the Purchaser or of any Contract or Licence of the Purchaser;
- (b) an event which, pursuant to the terms of any Contract or Licence of the Purchaser, would cause any right or interest of the Purchaser to come to an end or be amended in any way that is detrimental to the business of the Purchaser or entitle any other Person to terminate or amend any such right or interest or relieve any other Person of its obligations thereunder;
- (c) the creation or imposition of any Lien on any property or asset of the Purchaser or any of its subsidiaries; or
- (d) the violation of any Applicable Law.

(12) *Legal Proceedings.* Except as disclosed in the Purchaser Public Disclosure Record, there are no Legal Proceedings pending or, to the knowledge of the Purchaser, Threatened affecting the Purchaser or any of its subsidiaries or affecting any of their respective property or assets at law or in equity including without limiting the generality of the foregoing, before or by any non-governmental organization, community, community group, aboriginal peoples or aboriginal group or any Governmental Authority and matters arising under Environmental Laws. Neither the Purchaser nor any of its subsidiaries nor their respective assets or properties is subject to any outstanding Order, unsatisfied judgment or award.

(13) *Regulatory.*

- (a) The Purchaser and its subsidiaries have operated and are currently operating in material compliance with all Applicable Laws, including all applicable rules, regulations, guidelines and policies of any Regulatory Authorities; and
- (b) The Purchaser and its subsidiaries have operated and are currently operating their respective businesses in compliance with the Licences of the Regulatory Authorities in all material respects and have made all requisite material declarations and filings with the Regulatory Authorities. The Purchaser and its subsidiaries have not received any written notices or other correspondence from the Regulatory Authorities regarding any circumstances that have existed or currently exist which would lead to a loss, suspension, or modification of, or a refusal to issue, any Licence relating to its activities which would reasonably be expected to restrict, curtail, limit or adversely affect the ability of the Purchaser or its subsidiaries to operate their respective businesses.

(14) *Compliance with Laws.* In all material respects, the Purchaser and its subsidiaries have complied with and are not in violation of any Applicable Laws.

(15) *Absence of Cease Trade Orders.* No order ceasing or suspending trading in the Purchaser Shares (or any of them) or any other securities of the Purchaser is outstanding and no

proceedings for this purpose have been instituted or, to the knowledge of the Purchaser, are pending, contemplated or threatened.

(16) *Registration Rights.* No holder of Purchaser Shares has any right to compel the Purchaser to register or otherwise qualify the Purchaser Shares (or any of them) for public sale or distribution.

(17) *Corrupt Practices Legislation.* Neither the Purchaser nor its subsidiaries and Affiliates, nor any of their respective officers, directors or employees acting on behalf of the Purchaser or any of its subsidiaries or Affiliates has taken, committed to take or been alleged to have taken any action which would cause the Purchaser or any of its subsidiaries or Affiliates to be in violation of the United States' *Foreign Corrupt Practices Act* (and the regulations promulgated thereunder), the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) or any Applicable Law of similar effect of Peru or any other jurisdiction, and to the knowledge of the Purchaser no such action has been taken by any of its agents or representatives acting on behalf of the Purchaser or any of its subsidiaries or Affiliates.

ARTICLE 4 CLOSING ARRANGEMENTS

4.1 Closing. The Closing shall take place at 11:00 a.m. (Montreal time) (the "**Closing Time**") on the Closing Date at the offices of Blake, Cassels & Graydon, or at such other time on the Closing Date or such other place as may be agreed orally or in writing by the Vendor and the Purchaser.

4.2 Vendor's Closing Deliveries. At the Closing, the Vendor shall deliver or cause to be delivered to the Purchaser the following documents or things:

- (a) an executed share transfer in respect of the Shares, together with such other deeds of assignment or transfer as may be reasonably required by the Purchaser to complete the transactions provided for in this Agreement, duly executed by the Vendor;
- (b) an executed share transfer in respect of the Common Share held by Valentin Paniagua (the "**Nominee Share**"), together with such other deeds of assignment or transfer as may be reasonably required by the Purchaser to complete the transfer of the Nominee Share, duly executed by Valentin Paniagua;
- (c) the certificates representing the Shares and the Nominee Share duly endorsed in favour of (or as directed by) the Purchaser;
- (d) the original minute books and share register of the Corporation and any other original statutory books and records of the Corporation in the Vendor's possession (with the share register updated to reflect the Purchaser (and/or its nominee) as the registered holder of the Shares);
- (e) a bring-down certificate of a senior officer of the Vendor dated as of the Closing Date certifying that (i) the representations and warranties of the Vendor in Section 3.1 are true and correct in all material respects at the Closing (other than those that are qualified as to materiality, which shall be true and correct in all respects at the Closing after giving effect to such qualification) with the same force and effect as if such representations and warranties were made on and as of such date (other

than those that speak only as of a specific date, which shall be true and correct as of that date); and (ii) the Vendor has performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before the Closing Time;

- (f) certified copies of (i) the constating documents and by-laws of the Vendor; (ii) the resolutions of the board of directors of the Vendor approving the execution, delivery and performance of this Agreement; and (iii) a list of the directors and officers of the Vendor authorized to sign this Agreement or other agreements and documents referred to in this Agreement to which the Vendor is a party, together with their specimen signatures;
- (g) a certificate of status with respect to each of the Vendor and the Corporation issued by appropriate government officials of its jurisdiction of incorporation, continuance or creation;
- (h) evidence in form satisfactory to the Purchaser, acting reasonably, that the consents and waivers of each of the third parties set forth in Schedule 4.2(h) have been obtained;
- (i) the NSR Agreement, duly executed by the Vendor and the Corporation;
- (j) a counterpart to the Pre-Emptive Right Agreement, duly executed by the Vendor;
- (k) the Amended Glencore Agreements duly executed by all parties thereto;
- (l) a counterpart to the Glencore Assignment and Assumption Agreement, duly executed by the Vendor and Glencore International AG;
- (m) the Books and Records of the Corporation;
- (n) an executed copy of the public deed of the cancellation of the Constitution and Pre-Constitution of Pledge Agreement over the Corporation Shares dated October 1, 2020, among, *inter alia*, the Vendor and Valentin Paniagua Jara as shareholders of the Corporation and Glencore Canada Corporation as beneficiary, with the intervention of the Corporation and Represcom E.I.R.L. as common representative, granted by Glencore Canada Corporation;
- (o) an executed copy of the public deed of the cancellation of the Constitution and Pre-Constitution of Pledge Agreement over the bank account of the Corporation dated October 1, 2020, among, *inter alia*, the Corporation as grantor and Glencore Canada Corporation as beneficiary, with the intervention of Scotiabank Peru S.A.A., the Vendor, and Represcom E.I.R.L. as common representative, granted by Glencore Canada Corporation;
- (p) an executed copy of the public deed of the cancellation of the Constitution and Pre-Constitution of Pledge Agreement over the bank account of the Corporation dated June 14, 2018, modified by the First Amendment dated September 18, 2018, and the Second Amendment dated October 1, 2020, among, *inter alia*, the Corporation as the grantor and Scotiabank Peru S.A.A. as Peruvian Collateral Agent, with the intervention of Scotiabank Peru S.A.A., the Vendor, and Servicios Conexos Notreg E.I.R.L., granted by Scotiabank Peru S.A.A.;

- (q) an executed copy of the Public Deed of the cancellation of the Constitution and Pre-Constitution of Pledge Agreement over the Corporation Shares dated August 29, 2017, modified by the First Amendment dated September 18, 2018, modified by the Second Amendment dated October 1, 2020, among, *inter alia*, the Vendor and Valentin Paniagua Jara as shareholders of the Corporation and Scotiabank Peru S.A.A. as Peruvian Collateral Agent, with the intervention of the Corporation and Servicios Conexos Notreg E.I.R.L. as common representative, granted by Scotiabank Peru S.A.A.;
- (r) an executed copy of the Public Deed of the cancellation of the Guarantee Trust Agreement dated August 29, 2017, modified by the first amendment dated September 18, 2018, by the Second Amendment dated November 13, 2019, and the Third Amendment dated October 1, 2020, among, *inter alia*, Glencore Canada Corporation as adherent and junior trustee, Scotiabank Perú S.A.A. as fiduciary, the Corporation as trustor and Scotiabank Perú S.A.A. as Peruvian Collateral Agent and representative of the senior trustees, granted by Scotiabank Peru S.A.A.;
- (s) an executed copy of the Public Deed of the cancellation of the Conditional Assignment of Rights dated August 29, 2017, modified by the first amendment dated September 18, 2018, and modified by the Second Amendment dated October 1, 2020, among, *inter alia*, Glencore Canada Corporation as adherent and junior secured creditor, the Corporation as assigner and Scotiabank Perú S.A.A. as assignee, with the intervention of the Vendor, granted by Scotiabank Peru S.A.A.;
- (t) an executed copy of the Public Deed of the cancellation of the Pre-Constitution of Pledge Agreement over Santander Concesiones S.A.C. Shares dated August 29, 2017, modified by the First Amendment dated September 18, 2018, among, *inter alia*, the Corporation, Scotiabank Peru S.A.A. as Peruvian Collateral Agent, with the intervention of Santander Concesiones S.A.C. and Servicios Conexos Notreg E.I.R.L. as common representative, granted by Scotiabank Peru S.A.A.;
- (u) an executed copy of the release of the Corporation's obligations under (i) the guarantee agreement dated October 1, 2020 entered into by and between Glencore Canada Corporation, the Corporation, Trevali Holdings (Bermuda) Ltd. and Trevali Mining (New Brunswick) Ltd. and (ii) the Subordination and Postponement Agreement entered into by and among others, the Corporation, the Vendor and Glencore Canada Corporation dated October 1, 2020;
- (v) an executed copy of cancellation of the security agreement over sales contracts dated October 1, 2020 entered by and between Vendor, the Corporation, Glencore Perú S.A.C. and Glencore Canada Corporation;
- (w) an executed copy of the release of the Corporation's obligations under (i) the guarantee agreement dated August 29, 2017 entered into by and between The Bank of Nova Scotia, the Corporation, Trevali Holdings (Bermuda) Ltd. and Trevali Mining (New Brunswick) Ltd. and (ii) the Subordination and Postponement Agreement entered into by and among others, the Corporation, the Vendor and The Bank of Nova Scotia dated August 31, 2017;

- (x) an executed copy of cancellation of the security agreement over sales contracts dated August 20, 2020 entered into by and between the Vendor, the Corporation and The Bank of Nova Scotia; and
- (y) all such other assurances, consents, waivers, agreements, documents and instruments as may be reasonably required by the Purchaser to complete the transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Purchaser, acting reasonably.

4.3 Purchaser's Closing Deliveries. At the Closing, the Purchaser shall deliver or cause to be delivered to the Vendor the following documents or things:

- (a) a bring-down certificate of a senior officer of the Purchaser dated as of the Closing Date certifying that (i) the representations and warranties of the Purchaser in Section 3.2 are true and correct in all material respects at the Closing (other than those that are qualified as to materiality, which shall be true and correct in all respects at the Closing after giving effect to such qualification) with the same force and effect as if such representations and warranties were made on and as of such date (other than those that speak only as of a specific date, which shall be true and correct as of that date); and (ii) the Purchaser has performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before the Closing Time;
- (b) certified copies of (i) the constating documents and by-laws of the Purchaser; (ii) the resolutions of the board of directors of the Purchaser approving the execution, delivery and performance of this Agreement; and (iii) a list of the directors and officers of the Purchaser authorized to sign this Agreement or other agreements and documents referred to in this Agreement to which the Purchaser is a party, together with their specimen signatures;
- (c) a certificate of status, compliance, good standing or like certificate with respect to the Purchaser issued by appropriate government officials of its jurisdiction of incorporation, continuance or creation;
- (d) certificates or other evidence representing the Consideration Shares deliverable at Closing in accordance with Section 2.4 registered as directed by the Vendor;
- (e) payment of the Estimated Cash Amount in accordance with Section 2.4;
- (f) evidence in form satisfactory to the Vendor, acting reasonably, that the consents of each of the third parties set forth in Schedule 4.3(f) have been obtained;
- (g) evidence in form satisfactory to the Vendor, acting reasonably, that the regulatory approvals listed in Schedule 4.3(g) have been obtained;
- (h) evidence in form satisfactory to the Vendor, acting reasonably, that the Purchaser has made arrangements for the transition and continuation of the Bond after Closing;
- (i) a general release and indemnity, executed by the Purchaser and the Corporation, in form satisfactory to the Purchaser and the Vendor, acting reasonably, releasing the Vendor from any and all claims related to the reclamation or remediation of the

Santander Mine and the Corporation Properties and indemnifying the Vendor in respect of same (the “**Release**”);

- (j) a counterpart to the Pre-Emptive Right Agreement, duly executed by the Purchaser;
- (k) a counterpart to the Glencore Assignment and Assumption Agreement, duly executed by the Purchaser;
- (l) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Vendor to complete the transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Vendor, acting reasonably.

4.4 Waiver. The Purchaser may, in its sole discretion, waive any or all of the actions or deliverables that the Vendor is required to perform or deliver under Section 4.2. The Vendor may, in its sole discretion, waive any or all of the actions that the Purchaser is required to perform or deliver under Section 4.3.

ARTICLE 5 CONDITIONS OF CLOSING

5.1 Purchaser’s Conditions. The Purchaser shall not be obligated to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the conditions precedent listed below in this Section 5.1 has been satisfied or waived by the Purchaser having given written notice of such waiver to the Vendor, it being understood that the said conditions are included for the exclusive benefit of the Purchaser. The Vendor shall take all such actions, steps and proceedings as are reasonably within its control as may be necessary to ensure that the conditions precedent listed below in this Section 5.1 are fulfilled as soon as reasonably practicable after the date of this Agreement and in any event at or before the Closing Time.

(1) *Representations and Warranties.* The representations and warranties of the Vendor in Section 3.1 shall be true and correct in all material respects at the Closing (other than those that are qualified as to materiality, which shall be true and correct in all respects at the Closing after giving effect to such qualification) with the same force and effect as if such representations and warranties were made on and as of such date (other than those that speak only as of a specific date, which shall be true and correct as of that date).

(2) *Vendor’s Compliance and Deliverables.* The Vendor shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before the Closing Time and shall have executed and delivered or caused to have been executed and delivered to the Purchaser at the Closing all of the documents contemplated in Section 4.2 and elsewhere in this Agreement.

(3) *No Corporation Material Adverse Effect.* During the Interim Period, there shall have been no Corporation Material Adverse Effect.

(4) *No Legal Proceedings.* During the Interim Period, there shall have been no Order (whether temporary, preliminary or permanent) made or any Legal Proceedings commenced or Threatened against any Party or against any of their respective Affiliates or any of their respective

directors or officers, for the purpose of enjoining, prohibiting, preventing or restraining, temporarily or permanently, the completion of the transactions contemplated by this Agreement.

(5) *No Law.* During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any Law which has the effect of (i) making any of the transactions contemplated by this Agreement illegal or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement.

5.2 Condition Not Fulfilled. If any condition in Section 5.1 has not been fulfilled at or before the Closing Time or if any such condition is, or becomes, impossible to satisfy prior to the Closing Time, other than as a result of the failure of the Purchaser to comply with its obligations under this Agreement, then the Purchaser in its sole discretion may, without limiting any rights or remedies available to the Purchaser at law or in equity, either:

- (a) terminate this Agreement by notice to the Vendor, as provided in Section 8.1(b);
or
- (b) waive compliance with any such condition without prejudice to its right of termination in the event of non-fulfilment of any other condition.

5.3 Vendor's Conditions. The Vendor shall not be obligated to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the conditions precedent listed below in this Section 5.3 has been satisfied or waived by the Vendor having given written notice of such waiver to the Purchaser, it being understood that the said conditions are included for the exclusive benefit of the Vendor. The Purchaser shall take all such actions, steps and proceedings as are reasonably within the Purchaser's control as may be necessary to ensure that the conditions precedent listed below in this Section 5.3 are fulfilled as soon as reasonably practicable after the date of this Agreement and in any event at or before the Closing Time.

(1) *Representations and Warranties.* The representations and warranties of the Purchaser in Section 3.2 shall be true and correct in all material respects at the Closing (other than those that are qualified as to materiality, which shall be true and correct in all respects at the Closing after giving effect to such qualification) with the same force and effect as if such representations and warranties were made on and as of such date (other than those that speak only as of a specific date, which shall be true and correct as of that date).

(2) *Compliance and Deliverables.* The Purchaser shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before the Closing Time and shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing all the documents contemplated in Section 4.3 and elsewhere in this Agreement.

(3) *No Purchaser Material Adverse Effect.* During the Interim Period, there shall have been no Purchaser Material Adverse Effect.

(4) *No Legal Proceedings.* During the Interim Period, there shall have been no Order (whether temporary, preliminary or permanent) made or any Legal Proceedings commenced or Threatened against any Party or against any of their respective Affiliates or any of their respective directors or officers, for the purpose of enjoining, prohibiting, preventing or restraining, temporarily or permanently, the completion of the transactions contemplated by this Agreement.

(5) *No Law.* During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any Law which has the effect of (i) making any of the transactions contemplated by this Agreement illegal or (ii) otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement.

5.4 Condition Not Fulfilled. If any condition in Section 5.3 has not been fulfilled at or before the Closing Time or if any such condition is, or becomes, impossible to satisfy prior to the Closing Time, other than as a result of the failure of the Vendor to comply with its obligations under this Agreement, then the Vendor may, in its sole discretion, without limiting any rights or remedies available to the Vendor at law or in equity, either:

- (a) terminate this Agreement by notice to the Purchaser, as provided in Section 8.1(c); or
- (b) waive compliance with any such condition without prejudice to its right of termination in the event of non-fulfilment of any other condition.

ARTICLE 6 INDEMNIFICATION

6.1 Survival. All provisions of this Agreement and of any other agreement, certificate or instrument delivered pursuant to this Agreement, other than the conditions in Article 5 hereof, shall not merge on Closing but shall survive the execution, delivery and performance of this Agreement in accordance with the terms hereof or thereof.

6.2 Indemnity by the Vendor. Subject, in the case of Section 6.2(b), to the limitation included in Section 9.15, the Vendor shall indemnify the Purchaser's Indemnified Parties and save them fully harmless against, and will reimburse or compensate them for, any Damages arising from, in connection with or related in any manner whatsoever to:

- (a) any incorrectness in or breach of any representation or warranty of the Vendor contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement;
- (b) any breach or any non-fulfilment of any covenant or agreement on the part of the Vendor contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement;
- (c) any Legal Proceeding to which the Corporation is a party at any time on or prior to the Closing Date, or to which it becomes a party after the Closing Date arising from facts or circumstances that existed at any time on or prior to the Closing; and
- (d) *[Redacted information relates to confidential matters of the Vendor.]*

For greater certainty and without limiting the generality of the provisions of Sections 6.2(a) and 6.2(b), the indemnity provided for in Sections 6.2(c) shall extend to any Damages arising from any act, omission or state of facts that occurred or existed prior to the Closing Time. The waiver of any condition based upon the accuracy of any representation and warranty or the performance of any covenant shall not affect the right to indemnification, reimbursement or other remedy based

upon such representation, warranty or covenant. The Vendor shall not have any right of indemnification, contribution or subrogation against the Corporation, the Purchaser or any of their respective Affiliates with respect to any indemnification payment made by or on behalf of the Vendor under this Article 6.

6.3 Indemnity by the Purchaser. The Purchaser shall indemnify the Vendor's Indemnified Parties and save them fully harmless against, and will reimburse or compensate them for, any Damages arising from, in connection with or related in any manner whatsoever to:

- (a) any incorrectness in or breach of any representation or warranty of the Purchaser contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement; and
- (b) any breach or non-fulfilment of any covenant or agreement on the part of the Purchaser contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement.

The waiver of any condition based upon the accuracy of any representation and warranty or the performance of any covenant shall not affect the right to indemnification, reimbursement or other remedy based upon such representation, warranty or covenant. Neither the Purchaser nor the Corporation shall have any right of indemnification, contribution or subrogation against the Vendor or any of its Affiliates with respect to any indemnification payment made by or on behalf of the Purchaser under this Article 6.

6.4 Claim Notice. If an Indemnified Party becomes aware of any act, omission or state of facts that may give rise to Damages in respect of which a right of indemnification is provided for under this Article 6, the Indemnified Party shall promptly give written notice thereof (a "**Claim Notice**") to the Indemnifying Party. The Claim Notice shall (if known as of the date of the Claim Notice) specify whether the potential Damages arise as a result of a claim by a Person against the Indemnified Party (a "**Third Party Claim**") or whether the potential Damages arise as a result of a claim directly by the Indemnified Party against the Indemnifying Party (a "**Direct Claim**"), and shall also specify with reasonable particularity (if known as of the date of the Claim Notice and to the extent that the information is available):

- (a) the factual basis for the Direct Claim or Third-Party Claim, as the case may be; and
- (b) the amount of the potential Damages arising therefrom, if known.

If, through the fault of the Indemnified Party, the Indemnifying Party does not receive a Claim Notice in time to effectively contest the determination of any liability susceptible of being contested or to assert a right to recover an amount under applicable insurance coverage, then the liability of the Indemnifying Party to the Indemnified Party under this Article 6 shall be reduced only to the extent that Damages are actually incurred by the Indemnifying Party resulting from the Indemnified Party's failure to give the Claim Notice on a timely basis. Nothing in this Section 6.4 shall be construed to affect the time within which a Claim Notice must be delivered pursuant to Sections 6.5(1) and 6.5(2) in order to permit recovery pursuant to Section 6.2(a) or 6.3(a), as the case may be.

6.5 Time Limits for Delivery of Claim Notice for Breach of Representations and Warranties.

(1) *Notice by the Purchaser.* No Damages may be recovered from the Vendor pursuant to Sections 6.2(a) unless a Claim Notice is delivered by the Purchaser in accordance with the timing set out below:

- (a) with respect to the representations and warranties in Sections 3.1(1), (2), (3), (4), (5), (6) and (7) (collectively, the “**Vendor Fundamental Representations**”) at any time after Closing;
- (b) with respect to the representations and warranties in Section 3.1(16), or with respect to any Taxes relating to a Pre-Closing Tax Period, at any time before the date that is 60 days after the relevant Governmental Authorities are no longer entitled to assess or reassess the Taxes in question, having regard, without limitation, to:
 - (i) any waiver given before the Closing Date in respect of such Taxes; and
 - (ii) any entitlement of a Governmental Authority to assess or reassess in respect of such Taxes without limitation in the event of fraud or misrepresentation attributable to neglect, carelessness or wilful default;
- (c) with respect to the representations and warranties in Section 3.1(21), on or before the date that is 27 months from Closing, and
- (d) with respect to all other representations and warranties, on or before the date that is 18 months from Closing,

provided, however, that in the event of fraud relating to a representation and warranty of the Vendor in this Agreement, then notwithstanding the foregoing time limitations, the Purchaser’s Indemnified Parties shall be entitled to deliver a Claim Notice at any time for purposes of such a claim. Unless a Claim Notice has been given in accordance with the timing set out above, the Vendor shall be released from the obligation to indemnify the Purchaser’s Indemnified Parties in respect thereof pursuant to Section 6.2(a). This Section 6.5(1) shall not be construed to impose any time limit on the Purchaser’s right to assert a claim to recover Damages under Sections 6.2(b), or 6.2(c), whether or not the basis on which such a claim is asserted could also entitle the Purchaser to make a claim for Damages pursuant to Section 6.2(a).

(2) *Notice by the Vendor.* No Damages may be recovered from the Purchaser pursuant to Section 6.3(a) unless a Claim Notice is delivered by the Vendor in accordance with the timing set out below:

- (a) with respect to the representations and warranties in Sections 3.2(1), (2) and (3) (collectively, the “**Purchaser Fundamental Representations**”) at any time after Closing; and
- (b) with respect to all other representations and warranties, on or before the date that is 18 months from Closing,

provided, however, that in the event of fraud relating to a representation and warranty of the Purchaser in this Agreement, then notwithstanding the foregoing time limitations, the Vendor’s

Indemnified Parties shall be entitled to deliver a Claim Notice at any time for purposes of such a claim. Unless a Claim Notice has been given in accordance with the timing set out above, the Purchaser shall be released from the obligation to indemnify the Vendor's Indemnified Parties in respect thereof pursuant to Section 6.3(a). This Section 6.5(2) shall not be construed to impose any time limit on the Vendor's right to assert a claim to recover Damages under Section 6.3(b) whether or not the basis on which such a claim is asserted could also entitle the Vendor to make a claim for Damages pursuant to Section 6.3(a).

6.6 Monetary and Recovery Limitations.

(1) *Indemnity Basket.* No Damages may be recovered from the Vendor pursuant to Section 6.2(a) or from the Purchaser pursuant to Section 6.3(a) unless and until the accumulated aggregate amount of Damages of the Purchaser's Indemnified Parties, arising pursuant to Section 6.2(a), or the Vendor's Indemnified Parties, arising pursuant to Section 6.3(a), as applicable, exceeds CAD\$200,000 in which event the accumulated aggregate amount of all such Damages may be recovered.

(2) *Indemnity Cap – Non Fundamental Representations.* The maximum aggregate amount of Damages that may be recovered from the Vendor under Section 6.2(a), other than with respect to claims relating to Vendor Fundamental Representations or Section 3.1(16), or the Purchaser under Section 6.3(a), other than with respect to claims relating to Purchaser Fundamental Representations, as applicable, shall not exceed USD\$1,500,000.

(3) *Indemnity Cap – Fundamental and Tax Representations.* The maximum aggregate amount of Damages that may be recovered from the Vendor under Section 6.2(a), with respect to claims relating to Vendor Fundamental Representations or Section 3.1(16), or the Purchaser under Section 6.3(a), with respect to claims relating to Purchaser Fundamental Representations, as applicable, shall not exceed USD\$7,000,000.

(4) *Recovery.* Notwithstanding anything to the contrary contained in this Article 6, the Purchaser Indemnified Parties' sole and exclusive remedy to recover Damages finally determined and payable by the Vendor pursuant to this Article 6, other than Damages arising from Section 6.2 (d), shall be as follows:

- (a) first, pursuant to the surrender by the Vendor to the Purchaser of such number of Purchaser Shares as shall have a value equal to the amount of Damages finally determined and payable by the Vendor under this Article 6, to a cumulative maximum in respect of all claims under this Article 6 of 10,000,000 Purchaser Shares (each an "**Indemnity Share**" and collectively, the "**Indemnity Shares**"), subject to adjustment pursuant to Section 6.6(6). The value of an Indemnity Share for the purposes of this Section 6.6(4)(a) shall be the volume weighted average trading price of the Purchaser Shares for the 20 trading day period ending on the trading day prior to the date on which the amount of such Damages is finally determined and becomes payable under this Article 6 (the "**Determination Date**") on the stock exchange on which the highest volume of trading in Purchaser Shares has occurred during such period;
- (b) second, if upon surrendering all of the Indemnity Shares to the Purchaser pursuant to the application of Section 6.6(4)(a) and the Purchaser Shares surrendered to the Purchaser have a value (as determined pursuant to Section 6.6(4)(a) less than the amount of Damages finally determined and payable by the Vendor pursuant to this Article 6 (the amount of Damages remaining after the surrendering of all of the

Indemnity Shares being the “**Remaining Damages**”), then the Remaining Damages shall be settled by cash up to a maximum cash payment of the greater of (i) the Cash Amount and (ii) if the Contingent Cash Amount is paid to the Vendor pursuant to Section 2.4(b), then the Cash Amount and Contingent Cash Amount; and

- (c) for greater certainty, upon (i) surrendering all of the Indemnity Shares to the Purchaser pursuant to the application of Section 6.6(4)(a) and (ii) the payment of cash by the Vendor up to the maximum amount in Section 6.6(4)(b), the Vendor shall not be additionally liable to make any other payment or restitution to the Purchaser Indemnified Parties, regardless of whether the Indemnity Shares and the cash payment made pursuant to Sections 6.6(4)(a) and 6.6(4)(b) have a cumulative value (in the case of the Indemnity Shares, as determined by Section 6.6(4)(a)) less than the amount of Damages finally determined and payable by the Vendor pursuant to this Article 6.

[Redacted information relates to confidential matters of the Vendor.]

(6) If, and as often as, there are any changes in the Purchaser Shares by way of reclassification, subdivision, consolidation, Purchaser Share dividend, distribution on the Purchaser Shares in other shares or property, or any consolidation, merger, reorganization, arrangement, or amalgamation of the Purchaser with or into any other corporation or entity which results in any reclassification of the Purchaser Shares or change of the Purchaser Shares into other shares, or any transfer of the undertaking or assets of the Purchaser as an entirety, or substantially an entirety, to another person, or any transaction similar in form or substance to any of the foregoing transactions, the number and kind of shares subject to Section 6.6(4) or Section 6.6(5) shall be appropriately adjusted to reflect any such change in the Purchaser Shares such that the economic restriction contained in Section 6.6(4) or Section 6.6(5) shall be preserved as nearly as possible notwithstanding any such change.

6.7 Limitation Periods.

(1) *Limitation Periods for Representations and Warranties.* Notwithstanding the provisions of the *Limitation Act* (British Columbia) (the “**Limitation Act**”) or any other statute, an Indemnified Party may commence a proceeding in respect of Damages arising from any incorrectness in or breach of any representation and warranty of the Indemnifying Party as

referred to in a Claim Notice delivered within the time periods stipulated in Section 6.5 at any time on or before the later of:

- (a) the second anniversary of the last date upon which such Claim Notice is permitted to be delivered under Section 6.5; and
- (b) the expiry of the limitation period otherwise applicable to such claim,

and any applicable limitation period is hereby extended to the full extent permitted by law.

(2) *Limitation Periods for Covenants and Other Matters.* The limitation period applicable to any proceeding relating to a claim referred to in a Claim Notice in respect of any matter in Sections 6.2(b) and 6.2(c) and Section 6.3(b) shall be solely as prescribed in Section 21 of the Limitation Act and any other limitation period in respect of such claim (including that provided for in Section 6 of the Limitation Act) is extended accordingly.

6.8 Agency for Non-Parties. Notwithstanding Section 9.14, each of the Purchaser and the Vendor hereby accepts each indemnity in favour of each of its Indemnified Parties who are not Parties as agent and trustee of that Indemnified Party. Each of the Purchaser and the Vendor may enforce an indemnity in favour of any of that Party's Indemnified Parties on behalf of each such Indemnified Party.

6.9 Direct Claims. In the case of a Direct Claim, the Indemnifying Party shall have 60 days from receipt of a Claim Notice in respect thereof within which to make such investigation as the Indemnifying Party considers necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate its right to be indemnified under this Article 6, together with all such other information as the Indemnifying Party may reasonably request. If the Parties fail to agree at or before the expiration of such 60 day period (or any mutually agreed upon extension thereof), subject to Section 6.13, the Indemnified Party shall be free to pursue such remedies as may be available to it.

6.10 Third Party Claims.

(1) *Rights of Indemnifying Party.* In the event a Claim Notice is delivered with respect to a Third Party Claim, the Indemnifying Party shall have the right, at its expense, to participate in but not control the negotiation, settlement or defence of the Third Party Claim, which control shall rest at all times with the Indemnified Party, unless the Indemnifying Party:

- (a) irrevocably and unconditionally acknowledges in writing complete responsibility for, and agrees to indemnify the Indemnified Party in respect of all Damages relating to, the Third Party Claim; and
- (b) furnishes evidence to the Indemnified Party whenever requested by the Indemnified Party, which is satisfactory to the Indemnified Party, acting reasonably, of the Indemnifying Party's financial ability to indemnify the Indemnified Party;

in which case the Indemnifying Party may assume such control at its expense through counsel of its choice; provided, however, that notwithstanding the foregoing, the Indemnifying Party shall not be permitted to assume control of the negotiation, settlement or defence of the Third Party Claim if: (A) such Third Party Claim seeks equitable relief against the Indemnified Party as a primary form of relief; or (B) such Third Party Claim involves criminal liability.

(2) *Respective Rights on Indemnifying Party's Assumption of Control.* If the Indemnifying Party elects to assume control as contemplated in Section 6.10(1), subject to this Section 6.10(2), the Indemnifying Party shall reimburse the Indemnified Party for all of the Indemnified Party's out-of-pocket expenses incurred as a result of such assumption. The Indemnified Party shall continue to have the right to participate in the negotiation, settlement or defence of such Third Party Claim and to retain counsel to act on its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless the named parties to any action or proceeding include both the Indemnifying Party and the Indemnified Party and a representation of both the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to the actual or potential differing interests between them (such as the availability of different defences), in which case the fees and disbursements of such counsel shall be paid by the Indemnifying Party. The Indemnified Party shall co-operate with the Indemnifying Party so as to permit the Indemnifying Party to conduct such negotiation, settlement and defence and for this purpose shall preserve all relevant documents in relation to the Third Party Claim, allow the Indemnifying Party access on reasonable notice to inspect and take copies of all such documents and require its personnel to provide such statements as the Indemnifying Party may reasonably require and to attend and give evidence at any trial or hearing in respect of the Third Party Claim.

(3) *Lack of Reasonable Diligence.* If, having elected to assume control as contemplated by Section 6.10(1), the Indemnifying Party thereafter fails to conduct the negotiation, settlement or defence of the relevant Third Party Claim with reasonable diligence, then the Indemnified Party shall be entitled to assume such control and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim.

(4) *Other Rights of Indemnified Party.* If the Indemnifying Party does not, or is not permitted to, assume control of the defence of any Third Party Claim pursuant to Section 6.10(1), the Indemnified Party shall have the exclusive right to contest, settle or pay the amount claimed. The Indemnified Party shall not settle any Third Party Claim without the written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

6.11 Cooperation. Each Indemnified Party and Indemnifying Party shall reasonably cooperate and assist each other in determining the validity of any claim for indemnity by an Indemnified Party and otherwise in resolving such matters. Such assistance and cooperation will include providing reasonable access to information, records and documents relating to such matters and furnishing employees to assist in the investigation, defence and resolution of such matters.

[Redacted information relates to confidential matters of the Vendor.]

6.12 Adjustments to Purchase Price. Any compensation received by the Purchaser under this Article 6 is to be in reduction and refund of the Purchase Price.

6.13 Exclusive Remedy. Except as is set forth in the Release, after the Closing Date, the rights of the Parties hereto and the Indemnified Parties to indemnification relating to this Agreement

shall be strictly limited to those contained in Article 6 of this Agreement, and such indemnification rights shall be sole and exclusive remedies of the Parties hereto and the Indemnified Parties subsequent to the Closing Date with respect to any matter in any way relating to this Agreement or arising in connection herewith. To the maximum extent permitted by Applicable Law, effective from and after the Closing Date, the Parties hereto, on behalf of themselves and any other Indemnified Parties, hereby waive all other rights and remedies with respect to any matter in any way relating to this Agreement or arising in connection herewith, except those rights and remedies provided in the Release, whether under any Applicable Law at common law, in equity or otherwise. Except as provided in this Article 6 and in the Release, from and after the Closing Date, no claim, action or remedy shall be brought or maintained by any Party against any other Party, and no recourse be brought or granted against any of them, by virtue of or based upon any alleged inaccuracy in or breach of any of the representations, warranties, or agreements of any of the Parties hereto set forth or contained in this Agreement.

ARTICLE 7 COVENANTS

7.1 Investigation. During the Interim Period, the Vendor shall give, or cause to be given, to the Purchaser and its Representatives reasonable access to the Business and the property and assets of the Corporation, including the Books and Records of the Corporation, to conduct such investigations thereof as the Purchaser deems reasonably necessary or desirable to familiarize itself with the Corporation and the Business. Such investigations shall be carried out during normal business hours and without undue interference with the operations of the Corporation and the Business.

7.2 Confidentiality.

(1) *Information to Be Confidential.* Each Recipient shall treat confidentially and not disclose, and shall cause each of its Representatives to treat confidentially and not disclose, other than as expressly contemplated by this Agreement, any Confidential Information of a Discloser.

(2) *Use of Confidential Information.* A Recipient may disclose Confidential Information only to those of its Representatives who need to know such Confidential Information for the purpose of implementing the transaction contemplated by this Agreement. No Recipient shall use, nor permit its Representatives to use, Confidential Information for any other purpose nor in any way that is, directly or indirectly, detrimental to the applicable Discloser.

(3) *Required Disclosure.* If a Recipient or any of its Representatives receives a request or is legally required to disclose all or any part of the Confidential Information of a Discloser, such Recipient shall (a) immediately notify the Discloser of the request or requirement, (b) consult with the Discloser on the advisability of taking legally available steps to resist or narrow the request or lawfully avoid the requirement, and (c) if requested by the Discloser, take all necessary steps to seek a protective order or other appropriate remedy. If a protective order or other remedy is not available, or if the Discloser waives compliance with the provisions of this Section 7.2(3), (i) the Recipient receiving the request for disclosure or its Representatives, as the case may be, may disclose to the Person requiring disclosure only that portion of the Confidential Information which such Recipient is advised by written opinion of counsel is legally required to be disclosed, and (ii) such Recipient shall not be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by such Recipient or its Representatives not permitted by this Agreement.

(4) *Return or Destruction.* Following the termination of this Agreement in accordance with the provisions of this Agreement, each Recipient shall (and shall cause each of its Representatives to) (a) return promptly to the Discloser all physical copies of the Confidential Information of the Discloser, excluding Notes, then in such Recipient's possession or in the possession of its Representatives, (b) destroy all (i) electronic copies of such Confidential Information, and (ii) Notes (including electronic copies thereof) prepared by such Recipient or any of its Representatives, in a manner that ensures the same may not be retrieved or undeleted by such Recipient or any of its Representatives, and (c) deliver to the Discloser a certificate executed by one of the Recipient's duly authorized senior officers indicating that the requirements of this Section 7.2(4) have been satisfied in full.

(5) *Supersede.* The provisions of this Section 7.2 shall supersede the provisions of the Confidentiality Agreement (which such agreement shall terminate on the date of this Agreement).

7.3 Action During Interim Period.

(1) During the Interim Period, unless otherwise agreed with the Purchaser (acting reasonably) or contemplated herein, the Vendor shall operate the Corporation in the Ordinary Course of Business in material compliance with Applicable Law and the terms and conditions of all Corporation Material Contracts, and without limiting the generality of the foregoing, do the following:

- (a) maintain all of the Corporation's material property and assets in the same condition as they now exist, ordinary wear and tear excepted;
- (b) maintain the Corporation's Books and Records in the Ordinary Course of Business;
- (c) take all reasonable action to preserve the Business and the goodwill of the Corporation and its relationships with customers, suppliers, landlords, creditors, communities and others having business dealings with it, to maintain in full force and effect all Corporation Material Contracts, and take all other action reasonably requested by the Purchaser in order that the Business and the condition of the Corporation will not be impaired during the Interim Period;
- (d) to the extent possible, keep available the services of its present officers and employees;
- (e) ensure that the Corporation performs and complies with all of its obligations under all Corporation Material Contracts and complies with all Licences;
- (f) ensure that the Corporation does not sell or otherwise dispose of (or pledge as security) any of its property and assets outside of the Ordinary Course of Business;
- (g) maintain adequate levels of working capital to carry on the Business in the Ordinary Course of Business;
- (h) ensure that the Corporation does not create any Lien upon any of its property and assets other than in the Ordinary Course of Business, or create any guarantees or otherwise become liable for the obligations of any other Person or make any loans or advances to any Person other than in the Ordinary Course of Business;

- (i) ensure that the Corporation does not increase or promise to increase the compensation or employee benefits of any of its directors, officers or employees, or pay or agree to pay to any of its directors, officers or employees any pension, severance or termination amount or other material employee benefit not required by any of the benefit plans and programs of the Corporation;
- (j) keep in full force and effect all of the current insurance policies of the Corporation;
- (k) collect and manage accounts receivable and pay and manage accounts payable in the Ordinary Course of Business, including not writing off as uncollectible any accounts receivable that individually or in the aggregate is significant to the Corporation or is in excess of CAD\$100,000;
- (l) ensure that the Corporation does not declare or pay any dividends, redeem or repurchase any shares in its share capital or make any other distributions in respect of its shares; and
- (m) take all reasonable action within its reasonable control to ensure that the representations and warranties of the Vendor in Section 3.1 remain true and correct in all material respects at the Closing Time with the same force and effect as if such representations and warranties were made on and as of such date (other than those that speak only as of a specific date, which shall remain true and correct as of that date).

(2) Without limiting the generality of the foregoing, during the Interim Period, the Vendor will not, except with the prior written consent of the Purchaser (such consent not to be unreasonably withheld, conditioned or delayed) or as is contemplated herein, allow the Corporation to:

- (a) amend or approve any amendment to its articles, by-laws or other constating documents;
- (b) enter into any agreement with respect to the Business, except agreements made in the Ordinary Course of Business;
- (c) terminate or waive any right of substantial value to the Business;
- (d) make any payments of whatsoever nature outside of the Ordinary Course of Business to the Vendor or any of its Affiliates;
- (e) make any capital expenditure or commitment outside of the Ordinary Course of Business;
- (f) incur any increase in indebtedness prior to the Closing Time other than in the Ordinary Course of Business;
- (g) make any material change with respect to any method of management, operation or accounting in respect of the Business;
- (h) hire or terminate the employment of: (i) any employee of the Corporation with a base compensation of CAD\$100,000 or more; or (ii) any group of employees of the Corporation;

- (i) compromise or settle any Legal Proceeding relating to the Corporation, the Business or the property and assets of the Corporation; or
- (j) authorize, agree, or otherwise commit, whether or not in writing, to do any of the foregoing.

7.4 Consents and Approvals. Commencing forthwith after the date hereof, the Vendor and the Purchaser shall use all commercially reasonable efforts to obtain, and shall reasonably cooperate with one another in obtaining, at or prior to the Closing Time, all the third party consents and waivers listed in Schedule 4.2(h) and Schedule 4.3(f), respectively, and the regulatory approvals listed in Schedule 4.3(g), respectively.

7.5 Preparation of Tax Returns.

(1) The Purchaser shall cause to be prepared and filed on a timely basis all Tax Returns for the Corporation for (a) any Pre-Closing Tax Period for which Tax Returns have not been filed as of the Closing Date and (b) for any Straddle Period for which Tax Returns are required to be prepared and filed (all Tax Returns referred to in clause (a) and (b) above collectively being referred to herein as the “**Stub Period Returns**”). The Purchaser shall prepare each Stub Period Return on a basis consistent with (i) Applicable Law and accounting rules, (ii) the Closing Date Statement, and (iii) the past practices and procedures of the Corporation. Notwithstanding the foregoing, in any Stub Period Return, the Corporation shall not deduct any amount in the nature of a reserve or claim any Tax credit that would require the Corporation to include in a tax period ending after the Closing Time any amount of income, unless the Tax liability in respect of such income (determined as though such income were the only income or loss of the entity for the tax period and without regard for the availability of any loss carryforwards or carrybacks) is taken into account in computing the Closing Date Working Capital. The Purchaser shall provide to the Vendor for its review a draft of each Stub Period Return no later than 10 days in the case of an income Tax Return, and 5 days in the case of any other Tax Return, prior to the due date for filing such Tax Return with the appropriate Governmental Authorities. The Vendor shall notify the Purchaser in writing within 5 Business Days in the case of an income Tax Return, and 2 Business Days in the case of any other Tax Return, after delivery of a Stub Period Return if it has any reasonable comments with respect to items set forth in such Stub Period Return. The Purchaser shall consider all such comments.

(2) Other than Taxes which were specifically taken into account in computing the Closing Date Working Capital, the Vendor shall pay (a) all Taxes due with respect to all Tax Returns for the Corporation for any Pre-Closing Tax Period and (b) with respect to all Tax Returns for the Corporation for any Straddle Period, Taxes allocable to the portion of the Straddle Period ending immediately prior to the Closing Date (as determined under Section 7.5(3)).

(3) In the case of any Straddle Period, the amount of Taxes allocable to the portion of the Straddle Period ending immediately prior to the Closing Date shall be:

- (a) in the case of Taxes imposed on a periodic basis (such as real or personal property Taxes), the amount of such Taxes for the entire Straddle Period (or, in the case of such Taxes determined on an arrears basis, the amount of such Taxes for the immediately preceding period) multiplied by a fraction, the numerator of which is the number of calendar days in the Straddle Period prior to the Closing Date and the denominator of which is the number of calendar days in the entire relevant Straddle Period; and

- (b) in the case of Taxes not described in (a) above (such as franchise Taxes, Taxes that are based upon or related to income or receipts, or Taxes that are based upon occupancy or imposed in connection with any sale or other transfer or assignment of property), the amount of such Taxes determined as if such tax period ended immediately prior to the Closing Date.

7.6 Amendments to Tax Returns. Except as required by Applicable Law, neither the Purchaser nor the Corporation shall, without the prior written consent of the Vendor, not to be unreasonably withheld, conditioned or delayed, refile, amend or otherwise modify any Tax Return filed for a Pre-Closing Tax Period or a Straddle Period.

7.7 Cooperation Respecting Tax Matters. Each Party shall provide reasonable cooperation to the other Party and their counsel in respect of Tax matters arising or detailed under this Agreement (“**Tax Matters**”), including:

- (a) providing prompt notice to the other Party in writing of any pending or threatened Tax audits or assessments of the Corporation for tax periods for which the other may have a liability under this Agreement;
- (b) providing the other Party and its counsel with draft copies of all filings, motions, applications, correspondence and other documents the Party defending the claim intends to file with or deliver to any Governmental Authority in connection with a Tax Matter at least 10 Business Days prior to the date on which such documents are filed or delivered and considering the comments of the other Party and its counsel regarding such filings, motions, applications, correspondence and other documents;
- (c) promptly notifying the other Party of any communication the Party defending a Tax Matter receives from any Governmental Authority regarding such Tax Matter and providing the other Party with copies of all correspondence, filings or communications between such Party defending the claim, on the one hand, and any Governmental Authority or members of the staff of any Governmental Authority, on the other hand, in each case to the extent relating to any such Tax Matter; provided that the Purchaser shall in all cases have the right to attend any meetings or participate in other discussions (or have Purchaser’s counsel attend or participate) with the staff of any Governmental Authority or such Governmental Authority’s counsel;
- (d) keeping the other Party and its counsel advised on a prompt and ongoing basis of the status of such Tax Matter and any material changes or developments with respect thereto and promptly and fully responding to all requests for information, questions and comments of the other Party and its counsel from time to time.
- (e) making available to each other in a prompt fashion such data, documents and other information as may reasonably be required for the preparation and filing of all Stub Period Returns, or for the conduct of any Tax Matter, and preserving all such data, documents and information until the expiry of the limitation period under Applicable Law with respect to the taxation years or periods covered by such Stub Period Returns, or until a final determination has been made in respect of such Tax Matter, as the case may be; and

- (f) promptly signing and delivering such certificates or forms as may be necessary or appropriate to establish an exemption from (or otherwise reduce) Taxes, or an exemption from (or an extension in respect of) an obligation to file Tax Returns.

7.8 Transaction Personal Information. The Purchaser shall collect Transaction Personal Information prior to Closing only as necessary for purposes related to the transactions contemplated by this Agreement, including in connection with its investigations of the Business and the Corporation, and shall not disclose Transaction Personal Information to any Person other than to its Representatives who are evaluating and advising on the transactions contemplated by this Agreement. If the Purchaser proceeds with the transactions contemplated by this Agreement, the Purchaser shall not, following the Closing, without the consent of the individuals to whom such Personal Information relates or as permitted or required by Applicable Law, use or disclose Transaction Personal Information for purposes other than those for which such Transaction Personal Information was collected by the Vendor or the Corporation prior to the Closing, and shall give effect to any withdrawal of consent made in accordance with Privacy Law.

The Purchaser shall forthwith after the Closing, and in any event no later than 30 days after the Closing, notify in writing those individuals whose Transaction Personal Information was disclosed in connection with the transactions contemplated by this Agreement, that (a) the purchase of the Shares has been completed and (b) Transaction Personal Information about them was disclosed to the Purchaser in connection with such transactions.

The Purchaser shall protect and safeguard the Transaction Personal Information against unauthorized collection, use or disclosure, as provided by Privacy Law. The Purchaser shall cause its Representatives to observe the terms of this Section 7.8 and to protect and safeguard Transaction Personal Information in their possession. If the Vendor or the Purchaser terminates this Agreement as provided herein, the Purchaser shall promptly deliver to the Vendor all Transaction Personal Information in its possession or in the possession of any of its Representatives, including all copies, reproductions, summaries or extracts thereof.

7.9 Corporation Name Change. The Purchaser shall cause to be prepared and filed on a timely basis, and in any event in no less than 30 Business Days following the Closing Date, all documents required to amend the Corporation's name such that "Trevali" will no longer be a part of the Corporation's name following such amendment.

7.10 Purchaser Share Adjustments. During the Interim Period, the Purchaser shall not undertake, announce, or declare any reclassification, subdivision, or consolidation of the Purchaser Shares, any dividend or other distribution on the Purchaser Shares, any rights offering in respect of the Purchaser Shares, any change of the Purchaser Shares into other shares, any consolidation, merger, reorganization, arrangement, or amalgamation of the Purchaser with or into any other corporation or entity which results in any reclassification of the Purchaser Shares or change of the Purchaser Shares into other shares, or any transfer of the undertaking or assets of the Purchaser as an entirety, or substantially an entirety, to another person, or any transaction similar in form or substance to any of the foregoing transactions, unless Purchaser has accounted for the effect of such transaction on the number of Consideration Shares issuable to the Vendor in respect of the Purchase Price.

7.11 Aged Receivables. Notwithstanding anything to the contrary in this Agreement, the Purchaser agrees that it shall pay over, or cause the Corporation to pay over, to the Vendor, the amount of any receivables paid to the Purchaser or the Corporation after Closing and due from Glencore International AG or its Affiliates, provided that such receivables were required to be paid at least 90 days prior to the Closing Date and remained unpaid on the Closing Date (the "**Aged**

Receivables”), within five Business Days of the date that such receivable is collected by the Purchaser or the Corporation. The Purchaser shall, and shall cause the Corporation to, use commercially reasonable efforts to take any reasonable and customary action as the Vendor may reasonably request to ensure collection of the Aged Receivables. For greater certainty, any payment made after Closing by the Glencore International AG or its Affiliates to the Vendor shall be first applied against (or deemed to be applied against) the relevant invoice for the Aged Receivable.

7.12 STIP Bonuses. The Vendor hereby agrees to pay, on behalf of the Corporation, the STIP Bonus to the employees listed in Schedule 3.1(9) of the Vendor Disclosure Letter as follows:

- (a) if an employee listed in Schedule 3.1(9) of the Vendor Disclosure Letter remains employed by the Corporation, then the Vendor shall pay to such employee their respective STIP Bonus on the earlier of (i) March 1, 2022 and (ii) the date that the Purchaser pays annual incentive bonuses to its Peruvian employees in accordance with its normal business practices; and
- (b) if an employee listed in Schedule 3.1(9) of the Vendor Disclosure Letter has their employment terminated without cause prior to the earlier of Section 7.12(a)(i) and 7.12(a)(ii), then the Vendor shall pay to such terminated employee their respective STIP Bonus as soon as practicable after the termination of their employment.

7.13 Replacement Letter of Credit. Commencing forthwith after the date hereof, the Vendor shall reasonably cooperate with the Purchaser and assist the Purchaser in obtaining a replacement letter of credit, or other replacement security, effective on the Closing Date, securing the timely payment of the Corporation’s obligations under the Energy Transmission Purchase Agreement dated May 27, 2015 between the Corporation and Compañía Hidroeléctrica Tingo S.A. For greater certainty, this Section 7.13 shall not require the Vendor to guarantee or provide other financial assistance to the Purchaser in respect of the replacement letter of credit or security.

ARTICLE 8 TERMINATION

8.1 Grounds for Termination. This Agreement may be terminated on or prior to the Closing Date:

- (a) by the mutual written agreement of the Purchaser and the Vendor;
- (b) by written notice from the Purchaser to the Vendor as permitted in Section 5.2;
- (c) by written notice from the Vendor to the Purchaser as permitted in Section 5.4; or
- (d) by written notice from the Vendor or the Purchaser to the other if Closing has not occurred on or before December 31, 2021 (the “**Outside Date**”) or such later date as the Vendor and the Purchaser may agree upon in writing,

provided that no Party may elect not to complete the transactions contemplated hereby pursuant to the conditions set forth herein or any termination right arising therefrom under Section 8.1(b) or Section 8.1(c) unless the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfilment or the applicable condition or termination right,

as the case may be. 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, no Party may terminate this Agreement until the earlier of (a) the Outside Date or (b) the expiration of a period of ten Business Days from such notice.

8.2 Effect of Termination. If this Agreement is terminated:

- (a) subject to Section 8.2(b), all further obligations of the Parties under this Agreement shall terminate, except for the obligations under Sections 7.2, 9.1 and 9.2, which shall survive such termination; and
- (b) by a Party under Section 8.1(b) or 8.1(c) and the right to terminate arose because of a breach of this Agreement by another Party (including a breach by another Party resulting in a condition in favour of the terminating Party failing to be satisfied), then, such other Party or Parties shall remain fully liable for any and all Damages sustained or incurred by the terminating Party directly or indirectly as a result thereof.

**ARTICLE 9
GENERAL**

9.1 Expenses. Each Party shall be responsible for all costs and expenses (including any Taxes imposed on such expenses) incurred by it in connection with the negotiation, preparation, execution, delivery and performance of this Agreement and the transactions contemplated by this Agreement.

9.2 Public Announcements. No Party (nor any of its Affiliates) shall (a) issue any press release or otherwise make public announcements with respect to this Agreement or the transactions contemplated hereby without the consent of the other Party (which consent shall not be unreasonably withheld or delayed) or (b) make any filing with any Governmental Authority with respect thereto without prior consultation with the other Party; provided, however, that the foregoing shall be subject to each Party's (and their Affiliate's) overriding obligation to make any disclosure or filing required under Applicable Laws or stock exchange rules, and the Person making such disclosure shall use all commercially reasonable efforts to give prior written notice to the non-disclosing 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.

9.3 Notices.

(1) *Mode of Giving Notice.* Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service or mail, or (iii) sent by e-mail or other similar means of electronic communication (provided it expressly and prominently states that it is a notice for the purposes of this Section 9.3), in each case to the applicable address set out below:

- (a) if to the Vendor, to:

Trevalli Mining Corporation
Suite 1900 – 999 West Hastings Street
Vancouver, BC V6C 2W2

Attention: Steven Molnar, Chief Legal Officer
Facsimile: 604-629-1425
Email: smolnar@trevali.com

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

Blake, Cassels & Graydon LLP
Suite 2600 – 595 Burrard Street
Vancouver, BC V7X 1L3

Attention: Steven McKoen
Email: steven.mckoen@blakes.com

(b) if to the Purchaser, to:

Cerro de Pasco Resources Inc.
22, rue Lafleur Nord
Bureau 203
Saint-Sauveur, Québec J0R 1R0

Attention: Guy Goulet
Email: ggoulet@pascoresources.com

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

Lavery de Billy LLP
1 Place Ville Marie Bureau 4000
Montreal, Québec H3B 4M4

Attention: Rene Branchaud
Email: rbranchaud@lavery.ca

(2) *Deemed Delivery of Notice.* Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of faxing, e-mailing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, faxed, e-mailed or sent before 5:00 p.m. (Montreal time) on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day. Any such communication sent by mail shall be deemed to have been given and made and to have been received on the fifth Business Day following the mailing thereof; provided, however, that no such communication shall be mailed during any actual or apprehended disruption of postal services. Any such communication given or made in any other manner shall be deemed to have been given or made and to have been received only upon actual receipt.

(3) *Change of Address.* Any Party may, from time to time, change its address under this Section 9.3 by notice to the other Party given in the manner provided by this Section 9.3.

9.4 Time of Essence. Time shall be of the essence of this Agreement in all respects.

9.5 Further Assurances. Each Party shall from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or

cause to be done all such further acts and things in connection with this Agreement that the other Parties may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

9.6 Entire Agreement. This Agreement, along with the NSR Agreement and Pre-Emptive Right Agreement, constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, including the Confidentiality Agreement. There are no conditions, representations, warranties, obligations or other agreements between the Parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as explicitly set out in this Agreement, the NSR Agreement and the Pre-Emptive Right Agreement.

9.7 Amendment. No amendment of this Agreement shall be effective unless made in writing and signed by the Parties.

9.8 Waiver. A waiver of any default, breach or non-compliance under this Agreement shall not be effective unless in writing and signed by the Party to be bound by the waiver and then only in the specific instance and for the specific purpose for which it has been given. No waiver shall be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other Party. The waiver by a Party of any default, breach or non-compliance under this Agreement will not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

9.9 Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

9.10 Attornment. Each Party agrees (a) that any Legal Proceeding relating to this Agreement may (but need not) be brought in any court of competent jurisdiction in British Columbia, and for that purpose now irrevocably and unconditionally attorns and submits to the jurisdiction of such British Columbia court; (b) that it irrevocably waives any right to, and shall not, oppose any such Legal Proceeding in British Columbia on any jurisdictional basis, including *forum non conveniens*; and (c) not to oppose the enforcement against it in any other jurisdiction of any Order duly obtained from a British Columbia court as contemplated by this Section 9.10.

9.11 Arbitration. Any dispute arising out of or connected with this Agreement, including a dispute as to the validity, existence or termination of this Agreement or any non-contractual obligation arising out of or in connection with this Agreement, shall be referred to and finally resolved by arbitration administered by the British Columbia International Commercial Arbitration Centre pursuant to its rules (the "**Arbitration Rules**"). The arbitration shall be conducted before a sole arbitrator (the "**Arbiter**") appointed by the Parties, provided that if the Parties fail to agree on the Arbiter within 20 days after first attempting to do so, the Arbiter shall be appointed pursuant to the Arbitration Rules within five Business Days after the expiry of such 20-day period, provided further that in selecting the Arbiter, only persons who are disinterested in such dispute, are arm's length to each Party and who have the requisite level of knowledge or experience in the general subject matter of the dispute may be selected. The place of arbitration shall be Vancouver, British Columbia and the language of the arbitration shall be English.

9.12 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of British Columbia and this Agreement shall be treated, in all respects, as a British Columbia contract.

9.13 Successors and Assigns; Assignment. This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns. Neither Vendor or Purchaser may assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its respective rights or obligations under this Agreement without the prior written consent of the other Party; provided, however, that the Purchaser may assign or transfer its respective rights or obligations under this Agreement to an Affiliate of the Purchaser provided that the Purchaser shall remain responsible for all of its covenants and other agreements contained in this Agreement.

9.14 Third Party Beneficiaries. This Agreement is for the sole benefit of the Parties, and except as specifically provided for in Section 6.8, nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

9.15 Specific Performance. The Vendor agrees that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that it does not perform its obligation to sell the Shares to the Purchaser. It is accordingly agreed that the Purchaser will be entitled, as its sole and exclusive remedy in law or in equity in the event that the Vendor does not perform its obligation to sell the Shares to the Purchaser hereunder, to specific performance to enforce compliance with this Agreement; *provided, however*, that the Purchaser will not be entitled to enforce specifically the obligations of the Vendor to consummate the transactions contemplated by this Agreement unless the conditions (other than those that by their terms are to be satisfied only at the Closing) set forth in Section 5.3 have been satisfied or have been waived by the Vendor.

9.16 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed to be an original and both of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Parties by e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Parties.

[Signature Page Follows]

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

TREVALI MINING CORPORATION

(s) Ricus Grimbeek
By: _____
Name: Ricus Grimbeek
Title: President & CEO

CERRO DE PASCO RESOURCES INC.

(s) Guy Goulet
By: _____
Name: Guy Goulet
Title: CEO

EXHIBIT A – NSR AGREEMENT

TREVALI MINING CORPORATION

- and -

TREVALI PERU S.A.C.

**ROYALTY AGREEMENT
DATED [NOVEMBER ●, 2021]**

ROYALTY AGREEMENT

THIS AGREEMENT made as of the [●] day of [November], 2021.

BETWEEN:

TREVALI MINING CORPORATION, a corporation existing under the laws of British Columbia,

(hereinafter referred to as the “**Holder**”)

- and -

TREVALI PERU S.A.C., a corporation existing under the laws of Peru,

(hereinafter referred to as the “**Owner**”),

WHEREAS:

The Owner agrees to grant to the Holder a royalty interest in accordance with the terms of this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT, in consideration of the respective covenants, agreements, representations, warranties and indemnities herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each Party), the Parties hereto covenant and agree as follows:

1. DEFINITIONS

For purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

- (a) “**Agreement**” means this agreement as it may be amended, restarted or replaced from time to time.
- (b) “**Affiliate**” has, with respect to the relationship between two or more companies, the meaning given to it in the *Business Corporations Act (British Columbia)* as such act may be amended from time to time and, with respect to the relationship between two or more Persons any of which are not bodies corporate, a Person shall be deemed to be an Affiliate of another Person if one of them is controlled by the other or if both are controlled by the same Person, and for this purpose, control means the right, directly or indirectly, to direct or cause the direction of the management of the affairs of a Person, whether by ownership of securities, by contract or otherwise.

- (c) **“Annual Financial Report”** has the meaning set forth in Section 4(d) of this Agreement.
- (d) **“Arm’s Length Terms”** means, for the purposes of calculating any part of the Royalty, prices and terms no less favourable to Owner than those which would be paid and agreed to by a Third Party in an arm’s length transaction under similar circumstances.
- (e) **“Business Day”** means any calendar day other than a Saturday or Sunday or any day that is a statutory or civic holiday in Lima, Peru or Vancouver, British Columbia.
- (f) **“Calculation Price”** means in respect of Minerals credited to the account of the Owner, the Spot Price on the Business Day that the Owner’s account is credited with such Minerals or with the US dollar cash equivalent monetary value thereof.
- (g) **“Claim”** means any claim of any nature whatsoever, including any demand, liability, obligation, debt, cause of action, suit, proceeding, judgment, award, assessment, reassessment or notice of determination of loss.
- (h) **“Confidential Information”** has the meaning given to it in Section 10.
- (i) **“Governmental Body”** means any national, state, regional, municipal or local government, governmental department, commission, board, bureau, agency, authority or instrumentality, or any Person exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any of the foregoing entities, including all tribunals, commissions, boards, bureaux, arbitrators and arbitration panels, and any authority or other Person controlled by any of the foregoing.
- (j) **“Hedging Transactions”** has the meaning given to it in Section 5(c).
- (k) **“Holder”** means Trevali Mining Corporation, its Affiliates and its successors in interest, including, without limitation, any permitted assigns.
- (l) **“IFRS”** means the International Financial Reporting Standards as issued by the International Accounting Standards Board, as the same may be amended or supplemented from time to time.
- (m) **“Interest”** has the meaning given to it in Section 4(a)(i).
- (n) **“Lapse Notice”** has the meaning given to it in Section 5(f).
- (o) **“Liabilities”** includes any indebtedness, obligations or liabilities of any kind, whether primary or secondary, direct or indirect, accrued, absolute or contingent, liquidated or unliquidated, secured or unsecured and whether or not reflected or required to be reflected in a balance sheet in accordance with generally accepted accounting principles
- (p) **“Loss”** means any loss, liability, damage, cost or expense suffered or incurred, including the costs and expenses of any assessment, judgment, settlement or compromise relating thereto.

- (q) “**Minerals**” means all naturally occurring metallic and non-metallic minerals, in whatever form or state, that are mined, extracted, removed, produced or otherwise recovered from the Property, whether in the form of ore, doré, concentrates, refined metals or any other beneficiated or derivative products thereof and including any such minerals or mineral bearing materials or products derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived from the Property.
- (r) “**Mining**” means the mining, extracting, producing, beneficiating, handling, milling or other processing of Minerals, disposal of waste rock and tailings, rehabilitation of mine sites and related activities
- (s) “**Net Smelter Returns**” means the gross proceeds received by the Owner from the sale or other disposition of Minerals or, in the event that the account of the Owner at a Offtaker is credited with Minerals processed by the Offtaker, the value of Minerals so credited to the Owner calculated on the basis of the aggregate quantity of such Minerals so credited during the relevant time period multiplied by the Calculation Price, less the following, if any, actually incurred by the Owner:
- (i) all smelting and refining costs, sampling, assaying and treatment charges and penalties, including, but not limited to, metal losses, penalties for impurities and charges for refining, selling and handling, imposed by an Offtaker (including price participation charges by smelters and/or refiners);
 - (ii) costs of handling, transporting, securing and insuring Minerals from the Property or from a concentrator, whether situated on or off the Property, to a smelter, refinery or other place of treatment, and in the case of gold or silver concentrates, security costs;
 - (iii) ad valorem taxes and taxes based upon sales or production (only if such charges are actual costs payable out of proceeds received from a *bona fide* arm’s length purchaser or are shown as deductions therefrom), but not income taxes or any taxes for which Owner expects to be reimbursed; and
 - (iv) marketing costs, including sales commissions, incurred in selling the ore mined from the Property and from concentrate, doré, metal and products derived from ore mined from the Property,

provided where such Minerals are sold or disposed to, or if milling, smelting, refining and/or other treatment of such Minerals is carried out in facilities owned or controlled (in whole or in part) by Payor or any of its Related Parties, then all such foregoing deductions in paragraphs (i) through (iv), inclusive, shall exclude any amounts that are in excess of those amounts which would be paid or incurred by Owner on an Arm’s Length Terms, or which would not be allowable deductions if those Minerals were processed by a person that was not a Related Party of Owner.

For the avoidance of doubt, (A) costs incurred with respect to stockpiling and transporting ores to Owner’s milling operations, milling or concentrating said ores, and

any sampling, measuring and other activities done for purposes of commingling are specifically excluded from the deductions herein and may not be deducted from gross proceeds of disposition and (B) there will be no deductions from proceeds received as a result of an insurable loss of or damage to Minerals, whether or not occurring on or off the Property and whether the Minerals are in possession of Owner or otherwise.

- (t) “**Notice**” has the meaning given to it in Section 16(h).
- (u) “**Objection Notice**” has the meaning given to it in Section 4(f).
- (v) “**Offer Notice**” has the meaning given to it in Section 8
- (w) “**Offtaker**” means collectively any third-party, smelter, refinery, offtaker or other processor of the Minerals which processes any Minerals to the final product stage before sale or other disposition by or for the account of the Owner.
- (x) “**Owner**” means Trevali Peru S.A.C., and its successors in interest, including, without limitation, permitted assigns, partners, joint venture partners and lessees.
- (y) “**Party**” means each of the Holder and the Owner and “**Parties**” means both of them.
- (z) “**Person**” means an individual, corporation, limited liability company, partnership, association, trust or other entity or organization, including a government or political subdivision or an agency or instrumentality thereof.
- (aa) “**Property**” means the mineral permits, leases, concessions and any other type of mineral rights or other property rights or interests, and the lands subject thereto, now existing or later created, located within the area identified and described in Schedule A (in each case as may be extended, renewed, replaced, substituted, modified, converted, consolidated, amalgamated or otherwise similarly affected).
- (bb) “**Quarter**” means a three-month period ending on March 31st, June 30th, September 30th or December 31st in a Year.
- (cc) “**Quarter Royalty Statement**” shall have the meaning set out in Section 4(a).
- (dd) “**Related Party**” means, with respect to any Person, any Person that does not deal at arm’s length with the first named Person or is an Affiliate of the first named Person.
- (ee) “**ROFR Purchase Price**” has the meaning set out in Section 8.
- (ff) “**Royalty**” has the meaning set out in Section 3.
- (gg) “**Spot Price**” on any given date means (i) in the case of Minerals that are gold, the price of gold in U.S. dollars on the London Bullion Market, Afternoon Fix on such date; (ii) in the case of Minerals that are silver, the price of silver in U.S. dollars determined using the Handy & Harman quoted price of silver on such day as reported in the Wall Street Journal and (iii) in the case of all other Minerals, the price per unit in U.S. dollars for the

relevant Minerals as quoted on the London Metal Exchange. If for any reason the London Bullion Market, the Wall Street Journal or the London Metal Exchange are no longer in operation, or do not report spot pricing on that date, the “Spot Price” of such Minerals shall be determined by reference to the price of such Minerals on another commercial exchange mutually acceptable to the parties hereto. The exchange rate used to convert a “Spot Price” for Minerals from U.S. dollars to any other currency on a particular date shall be determined on the basis of the Bank of Canada average daily exchange rate for U.S. dollars on such day.

- (hh) “**Third Party**” means any Person other than a Party or an Affiliate of a Party.
- (ii) “**Third Party Claim**” means any Claim asserted by a Third Party against the Holder.
- (jj) “**Third Party Offer**” has the meaning set out in Section 8.
- (kk) “**Year**” means a Calendar year, commencing on January 1st and ending on December 31st.

2. INTERPRETATION

In this Agreement, unless something in the subject matter or context is inconsistent therewith:

- (a) all references in this Agreement to “Articles”, “Sections” and other subdivisions or Schedules are to the designated articles, sections or other subdivisions or Schedules of or attached to this Agreement;
- (b) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular section or other subdivision;
- (c) the headings are for convenience only and do not form part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement;
- (d) the singular of any term includes the plural, and vice versa, the use of any term is equally applicable to any gender or a body corporate, and, where applicable, the word “or” is not exclusive and the word “including” is not limiting (whether or not non-limiting language is used with reference thereto);
- (e) the words “written” or “in writing” include printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception including telex, telegraph, telecopy, facsimile or e-mail;
- (f) any reference to a statute is a reference to the applicable statute and to any regulations made pursuant thereto and includes all amendments made thereto and in force from time to time and any statute or regulation that has the effect of supplementing or superseding such statute or regulation;
- (g) a “day” shall refer to a calendar day and in calculating all time periods the first day of a period is not included and the last day is included;

- (h) all references to “\$” or “dollars” are references to the lawful currency of the United States of America, unless otherwise expressly stated.

3. GRANT OF ROYALTY

Subject to the terms of the Agreement, the Owner hereby creates, grants, sells, conveys and agrees to pay to the Holder a royalty of 1 % of Net Smelter Returns (the “**Royalty**”) effective immediately.

4. CALCULATION AND PAYMENT OF ROYALTY

(a) Calculation of the Royalty by Owner

The Owner shall calculate and pay the Royalty for each Quarter or part thereof during the term of the Royalty, to the Holder within 45 days following the end of such Quarter. The Owner shall deliver to the Holder a statement showing in reasonable detail the calculation of the Royalty for the relevant Quarter (the “**Quarter Royalty Statement**”), certified as correct by an officer of the Owner, which Quarter Royalty Statement shall include:

- (i) the quantities and grades of Minerals mined from the Property during the Quarter and the estimated processing recovery rates for the Quarter;
- (ii) the quantities of Minerals sold or otherwise disposed of by the Owner with respect to such Quarter and the proceeds received therefrom;
- (iii) the calculation of the applicable Net Smelter Returns;
- (iv) in the event of any commingling as contemplated in Section 5(b), a detailed summary of the determination by the Owner of the quantity of Minerals commingled in accordance with Section 5(b) and subject to the Royalty;
- (v) the tonnes, grades and Minerals contained in any Offtaker delivery during such Quarter in respect of which the Owner received an Offtaker payment for Minerals;
- (vi) the payable Mineral quantities contained in any Offtaker delivery in respect of which an Offtaker payment was received during that Quarter;
- (vii) a reconciliation between (v) and (vi), including details regarding payable rates and provisional percentages;
- (viii) the Spot Price and the Calculation Price for applicable Minerals; and
- (ix) other pertinent information in sufficient detail to explain the calculation of the Royalty.

For greater certainty, all Royalty payments will be made without any deductions or adjustments on account of any taxes, costs or expenses or any other deductions or adjustment of any nature or kind, except such adjustments as are contemplated herein. Any and all Royalty Payments by or on account of any obligation of the Owner hereunder shall be made free and clear of and without deduction or withholding for any present or future taxes, duties, assessments or governmental charges or mandatory withholding of whatever nature imposed or levied on such Royalty payment; provided that if the Owner shall be required to deduct or withhold any such taxes, duties, assessments or governmental charges, then (A) the sum payable shall be increased as necessary so that, after making all required deductions or withholdings, the Holder receives an amount equal to the sum it would have received had no such deduction or withholding been made, (B) the Owner shall make such deduction or withholding and (C) the Owner shall pay to the relevant Governmental Body in accordance with applicable law the full amount deducted or withheld.

(b) Sales to or Processing by Related Parties

Any sale by the Owner of Minerals in the form of raw ore, doré, precipitates or other intermediate products or concentrates made to a Related Party of Owner shall not be treated as a sale for the purposes of calculating the Royalty hereunder, provided that such Minerals are subsequently sold to an arm's length purchaser within one year after receipt by the Related Party; and upon the sale of such Minerals to an arm's length party, the Royalty shall be calculated and payable by the Owner in respect of such Minerals.

If the Related Party does not sell such Minerals within one year following receipt from the Owner, the Royalty shall be immediately payable by the Owner in connection with such initial sale by the Owner to the Related Party and the Royalty shall be calculated as if such Minerals had been credited to the Owner's account by an Offtaker.

(c) Payment of the Royalty by the Owner

The Owner shall pay the Royalty payment to the Holder in U.S. dollars, without demand, notice, set-off, or reduction, by electronic transfer of funds in good, immediately available funds, to a bank account designated by the Holder by notice in writing.

(d) Adjustment to Royalty

If the final amount of Net Smelter Returns for a particular Quarter is not ascertainable at the time that a Quarterly Royalty Statement is being prepared, then the Owner shall provisionally calculate the Net Smelter Returns for such Quarter based on the information available at such time in accordance with Section 4(g) and an adjustment shall be made at the time of the next quarterly Royalty payment. In addition, the Owner shall adjust the Royalty payment for each Quarter to reflect any adjustments in the amount of actual cash proceeds received by the Owner from the sale or other disposition of Minerals produced from the Property which had been previously provisionally calculated, which adjustments shall be specified in the accompanying Quarterly Royalty Statement.

(e) Annual Financial Report

Within 120 days after the end of each Year, the Owner shall deliver or cause to be delivered to the Holder, at the Owner's sole expense, a final report for the Year (the "**Annual Financial Report**"), certified as being accurate by a responsible financial officer of the Owner and the Owner's auditors, showing in reasonable detail the calculation of the Royalty due the Holder for such year and all adjustments to the Quarterly Royalty Statements delivered and payments made during such Year, and setting forth in reasonable detail the Owner's activities on the Property in the preceding year, ore reserve data for the preceding year and estimates of anticipated production any remaining ore reserves with respect to the proposed activities for the Property for the current calendar year. Once the Annual Financial Report has been finalized, if it indicates that the Holder has been overpaid in respect of the Royalty for such Year, then such excess amount shall be deducted from the next Quarter Royalty payment (provided that, in the event of a temporary or permanent cessation of production from the Property, the Holder shall repay the excess within 15 days of the date on which the Annual Financial Report is finalized).

(f) Objections

Upon the delivery of the Annual Financial Report, all payments of the Royalty for such Year shall be considered to be final and in full satisfaction of all obligations of the Owner with respect to the Royalty for such Year, subject to the any Holder Review pursuant to Section 7, unless the Holder gives the Owner written notice describing and setting forth a specific objection to the calculation of the Royalty for such Year (the "**Objection Notice**") within 90 days after receipt by the Holder of the Annual Financial Report. If Holder delivers an Objection Notice, the Holder will, for a period of sixty (60) days after the Owner receives notice of such objection, have the right, upon reasonable notice and at a reasonable time, to have the Owner's accounts and records relating to the calculation of the Royalty in question audited by an independent firm of certified public accountants knowledgeable in the mining industry selected by the Holder. If such audit determines that there has been a deficiency, such deficiency shall be paid by the Owner in accordance with Section 4(h). If such audit determines there as been an excess in the payment made to the Holder, such excess will be resolved by adjusting the next Royalty payment due hereunder. The Holder will pay all costs of such audit unless a deficiency in the amount due to the Holder is determined to exist. Failure on the part of the Holder to make any claim for adjustment to the Royalty in a given Year within such 90 day period shall establish the correctness of the Annual Financial Report for such Year and shall preclude the filing of exceptions thereto or making of claims for adjustment thereon, in each case subject to any Holder Review pursuant to Section 7.

(g) Payment

Notwithstanding the terms of any other provision in this Agreement, the Owner shall not be obligated to make any Royalty payment before the Owner has received possession of or been credited with Minerals, or received payment from the sale or other disposition of Minerals, provided that the Owner shall use commercially reasonable efforts to collect all cash proceeds from the sale of Minerals as soon as practicable following the sale and will be deemed to have received such cash proceeds in the event the Owner enters into any set-off or similar agreements which will result in any delay of payment of such cash proceeds to the Owner. Where proceeds

from the sale of Minerals are received on a provisional basis, the amount of the Royalty payable will be based upon the provisional proceeds received, but will be adjusted to account for the final payment of proceeds received by the Owner.

(h) Underpayment

If, following the filing of an Objection Notice or after a Holder Review in accordance with Section 7, it is determined that any Royalty payment has not been properly paid in full as provided herein, the Owner shall forthwith pay any amount determined to be owing and shall reimburse the Holder for the Holder's costs incurred in connection with the filing of the Objection Notice, the Holder Review and the settlement of any dispute in connection therewith.

(i) Books and Records

All books and records used by the Owner to calculate the Royalty due hereunder will be kept according to International Financial Reporting Standards, as adopted by the International Accounting Standards Board, consistently applied.

5. CONDUCT OF OPERATIONS

(a) Owner's Decisions

For greater certainty, all decisions concerning the extent, methods, times, procedures and techniques of any (i) exploration, development and Mining related to the Property, (ii) leaching, milling, processing or extraction treatment and (iii) materials to be introduced on or to the Property or produced therefrom, shall be made by the Owner in its sole and absolute discretion and all decisions concerning the sale or other disposition of Minerals from the Property shall be made by the Owner in its sole and absolute discretion. Nothing in this Agreement constitutes an obligation by the Owner to commence or continue any Mining or exploration on, in or under any of the Property. There are no implied covenants or duties relating to or affecting either of the Parties' respective rights or obligations under this Agreement, and the only covenants and/or duties which affect such rights and obligations are those expressly set forth and provided for in this Agreement.

(b) Commingling

- (i) Subject to Subsection 5(b)(ii) below, the Owner shall be entitled to commingle Minerals from the Property and from any other properties owned or leased by the Owner, during the stockpiling, milling (concentrating), smelting, refining, minting or further processing of Minerals produced from the Property, but, for greater certainty, not at any time during the mining phase of production.
- (ii) Before any Minerals are commingled with ores or minerals from any other properties, as contemplated above, the Minerals shall be measured and sampled in accordance with standard mining and metallurgical practices for moisture, metal, commercial minerals and other appropriate content, applied on a consistent basis. Representative samples of the Minerals and assays and appropriate

analyses of these samples shall be made before commingling to determine metal and mineral content, moisture and other appropriate content of the Minerals. From this information, the Owner shall determine the quantity of Minerals subject to the Royalty, notwithstanding that the Minerals may be commingled with ores or minerals from other properties. Owner shall retain such analyses for a reasonable amount of time, but not less than twenty four (24) months, after receipt by the Holder of the Royalty paid with respect to such commingled Minerals, and shall retain such samples taken from the Property for not less than thirty (30) days after collection.

(c) Hedging Transactions

All profits, losses and expenses resulting from the Owner engaging in any commodity futures trading, option trading, metals trading, metal loans, and any other hedging transactions or any combination thereof (collectively, "**Hedging Transactions**") are specifically excluded from calculations of Net Smelter Returns and the Royalty under this Agreement. All profits, losses and expenses resulting from Hedging Transactions shall be for the Owner's sole account and shall not affect the calculation and payment of the Royalty to the Holder, which shall be calculated and paid in accordance with the provisions hereof without regard for any Hedging Transactions.

(d) Stockpiling

- (i) The Owner or Operator shall be entitled to temporarily stockpile, store or place Minerals (including ores, doré and concentrates) produced from the Property, in any locations owned, leased or otherwise controlled by the Owner or an Offtaker, shipper or other agent of the Owner or the Operator, on or off the Property, provided that the same are appropriately identified as to ownership and origin and are secured from loss, theft, tampering and contamination.
- (ii) Owner shall secure from the property owner where such stockpiling, storage or placement is to occur, a written agreement which shall provide, inter alia, that: (a) Holder's rights pursuant to this Agreement shall continue in full force and effect with respect to the Minerals; (b) Holder's rights in and to the Minerals shall be the same as if the Minerals were situated on the Property; (c) Holder's rights set forth in this Section 5(d) shall have precedence over the rights to the Minerals of the property owner where the Minerals are stockpiled, stored or placed, as well as the creditors of such property owner; and (d) such agreement shall be irrevocable as long as the Minerals remain on such property.
- (iii) Stockpiling of any Minerals on Owner's property shall not be subject to the obligations set out in Section 5(d)(ii) but shall be dealt with according to Section 5(b).

(e) Tailings, Waste Rock and Other Waste Products

All tailings, residues, waste rock, spoiled leach materials or other waste products resulting from the mining, milling, smelting or other processing of ores derived from the Property from and

after the date hereof shall be the sole and exclusive property and responsibility of the Owner, but shall be subject to the Royalty and the terms of this Agreement, including the provisions in respect of commingling, if such tailings, residues, waste rock, spoiled leach material or other waste products are processed in the future resulting in the production of Minerals therefrom. In the event tailings, residues, waste rock, spoiled leach materials or other waste products from the Property are processed or reprocessed, as the case may be, and regardless of where such processing or reprocessing occurs, the Royalty payable thereon shall be determined using the best engineering and technical practices then available.

(f) Maintenance of Property

Subject to the remainder of this Section 5(f), the Owner shall maintain the Property in good standing (by, among other things, performing all assessment work, paying all taxes and fees payable under applicable law or otherwise on the Property, making all such filings and recordings on the Property and doing all things and making any investments required by applicable laws or regulations or appropriate to maintain the right, title and interest of the Owner and the Holder, respectively, in the Property and under this Agreement) and shall continue to operate its assets in respect of the Property in accordance with best mining practices. If the Owner elects to allow its tenure of the Property (or any portion thereof) to lapse or determines to abandon the Property (or any portion thereof) it shall provide written notice of such election or determination (the “**Lapse Notice**”) to the Holder at least six months prior to the expiry date of the Owner’s tenure or the date the Owner intends to abandon such Property. The Lapse Notice shall include the details of any claims, encumbrances or liens on the Property created by, through or under the Owner. The Holder may elect, by written notice to the Owner delivered not more than ten Business Days following receipt of the Lapse Notice to require the Owner to transfer such ownership interest to the Holder for \$1, in which case the Owner will transfer the Owner’s interest in the applicable Property to the Holder as soon as practicable and, in connection therewith, will obtain any required consents to such transfer. For greater certainty, if, for any reason, the Property or any portion thereof which is proposed to be abandoned or surrendered by the Owner is not abandoned, surrendered or transferred to the Holder in accordance with this Section 5(f), then the Royalty shall continue to be payable on such Property and the Owner will not proceed with any abandonment or surrender of such Property without again complying with the provisions of this Section 5(f), and so on and so forth from time to time.

(g) Insurance

- (i) Owner will maintain, with financially sound and reputable insurance companies, property, liability, construction, and other insurance covering Owner, its operations, and the Property, and covering at least such risks, liabilities, damages, and losses as are usually insured against at mineral projects or operations of similar size and scope in Peru.
- (ii) Without limiting Section 5(g)(i), the Owner will obtain and maintain insurance against losses of Minerals, prior to their sale, in such amounts and with such coverage as is consistent with the Owner’s normal past practice.

- (iii) If Owner receives any insurance proceeds related to Minerals, such proceeds will be deemed to be gross revenues from the sale of Minerals and the sale of such Minerals will be deemed to have occurred on the date on which Owner received such insurance proceeds.

6. TERM AND REGISTRATION

The Royalty shall attach to the Property and constitute a covenant running with and binding upon the Property and the title to the Property and all accessions thereto and all successions thereof, whether created privately or through governmental action, and binding upon the successor and assigns of the Owner and the successors in title to the Property. The Holder may cause, at its own expense, the due registration of this Agreement or notice of this Agreement against the title to the Property. The Owner covenants and agrees that it shall co-operate with such registration and provide its written consent or signature to any documents or things reasonably necessary to accomplish such registration in order to ensure that any successor or assignee or other acquiror of the Owner's title to the Property, or any interest therein, shall have public notice of this Agreement and the terms of this Agreement.

In order to achieve the registration of the Royalty, contemporaneously with the execution of this Agreement, the Parties will execute as a public deed before a Notary Public in Peru, a Spanish translation of this Agreement. Such translation shall include such modifications of the recitals to this Agreement as are necessary to conform to the form of a public deed and shall be in appropriate form for registration with the Peruvian Public Mining Registry (Registro de Derechos Mineros) in which the Property is recorded. The parties shall arrange for such translation to be registered with the aforesaid Registro de Derechos Mineros as soon as practicable after the date of this Agreement; provided that the parties shall perform all acts, file all applications, execute all private and public documents, and amend any objections which could be made by the Public Registry, which are required for formalizing this Agreement into a public deed in Peru and causing its recording as per the above. Notwithstanding the preceding provisions of this section, between the parties hereto, the English version of this Agreement shall prevail. The Holder shall pay all costs and expenses associated with the translation, notarization, and registration provided for in this section.

7. BOOKS; RECORDS; INSPECTIONS

- (a) The Owner shall keep true, complete and accurate books and records of activities with respect to the Mining of Minerals from the Property and the treatment, processing, refining and sale thereof, prepared in accordance with IFRS, consistently applied. The Owner shall cause the Annual Financial Report to be prior to delivery to Holder.
- (b) Subject to complying with the confidentiality provisions of this Agreement, the Holder and/or its authorized representatives shall be entitled, upon delivery of three (3) Business Days advance notice, and during the normal business hours of the Owner, to perform audits or other reviews and examinations of the Owner's books and records pertaining to Owner's activities with respect to the Property (each a "**Holder Review**" and collectively, the "**Holder Reviews**"). In any Holder Review, the Owner shall make

available to the Holder, upon Holder's request, management (and, if requested, such other advisors or technical consultants as Holder may require) for meetings with the Holder to discuss the Property. The Holder shall diligently complete any Holder Review permitted hereunder. All expenses of any Holder Review permitted hereunder shall be paid by the Holder, unless the results of such Holder Review permitted hereunder disclose a deficiency in respect of any Royalty payments paid to the Holder hereunder, in respect of the period being audited or examined, in which event all expenses of such Holder Review shall be paid by the Owner.

- (c) In performing such Holder Review the Holder and/or its agents shall have reasonable access to all sampling, assay, weighing, and production records, including all mining, stockpile and milling records of the Owner relating to the Property and any Minerals derived from the Property (and the Holder shall be allowed to make notes or a photocopy thereof), all of which such records shall be kept and retained by the Owner or operator of the Property in accordance with good mining industry practice.

8. RIGHT OF FIRST REFUSAL

The Holder shall not entertain offers for the purchase of the Royalty and/or this Agreement nor make agreements for the sale, transfer or assignment of the Royalty and/or assignment of this Agreement except upon compliance with the following the terms and conditions:

- (a) no sale, transfer or assignment of the Royalty or this Agreement shall be considered by the Holder unless the Holder shall have first received a bona fide offer (the "**Third Party Offer**") in writing from a third party (the "**Third Party**") dealing at arm's length with the Holder to purchase all of the Royalty and for the assignment of this Agreement, which offer shall provide that the purchase price shall be payable in cash at the time of closing;
- (b) if the conditions of paragraph (a) are satisfied and the Holder is prepared to accept the Third Party Offer, then the Holder shall, within 15 Business Days of the receipt of such offer, deliver a copy of the Third Party Offer to the Owner (the "**Offer Notice**");
- (c) the Owner has the first right and option to purchase the Royalty to be sold by the Holder for a period of 60 days from the date of receipt of the Offer Notice, such right and option to be exercised before the expiration of such 60 days by notice in writing for the purchase price and upon the terms and conditions set out in such Third Party Offer (the "**ROFR Purchase Price**");
- (d) the ROFR Purchase Price shall be paid in immediately available funds within 15 days following notice from the Owner that it is prepared to purchase the Royalty;
- (e) if the Owner does not agree to purchase the Royalty within the time and on the basis stipulated in paragraph (c) above, then the Holder may accept the offer of, and complete the transaction with, the Third Party in accordance with the Third Party Offer; and
- (f) if the Holder does not complete the transaction with the Third Party in accordance with the Third Party Offer within 120 days from the date of the delivery of the Third Party

Offer then the rights provided herein shall be deemed to be revived and the Holder may not transfer the Royalty and/or assign the Agreement to the Third Party without first sending a new Offer Notice to the Owner.

9. RIGHTS TO INSPECT

The Holder or its authorized representative, on at least three Business Days' notice to the Owner, may enter upon all surface and subsurface portions of the Property for the purpose of inspecting the Property, all improvements thereto and operations thereon, and may inspect and copy all records and data pertaining to the computation of its interest, including without limitation such records and data which are maintained electronically. The Holder or its authorized representative shall enter the Property at the Holder's own risk and may not unreasonably hinder operations on or pertaining to the Property. The Holder hereby indemnifies and holds harmless the Owner and its Affiliates, and its and their respective directors, officers, shareholders, employees, agents and attorneys, from and against any claims, losses, liabilities, obligations, debts, damages, prosecutions, judgments, fines, penalties, costs or expenses (including reasonable costs, fees and expenses of legal counsel) which may be imposed upon, asserted against or incurred by any of them by reason of injury to the Holder or any of its agents or representatives caused by the Holder's exercise of its rights under this Section 9.

10. CONFIDENTIALITY

- (a) Subject to Section 6 and the remaining provisions of this Section 10, the Holder shall not, without the express written consent of the Owner (which consent shall not be unreasonably withheld), disclose any non-public information in respect of the terms of this Agreement or otherwise received under or in conjunction with this Agreement, including with respect to Minerals and operations on the Property or any other properties owned or leased by the Owner (collectively the "**Confidential Information**"), other than to its auditors, legal counsel, lenders, brokers, underwriters, employees, agents and/or consultants, and the Holder shall not issue any press releases concerning the terms of this Agreement or in respect of the operations of the Owner, without the consent of the Owner after the Owner has first reviewed the terms of such press release. The Holder agrees to reveal such information only to its auditors, legal counsel, lenders, brokers, underwriters, employees, agents and/or consultants who need to know, who are informed of the confidential nature of the information and who agree to be bound by the terms of this Section 10.
- (b) The Holder may disclose Confidential Information after providing the Owner with a copy of the proposed disclosure and if the Owner does not object, acting reasonably, to such disclosure by notice in writing to the Holder within five Business Days after receipt of such copy to any third person to whom the Holder in good faith anticipates selling or assigning its interest hereunder, provided that the party to whom disclosure is proposed shall first have been provided with and signed and delivered to the Owner a confidentiality agreement executed by such third party purchaser, which agreement shall include the confidentiality provisions of this Section 10.

- (c) If the Holder or any of its representatives receives a request or is legally required to disclose all or any part of the Confidential Information of the Owner, including pursuant to Holder's continuous disclosure obligations under any securities laws, rules or regulations and requirements under credit agreements to which Holder and/or its Affiliates are party, the Holder shall (a) promptly notify the Owner of the request or requirement, (b) consult with the Owner on the advisability of taking legally available steps to resist or narrow the request or lawfully avoid the requirement, and (c) if requested by the Owner, and at the Owner's expense, take all necessary steps to seek a protective order or other appropriate remedy. If a protective order or other remedy is not available, or if the Owner waives compliance with the provisions of this Section 10(c), (i) the Holder or its representatives, as the case may be, may disclose to the Person requiring disclosure only that portion of the Confidential Information which such Holder is advised by its counsel is legally required to be disclosed, and (ii) the Holder shall not be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by the Holder or its representatives not permitted by this Agreement.
- (d) Holder may disclose Confidential Information that becomes part of the public domain by no act or omission in breach of this Section 10 or that Holder receives from a Third Party not under a duty of non-disclosure.

11. ASSIGNMENT BY HOLDER

The Holder shall have the right, at any time and from time to time, to assign, transfer, convey, mortgage, pledge or charge all or any portion of the Royalty and its interest in and to this Agreement, provided any such assignee, transferee, mortgagee, pledgee or chargee enters into a written agreement with the Owner whereby it agrees to be bound, and to cause any assignee, transferee, mortgagee, pledgee or chargee from it to be bound, by the terms of this Agreement. The Owner covenants and agrees that it shall be bound by and shall perform, and that it will acknowledge in writing in favour of such assignee, transferee, mortgagee, pledgee or chargee that it is bound by and shall perform, the terms of this Agreement upon any such assignment, transfer, conveyance, mortgage, pledge or charge. The Holder shall notify the Owner in writing prior to the completion of any such assignment, transfer or conveyance, confirming the identity of such transferee, and the address for notice to such transferee.

12. TRANSFER BY OWNER

The Owner shall not assign, sell, transfer, lease, mortgage, charge or otherwise encumber the Property or the Minerals or the proceeds thereof or its rights and obligations under this Agreement, or any right, title or interest that it now has, or may hereafter have, therein, in whole or in part, or agree to do so, or grant any option or right to acquire the Property or any right, title or interest that it now has or may hereafter have therein, in whole or in part (a "Transfer"), unless:

- (a) the Owner provides to the Holder written notice that it intends to undertake such Transfer;
- (b) in the event of an assignment, sale or transfer, or the granting of an option or right to acquire the Property, the intended transferee first provides an acknowledgment in writing to the Holder, in form and content reasonably satisfactory to the Holder, that it assumes

this Agreement and the obligations of the Owner hereunder, as if a named party in the first instance; and

- (c) the Owner and the intended transferee perform, execute and deliver all acts, agreements and other documents as may be required by the Holder at any time to register its interest in the Property.

Upon any Transfer of this Agreement pursuant to an assignment, sale or transfer of the Property in accordance with this Section 12, the Owner is automatically released from any obligations to the Holder under this Agreement in respect of the Property which is the subject of the Transfer which relate to the period following the Transfer.

13. DISPUTE RESOLUTION

Except with respect to disputes regarding the amount of the Royalty payable to Holder, which shall be determined in accordance with Sections 5 and 7 of this Agreement, in the event of a dispute in relation to the Royalty, the Owner and the Holder will negotiate diligently and in good faith in an attempt to resolve such dispute. Failing satisfactory resolution within 90 days of the delivery of notice by either the Owner or the Holder of the said dispute, either the Owner or the Holder may request that the dispute be resolved by binding arbitration, conducted in English, in Vancouver, British Columbia, in accordance with the Domestic Commercial Arbitration Rules of Procedure pursuant to the provisions of the *Arbitration Act* (British Columbia) and any amendments thereto, based upon the following:

- (a) the arbitration tribunal shall consist of one arbitrator appointed by mutual agreement of the Parties, or in the event of failure to agree within 10 Business Days, either party may apply to a judge of the Supreme Court of British Columbia to appoint an arbitrator;
- (b) the arbitrator shall be qualified by education and training to pass upon the particular matter to be decided and shall have experience in the resolution of corporate disputes in the mining industry;
- (c) the arbitrator shall be instructed that time is of the essence in proceeding with their determination of any dispute, claim, question, or difference and, in any event, the arbitration award must be rendered within 30 days of the submission of such dispute to arbitration;
- (d) the arbitration shall take place in Vancouver, British Columbia, or such other location as the Parties may agree;
- (e) the arbitration award shall be given in writing and shall be final and binding on the parties, and shall deal with the question of costs of arbitration and all matters related thereto;
- (f) judgment upon the award rendered may be entered in any court having jurisdiction, or, application may be made to such court for a judicial recognition of the award or an order of enforcement thereof, as the case may be;
- (g) the arbitrator may determine all questions of law and jurisdiction (including questions as to whether or not a dispute is arbitrable) and all matters of procedure relating to the arbitration;

- (h) the arbitrator may make an interim order, including injunctive relief and other provisional, protective or conservatory measures, as well as orders seeking assistance from a court in taking or compelling evidence or preserving and producing documents regarding the subject matter of the dispute; and
- (i) the Owner and the Holder agree to treat as Confidential Information the following: the existence of the arbitral proceedings; written notices, pleadings and correspondence in relation to the arbitration; reports, summaries, witness statements and other documents prepared in respect of the arbitration; documents exchanged for the purposes of the arbitration; and the contents of any award or ruling made in respect of the arbitration. Notwithstanding the foregoing, the Owner or the Holder may disclose such Confidential Information in judicial proceedings to enforce, nullify, modify or correct an award or ruling.

14. REPRESENTATIONS AND WARRANTIES OF THE OWNER

The Owner hereby represents and warrants to the Holder that:

- (a) it is a body corporate duly incorporated or continued, organized and validly subsisting under the applicable of its incorporating or continued jurisdiction;
- (b) it has the full power and authority to carry on its business, to enter into this Agreement and to grant the Royalty;
- (c) neither the execution and delivery of this Agreement nor the consummation of the transactions hereby contemplated conflict with, result in the breach of or accelerate the performance required by any agreement to which it is a party;
- (d) the execution and delivery of this Agreement does not violate or result in the breach of the applicable laws of any jurisdiction applicable to Owner or pertaining thereto or of its constating documents;
- (e) all corporate authorizations have been obtained for the execution of this Agreement and for the performance of its obligations hereunder, including the grant of the Royalty; and
- (f) this Agreement constitutes a legal, valid and binding obligation of Owner enforceable against it in accordance with its terms.

15. INDEMNITY

- (a) Owner shall indemnify and save harmless Holder and its representatives from and against all Losses directly or indirectly suffered by it resulting from: (i) any breach of any covenant of the Owner contained in this Agreement; (ii) any inaccuracy or misrepresentation in any representation or warranty set forth herein; and (iii) any Liabilities caused, directly or indirectly, by Owner as a result of or arising out of the conduct of its activities on or in respect of the Property. For clarity, the Owner acknowledges that the Royalty shall not be create or be deemed to create a partnership,

and that as a result the Holder shall not be subject to any Liabilities arising with respect to the Property including, among other things, under environmental laws.

- (b) If Holder or any of its representatives receives written notice of the commencement or assertion of any Third Party Claim in respect of which Holder believes Owner has liability under this Agreement, Holder shall give Owner reasonably prompt written notice thereof. To the extent reasonable and practical given the information readily available to Holder, such notice to the Owner shall describe the Third Party Claim in reasonable detail and shall indicate (without prejudice to Holder's rights) the estimated amount of the Loss that has been or may be sustained by Holder in respect thereof, provided that the failure to give such notice within such time period shall not reduce Holder's rights hereunder, except to the extent of any actual prejudice suffered as a result of such failure due to the loss of substantive defences.
- (c) Owner shall have the right, by giving notice to that effect to Holder not later than thirty (30) days after receipt of such notice of such Third Party Claim and subject to the rights of any insurer or other Third Party having potential liability therefor, to elect to assume the defence of any Third Party Claim at the Owner's own expense and by Owner's own counsel, provided that Owner shall not be entitled to assume the defence of any Third Party Claim: (i) alleging any criminal or quasi-criminal wrongdoing (including fraud), (ii) which impugns the reputation of the Holder or (iii) where the Third Party making the Third Party Claim is a Governmental Body.
- (d) Prior to settling or compromising any Third Party Claim in respect of which the Owner has the right to assume the defence, the Owner shall obtain the consent of the Holder regarding such settlement or compromise. In addition, the Holder shall be entitled to participate in (but not control) the defence of any Third Party Claim (and in so doing may retain its own counsel) at the cost and expense of the Holder.
- (e) With respect to any Third Party Claim in respect of which the Holder has given notice to the Owner pursuant to Section 15(b) and in respect of which the Owner is not entitled to assume the defence or has not elected to do so, the Owner may participate in (but not control) such defence assisted by counsel of its own choosing at the Owner's sole cost and expense.
- (f) At their own cost and expense, the Owner and the Holder shall use all reasonable efforts to make available to the Party which is undertaking and controlling the defence of any Third Party Claim:
 - (i) those employees whose assistance, testimony or presence is necessary to assist such Party in evaluating and in defending any Third Party Claim; and
 - (ii) all documents, records and other materials in the possession of such Party reasonably required by such Party for its use in defending any Third Party Claim,and shall otherwise co-operate with the Party defending such Third Party Claim.

- (g) If the Owner elects to assume the defence of any Third Party Claim as provided in Section 15(c) and fails to take reasonable steps necessary to defend diligently such Third Party Claim within 30 days after receiving notice from the Holder that the Holder believes on reasonable grounds that the Owner has failed to take such steps, the Holder may, at its option, elect to assume the defence of and to compromise or settle the Third Party Claim assisted by counsel of its own choosing and the Owner shall be liable for all reasonable costs and expenses paid or incurred in connection therewith.

16. GENERAL PROVISIONS

- (a) Further Assurances. Each Party shall execute all such further instruments and documents and do all such further actions as may be necessary to effectuate the documents and transactions contemplated in this Agreement, , in each case at the cost and expense of the Party requesting such further instrument, document or action, unless expressly indicated otherwise.
- (b) Relationship of the Parties. Nothing herein shall be construed to create, expressly or by implication, a joint venture, mining partnership, commercial partnership, or other partnership relationship or fiduciary relationship between the Owner and the Holder.
- (c) Assignment. Any assignment of this Agreement must be in writing and any assignment transfer, conveyance, mortgage, pledge, charge or lease, or purported assignment, transfer, conveyance, mortgage, pledge, charge or lease which has been effected, other than in compliance with the terms of this Agreement shall be null and void and of no force or effect whatsoever.
- (d) Governing Law. This Agreement shall be governed by and construed under the laws of the Province of British Columbia and the laws of Canada applicable therein.
- (e) Time of Essence. Time is of the essence in this Agreement.
- (f) Severability. If any provision of this Agreement is wholly or partially invalid, this Agreement shall be interpreted as if the invalid provision had not been a part hereof so that the invalidity shall not affect the validity of the remainder of the Agreement which shall be construed as if the Agreement had been executed without the invalid portion. It is hereby declared to be the intention of the parties that this Agreement would have been executed without reference to any portion which may, for any reason, hereafter be declared or held invalid.
- (g) Accounting Principles. All calculations hereunder shall be made in accordance with IFRS as the same may be in effect from time to time.
- (h) Notices. Any notice or other communication (in each case, a “**Notice**”) required or permitted to be given hereunder shall be in writing and shall be delivered by hand or transmitted by facsimile transmission addressed as follows:
 - (i) If to the Owner, to:

c/o Trevali Peru S.A.C.



Lima, Peru

Attention:

Email:

(ii) If to the Holder:

Trevali Mining Corporation
Suite 1900 – 999 West Hastings Street
Vancouver, BC V6C 2W2

Attention: Steven Molnar, Chief Legal Officer

Email: smolnar@trevali.com

Any Notice given in accordance with this Section, if transmitted by facsimile transmission, shall be deemed to have been received on the next business day following transmission or, if delivered by hand, shall be deemed to have been received when delivered. Notice of change of address shall also be governed by this Section.

(i) Schedules. The schedules which are attached to this Agreement are incorporated into this Agreement by reference and are deemed to form part hereof.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

TREVALI MINING CORPORATION

Per: _____
Name:
Title:

Per: _____
Name:
Title:

TREVAI PERU S.A.C.

Per: _____
Name:
Title:

Per: _____
Name:
Title:

SCHEDULE "A"

PROPERTY

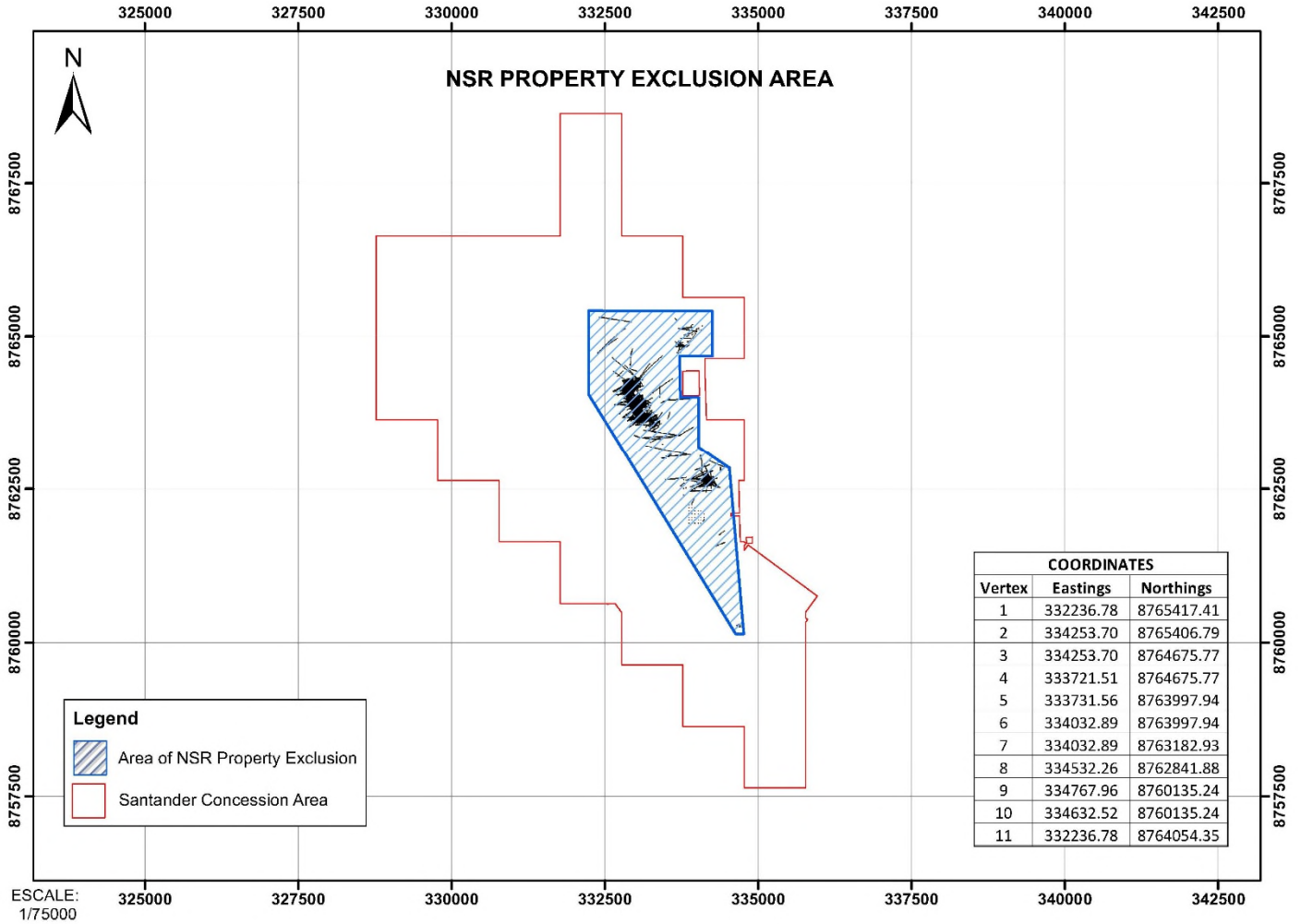


EXHIBIT B – PRE-EMPTIVE RIGHT AGREEMENT

CERRO DE PASCO RESOURCES INC.

– and –

TREVALI MINING CORPORATION

PRE-EMPTIVE RIGHTS AGREEMENT

DATED NOVEMBER ●, 2021

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PRE-EMPTIVE RIGHTS AGREEMENT

THIS PRE-EMPTIVE RIGHTS AGREEMENT (the “**Agreement**”) is made as of November [●], 2021,

BETWEEN:

CERRO DE PASCO RESOURCES INC., a corporation existing under the laws of Canada

(the “**Corporation**”)

AND:

TREVALI MINING CORPORATION, a corporation existing under the laws of the Province of British Columbia

(the “**Vendor**”)

WHEREAS:

- A. The Corporation and the Vendor have entered into a share purchase agreement among the Corporation, the Vendor dated November 5, 2021 (the “**Share Purchase Agreement**”), pursuant to which the Corporation has agreed to purchase all of the issued and outstanding shares of Trevali Peru S.A.C. from the Vendor, and the Vendor has agreed to sell and transfer such shares to the Corporation in consideration for, among other things, the issuance by the Corporation of common shares in the capital of the Corporation (each, a “**Common Share**”) to the Vendor; and
- B. Pursuant to the terms of the Share Purchase Agreement and in consideration of the Vendor’s agreement to complete the subscription pursuant thereof, the Corporation has agreed to grant certain rights set out herein to the Vendor, on the terms and subject to the conditions set out herein;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants and agreements of the parties herein contained and for other good and valuable consideration (the receipt and sufficiency of which are acknowledged by each party), the parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Defined Terms

For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

“**Act**” means the *Business Corporations Act* (British Columbia);

“**Affiliate**” has the meaning ascribed to the term “affiliate” in the Act, as in effect on the date of this Agreement;

“Applicable Laws” means with respect to any person, any domestic, foreign, federal, provincial, state, county, municipal, or local law, rule or regulation, including any statute, regulation, rule, or subordinate legislation or treaty or common law and any rule, decree, policy, or enactment of any Governmental Authority that is binding or applicable to such Person;

“Board” means the board of directors of the Corporation;

“Business Day” means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Vancouver, British Columbia, Canada, or the City of Montréal, Québec, Canada;

“Canadian Securities Laws” means the applicable securities legislation of each of the provinces and territories of Canada and all published regulations, policy statements, orders, rules, instruments, rulings, and interpretation notes issued thereunder or in relation thereto, as the same may hereafter be amended from time to time or replaced;

“Closing Date” means the date of closing of the transactions contemplated by the Share Purchase Agreement;

“Common Shares” shall have the meaning set out in the preamble hereto;

“Confidential Information” shall have the meaning set out in Section 5.1;

“Consent” means any consent, approval, permit, waiver or acknowledgment from any party to any contract or any Governmental Authority, in each case, necessary in connection with the execution of this Agreement or the performance of any terms hereof or any document delivered pursuant hereto or the completion of any of the transactions contemplated by this Agreement;

“Constating Documents” means, with respect to any Person, its articles or certificate of incorporation, amendment, amalgamation, or continuance, memorandum and articles of association, letters patent, supplementary letters patent, by-laws, partnership agreement, limited liability corporation or social agreement or other similar document, and all unanimous shareholder agreements, other shareholder agreements, voting trusts, pooling and/or syndicated agreements and similar contracts, arrangements and understandings applicable to the Person’s securities, all as amended, supplemented, restated, and replaced from time to time;

“Convertible Securities” means any security convertible, exchangeable, or exercisable for or into, with or without consideration, Common Shares or other equity or voting securities of the Corporation, including any warrants, options, or other rights issued by the Corporation and, for greater certainty, including any securities issued under any equity incentive compensation arrangements;

“Corporation” shall have the meaning set out in the preamble hereto;

“CSE” means the Canadian Securities Exchange;

“Exchange” means the CSE or such other stock exchange where the Common Shares are listed from time to time;

“Exercise Notice” shall have the meaning set out in Section 2.3(a);

“Governmental Authority” means any: (i) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, bureau or agency, domestic or foreign; (ii) subdivision, agent, commission, board, or authority of any of the foregoing; or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, including any stock exchange or self-regulatory authority and, for greater certainty, the Securities Regulatory Authorities and the Exchange;

“Issuance” shall have the meaning set out in Section 2.1;

“Notice Period” shall have the meaning set out in Section 2.3(a);

“Offered Securities” means any Common Shares or other equity or voting securities or Convertible Securities;

“Offering” shall have the meaning set out in Section 2.1;

“Offering Notice” shall have the meaning set out in Section 2.1;

“Ownership Percentage” means, at any time, the Vendor’s percentage ownership interest in the equity capital of the Corporation, which shall be calculated by dividing (i) the number of Common Shares held, directly or indirectly, by the Vendor and its Affiliates, by (ii) the total number of Common Shares issued and outstanding at such time; provided that in the case of both (i) and (ii), the number of Common Shares used in the calculation will assume the exercise and/or conversion of any Convertible Securities outstanding at such time (regardless of the exercise or conversion price);

“Percentage Entitlement” means, in respect of each Offering the percentage ownership in the outstanding Common Shares held by the Vendor and any of its Affiliates on the date the applicable Offering Notice was received, subject to a maximum percentage in all cases of 19.9%, with such percentage calculated by dividing the total number of issued and outstanding Common Shares held by the Vendor and any of its Affiliates by the total number of issued and outstanding Common Shares as of the date the Offering Notice was received;

“Person” means any individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, company, corporation or other body corporate, union, Governmental Authority, and a natural person in his capacity as trustee, executor, administrator, or other legal representative;

“Pre-Emptive Right” shall have the meaning set out in Section 2.2;

“Reporting Jurisdictions” means British Columbia, Alberta, Ontario and Quebec;

“Securities Regulatory Authorities” means the securities regulatory authority of each of the Reporting Jurisdictions and any Exchange;

“Transfer” means to directly or indirectly sell, transfer, assign, pledge, encumber, hypothecate, or similarly dispose of, either voluntarily or involuntarily, by operation of law or otherwise, or to enter into any contract, option, or other arrangement or understanding with

respect to the sale, transfer, assignment, encumbrance, hypothecation, or similar disposition of, any securities owned by a Person or any interest (including a beneficial interest) in any securities owned by a Person, and “**Transferred**” shall have a similar meaning;

“**Upsize Notice**” shall have the meaning set out in Section 2.3(b);

“**Upsize Option**” shall have the meaning set out in Section 2.3(b)

“**Vendor**” shall have the meaning set out in the preamble hereto;

1.2 Rules of Construction

Except as may be otherwise specifically provided in this Agreement and unless the context otherwise requires, in this Agreement:

- (a) the terms “Agreement”, “this Agreement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder”, and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;
- (b) references to an “Article” or “Section” followed by a number or letter refer to the specified Article or Section to this Agreement;
- (c) the division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (d) words importing the singular number only shall include the plural and *vice versa* and words importing the use of any gender shall include all genders;
- (e) the word “including” is deemed to mean “including without limitation”;
- (f) the terms “party” and “the parties” refer to a party or the parties to this Agreement;
- (g) any reference to this Agreement means this Agreement as amended, modified, replaced, or supplemented from time to time;
- (h) any reference to a statute, regulation, or rule shall be construed to be a reference thereto as the same may from time to time be amended, re-enacted, or replaced, and any reference to a statute shall include any regulations or rules made thereunder;
- (i) all dollar amounts refer to Canadian dollars;
- (j) any time period within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and
- (k) whenever any action is required to be taken or period of time is to expire on a day other than a Business Day, such action shall be taken or period shall expire on the next following Business Day.

1.3 Entire Agreement

This Agreement and the Share Purchase Agreement constitute the entire agreement between the parties with respect to the subject matter hereof and thereof and supersede all prior agreements, understandings, negotiations, and discussions, whether written or oral, between the parties. There are no conditions, covenants, agreements, representations, warranties, or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided in the aforesaid agreements.

1.4 Time of Essence

Time shall be of the essence of this Agreement.

1.5 Governing Law and Submission to Jurisdiction

- (a) This Agreement shall be interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Québec and the federal laws of Canada applicable in that province.
- (b) Each of the parties irrevocably and unconditionally: (i) submits to the exclusive jurisdiction of the courts of the Province of Québec over any action or proceeding arising out of or relating to this Agreement; (ii) waives any objection that it might otherwise be entitled to assert to the jurisdiction of such courts; and (iii) agrees not to assert that such courts are not a convenient forum for the determination of any such action or proceeding.

1.6 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other 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 either 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 transactions contemplated hereby are fulfilled to the extent possible.

ARTICLE 2 PRE-EMPTIVE RIGHT

2.1 Notice of Issuances

For so long as the Vendor's Ownership Percentage is at least 1%, if the Corporation proposes to issue (the "**Issuance**") any Offered Securities from treasury pursuant to a public offering, a private placement, or otherwise (each, an "**Offering**") at any time after the date hereof, the Corporation shall, as far in advance as is reasonably possible following the terms of the Offering being substantially settled and prior to the public announcement of the Offering, but in any event not less than five Business Days prior to the closing of the Offering give written notice of the Issuance (the "**Offering Notice**") to the Vendor including, to the extent known by the Corporation, full particulars of the Offering, including the number of Offered Securities, the rights, privileges, restrictions, terms, and conditions of the Offered Securities, the price per Offered Security to be

issued under the Offering, the expected use of proceeds of the Offering and the expected closing date of the Offering. The Offering Notice shall also include copies of any investor presentation, prospectus, offering memorandum, or similar disclosure document, subscription agreement, and other materials, if any, delivered by or proposed to be delivered by the Corporation (or by any agent or investment dealer acting on behalf of the Corporation) to potential subscribers under the Offering which have been prepared prior to the delivery of the Offering Notice. If any of the terms of a proposed Offering included in an Offering Notice are amended then the Corporation shall provide to the Vendor an updated Offering Notice, which shall include the revised terms of the proposed Offering, not less than five Business Days prior to the closing of the Offering on such revised terms.

2.2 Grant of Pre-Emptive Right

The Corporation agrees that, for as long as the Vendor's Ownership Percentage is at least 1%, the Vendor (directly or through an Affiliate) has the right (the "**Pre-Emptive Right**") to subscribe for and to be issued as part of an Offering at the subscription price per Offered Security pursuant to the Offering and otherwise on substantially the terms and conditions of the Offering (provided that, if the Vendor is prohibited by Canadian Securities Laws or other Applicable Laws or the rules of any stock exchange from participating on substantially the terms and conditions of the Offering, the Corporation shall use commercially reasonable efforts to enable the Vendor to participate on terms and conditions that are as substantially similar as circumstances permit):

- (a) in the case of an Offering of Common Shares, up to such number of Common Shares that will allow the Vendor to maintain its Percentage Entitlement upon completion of the Offering; and
- (b) in the case of an Offering of Offered Securities (other than Common Shares), up to such number of Offered Securities that will (after giving effect to the Offering and assuming, for all purposes of this Section 2.2(b), the conversion, exercise or exchange of all of the convertible, exercisable, or exchangeable Offered Securities issued in connection with the Offering and issuable pursuant to this Section 2.2) allow the Vendor to maintain its Percentage Entitlement upon completion of the Offering.

The calculations above will take into account any additional Offered Securities which will be issued to any Person other than the Vendor or its Affiliates pursuant to any pre-emptive or similar rights held by such Person in respect of such Offering.

2.3 Exercise Notice

- (a) If the Vendor wishes to exercise the Pre-Emptive Right, the Vendor shall give written notice to the Corporation (the "**Exercise Notice**") of its intention to exercise such right and of the number of Offered Securities the Vendor wishes to subscribe for and purchase pursuant to the Pre-Emptive Right. The Vendor shall deliver an Exercise Notice to subscribe to the Offering, within five Business Days after the date of receipt of an Offering Notice (the "**Notice Period**"), failing which the Vendor will not be entitled to exercise the Pre-Emptive Right in respect of such Offering or Issuance.
- (b) If the Corporation at any time proposes to increase the number of any Offered Securities to be issued in an Offering it shall deliver a revised Offering Notice

pursuant to Section 2.1 (the “**Upsize Notice**”), giving the Vendor the option to subscribe for such number of the additional Offered Securities as shall allow the Vendor to maintain its Percentage Entitlement upon completion of the Offering in accordance with the principles and calculations set forth in Section 2.2 (the “**Upsize Option**”). The Vendor shall be entitled to exercise the Upsize Option by delivering a new Exercise Notice to the Corporation. If no new Exercise Notice is delivered by the Vendor to the Corporation within two Business Days of receipt by the Vendor of the Upsize Notice, the Exercise Notice of the Vendor delivered in respect of the original Offering Notice shall continue in full force and effect.

2.4 Issuance of Offered Securities

- (a) If the Corporation receives an Exercise Notice from the Vendor within the Notice Period (or a new Exercise Notice from the Vendor within the period set forth in Subsection 2.3(b)), then the Corporation shall, subject to:
- (i) the receipt and continued effectiveness of all required approvals (including the approval(s) of the Exchange and any required approvals under Canadian Securities Laws and any shareholder approval required under Applicable Laws), which approvals the Corporation shall use all commercially reasonable efforts to promptly obtain (including by applying for any necessary price protection confirmations, seeking shareholder approval (if required) in the manner described below, and using its commercially reasonable efforts to cause management and each member of the Board to vote their Common Shares and any shares of the Corporation entitled to vote in the matter and all votes received by proxy in favour of the issuance of the Offered Securities, to the Vendor); and
 - (ii) the completion of the relevant Offering,
- issue to the Vendor or its Affiliate, against payment of the subscription price payable in respect thereof, that number of Offered Securities set out in the Exercise Notice (or the new Exercise Notice pursuant to Subsection 2.3(b)) concurrently with the closing of the Offering.
- (b) If the Corporation is required by the Exchange or otherwise under Applicable Laws to seek shareholder approval for the issuance of the Offered Securities to the Vendor or its Affiliate, then the Corporation shall: (i) call and hold a meeting of its shareholders to consider the issuance of the Offered Securities to the Vendor or its Affiliate as soon as reasonably practicable, and in any event such meeting shall be held within 60 days after the date that the Corporation is first advised by the Exchange or other applicable Governmental Authority that it will require shareholder approval; and (ii) recommend approval of the issuance of the Offered Securities to the Vendor or its Affiliate and solicit proxies in support thereof.

2.5 Issuances Not Subject to Pre-Emptive Right

Notwithstanding anything to the contrary contained herein, Sections 2.1 to 2.4 will not apply to any Issuances in the following circumstances:

- (a) a rights offering that is open to all shareholders of the Corporation including the Vendor;
- (b) an “at-the-market distribution”, as such term is defined in National Instrument 44-102 – *Shelf Distributions*;
- (c) any share split, share dividend, or capital reorganization of the Corporation or any subsidiary, provided that the beneficial shareholders of the Corporation or such subsidiary, as applicable, and the percentage ownership interest of each beneficial shareholder of the Corporation or such subsidiary, as applicable, do not change as a result thereof;
- (d) an Offering of Offered Securities made only to the Vendor or any of its Affiliates;
- (e) Issuances completed following the date hereof for compensatory purposes to directors, officers, or employees of, or consultants to, the Corporation and its Affiliates pursuant to a security compensation plan of the Corporation that has been approved by the shareholders of the Corporation;
- (f) Issuances upon the conversion, exchange, or exercise of any Convertible Securities issued following the date hereof in compliance with Section 2.2;
- (g) Issuances pursuant to, or arising in connection with, other non-cash consideration, including any transaction with an arms-length party in which the Corporation acquires an interest in or an asset from; and
- (h) Issuances pursuant to, or arising in connection with, any transaction in which the Corporation or any of its subsidiaries are acquired, whether by way of plan of arrangement, merger, business combination, take-over bid, or otherwise.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Corporation

The Corporation represents and warrants to the Vendor as follows and acknowledges and agrees that the Vendor is relying on such representations and warranties to enter into this Agreement:

- (a) the Corporation is duly incorporated and organized, and is validly subsisting, under the laws of Canada and is up-to-date in the filing of all corporate and similar returns under the laws of that jurisdiction;
- (b) the Corporation has all necessary corporate power and authority to enter into this Agreement and to perform its obligations hereunder;
- (c) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder;
- (d) this Agreement has been duly executed and delivered by the Corporation and (assuming due execution and delivery by the Vendor) constitutes a legal, valid,

and binding obligation of the Corporation, enforceable against it in accordance with its terms, except as that enforcement may be limited by bankruptcy, insolvency, and other similar laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction;

- (e) the execution and delivery of this Agreement by the Corporation and the performance by the Corporation of its obligations hereunder will not (whether after the passage of time or notice or both) conflict with, result in a violation or breach of, constitute a default, or require any Consent (other than such as has already been obtained) to be obtained under, or give rise to any termination rights or payment obligation under, any provision of:
 - (i) (A) any judgment, decree, order, or award of any Governmental Authority having jurisdiction over it; or (B) any Applicable Laws;
 - (ii) any provision of its Constatng Documents or resolutions of the Board (or any committee thereof) or shareholders; or
 - (iii) any license or registration or any agreement, contract, or commitment, written or oral which the Corporation is a party or subject to or bound by; and
- (f) as at the date hereof, no Person has any pre-emptive right, participation right, or other similar right to purchase any of the Common Shares or Convertible Securities of the Corporation in respect of any Offering.

3.2 Representations and Warranties of the Vendor

The Vendor represents and warrants to the Corporation as follows and acknowledges and agrees that the Corporation is relying on such representations and warranties to enter into this Agreement:

- (a) the Vendor is duly incorporated and organized, and is validly subsisting, under the laws of the Province of British Columbia and is up-to-date in the filing of all corporate and similar returns under the laws of that jurisdiction;
- (b) the Vendor has all necessary corporate power and authority to enter into this Agreement and to perform its obligations hereunder;
- (c) all necessary corporate action has been taken by the Vendor to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder;
- (d) this Agreement has been duly executed and delivered by the Vendor and (assuming due execution and delivery by the Corporation) constitutes a legal, valid, and binding obligation of the Vendor, enforceable against it in accordance with its terms, except as that enforcement may be limited by bankruptcy, insolvency, and other similar laws affecting the rights of creditors generally and except that equitable remedies may be granted only in the discretion of a court of competent jurisdiction; and

- (e) the execution and delivery of this Agreement by the Vendor and the performance by the Vendor of its obligations hereunder will not (whether after the passage of time or notice or both) conflict with, result in a violation or breach of, constitute a default or require any Consent (other than such as has already been obtained) to be obtained under, or give rise to any termination rights or payment obligation under, any provision of:
 - (i) (A) any judgment, decree, order, or award of any Governmental Authority having jurisdiction over it; or (B) any Applicable Laws;
 - (ii) any provision of its Constatng Documents or resolutions of its board of directors (or any committee thereof) or shareholders; or
 - (iii) any license or registration or any agreement, contract, or commitment, written or oral which the Vendor is a party or subject to or bound by.

ARTICLE 4 COVENANTS OF THE CORPORATION

4.1 Reporting Issuer Status and Listing of Common Shares

The Corporation shall during the term of this Agreement use commercially reasonable efforts to:

- (a) maintain the Corporation's status as a "reporting issuer" not in default under the Canadian Securities Laws in each of the Reporting Jurisdictions; and
- (b) maintain the listing of the Common Shares on the CSE or another stock exchange acceptable to the Vendor,

provided that these covenants shall not restrict or prevent the Corporation from engaging in or completing any transaction which would result in the Corporation ceasing to be a "reporting issuer" or the Common Shares ceasing to be listed on any of the foregoing stock exchanges so long as the holders of Common Shares receive securities of an entity which is listed on any of the foregoing stock exchanges, cash or the holders of the Common Shares have approved the transaction.

4.2 No Conflict With Shareholders' Rights Plan

The Corporation covenants and agrees that any shareholder rights plan or similar instrument adopted by the Corporation shall not restrict, limit, prohibit, or conflict with the exercise by the Vendor of its Pre-Emptive Right.

ARTICLE 5 CONFIDENTIALITY

5.1 Confidentiality

Any information provided by the Corporation to the Vendor during the term of this Agreement which:

- (a) has not become generally available to the public;

- (b) was not available to the Vendor or its representatives on a non-confidential basis before the date of this Agreement; or
- (c) does not become available to the Vendor or its representatives on a non-confidential basis from a Person who is not, to the knowledge of the Vendor or its representatives, otherwise bound by confidentiality obligations to the provider of such information, or otherwise prohibited from transmitting the information to the Vendor or its representatives,

will be kept confidential by the Vendor and shall constitute confidential information (the “**Confidential Information**”). No Confidential Information may be released to third parties without the prior written consent of the Corporation, unless such Confidential Information is compelled to be released by legal process or must be released to regulatory bodies and/or included in public documents. The obligations of the Vendor set forth in this Section 5.1 will survive the termination or expiry of this Agreement.

ARTICLE 6 MISCELLANEOUS

6.1 Stock Exchange Requirements

Notwithstanding any other provision of this Agreement, the rights and obligations of the Corporation shall be subject at all relevant times to the rules, policies, and other requirements and limitations of the stock exchange on which the Common Shares are then listed.

6.2 Termination

This Agreement shall terminate and the rights and obligations of the parties hereunder shall cease immediately at such time as (a) the Vendor’s Ownership Percentage is less than 1%; or (b) the parties have mutually agreed in writing to terminate the Agreement.

6.3 Notices

- (a) Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be delivered in person, transmitted by e-mail or similar means of recorded electronic communication, or sent by registered mail, charges prepaid, addressed as follows:

- (i) in the case of the Vendor:

Trevali Mining Corporation
Suite 1900 – 999 West Hastings Street
Vancouver, BC V6C 2W2

Attention: Steven Molnar, Chief Legal Officer
Facsimile: 604-629-1425
Email: smolnar@trevali.com

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

Blake, Cassels & Graydon LLP
Suite 2600, Three Bentall Centre

595 Burrard Street
Vancouver, British Columbia
V7X 1L3

Attention: Steven McKoen
Email: steven.mckoen@blakes.com

(ii) in the case of the Corporation:

Cerro de Pasco Resources Inc.
22, rue Lafleur Nord
Bureau 203
Saint-Sauveur, Québec J0R 1R0

Attention: Guy Goulet
E-mail: ggoulet@pascoresources.com

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

Lavery de Billy LLP
1 Place Ville Marie Bureau 4000
Montreal, Québec H3B 4M4

Attention: Rene Branchaud
E-mail: rbranchaud@lavery.ca

- (b) Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day or if delivery or transmission is made on a Business Day after 5:00 p.m. (Montreal time) at the place of receipt, then on the next following Business Day) or, if mailed, on the third Business Day following the date of mailing; provided, however, that if at the time of mailing or within three Business Days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid.
- (c) Either party may at any time change its address for service from time to time by giving notice to the other party in accordance with this Section 6.3.

6.4 Amendments and Waivers

No amendment or waiver of any provision of this Agreement shall be binding on either party unless consented to in writing by such party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

6.5 Assignment

No party may assign any of its rights or benefits under this Agreement, or delegate any of its duties or obligations, except with the prior written consent of the other party. Notwithstanding the foregoing, the Vendor may assign and transfer all of its rights, benefits, duties and obligations

under this Agreement in their entirety, without the consent of the Corporation, to an Affiliate of the Vendor, provided that any such assignee shall, prior to any such transfer, agree to be bound by all of the covenants of the Vendor contained herein and comply with the provisions of this Agreement, and shall deliver to the Corporation a duly executed undertaking to such effect in form and substance satisfactory to the Corporation, acting reasonably.

6.6 Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding on and enforceable by and against the parties and their respective successors or heirs, executors, administrators and other legal personal representatives, and permitted assigns.

6.7 Expenses

Except as otherwise expressly provided in this Agreement, each party will pay for its own costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement and the transactions contemplated herein, including the fees and expenses of legal counsel, financial advisors, accountants, consultants, and other professional advisors.

6.8 Public Disclosure

- (a) The Corporation shall not issue any press release or publicly filed or disseminated document referencing, in any way, the Vendor, unless: (i) the Corporation has obtained the Vendor's prior written consent to such disclosure, which consent shall not be unreasonably delayed or withheld; or (ii) the Corporation determines that such disclosure is required by Applicable Laws.
- (b) In addition to the obligations set out in Section 6.8(a), the Corporation shall provide the Vendor with a reasonable opportunity to review and comment on each press release or publicly filed or disseminated document of the Corporation relating or referencing, in any way, the Vendor, this Agreement or the transactions contemplated herein prior to the issuance thereof and incorporate any comments provided by the Vendor, to the extent commercially reasonable.

6.9 Further Assurances

Each of the parties shall, from time to time hereafter and upon any reasonable request of the other, promptly do, execute, deliver, or cause to be done, executed, and delivered all further acts, documents and things as may be required or necessary for the purposes of giving effect to this Agreement.

6.10 Counterparts

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed and delivered electronically and in any number of counterparts, with the same effect as if each party had signed and delivered the same document, and all counterparts shall be construed together to be an original and will constitute one and the same agreement.

[SIGNATURE PAGE TO IMMEDIATELY FOLLOW]

IN WITNESS WHEREOF this Agreement has been executed by the parties on the date first written above.

CERRO DE PASCO RESOURCES INC.

Name: Guy Goulet
Title: CEO

TREVALI MINING CORPORATION

Name:
Title: