

SHARE PURCHASE AGREEMENT

THIS SHARE PURCHASE AGREEMENT made as of the 30th day of June, 2012.

AMONG:

DECLAN RESOURCES INC., a corporation incorporated under the laws of the Province of British Columbia (hereinafter referred to as "**Declan**")

-and-

TALOS MINERALS LTD., a corporation incorporated under the laws of the Province of British Columbia (hereinafter referred to as "**Talos**")

-and-

TYSON KING, an individual resident in Vancouver, British Columbia (hereinafter referred to as "**Tyson**")

-and-

KYLE MICHAEL, an individual resident in Vancouver, British Columbia (hereinafter referred to as "**Michael**")

-and-

LEAH MARTIN, an individual resident in Vancouver, British Columbia (hereinafter referred to as "**Martin**")

-and-

JAY KING, an individual resident in White Rock, British Columbia (hereinafter referred to as "**Jay**")

-and-

VIRGINIA OLNICK, an individual resident in Vancouver, British Columbia (hereinafter referred to as "**Olnick**")

-and-

JOHN JARDINE, an individual resident in West Vancouver, British Columbia (hereinafter referred to as "**Jardine**")

-and-

GERALD SHIELDS, an individual resident in West Vancouver, British Columbia (hereinafter referred to as "**Shields**")

-and-

JAMEL SHALLOP, an individual resident in Freetown, Sierra Leone (hereinafter referred to as "**Shallop**")

-and-

CRAIG McLEAN, an individual resident in Freetown, Sierra Leone (hereinafter referred to as "**McLean**")

-and-

BRIAN TINGLE, an individual resident in Vancouver, British Columbia (hereinafter referred to as "**Tingle**")

-and-

KRISTY TIMEWELL, an individual resident in Vancouver, British Columbia (hereinafter referred to as "**Timewell**")

(Tyson, Michael, Martin, Jay, Olnick, Jardine, Shields, Shallop, McLean, Tingle and Timewell are collectively referred to as the "**Vendors**")

WHEREAS:

- A. The Vendors are the registered and beneficial owners of all of the issued and outstanding securities in the capital of Talos; and
- B. Declan wishes to purchase from the Vendors, and the Vendors wish to sell to Declan, all of the issued and outstanding securities in the capital of Talos on the terms and subject to the conditions set forth in this Agreement;

NOW THEREFORE THIS AGREEMENT WITNESSETH THAT in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto agree with each other as follows:

ARTICLE 1 - DEFINITIONS

1.1 **Definitions.** In this Agreement, unless there is something in the context or subject matter inconsistent therewith, the following words and terms set forth in this Article 1 shall have the meanings respectively assigned to them:

- (a) "**affiliate**" means an affiliated body corporate within the meaning of the *Business Corporations Act* (British Columbia);
- (b) "**Agreement**" means this share purchase agreement and all instruments supplemental hereto or in amendment or confirmation hereof; "herein", "hereof" and similar expressions mean and refer to this Agreement and not to any particular article, section, clause or subclause; and "Section", "clause" or "subclause" means and refers to the specified article, section, clause or subclause of this Agreement;
- (c) "**Arm's Length**" has the meaning ascribed thereto for purposes of the Tax Act;
- (d) "**Business Day**" means a day other than a Saturday or Sunday on which the principal commercial banks located in Vancouver, British Columbia are open for business during normal banking hours;
- (e) "**Closing**" means the completion of the Transaction, which shall take place on the Closing Date at Declan's offices in Vancouver, British Columbia;
- (f) "**Closing Date**" means the date of Closing, which date shall be no later than July 31, 2012, unless otherwise agreed upon by the parties hereto;
- (g) "**Declan**" means Declan Resources Inc., a corporation incorporated under the laws of the Province of British Columbia;
- (h) "**Declan's Financial Statements**" means, collectively, the audited financial statements of Declan for the year ended September 30, 2011, together with the notes thereto and the report

of the auditors thereon and the interim unaudited financial statements of Declan for the six month period ended March 31, 2012, together with the notes thereto;

- (i) "**Declan's Business**" means the business of acquiring, exploring and developing resource properties;
- (j) "**Declan Shares**" means common shares in the capital of Declan;
- (k) "**Generally Accepted Accounting Principles**" or "**GAAP**" means the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which such calculation is made or required to be made in accordance with such principles;
- (l) "**Interim Period**" means the period from the date of the Letter Agreement to and including the Closing Date;
- (m) "**International Financial Reporting Standards**" or "**IFRS**" means the International Financial Reporting Standards of accounting as issued by the International Accounting Standards Board (IASB);
- (n) "**Letter Agreement**" means the letter agreement dated June 7, 2012 between Declan and Talos;
- (o) "**Material Fact**" in relation to any party hereto includes, without limitation, any fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the securities of such party;
- (p) "**Mineral Assets**" means the Mineral Rights, the Mineral Exploration Data and the Miscellaneous Interests of Talos and the Subsidiaries, as further described in Schedule "A" hereto;
- (q) "**Mineral Exploration Data**" means (i) copies of all information, data, maps, and reports (both factual and interpretative) with respect to any work performed on the Mineral Assets by Talos, the Subsidiaries or any previous owner of the Mineral Assets; (ii) all historical data in the possession or control of Talos or the Subsidiaries; and (iii) all drill core, sample pulps, sample splits, rock samples and other physical material removed from the Mineral Assets for testing purposes and in the possession and control of Talos or the Subsidiaries;
- (r) "**Mineral Exploration Permits**" means all permits, licenses and authorizations necessary to explore and develop the Mineral Assets, as further described in Schedule "B" hereto;
- (s) "**Mineral Rights**" means all of the right, title, and interest in and to any mining leases, mining concessions, mining claims, options or participating interests or other conventional property or proprietary interests or rights in respect of ore bodies, mineral or mineral rights, as applicable, of Talos and the Subsidiaries as further described in Schedule "A", including, without limitation, the Mineral Exploration Permits;
- (t) "**Miscellaneous Interests**" means all the right, title, interest and estate of Talos and the Subsidiaries in and to all property, rights and assets, whether contingent or absolute, legal or beneficial, present or future, invested or not, and not being Mineral Rights or Mineral Exploration Data, which pertain to such Mineral Rights or Mineral Exploration Data;
- (u) "**NI 43-101**" means National Instrument 43-101 - *Standards of Disclosure for Mineral Project*;
- (v) "**NI 43-101 Report**" means the report entitled "NI 43-101 Technical Report on the Nimini Hills Project, Sierra Leone" prepared for Talos by Nico Scholtz, M.Sc. Geology (Pr. Sci.Nat), dated May 27, 2012;
- (w) "**Permitted Encumbrances**" means:
 - (i) easements, rights of way, servitudes or other similar rights, including, without limitation, rights of way and servitudes for highways, railways, sewers, drains, gas

and oil pipelines, gas and water mains, electric light, power, telephone or cable television conduits, poles, wires or cables;

- (ii) the right reserved to or vested in any government, municipality or other public authority by the terms of any Mineral Exploration Permit or by applicable law to terminate any Mineral Exploration Permit, to require annual or other periodic payments as a condition of the continuance thereof or to control or regulate any of the Mineral Assets in any manner;
 - (iii) rights of general application reserved to or vested in any governmental authority to levy taxes or levies on mineral substances or the income or revenue therefrom;
 - (iv) the terms and conditions of the Mineral Exploration Permits;
 - (v) provisions for penalties and forfeitures under Mineral Exploration Permits as a consequence of non-participation in operations;
 - (vi) undetermined or inchoate liens incurred or created in the ordinary course of business as security in favour of any Person for a party's proportionate share of the costs and expenses applicable to the development or operation of any of the Mineral Assets which are not due or delinquent or are being contested in good faith; and
 - (vii) liens granted in the ordinary course of business to a public utility, municipality or governmental authority with respect to operations pertaining to any of the Mineral Assets and builder's, mechanic's, material men's and similar liens in respect of services rendered or goods supplied for which payment is not at the time due;
- (x) "**Person**" means any individual, corporation, partnership, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;
 - (y) "**Purchase Agreement Default**" means any material misrepresentation or breach of warranty made by a party to this Agreement, or the failure of a party to this Agreement to perform or observe in any material respect any of the covenants or agreements to be performed by such party under this Agreement or any agreement or other certificate or instrument delivered in connection herewith;
 - (z) "**Security Interest**" means any mortgage, charge, pledge, lien, hypothec, assignment by way of or in effect as security or security interest of any kind or nature whatsoever;
 - (aa) "**Subsidiaries**" means Greenstone Minerals (SL) Limited and Revonah Resources (SL) Limited, each incorporated under the laws of Sierra Leone;
 - (bb) "**Survival Period**" means a period of 12 months from the Closing Date;
 - (cc) "**Talos**" means Talos Minerals Ltd., a corporation incorporated under the laws of the Province of British Columbia;
 - (dd) "**Talos' Business**" means the business of acquiring, exploring and developing mineral resource properties;
 - (ee) "**Talos' Financial Statements**" means the audited consolidated financial statements of Talos as at and for the period ended October 31, 2011;
 - (ff) "**Talos Shares**" means all of the issued and outstanding shares in the capital stock of Talos;
 - (gg) "**Tax Act**" means the *Income Tax Act* (Canada), as it may be amended, from time to time, and any successor thereto. Any reference herein to a specific section or sections of the Tax Act, or regulations promulgated thereunder, shall be deemed to include a reference to all corresponding provision of future law;
 - (hh) "**Tax Laws**" shall mean the Tax Act and any applicable provincial, or foreign income taxation statute(s), as from time to time amended, and any successors thereto;

- (ii) **"Third Party"** means any Person other than the parties to this Agreement;
 - (jj) **"Transaction"** means the purchase by Declan of 100% of the issued and outstanding Talos Shares; and
 - (kk) **"TSX-V"** means the TSX Venture Exchange Inc.
- 1.2 **Currency.** Unless otherwise indicated, all dollar amounts referred to in this Agreement are in Canadian currency.
- 1.3 **Tender.** Any tender of documents or money hereunder may be made upon the parties or their respective counsel and money may be tendered by official bank draft drawn upon a chartered bank or trust company or by negotiable cheque payable in Canadian currency and certified by a chartered bank or trust company.
- 1.4 **Number and Gender.** Where the context requires, words imparting the singular shall include the plural and vice versa, and words imparting gender include all genders.
- 1.5 **Headings.** Article and Section headings contained in this Agreement are included solely for convenience, are not intended to be full or accurate descriptions of the content thereof and shall not be considered part of this Agreement or affect the construction or interpretation of any provision hereof.
- 1.6 **Schedules.** The Schedules to this Agreement shall be construed with and as an integral part of this Agreement to the same extent as if the same had been set forth *verbatim* herein. The following Schedules are attached hereto:
- Schedule "A" – Mineral Assets
 - Schedule "B" – Mineral Exploration Permits
- 1.7 **Accounting Terms.** All accounting terms not specifically defined herein shall be construed in accordance with IFRS, as may be applicable and in force from time to time.

ARTICLE 2 - PURCHASE OF TALOS SHARES

- 2.1 **Purchase and Sale.** On the terms and subject to the fulfillment of the conditions hereof, each Vendor agrees to sell, assign and transfer the Talos Shares held by the Vendor to Declan, free and clear of all encumbrances and with all rights and benefits attaching thereto. On the terms and subject to the fulfillment of the conditions hereof, Declan agrees to purchase the Talos Shares, free and clear of all encumbrances and with all rights and benefits attaching thereto.
- 2.2 **Purchase Price.** The purchase price payable by Declan for the Talos Shares shall be satisfied by the issuance by Declan to the Vendors of one Declan Share for each Talos Share that is issued and outstanding on the Closing Date.
- 2.3 **Treatment of Stock Options.** Subject to the policies of the TSX-V and to the terms and conditions hereof, on the Closing Date, each Vendor that holds stock options to acquire Talos Shares agrees to exchange such stock options for replacement stock options of Declan to acquire Declan Shares based on a one-for-one exchange ratio, with the same terms and conditions as the stock options of Talos including, without limitation, those terms relating to exercise price, vesting periods and expiry dates.
- 2.4 **Income Tax Elections.** If requested by the Vendors, Declan agrees that the transfer of the securities hereunder by the Vendors shall, to the extent possible, be made on an income tax deferred basis pursuant to the provisions of the Tax Act and the Parties agreed to make any and all necessary elections pursuant to the provisions of the Tax Act, in the prescribed form and within the times referred to in the Tax Act, so that the Vendors' proceeds of disposition (and Declan's cost of the securities) shall be the amount specified by the Vendors, provided such amount is within the parameters set forth in the Tax Act, as determined by Declan, acting reasonably.

ARTICLE 3 - REPRESENTATIONS AND WARRANTIES

3.1 **Representations and Warranties of Declan.** Declan hereby represents and warrants to Talos and the Vendors that:

- (a) Declan is a corporation incorporated and validly subsisting under the laws of the Province of British Columbia, has all requisite corporate power to own its properties and conduct its business as presently being conducted by it, and is duly registered or otherwise qualified to carry on business in all jurisdictions in which the nature of its assets or business makes such registration or qualification necessary or advisable;
- (b) Declan has full legal capacity and corporate power to enter into this Agreement and to take, perform or execute all proceedings, acts and instruments necessary or advisable to consummate the actions and transactions contemplated in this Agreement and all necessary corporate action has been taken, or shall be taken prior to the Closing Date, by or on the part of Declan to authorize its execution and delivery of this Agreement, and the taking, performing or executing of such proceedings, acts and instruments as are necessary or advisable for consummating the actions and transactions contemplated in this Agreement and for fulfilling its obligations hereunder;
- (c) this Agreement has been duly executed and delivered on behalf of Declan and constitutes a legal, valid and binding obligation of it, enforceable against it in accordance with its terms, except as such terms may be limited by bankruptcy, insolvency, re-organization or other laws relating to the enforcement of creditors' rights generally;
- (d) neither the execution, nor delivery of this Agreement, nor the consummation of the transactions contemplated hereby, nor compliance with and fulfilment of the terms and provisions of this Agreement shall:
 - (i) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under:
 - (1) any of the constating documents or by-laws of Declan; or
 - (2) any instrument, agreement, mortgage, judgment, order, award, decree or other instrument or restriction to which Declan is a party of or by which it is bound; or
 - (ii) except as otherwise described herein, require any affirmative approval, consent, authorization or other order or action by any court, governmental authority or regulatory body or by any creditor of Declan or any party to any agreement to which Declan is a party or by which Declan is bound, except as shall have been obtained prior to Closing;
- (e) the authorized capital of Declan consists of an unlimited number of Declan Shares, of which only 84,458,959 Declan Shares are presently issued and outstanding. All of the presently issued and outstanding Declan Shares have been validly allotted and issued and are outstanding as fully-paid and non-assessable shares;
- (f) other than pursuant to this Agreement, no Person has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase from Declan of any Declan Shares or for the subscription, allotment or issuance of any unissued shares in the capital of Declan except for stock options exercisable into 1,050,000 Declan Shares and warrants exercisable into 64,735,640 Declan Shares;
- (g) the books and records of Declan fairly and correctly set out and disclose in all material respects, the financial position of Declan as at the dates thereof and all material financial transactions of Declan relating to Declan's Business have been accurately recorded in such books and records;

- (h) save and except for matters which are disclosed in Declan's Financial Statements or otherwise expressly set out in this Agreement, Declan has not (nor has it agreed to):
- (i) incurred any debts, obligations or liabilities (absolute, accrued, contingent or otherwise and whether due or to become due), except debts, obligations and liabilities incurred in the ordinary course of business;
 - (ii) discharged or satisfied any liens or paid any obligation or liability other than liabilities shown on Declan's Financial Statements, other than in the ordinary course of business;
 - (iii) declare or make any payment, distribution or dividend based on its shares, or purchased, redeemed or otherwise acquired any of the shares in its capital or other securities or obligated itself to do so;
 - (iv) mortgaged, pledged or subjected to lien or other security interest any of its assets, tangible or intangible other than the usual security granted to secure a bank line of credit;
 - (v) sold, assigned, leased, transferred or otherwise disposed of any of its assets (excluding inventory) whether or not in the ordinary course of business;
 - (vi) increased materially the compensation payable or to become payable by Declan to any of its officers, directors or employees, or in any bonus payment to or arrangement made with any officer, director or employee, or made any material changes in the personnel policies or employee benefits of Declan;
 - (vii) cancelled, waived, released or compromised any debt, claim or right resulting in a material adverse effect on the business, prospects or financial condition of Declan;
 - (viii) significantly altered or revised any of its accounting principles, procedures, methods or practices;
 - (ix) changed its credit policy as to provision of services or collection or accounts receivable (except as dictated by competitive conditions);
 - (x) suffered any material damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting the properties, business or prospects of Declan;
 - (xi) entered into any transaction, contract or commitment other than in the ordinary course of business (except for the transactions set forth in this Agreement);
 - (xii) made or authorized any capital expenditures except for commitments made in respect of the properties of Declan; or
 - (xiii) suffered or experienced any material adverse change in, or event or circumstance affecting, the condition (financial or otherwise), properties, assets, liabilities, earnings, business, operations or prospects of Declan (and Declan has no knowledge, information or belief of any fact, event or circumstances which might reasonably be expected to affect materially and adversely the condition (financial or otherwise), properties, assets, liabilities, earnings, business operations or prospects of Declan), and none has changed any shares of its capital stock, whether by way of reclassification, stock split or otherwise;
- (i) to the best of the knowledge of Declan, Declan maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded as necessary to permit the preparation of financial statements in conformity with IFRS, and to maintain accountability for assets; (iii) access to its assets is permitted only in accordance with management's general or specific authorization; (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken

with respect to differences; and (v) material information relating to Declan is made known to those within Declan responsible for the preparation of the financial statements during the period in which the financial statements have been prepared;

- (j) Declan's Financial Statements fairly present the financial position of Declan as at the date thereof and fairly present the results of operations for the periods ended on such dates, all in accordance with IFRS consistently applied throughout the period covered thereby, save and except as stated therein;
- (k) since the date Declan became a reporting issuer, to the knowledge of Declan, Declan has filed all required forms, reports and documents (collectively, the "**Declan Public Disclosure**") with the applicable Canadian regulatory authorities having jurisdiction. None of the Declan Public Disclosure filed by Declan with the applicable Canadian securities regulatory authorities having jurisdiction, at the time filed or as subsequently amended, contained any misrepresentation or any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading;
- (l) the corporate records and minute books of Declan as made available to Talos or its legal counsel contain complete and accurate minutes of all meetings of and corporate actions or written consents by the directors and shareholders of Declan, including, without limitation, all by-laws and resolutions passed by the board of directors and shareholders of Declan, held since the incorporation of Declan;
- (m) Declan does not operate or engage in any business activities, operations or management of any nature or kind whatsoever other than Declan's Business;
- (n) Declan does not have any outstanding any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever and Declan is not bound under any agreement to create, issue or incur any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever and Declan is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;
- (o) Declan is not indebted to: (i) any director, officer or shareholder of Declan; (ii) any individual related to any of the foregoing by blood, marriage or adoption; or (iii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in subsections (i) and (ii) above; and none of those Persons referred to above is indebted to Declan;
- (p) no payments have been made or authorized by Declan to its officers, directors, employees, shareholders or former directors, officers, employees or shareholders or to any person not dealing at Arm's Length with any of the foregoing, except those expressly disclosed herein, reflected in Declan's Financial Statements or made in the ordinary course of business and at the regular rates payable to them of salary, pension, bonuses or other remuneration of any nature;
- (q) Declan has filed all tax returns required to be filed by it prior to the date hereof in all applicable jurisdictions and has paid, collected and remitted all taxes, customs duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by it at present. All such tax returns properly reflect, and do not in any respect understate, the income, taxable income or the liability for taxes of Declan in the relevant period and the liability of Declan for the collection, payment and remittance of tax under applicable Tax Laws;
- (r) adequate provision has been made in Declan's Financial Statements for all taxes, governmental charges and assessments, including interest and penalties thereon, payable by

Declan for all periods up to the date of the balance sheets comprising part of Declan's Financial Statements;

- (s) Declan has withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof;
- (t) there are no actions, suits or other proceedings, investigations or claims in progress or pending and, to the best of Declan's belief and knowledge, there are no actions, suits or other proceedings or investigations or claims threatened, against Declan in respect of any taxes, governmental charges or assessments. No waivers have been filed by Declan with any taxing authority;
- (u) Declan is conducting and has always conducted, Declan's Business in compliance with all applicable laws, rules and regulations of each jurisdiction in which Declan's Business is carried on, is not currently in breach of any such laws, rules or regulations and is duly licensed, registered or qualified, in each jurisdiction in which Declan owns or leases property or carries on Declan's Business, to enable Declan's Business to be carried on as now conducted and its property and assets to be owned, leased and operated, and all such licences, registrations and qualifications are valid and subsisting and in good standing and none of the same contains any burdensome term, provision, condition or limitation which has or may have an adverse effect on the operation of such business;
- (v) no consent, licence, approval, order or authorization of, or registration, filing or declaration with any governmental authority that has not been obtained or made by Declan and no consent of any Third Party is required to be obtained by Declan in connection with the execution, delivery and performance by Declan of this Agreement or the consummation of the Transaction as contemplated hereby and shall not result in the loss of any regulatory consent, licence, approval, order, authorization or registration materially benefiting Declan;
- (w) there is no action, lawsuit, claim, proceeding, or investigation pending or, to the best knowledge of Declan, threatened against, relating to or affecting Declan before any court, government agency, or any arbitrator of any kind, and Declan is not aware of any existing ground on which any such proceeding might be commenced with any reasonable likelihood of success; and there is not presently outstanding against Declan any judgment, decree, injunction, rule or order of any court, governmental agency, or arbitrator relating to or affecting Declan in connection with Declan's Business;
- (x) no employee has made any claim or, to the best of Declan's knowledge, has any basis for any action or proceeding against Declan, arising out of any statute, ordinance or regulation relating to discrimination in employment or employment practices, harassment, occupational health and safety standards or worker's compensation;
- (y) Declan has not made any agreements with any labour union or employee association nor made any commitments to or conducted any negotiations with any labour union or employee association with respect to any future agreements;
- (z) no trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of Declan's employees by way of certification, interim certification, voluntary recognition, designation or successor rights;
- (aa) there are no outstanding written or oral employment contracts, sales, services, management or consulting agreements, employee benefit or profit-sharing plans, or any bonus arrangements with any employee of Declan, nor are there any outstanding oral contracts of employment which are not terminable on the giving of reasonable notice in accordance with applicable law. There are no pension or retirement plans established by or for Declan for the employees of Declan's Business;

- (bb) there does not exist any state of facts which after notice or lapse of time, or both, shall constitute a default or breach on the part of Declan under any of the provisions contained in any of the material contracts, commitments or agreements that it is a party to, and all such material contracts, commitments or agreements are in full force and effect and Declan is not in default, in any material respect, under any of such contracts, agreements or commitments;
- (cc) to the best knowledge and belief of Declan:
- (i) Declan is not in material violation of any applicable federal, provincial, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters (collectively, "**Environmental Laws**");
 - (ii) Declan has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without material violation of Environmental Laws;
 - (iii) there have been no material spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes which have not been rectified or are in the process of being rectified on any of the real property owned or leased by Declan during the period of its ownership or tenure or under its control during the period in which it has had control;
 - (iv) there have been no releases, deposits or discharges in material violation of Environmental Laws, of any hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Declan;
 - (v) no material orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of Declan other than abandonment and similar notices issued in connection with the normal course of business of Declan; and
 - (vi) Declan holds all material licences, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, and all such licenses, permits and approvals are in full force and effect;
- (dd) Declan has not received notice of any proposed environmental policies or laws which Declan reasonably believes would have a material adverse effect on the operations of Declan, other than those that apply to the industry generally;
- (ee) Declan maintains sufficient property, general liability and third party insurance and all of such insurance policies are in good standing and in the opinion of management of Declan are sufficient, in all material respects, to protect Declan against potential liabilities of the business of Declan;
- (ff) Declan is a reporting issuer in the Provinces of British Columbia and Alberta and is not in default of any applicable requirements as such;
- (gg) no cease trade order has been issued against Declan or the Declan Shares in any jurisdiction, and, to the knowledge of Declan, no cease trade order is pending or threatened; and
- (hh) no representation or warranty made by Declan in this Agreement, and no statement made in any schedule, exhibit, certificate or other document furnished pursuant to this Agreement, contains, or shall contain, any untrue statement of a Material Fact or omits, or shall omit, to state any Material Fact necessary to make such representation or warranty or any such statement not misleading. Declan does not know of any fact which, if known to Talos or the Vendors, would deter them from consummating the transactions contemplated herein.

3.2 **Representations and Warranties of the Vendors.** Each Vendor hereby represents and warrants to Declan that:

- (a) the Vendor has the legal capacity and good and full right and authority to enter into this Agreement and has the capacity and full right and authority to transfer the legal and beneficial title and ownership of the Talos Shares and the stock options of Talos, as applicable, registered in the Vendor's name to Declan in accordance with the provisions hereof, free and clear of all encumbrances and to perform all other obligations to be performed by him hereunder;
- (b) the Vendor is not under any obligation, contractual or otherwise, to request or obtain the consent of any Person, and no permits, licenses, certifications, authorizations or approvals of, or notifications to, any Person are required to be obtained by the Vendor in connection with the execution, delivery or performance by the Vendor of this Agreement and the completion of any of the transactions contemplated herein;
- (c) this Agreement has been duly executed and delivered by the Vendor and this Agreement constitutes a legal, valid and binding obligation of the Vendor enforceable against him in accordance with its terms, subject only to any limitation under applicable laws relating to: (i) bankruptcy, winding-up, insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights; and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction;
- (d) the Vendor is the registered and beneficial owner of the Talos Shares and the stock options of Talos, as applicable, registered in the Vendor's name, free and clear of all liens, charges, pledges, security interests, demands, adverse claims, rights or any other encumbrances whatsoever and, other than pursuant to this Agreement, no Person has any right, option, agreement or arrangement capable of becoming an agreement for the acquisition of any of the Talos Shares or stock options of Talos registered in the Vendor's name or any interest therein;
- (e) there are no shareholders' agreements, pooling agreements, voting trusts or other similar agreements to which the Vendor is party, or otherwise with respect to the ownership or voting of any of the Talos Shares registered in the Vendor's name;
- (f) the execution, delivery and performance of this Agreement and the completion of the transactions contemplated hereby will not constitute or result in a violation of, breach of or default under, or cause the acceleration of any obligations of the Vendor under:
 - (i) the terms of any agreement (written or oral), indenture, instrument or understanding or other obligation or restriction to which the Vendor is a party or by which he is bound; or
 - (ii) any term or provision of any order, approval or judgment of any governmental authority or regulatory body or any laws applicable to the Vendor;
- (g) the Vendor is not a non-resident of Canada within the meaning of the Tax Act; and
- (h) no representation or warranty made by the Vendor in this Agreement, and no statement made in any schedule, exhibit, certificate or other document furnished by the Vendor pursuant to this Agreement, contains, or shall contain, any untrue statement of a Material Fact or omits, or shall omit, to state any Material Fact necessary to make such representation or warranty or any such statement not misleading.

3.3 **Additional Representations and Warranties of Talos and the Vendors.** Talos and each of Tyson, Michael and Tingle hereby jointly and severally represent and warrant to Declan that:

- (a) Talos is a corporation incorporated and validly subsisting under the laws of British Columbia, has all legal capacity and requisite corporate power to own its properties and conduct its business as presently being conducted by it, and is duly registered or otherwise qualified to

carry on business in all jurisdictions in which the nature of its assets or business makes such registration or qualification necessary or advisable;

- (b) the Subsidiaries are each incorporated and validly subsisting under the laws of Sierra Leone, and each has all legal capacity and requisite corporate power to own its properties and conduct its business as presently being conducted by it, and is duly registered or otherwise qualified to carry on business in all jurisdictions in which the nature of its assets or business makes such registration or qualification necessary or advisable;
- (c) Talos has the full legal capacity and corporate power to enter into this Agreement and to take, perform or execute all proceedings, acts and instruments necessary or advisable to consummate the other actions and transactions contemplated in this Agreement and to fulfil its obligations under this Agreement and all necessary corporate action has been taken, or shall be taken prior to the Closing Date, by or on the part of Talos to authorize its execution and delivery of this Agreement, and the taking, performing or executing of such proceedings, acts and instruments as are necessary or advisable for consummating the actions and transactions contemplated in this Agreement and for fulfilling its obligations hereunder;
- (d) this Agreement has been duly executed and delivered by Talos and this Agreement constitutes a legal, valid and binding obligation of Talos enforceable against it in accordance with its terms, subject only to any limitation under applicable laws relating to: (i) bankruptcy, winding-up, insolvency, arrangement and other laws of general application affecting the enforcement of creditors' rights; and (ii) the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction;
- (e) neither the execution, nor delivery of this Agreement, nor the consummation of the transactions contemplated hereby, nor compliance with and fulfilment of the terms and provisions of this Agreement shall:
 - (i) conflict with or result in a breach of the terms, conditions or provisions of, or constitute a default under:
 - (1) any of the constating documents or by-laws of Talos; or
 - (2) any instrument, agreement, mortgage, judgment, order, award, decree or other instrument or restriction to which Talos is a party or by which it is bound; or
 - (ii) require any affirmative approval, consent, authorization or other order or action by any court, governmental authority or regulatory body or by any creditor of Talos, or any party to any agreement to which Talos is a party or by which it is bound, except as shall have been obtained prior to Closing;
- (f) the authorized capital of Talos consists of an unlimited number of Talos Shares of which 24,470,002 Talos Shares are issued and outstanding as fully paid and non-assessable shares in the capital of Talos. All of the presently issued and outstanding Talos Shares have been validly allotted and issued and are outstanding as fully-paid and non-assessable shares;
- (g) other than pursuant to this Agreement and except for stock options to acquire an aggregate of 1,500,000 Talos Shares at a price of \$0.15 per share, no person, firm or corporation has any agreement or option or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, including convertible securities, warrants or convertible obligations of any nature, for the purchase of any unissued securities in the capital of Talos;
- (h) the books and records of Talos fairly and correctly set out and disclose in all material respects, the financial position of Talos as at the dates thereof and all material financial transactions of Talos relating to Talos' Business have been accurately recorded in such books and records;

- (i) Talos is not a "reporting issuer" under relevant securities legislation or a "distributing corporation" under relevant corporate legislation in North America;
- (j) save and except for matters which are disclosed in Talos' Financial Statements, have been disclosed by Talos to Declan or otherwise expressly set out in this Agreement, Talos has not (nor has it agreed to):
 - (i) incurred any debts, obligations or liabilities (absolute, accrued, contingent or otherwise and whether due or to become due), except debts, obligations and liabilities incurred in the ordinary course of business;
 - (ii) discharged or satisfied any liens or paid any obligation or liability other than liabilities shown on Talos' Financial Statements, other than in the ordinary course of business;
 - (iii) declare or make any payment, distribution or dividend based on its shares, or purchased, redeemed or otherwise acquired any of the shares in its capital or other securities or obligated itself to do so;
 - (iv) mortgaged, pledged or subjected to lien or other security interest any of its assets, tangible or intangible other than the usual security granted to secure a bank line of credit;
 - (v) sold, assigned, leased, transferred or otherwise disposed of any of its assets (excluding inventory) whether or not in the ordinary course of business;
 - (vi) increased materially the compensation payable or to become payable by Talos to any of its officers, directors or employees, or in any bonus payment to or arrangement made with any officer, director or employee, or made any material changes in the personnel policies or employee benefits of Talos;
 - (vii) cancelled, waived, released or compromised any debt, claim or right resulting in a material adverse effect on the business, prospects or financial condition of Talos;
 - (viii) significantly altered or revised any of its accounting principles, procedures, methods or practices;
 - (ix) changed its credit policy as to provision of services or collection or accounts receivable (except as dictated by competitive conditions);
 - (x) suffered any material damage, destruction or loss (whether or not covered by insurance) materially and adversely affecting the properties, business or prospects of Talos;
 - (xi) entered into any transaction, contract or commitment other than in the ordinary course of business (except for the transactions set forth in this Agreement);
 - (xii) made or authorized any capital expenditures except for commitments made in respect of Talos' properties previously disclosed to Declan; or
 - (xiii) suffered or experienced any material adverse change in, or event or circumstance affecting, the condition (financial or otherwise), properties, assets, liabilities, earnings, business, operations or prospects of Talos (and Talos has no knowledge, information or belief of any fact, event or circumstances which might reasonably be expected to affect materially and adversely the condition (financial or otherwise), properties, assets, liabilities, earnings, business operations or prospects of Talos), and none has changed any shares of its capital stock, whether by way of reclassification, stock split or otherwise;
- (k) to the best of the knowledge of the Vendors, Talos maintains a system of internal accounting controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorization; (ii) transactions are recorded

as necessary to permit the preparation of financial statements in conformity with GAAP and to maintain accountability for assets; (iii) access to its assets is permitted only in accordance with management's general or specific authorization; (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to differences; and (v) material information relating to Talos is made known to those within Talos responsible for the preparation of the financial statements during the period in which the financial statements have been prepared;

- (l) Talos' Financial Statements fairly present the financial position of Talos as at the date thereof and fairly present the results of operations for the periods ended on such dates, all in accordance with GAAP consistently applied throughout the period covered thereby, save and except as stated therein. Talos' books of account reflect items of income and expense and all assets and liabilities and accruals required to be reflected therein;
- (m) the corporate records and minute books of Talos as provided to Declan or its legal counsel or representatives contain complete and accurate minutes of all meetings of and corporate actions or written consents by the directors and shareholders of Talos including, without limitation, all by-laws and resolutions passed by the board of directors and shareholders of Talos since the incorporation of Talos, and all such meetings were duly called and held;
- (n) Talos does not operate or engage in any business activities, operations or management of any nature or kind whatsoever other than Talos' Business;
- (o) save and except for matters which have been disclosed by Talos to Declan, Talos does not have any outstanding any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever and Talos is not bound under any agreement to create, issue or incur any bonds, debentures, mortgages, notes or other similar indebtedness or liabilities whatsoever and Talos is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;
- (p) other than as disclosed in Talos' Financial Statements or as otherwise disclosed by Talos to Declan, Talos is not indebted to: (i) any director, officer or shareholder of Talos; (ii) any individual related to any of the foregoing by blood, marriage or adoption; or (iii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in subsections (i) and (ii) above; and none of those Persons referred to above is indebted to Talos;
- (q) no payments have been made or authorized by Talos to its officers, directors, employees, shareholders or former directors, officers, employees or shareholders or to any person not dealing at Arm's Length with any of the foregoing, except those expressly disclosed herein, reflected in Talos' Financial Statements or made in the ordinary course of business and at the regular rates payable to them of salary, pension, bonuses or other remuneration of any nature;
- (r) Talos has filed all tax returns required to be filed by it prior to the date hereof in all applicable jurisdictions and will have paid, collected and remitted all taxes, customs duties, tax instalments, levies, assessments, reassessments, penalties, interest and fines due and payable, collectible or remittable by them at present. All such tax returns will properly reflect, and will not in any respect understate, the income, taxable income or the liability for taxes of Talos in the relevant period and the liability of Talos for the collection, payment and remittance of tax under applicable Tax Laws;
- (s) adequate provision has been made in Talos' Financial Statements for all taxes, governmental charges and assessments, including interest and penalties thereon, payable by Talos for all periods up to the date of the balance sheets comprising part of Talos' Financial Statements;

- (t) Talos has withheld and remitted all amounts required to be withheld and remitted by it in respect of any taxes, governmental charges or assessments in respect of any taxable year or portion thereof;
- (u) there are no actions, suits or other proceedings, investigations or claims in progress or pending and, to the best of the Vendors' belief and knowledge, there are no actions, suits or other proceedings or investigations or claims threatened, against Talos in respect of any taxes, governmental charges or assessments. No waivers have been filed by Talos with any taxing authority;
- (v) to the best of the knowledge of the Vendors, Talos is conducting and has always conducted Talos' Business in compliance with all applicable laws, rules and regulations of each jurisdiction in which Talos' Business is carried on, is not currently in breach of any such laws, rules or regulations and is duly licensed, registered or qualified, in each jurisdiction in which Talos owns or leases property or carries on Talos' Business, to enable Talos' Business to be carried on as now conducted and its property and assets to be owned, leased and operated, and all such licences, registrations and qualifications are valid and subsisting and in good standing and none of the same contains any burdensome term, provision, condition or limitation which has or may have an adverse effect on the operation of Talos' Business;
- (w) no consent, licence, approval, order or authorization of, or registration, filing or declaration with any governmental authority that has not been obtained or made by Talos and no consent of any Third Party is required to be obtained by Talos in connection with the execution, delivery and performance by Talos of this Agreement or the consummation of the Transaction as contemplated hereby;
- (x) there is no action, lawsuit, claim, proceeding, or investigation pending or, to the best knowledge of the Vendors, threatened against, relating to or affecting Talos before any court, government agency, or any arbitrator of any kind. Neither Talos nor the Vendors are aware of any existing ground on which any such proceeding might be commenced with any reasonable likelihood of success; and there is not presently outstanding against Talos any judgment, decree, injunction, rule or order of any court, governmental agency, or arbitrator relating to or affecting Talos, Talos' assets or Talos' Business;
- (y) no employee has made any claim or, to the best of the Vendors' knowledge, has any basis for any action or proceeding against Talos arising out of any statute, ordinance or regulation relating to discrimination in employment or employment practices, harassment, occupational health and safety standards or worker's compensation;
- (z) Talos has not made any agreements with any labour union or employee association nor made any commitments to or conducted any negotiations with any labour union or employee association with respect to any future agreements;
- (aa) no trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the employees or Talos by way of certification, interim certification, voluntary recognition, designation or successor rights;
- (bb) there is not now outstanding any arrangement (contractual or otherwise) between Talos and any Person which shall or may be, terminated or, to the best of the knowledge of the Vendors, prejudicially affected as a result of the transfer and sale of the Talos Shares to Declan as contemplated herein;
- (cc) there is no non-competition, exclusivity, area of mutual interest or other similar agreement, commitment or understanding in place, whether written or oral, to which Talos or, to the knowledge of the Vendors, any director, officer, employee or consultant or any affiliate of such persons is a party or is otherwise bound that would now or hereafter, in any way limit the business or operations of Talos; (i) in a particular manner or to a particular locality or geographic region; or (ii) for a limited period of time;

- (dd) there are no outstanding written or oral employment contracts, sales, services, management or consulting agreements, employee benefit or profit-sharing plans, or any bonus arrangements with any employee of Talos, nor are there any outstanding oral contracts of employment which are not terminable on the giving of reasonable notice in accordance with applicable law. There are no pension or retirement plans established by or for Talos for the employees of Talos' Business;
- (ee) there does not exist any state of facts which after notice or lapse of time, or both, shall constitute a default or breach on the part of Talos under any of the provisions contained in any of the material contracts, commitments or agreements that it is a party to, and all such material contracts, commitments or agreements are in full force and effect and Talos is not in default, in any material respect, under any of such contracts, agreements or commitments;
- (ff) to the best knowledge and belief of Talos and the Vendors:
 - (i) Talos is not in material violation of any Environmental Laws;
 - (ii) Talos has operated its business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without material violation of Environmental Laws;
 - (iii) there have been no material spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes which have not been rectified or are in the process of being rectified on any of the real property owned or leased by Talos during the period of its ownership or tenure or under its control during the period in which it has had control;
 - (iv) there have been no releases, deposits or discharges in material violation of Environmental Laws, of any hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by Talos;
 - (v) no material orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of Talos other than abandonment and similar notices issued in connection with the normal course of business of Talos; and
 - (vi) Talos holds all material licences, permits and approvals required under any Environmental Laws in connection with the operation of its business and the ownership and use of its assets, and all such licenses, permits and approvals are in full force and effect;
- (gg) Talos has not received notice of any proposed environmental policies or laws which Talos reasonably believes would have a material adverse effect on the operations of Talos, other than those that apply to the industry generally;
- (hh) Talos maintains sufficient property, general liability and third party insurance and all of such insurance policies are in good standing and in the opinion of management of Talos are sufficient, in all material respects, to protect Talos against potential liabilities of the business of Talos;
- (ii) Talos and/or the Subsidiaries is the legal and beneficial owner of the Mineral Assets and holds the Mineral Rights under valid, subsisting and enforceable title documents or other recognized and enforceable agreements, instruments or registrations, sufficient to permit Talos and/or the Subsidiaries to explore for mineral deposits relating thereto, free and clear of any liens, charges or encumbrances and no material commission, royalty, licence fee or similar payment to any Person with respect to the properties of Talos and/or the Subsidiaries is payable;
- (jj) all Mineral Rights in which Talos and/or the Subsidiaries holds an interest or right have been validly registered and recorded in accordance with all applicable laws and are valid and

subsisting; and each of the Mineral Rights and each of the documents, agreements and instruments and obligations relating thereto referred to above is currently in good standing except where the failure to be in good standing would not have a material adverse effect;

- (kk) the description of the Mineral Assets as disclosed in Schedule "A" constitute an accurate description of all Mineral Assets held by Talos and/or the Subsidiaries. To the knowledge of Talos, there is no claim or basis for any claim that might or could materially and adversely affect the right of Talos to use, transfer or otherwise explore for mineral deposits on Talos' properties and Talos holds interests in such properties free and clear of any liens, charges or encumbrances;
- (ll) the NI 43-101 Report has been prepared in compliance with NI 43-101 and Talos has made available to Nico Scholtz, prior to the issuance of the NI 43-101 Report, for the purposes of preparing the NI 43-101 Report, all information requested by Mr. Scholtz, which information did not contain any misrepresentation at the date thereof. Talos has no knowledge of a material adverse change in any information provided to Mr. Scholtz since the date that such information was so provided;
- (mm) the Mineral Assets have been located and recorded, and are now in good standing and in compliance with all applicable laws, regulations and policies;
- (nn) no act or omission has occurred whereby Talos or any of the Subsidiaries is, or would be, in default under the terms of any Mineral Exploration Permits or any other agreement by which Talos or any of the Subsidiaries is bound or which pertains to the Mineral Assets, where such default would impact adversely upon the Mineral Assets, or any of them;
- (oo) the Mineral Exploration Permits comprise all of the permits, licenses and authorizations required under applicable law to allow Talos and/or the Subsidiaries to carry on the business of operating the Mineral Assets as now conducted by Talos and/or the Subsidiaries and such Mineral Exploration Permits remain valid and in full force and effect as of there dated hereof and are in compliance with applicable laws, regulations and policies. In particular, without limiting the generality of the foregoing, Talos has not received any notice of proceedings relating to the revocation or adverse modification of any mining or exploration permit or licence, nor has it received notice of the revocation or cancellation of, or any intention to, revoke or cancel, any mining claims, groups of claims, exploration rights, mining concessions or mining leases with respect to any of the Mineral Exploration Permits, and is not aware of any proposed action that would result in such revocation or cancellation; and
- (pp) no representation or warranty made by Talos or the Vendors in this Agreement, and no statement made in any schedule, exhibit, certificate or other document furnished pursuant to this Agreement, contains, or shall contain, any untrue statement of a Material Fact or omits, or shall omit, to state any Material Fact necessary to make such representation or warranty or any such statement not misleading.

3.4 **Investigations and Waivers.** No investigations made by or on behalf of Person at any time shall have the effect of waiving, diminishing the scope of or otherwise affecting any representation, warranty or covenant made by a Person herein or pursuant hereto. No waiver by a Person of any condition, in whole or in part, shall operate as a waiver of any other condition.

3.5 **Survival of Representations and Warranties.** Each party acknowledges that the others may rely on the representations and warranties made by such party pursuant to Sections 3.1, 3.2 and 3.3, as the case may be. The representations and warranties in Sections 3.1, 3.2 and 3.3 shall be true as at the date hereof and on the Closing Date, and such representations and warranties shall continue in full force and effect and shall survive the Closing Date for the Survival Period applicable thereto, for the benefit of the party for which such representations and warranties were made. However, no claim or action shall be commenced with respect to misrepresentation or breach of warranty, unless, within the Survival Period applicable thereto, written notice specifying such misrepresentation or breach of warranty in reasonable detail has been provided to the party which made such representation or warranty.

ARTICLE 4 - COVENANTS

4.1 **Affirmative Covenants of Declan.** Declan covenants and agrees that, unless otherwise contemplated herein, Declan shall:

- (a) during the Interim Period, use its reasonable commercial efforts to preserve intact as a going concern its business organization and goodwill, to keep available the services of its officers and consultants as a group and to maintain its business relationships;
- (b) give its consent (and provide such other reasonable assurances as may be required) and use its best efforts to obtain (including the provision of such reasonable assurances as may be required), consents of all other Persons to the transactions contemplated by this Agreement, as may be required pursuant to any statute, law or ordinance or by any governmental or other regulatory authority having jurisdiction;
- (c) upon Declan receiving notification or other information from any regulatory authority or body concerning the transactions contemplated hereunder, such information shall be promptly disclosed in writing to the solicitors for Talos;
- (d) in consultation with Talos and its counsel, forthwith use its best efforts to obtain all necessary regulatory approvals and to make application to the TSX-V for listing of the Declan Shares issuable in connection with the Transaction following the Closing, and shall assist in making all submissions, prepare all press releases and circulars and make all notifications required with respect to this transaction and the issuance of Declan Shares as contemplated hereunder;
- (e) take all steps necessary to make proper disclosure within such time as required by any regulatory authority, and any other applicable statutes and laws concerning this Agreement and the transactions contemplated herein;
- (f) maintain its status as a reporting issuer in each of British Columbia and Alberta;
- (g) use all reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder set forth in Article 5 to the extent the same is within its control and take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction, including using its reasonable commercial efforts to:
 - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;
 - (ii) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable laws;
 - (iii) effect all necessary registrations and filings and submissions of information requested by governmental entities required to be effected by it in connection with the Transaction and participate and appear in any proceedings of either party before governmental entities in connection with the Transaction;
 - (iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of the parties to consummate, the transactions contemplated hereby or by the Transaction;
 - (v) fulfill all conditions and satisfy all provisions of this Agreement;
 - (vi) cooperate with the other parties to this Agreement in connection with the performance by it of its obligations hereunder;
 - (vii) it shall not take any action, refrain from taking any action, or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction; and
- (h) validly issue the Declan Shares to be issued hereunder as fully paid and non-assessable common shares in the capital of Declan, free and clear of all mortgages, liens, charges,

security deposits, adverse claims, pledges, encumbrances, options, warrants, rights, privileges and demands whatsoever.

4.2 **Negative Covenants of Declan.** Declan covenants and agrees that, unless otherwise contemplated herein, Declan shall not, without the written consent of Talos, during the Interim Period:

- (a) issue any equity or debt securities;
- (b) incur any debt, except in the ordinary course of business consistent with past practice;
- (c) declare or pay any dividends or distribute any of its properties or assets to shareholders;
- (d) enter into any material contract, other than in the ordinary course of business consistent with past practice;
- (e) alter or amend its articles, by-laws or other constating documents;
- (f) engage in any business enterprise or other activity different from that carried on as of the date hereof;
- (g) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any material portion of its assets;
- (h) redeem, purchase or offer to purchase any of its shares or other securities;
- (i) acquire, directly or indirectly, any assets, including but not limited to securities of other companies;
- (j) incur or commit to incur any indebtedness for borrowed money or issue any debt securities; or
- (k) approve, authorize or implement any change to the business, financial condition or management of Declan.

4.3 **Affirmative Covenants of Talos and the Vendors.** Talos and the Vendors each hereby covenants and agrees that, unless otherwise contemplated herein:

- (a) Talos shall, during the Interim Period, preserve intact as a going concern its business organization and goodwill and maintain its business relationships;
- (b) each of Talos and each of the Vendors shall give its consent (and provide such other reasonable assurances as may be required) and use its best efforts to obtain (including the provision of such reasonable assurances as may be required), consents of all other Persons to the Transaction as contemplated by this Agreement, as may be required pursuant to any statute, law or ordinance or by any governmental or other regulatory authority having jurisdiction;
- (c) each of Talos and each of the Vendors shall use all reasonable commercial efforts to satisfy (or cause the satisfaction of) the conditions precedent to their respective obligations hereunder set forth in Article 5 to the extent the same is within their control and take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction as contemplated hereby, including using its reasonable commercial efforts to:
 - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;
 - (ii) obtain all necessary consents, approvals and authorizations as are required to be obtained by it under any applicable laws;
 - (iii) effect all necessary registrations and filings and submissions of information requested by governmental entities required to be effected by it in connection with the Transaction and participate and appear in any proceedings of either party before governmental entities in connection with the Transaction;

- (iv) oppose, lift or rescind any injunction or restraining order or other order or action seeking to stop, or otherwise adversely affecting the ability of the parties to consummate, the transactions contemplated hereby or by the Transaction;
 - (v) fulfill all conditions and satisfy all provisions of this Agreement;
 - (vi) cooperate with the other parties to this Agreement in connection with the performance by it of its obligations hereunder; and
 - (vii) it shall not take any action, refrain from taking any action, or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction; and
- (d) Talos shall validly issue the Talos Shares to be issued hereunder as fully paid and non-assessable common shares in the capital of Talos, free and clear of all mortgages, liens, charges, security deposits, adverse claims, pledges, encumbrances, options, warrants, rights, privileges and demands whatsoever.

4.4 **Negative Covenants of Talos.** Talos hereby covenants and agrees that, unless otherwise contemplated herein, Talos shall not, without the written consent of Declan, during the Interim Period:

- (a) issue any equity or debt securities;
- (b) make any expenditures, other than in the ordinary course of business consistent with past practice;
- (c) declare or pay any dividends or distribute any of its properties or assets to shareholders;
- (d) enter into any contracts, other than in the ordinary course of business consistent with past practice;
- (e) alter or amend its articles or by-laws;
- (f) engage in any business enterprise or other activity different from that carried on as of the date hereof;
- (g) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any of its Mineral Assets;
- (h) redeem, purchase or offer to purchase any of Talos Shares or other securities;
- (i) acquire, directly or indirectly, any assets, including but not limited to securities of other companies;
- (j) incur or commit to incur any indebtedness for borrowed money or issue any debt securities; or
- (k) approve, authorize or implement any change to the business, financial condition or management of Talos.

ARTICLE 5 - CONDITIONS TO CLOSING

5.1 **Conditions Precedent to Obligations of Talos and the Vendors.** The obligations of Talos and each of the Vendors to complete the Transaction as contemplated hereunder shall be subject to the satisfaction of, or compliance with, at or before the Closing Date (or such other date as specified below), each of the following conditions precedent (each of which is hereby acknowledged to be for the exclusive benefit of Talos and each of the Vendors, and may be waived in whole or in part on or before the Closing Date):

- (a) all of the representations and warranties of Declan made in or pursuant to this Agreement, shall be true and correct in all material respects as at the Closing Date and with the same effect as if made at and as of the Closing Date (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted hereby that are not materially adverse and arise in the ordinary course of business);

and Talos and the Vendors shall have received a certificate dated the Closing Date in form satisfactory to Talos and its solicitors, acting reasonably, signed by a senior officer or director of Declan on behalf of Declan, certifying the truth and correctness in all material respects of the representations and warranties of Declan set out in this Agreement;

- (b) Declan shall have performed and complied with all terms, covenants and conditions required by this Agreement to be performed or complied with by it on or before the Closing Date;
- (c) at the Closing Date, there shall have been no material adverse change in the condition (financial or otherwise), properties, assets, liabilities, earnings, or business operations or prospects of Declan from that shown on or reflected in Declan's Financial Statements;
- (d) Declan shall have received all necessary regulatory, court and third party consents, orders (both interim and final), approvals, waivers and authorizations as may be required in respect of the Transaction including, without limitation, all applicable approvals of the TSX-V and relevant securities commissions, and all such consents and approvals to be on terms and conditions acceptable to both parties, each acting reasonably;
- (e) there shall be no material actions, suits or proceedings outstanding, pending or threatened against Declan at law or in equity before any federal, provincial, municipal court or other governmental department, commission, bureau, agency or instrumentality;
- (f) Declan shall be a reporting issuer in good standing in the Provinces of British Columbia and Alberta and neither Declan nor its securities shall be the subject of any cease trade order or regulatory enquiry or investigation in any jurisdiction;
- (g) during the Interim Period, there has been no material change or change in a material fact or a new material fact or an undisclosed material fact or material change in respect of Declan which might reasonably be expected to have a material adverse effect on the condition (financial or otherwise), capital, property, assets, operations, business affairs, profitability or prospects of Declan, and Declan shall not have taken any act, entered into or become a party to or subject to any agreement or transaction or incurred or become liable for any obligation except in the ordinary course of business;
- (h) during the Interim Period, there shall have been no material adverse changes in the business affairs or financial condition of Declan, except as may result from transactions contemplated by this Agreement;
- (i) Declan shall have received appropriate approval of the board of directors and any necessary approvals of the shareholders, as applicable, and any other third party approvals as may be necessary for: (i) the Transaction; and (ii) all matters incidental thereto or as may be required to effect the Transaction; and
- (j) Declan shall deliver, or cause to be delivered to Talos and the Vendors on or before the Closing Date such other certificates, agreements or other documents as may reasonably be required by Talos or its solicitors, acting reasonably, to give full effect to this Agreement.

5.2 **Conditions Precedent to Declan's Obligations.** The obligation of Declan to complete the Transaction as contemplated hereunder shall be subject to the satisfaction of or compliance with, at or before the Closing Date (or such other date as specified below), each of the following conditions precedent (each of which is hereby acknowledged to be for the exclusive benefit of Declan and may be waived by it in writing, whole or in part, on or before the Closing Date):

- (a) if required, the TSX-V shall have accepted the NI 43-101 Report;
- (b) Talos shall have provided a title opinion on the Mineral Assets, in form satisfactory to Declan (and, if applicable, the TSX-V), acting reasonably;
- (c) Declan shall be satisfied that, upon Closing, all regulatory requirements have been or are capable of being satisfied, including any requirement of the TSX-V;

- (d) the representations, warranties and covenants of Talos and the Vendors made in or pursuant to this Agreement, shall be true and correct in all material respects as at the Closing Date and with the same effect as if made at and as of the Closing Date (except as such representations and warranties may be affected by the occurrence of events or transactions expressly contemplated and permitted hereby that are not materially adverse and arise in the ordinary course of business); and Declan shall have received a certificate of Talos and the Vendors dated the Closing Date in form satisfactory to Declan's solicitors, acting reasonably certifying the truth and correctness in all material respects of the representations, warranties and covenants of Talos and the Vendors set out in this Agreement;
- (e) Talos and the Vendors shall have performed and complied with all agreements and conditions required by this Agreement to be performed and complied with by them prior to or on the Closing Date;
- (f) there shall be a total of no more than 24,470,002 Talos Shares, 1,500,000 stock options to acquire Talos Shares and no other securities issued and outstanding and there shall be no other shares of any class or series and no other options, rights, warrants, instruments or entitlements exercisable into any class of shares of Talos;
- (g) the Talos Financial Statements are true and correct and have been prepared in accordance with GAAP consistently applied;
- (h) at the Closing Date there shall have been no material adverse change in the condition (financial or otherwise), properties, assets, liabilities, earnings, or business operations or prospects of Talos from that shown on or reflected in Talos' Financial Statements or as otherwise previously disclosed by Talos to Declan;
- (i) Talos and the Vendors shall have received all necessary regulatory, court and third party consents, orders (both interim and final), approvals, waivers and authorizations as may be required in respect of the Transaction, all such consents and approvals to be on terms and conditions acceptable to both parties, each acting reasonably;
- (j) there shall be no material actions, suits or proceedings outstanding, pending or threatened against Talos or the Vendors at law or in equity before any federal, provincial, municipal court or other governmental department, commission, bureau, agency or instrumentality;
- (k) Declan shall have received Talos' Financial Statements and such other financial statements as may be required by the TSX-V;
- (l) prior to Closing, the TSX-V shall have provided its approval or conditional approval of the Transaction;
- (m) during the Interim Period, there has been no material change or change in a material fact or a new material fact or an undisclosed material fact or material change in respect of Talos which might reasonably be expected to have a material adverse effect on the condition (financial or otherwise), capital, property, assets, operations, business affairs, profitability or prospects of Talos or its Subsidiaries, as applicable, and Talos and each of its Subsidiaries shall not have taken any act, entered into or become a party to or subject to any agreement or transaction or incurred or become liable for any obligation except in the ordinary course of business;
- (n) other than those transactions specifically provided herein, during the Interim Period, Talos shall not have declared or paid any dividends or have made any distributions of its properties or assets, other than in the ordinary course and consistent with past practice, without the prior written consent of Declan, which shall not be unreasonably withheld;
- (o) during the Interim Period, the business of Talos and each of its Subsidiaries shall have been conducted in the ordinary course, except as otherwise contemplated by this Agreement; and

- (p) Talos shall have received appropriate approval of its board of directors and any other third party approvals as may be necessary for: (i) the Transaction; and (ii) all matters incidental thereto or as may be required to effect the Transaction.

5.3 **Failure to Satisfy Conditions.** If any of the conditions in Sections 5.1 or 5.2 has not been satisfied at or before the Closing Date and such condition has not been waived by the party for the benefit of which such condition has been included, such party may terminate this Agreement pursuant to Section 8.2 hereof by written notice to the other party prior to the Closing.

ARTICLE 6 - CLOSING

6.1 **Closing Arrangements.** Subject to the terms and conditions hereof, the transactions contemplated herein shall be closed at 10:00 a.m. (Vancouver time) on the Closing Date at the Declan offices in Vancouver, British Columbia or at such other place or places or in such other manner as the Parties agree.

6.2 **Documents to be Delivered.** At or before the Closing Time, Talos and the Vendors, as applicable, shall execute, or cause to be executed, and shall deliver, or cause to be delivered, to Declan, all agreements, instruments, notices, certificates and other documents which are to be delivered by Talos and the Vendors pursuant to the provisions of this Agreement, in form satisfactory to Declan, acting reasonably, and Declan shall execute, or cause to be executed, and shall deliver, or cause to be delivered, to the Vendors and Talos, in form satisfactory to the Vendors and Talos, acting reasonably, all agreements, instruments, notices, certificates and other documents which Declan is to deliver or cause to be delivered pursuant to the provisions of this Agreement, including the following:

- (a) Documents of Talos and the Vendors:
 - (i) certified copies of all necessary board resolutions, authorizations and proceedings of Talos that are required to be taken or obtained to permit the due and valid transfer and registration of the Talos Shares to and in the name of Declan and completion of such other transactions contemplated herein;
 - (ii) certificate of status or good standing or a certificate of a similar nature and effect issued by the applicable governmental authority or regulatory body of the jurisdiction of incorporation of Talos and each of the Subsidiaries certifying that each of Talos and the Subsidiaries is a valid and subsisting corporation and is in good standing;
 - (iii) certified copies of the constating documents of Talos and each of the Subsidiaries;
 - (iv) all consents, waivers, releases and authorizations required to enable the transfer of the Talos Shares to Declan and the consummation of the transactions contemplated by this Agreement;
 - (v) the bring down and other certificates and deliveries referenced herein;
 - (vi) all share certificates representing the Talos Shares duly endorsed for transfer to Declan or accompanied by duly executed stock transfer powers of attorney transferring the Talos Shares to Declan;
 - (vii) duly issued share certificate(s) representing the Talos Shares re-registered in the name of Declan;
 - (viii) the minute books and any corporate seals of Talos and the Subsidiaries; and
 - (ix) all such other customary agreements, certificates, resolutions and other closing documents as may be required by Declan, all in form satisfactory to Declan, acting reasonably.
- (b) Documents of Declan:
 - (i) certified copies of all necessary board resolutions, authorizations and proceedings of Declan that are required to be taken or obtained to permit the issuance of the Declan

Shares to and in the name of the Vendors and completion of such other transactions contemplated herein;

- (ii) certificate of status or good standing or a certificate of a similar nature and effect issued by the applicable governmental authority or regulatory body of the jurisdiction of incorporation of Declan certifying that Declan is a valid and subsisting corporation and is in good standing;
- (iii) certified copies of the constating documents of Talos;
- (iv) all consents, waivers, releases and authorizations required to enable the issuance of the Declan Shares to and in the name of the Vendors and the consummation of the transactions contemplated by this Agreement;
- (v) the bring down and other certificates referenced herein;
- (vi) duly issued share certificate(s) representing the Declan Shares registered in the names of the Vendors;
- (vii) duly executed stock option agreements evidencing the replacement stock options of Declan granted in exchange for the outstanding stock options of Talos; and
- (viii) all such other customary agreements, certificates, resolutions and other closing documents as may be required by the Vendors and Talos, all in form satisfactory to the Vendors and Talos, acting reasonably.

ARTICLE 7 - LIABILITY AND INDEMNIFICATION

7.1 **Responsibility of Talos.** Subject to the limitations set forth herein, Talos shall:

- (a) be liable to Declan, its affiliates and their respective directors, officers, servants, agents, advisors and employees for all losses, costs, damages (excluding consequential damages), expenses, charges, fines, penalties, assessments or other liabilities whatsoever which anyone or more of them may suffer, sustain, pay or incur; and
- (b) indemnify and save Declan, its affiliates and their respective directors, officers, servants, agents, advisors and employees harmless from and against all losses, costs, damages (excluding consequential damages), expenses, charges, fines, penalties, assessments or other liabilities whatsoever which may be brought against or suffered by any one or more of them or which anyone or more of them may sustain, pay or incur;

as a direct result of any matter or thing arising out of, resulting from, attributable to or connected with any Purchase Agreement Default made by Talos herein or by Talos in any document delivered at Closing by Talos, but any such claim for indemnification shall only be considered if a written notice specifying the Purchase Agreement Default in reasonable detail is delivered by Declan to Talos prior to the expiry of the Survival Period applicable to such Purchase Agreement Default.

7.2 **Responsibility of the Vendors.** Subject to the limitations set forth herein, each Vendor shall:

- (a) be liable to Declan, its affiliates and their respective directors, officers, servants, agents, advisors and employees for all losses, costs, damages (excluding consequential damages), expenses, charges, fines, penalties, assessments or other liabilities whatsoever which anyone or more of them may suffer, sustain, pay or incur; and
- (b) indemnify and save Declan, its affiliates and their respective directors, officers, servants, agents, advisors and employees harmless from and against all losses, costs, damages (excluding consequential damages), expenses, charges, fines, penalties, assessments or other liabilities whatsoever which may be brought against or suffered by any one or more of them or which anyone or more of them may sustain, pay or incur;

as a direct result of any matter or thing arising out of, resulting from, attributable to or connected with any Purchase Agreement Default made by the applicable Vendor herein or by the applicable Vendor

in any document delivered at Closing by such Vendor, but any such claim for indemnification shall only be considered if a written notice specifying the Purchase Agreement Default in reasonable detail is delivered by Declan to the applicable Vendor prior to the expiry of the Survival Period applicable to such Purchase Agreement Default.

7.3 **Responsibility of Declan.** Subject to the limitations set forth herein, Declan shall:

- (a) be liable to the Vendors, Talos and Talos' affiliates and its directors, officers, servants, agents, advisors and employees for all losses, costs, damages (excluding consequential damages), expenses, charges, fines, penalties, assessments or other liabilities whatsoever which anyone or more of them may suffer, sustain, pay or incur; and
- (b) indemnify and save the Vendors, Talos and Talos' affiliates and its directors, officers, servants, agents, advisors and employees harmless from and against all losses, costs, damages (excluding consequential damages), expenses, charges, fines, penalties, assessments or other liabilities whatsoever which may be brought against or suffered by anyone or more of them or which anyone or more of them may sustain, pay or incur;

as a direct result of any matter or thing arising out of, resulting from, attributable to or connected with any Purchase Agreement Default made by Declan herein or in any document delivered at Closing, but any such claim for indemnification shall only be considered if a written notice specifying the Purchase Agreement Default in reasonable detail is delivered by the Vendors or Talos, as the case may be, to Declan prior to the expiry of the Survival Period, if any, applicable to such Purchase Agreement Default.

7.4 **Responsibility Extends to Legal Costs and Settlements.** Notwithstanding any provision to the contrary contained in this Article, references to costs in the liability and indemnification obligations prescribed by Sections 7.1, 7.2 and 7.3 shall be deemed to include reasonable legal and other professional fees and disbursements on a full indemnity basis, and shall extend to settlements, satisfactions or other compromises with respect to claims by third Persons for losses, costs, damages, expenses, charges, fines, penalties, assessments or other liabilities.

7.5 **Limitations.** Notwithstanding anything herein to the contrary:

- (a) the indemnities provided in Sections 7.1, 7.2 and 7.3 and shall not apply to the extent that claims for losses, costs, damages (excluding consequential damages), expenses, charges, fines, penalties, assessments or other liabilities are reimbursed to the indemnified party by insurance or caused by the negligence, wilful default or misconduct of the Persons claiming indemnity;
- (b) if claims for losses, costs, damages (excluding consequential damages), expenses, charges, fines, penalties, assessments or other liabilities of Persons claiming indemnity at any time subsequent to the making of an indemnity payment are reduced by any tax benefit or recovery, the amount of such reduction, together with interest thereon from the date of payment thereof, shall promptly be repaid by the Person claiming indemnity to the indemnifying party; and
- (c) the indemnities provided in Sections 7.1, 7.2 and 7.3 shall not apply to any claims for indirect, consequential or punitive damages and any Party attempting to claim under the indemnities provided in Sections 7.1, 7.2 and 7.3 must utilize commercially reasonable efforts to mitigate the amount of any such claim.

7.6 **Procedure – Indemnities.** Any Person seeking indemnification as payment under this Article shall give reasonably prompt notice thereof to the party from whom indemnification is sought. The party from whom indemnification is sought shall have the sole right to conduct, settle or otherwise dispose of any legal action in respect of which indemnification is sought in any manner it deems appropriate without the consent of the other Party if, but only if, it has agreed that the matters in the action are indemnified pursuant to Sections 7.1, 7.2 and 7.3. If the Party from whom indemnification is sought

pays the indemnified amount to the other Party seeking indemnification, the paying Party shall not be responsible for any costs described in Section 7.4 incurred after such payment.

- 7.7 **No Merger of Legal Responsibilities.** The liabilities and indemnities created in this Article shall be deemed to apply to, and shall not merge in, all assignments, transfer and other documents conveying any of the Talos Shares to Declan or the Declan Shares to the Vendors, notwithstanding the terms of such assignments, transfers, conveyances, novations and other documents, applicable law or any rule of law or equity to the contrary, and all such rules are hereby waived.

ARTICLE 8 - AMENDMENT AND TERMINATION

- 8.1 **Amendment.** This Agreement may, at any time and from time to time, be amended by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation:

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

- 8.2 **Rights of Termination.** The mutual obligations set forth herein may be terminated as follows:

- (a) by either party in the event that any applicable regulatory authority has indicated to either party that it shall not permit the Transaction to proceed;
- (b) by either party upon the breach by the other party of a material representation, warranty or covenant of that other party set forth in this Agreement;
- (c) by either party if the conditions contained in Article 5 are not satisfied or waived in writing by that party entitled to the benefit of such condition; or
- (d) as otherwise agreed in writing by the parties hereto;

provided, however, that the obligations set forth in Sections 9.1 and 9.4 shall survive any such termination.

- 8.3 **Notice of Unfulfilled Conditions.** If any party hereto shall determine at any time prior to the Closing Date that it intends to refuse to consummate the Transaction or any of the other transactions contemplated hereby because of any unfulfilled or unperformed condition contained in this Agreement on the part of the other of them to be fulfilled or performed, that party shall so notify the other parties forthwith upon making such determination in order that such other of them shall have the right and opportunity to take such steps, at its own expense, as may be necessary for the purpose of fulfilling or performing such condition within a reasonable period of time.

ARTICLE 9 - GENERAL

- 9.1 **Confidentiality.** The parties hereto agree that:

- (a) No disclosure or announcement, public or otherwise, in respect of the Transaction or the transactions contemplated herein shall be made by any party without the prior agreement of the other party as to timing, content and method, hereto, provided that the obligations herein shall not prevent any party from making, after consultation with the other party, such disclosure as its counsel advises is required by applicable law.

- (b) No confidential information may be released to Third Parties without the consent of the provider thereof, except that the parties hereto agree that they shall not unreasonably withhold such consent to the extent that such confidential information is required to be disclosed pursuant to applicable law.
- (c) Unless and until the transactions contemplated by the Transaction have been completed, except with the prior written consent of the other party, each of the parties hereto and their respective employees, officers, directors, shareholders, agents, advisors and other representatives shall hold all information received from the other party in strictest confidence, except such information and documents available to the public or as are required to be disclosed by applicable law. The information provided by each party, in any form whether written, electronic or verbal, as to financial condition, business, properties, title, assets and affairs (including any material contracts) as may reasonably be requested by the other party shall be kept confidential by each party (the "**Confidential Information**"), other than information that:
 - (i) has become generally available to the public;
 - (ii) was available to a party or its representatives on a non-confidential basis before the date of this agreement; or
 - (iii) has become available to a party or its representatives on a non-confidential basis from a person who is not, to the knowledge of the party or its representatives, otherwise bound by confidentiality obligations to the provider of such information or otherwise prohibited from transmitting the information to the party or its representatives.
- (d) All such information in written form and documents shall be returned to the party originally delivering them in the event that the transactions provided for by the Transaction are not consummated.

9.2 **Non-Solicitation.** Each of the parties hereto shall not, during the Interim Period, initiate or solicit, entertain or vote their shares in favour of any expressions of interest or proposals from any Person or take any action to facilitate relating to a possible merger, amalgamation, arrangement, share exchange or similar transaction involving the party or any purchase or sale of all or a significant portion of the assets of or any equity interest in the party.

9.3 **Notices.** All notices or other communications required to be given in connection with this Agreement shall be given in writing and shall be given by personal delivery, by registered mail or by transmittal by telecopier or other form of recorded communication addressed to the recipient as follows:

To Declan:

Declan Resources Inc.
302, 1620 West 8th Avenue
Vancouver, BC V6J 1V4

Attention: Michelle Gahagan
Facsimile No.: (604) 639-4458

with a copy to:

Gerald R. Tuskey, Personal Law Corporation
400, 570 Granville Street
Vancouver, BC V6C 3P1

Attention: Gerald R. Tuskey
Facsimile No.: (604) 681-4760

To Talos and/or the Vendors:
Talos Minerals Ltd.
Suite 1803, 1616 Pendrell Street
Vancouver, BC V6G 1S8

Attention: Brian Tingle
Telecopier No.: (604) 639-4499

with a copy to:

TingleMerrett LLP
1250, 639 – 5th Avenue S.W.
Calgary, Alberta T2P 0M9

Attention: Jeff Helper
Telecopier No.: (403) 571-8008

or to such other address, telecopier number or individual as may be designated by notice given by either party to the other. Any such communication given by personal delivery shall be conclusively deemed to have been given on the day of actual delivery thereof and, if given by registered mail, on the fifth Business Day following the deposit thereof in the mail and, if given by telecopier or other form of recorded communication, shall be deemed given and received on the date of such transmission if received during the normal business hours of the recipient and on the next Business Day if it is received after the end of such normal business hours on the date of its transmission. If the party giving any such communication knows or ought reasonably to know of any difficulties with the postal system which might affect the delivery of mail, any such communication shall not be mailed but shall be given by personal delivery or by telecopier transmittal.

- 9.4 **Expenses and Partial Payment of Expenditures.** The parties hereto agree that each party shall pay for their respective costs incurred pursuant to the Transaction and the other transactions contemplated herein, whether or not the transactions contemplated herein are completed.
- 9.5 **Time of the Essence.** Time shall be of the essence hereof.
- 9.6 **Further Assurances.** The parties hereto shall with reasonable diligence do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated hereby, and each party shall execute and deliver such further documents, instruments, papers and information as may be reasonably requested by another party hereto in order to carry out the purpose and intent of this Agreement.
- 9.7 **Law and Jurisdiction.** This Agreement shall be governed by, and construed and enforced in accordance with, the applicable laws, other than conflict of laws rules, prevailing in the Province of British Columbia. The Parties hereto do hereby irrevocably:
- (a) submit and attorn to the non-exclusive jurisdiction of the Courts of the Province of British Columbia for all matters arising out of or relating to this Agreement, or any of the transactions contemplated hereby;
 - (b) waive all right to object to jurisdiction of such courts in any legal action or proceeding relative to this Agreement or the transactions contemplated hereby or execution of any judgment, order or decree issued in or as a result of any such action, suit or proceeding which they may now or hereafter have by reason of domicile or otherwise;
 - (c) waive any objection to the laying of venue in such courts of any of the aforesaid actions, suits or proceedings arising out of or in connection with this Agreement or the transactions contemplated hereby;

- (d) waive and agree not to plead or claim that any action, suit or proceeding in such courts has been brought in an inconvenient forum; and
 - (e) waive any right they may have to, or to apply for, trial by jury in connection with any matter, action, proceeding, claim or counterclaim arising out of or relating to this Agreement or any of the transactions contemplated hereby.
- 9.8 **Entire Agreement.** This Agreement, including the Schedules attached hereto, together with the agreements and other documents to be delivered pursuant hereto, constitute the entire agreement between the parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, of the parties (including but not limited to the Letter Agreement) and there are no warranties, representations or other agreements between the parties in connection with the subject matter hereof except as specifically set forth herein and therein. This Agreement may not be amended or modified in any respect except by written instrument signed by all parties.
- 9.9 **Assignment.** Neither party may assign or transfer any part of this Agreement without the written consent of the other party, except to an affiliate, but only if: (a) the assignee agrees in writing to be bound by the terms of this Agreement; and (b) the assigning party remains liable for obligations incurred under the Agreement prior to the assignment. Any other attempt to transfer or assign is void.
- 9.10 **Severability.** The invalidity or unenforceability of any provision of this Agreement or any covenant herein contained shall not affect the validity or enforceability of any other provision or covenant hereof or herein contained, and this Agreement shall be construed as if such invalid or unenforceable provision or covenant were omitted.
- 9.11 **Enurement.** This Agreement shall be binding upon and shall enure to the benefit of and be enforceable by the successors and permitted assigns of the parties hereto.
- 9.12 **Waivers.** The parties hereto may, by written agreement:
- (a) extend the time for the performance of any of the obligations or other acts of the parties hereto;
 - (b) waive any inaccuracies in the warranties, representations, covenants or other undertakings contained in this Agreement or in any document or certificate delivered pursuant to this agreement; or
 - (c) waive compliance with or modify any of the warranties, representations, covenants or other undertakings or obligations contained in this Agreement and waive or modify performance by any of the parties thereto.

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9.13 **Counterparts.** For the convenience of the parties, this Agreement may be executed in several counterparts, each of which when so executed shall be, and be deemed to be, an original instrument and such counterparts together shall constitute one and the same instrument (and notwithstanding their date of execution shall be deemed to bear date as of the date of this Agreement). A signed facsimile or other electronic transmission copy of this Agreement shall be effective and valid proof of execution and delivery.

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

DECLAN RESOURCES INC.

Per: “signed”
Wayne Tisdale
President

TALOS MINERALS LTD.

Per: “signed”
Brian Tingle
Director

“signed”
Witness

“signed”
TYSON KING

“signed”
Witness

“signed”
KYLE MICHAEL

“signed”
Witness

“signed”
LEAH MARTIN

“signed”
Witness

“signed”
JAY KING

“signed”
Witness

“signed”
VIRGINIA OLNICK

“signed”
Witness

“signed”
JOHN JARDINE

“signed”
Witness

“signed”
GERALD SHIELDS

“signed”
Witness

“signed”
Witness

“signed”
Witness

“signed”
Witness

“signed”
JAMEL SHALLOP

“signed”
CRAIG McLEAN

“signed”
BRIAN TINGLE

“signed”
KRISTY TIMEWELL

SCHEDULE "A"

MINERAL ASSETS

The properties that are covered by Exploration Licence No. EL 35/2011 and that comprise an area of approximately 144 square kilometers in the Bo District in the Southern Province in the Republican State of Sierra Leone whose dimensions are defined or bounded as follows:

<u>Beacon ID</u>	<u>X-Coordinates</u>	<u>Y-Coordinates</u>	<u>UTM Zone</u>	<u>Datum</u>
1	190000	930096	29	WGS 84
2	208000	930096	29	WGS 84
3	208000	922096	29	WGS 84
4	190000	922096	29	WGS 84

The properties that are covered by Exploration Licence No. EL 36/2011 and that comprise an area of approximately 186.14 square kilometers in the Bo District in the Southern Province in the Republican State of Sierra Leone whose dimensions are defined or bounded as follows:

<u>Beacon ID</u>	<u>X-Coordinates</u>	<u>Y-Coordinates</u>	<u>UTM Zone</u>	<u>Datum</u>
A	196000	922096	29	WGS 84
B	218991	922096	29	WGS 84
C	218991	914000	29	WGS 84
D	196000	914000	29	WGS 84

The properties that are covered by Exploration Licence No. EL 44/2011 and that comprise an area of approximately 54 square kilometers in the Kono District in the Eastern Province in the Republican State of Sierra Leone whose dimensions are defined or bounded as follows:

<u>Beacon ID</u>	<u>X-Coordinates</u>	<u>Y-Coordinates</u>	<u>UTM Zone</u>	<u>Datum</u>
A	262990.8	952096	29	WGS 84
B	268990.8	952096	29	WGS 84
C	268990.8	943096	29	WGS 84
D	262990.8	943096	29	WGS 84

SCHEDULE "B"

MINERAL EXPLORATION PERMITS

1. Exploration Licence No. EL 35/2011 granted by the Sierra Leone Ministry of Mines and Mineral Resources to Revonah Resources (SL) Ltd. (Revonah) on April 1, 2011 and expiring on March 31, 2015.
2. Exploration Licence No. EL 36/2011 granted by the Sierra Leone Ministry of Mines and Mineral Resources to Greenstone Minerals (SL) Ltd. (Greenstone) on April 1, 2011 and expiring on March 31, 2015.
3. Exploration Licence No. EL 44/2011 granted by the Sierra Leone Ministry of Mines and Mineral Resources to Greenstone Minerals (SL) Ltd. (Greenstone) on June 21, 2011 and expiring on June 20, 2015.