

SECURITIES EXCHANGE AGREEMENT

THIS AGREEMENT is made effective as of the 20th day of March, 2024

AMONG:

KR INVESTMENT LTD., a company incorporated under the laws of British Columbia and having an office at 363 West 6th Avenue, Vancouver, British Columbia, V5Y 1L1 (the “**Issuer**”)

AND:

RARE EARTH ELEMENT CORP., a company incorporated under the laws of British Columbia and having an office at 1930 – 1177 West Hastings Street, Vancouver, BC V6E 3T4 (“**PrivCo**”)

AND:

THE HOLDERS OF PRIVCO SECURITIES, who have executed Schedule B to this Agreement and who are therefore made a party to this Agreement (herein individually referred to as a “**PrivCo Securityholder**” and collectively as “**PrivCo Securityholders**”)

WHEREAS:

- A. The Issuer’s common shares are listed for trading on the NEX Board of the TSXV (as defined herein);
- B. The PrivCo Securityholders are the beneficial and legal owners of all of the issued and outstanding PrivCo Securities (as defined herein); and
- C. The Issuer wishes to purchase and acquire all of the issued and outstanding PrivCo Securities from the PrivCo Securityholders in exchange for the Issuer Consideration Securities (as defined herein), upon and subject to the terms and conditions set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the covenants and agreements herein contained, the parties hereto do covenant and agree each with the other as follows:

1. INTERPRETATION

1.1 Defined Terms – The following terms have the following meanings in this Agreement, including the recitals and any schedules hereto, unless otherwise stated or unless there is something in the subject matter or context inconsistent therewith:

- (a) **“Acquisition”** means the acquisition of the PrivCo Securities by the Issuer in exchange for the Issuer Consideration Securities, upon and subject to the terms and conditions of this Agreement;
- (b) **“Agreement”** means this agreement and includes any agreement amending this agreement or any agreement or instrument which is supplemental or ancillary thereof, and the expressions “above”, “below”, “herein”, “hereto”, “hereof” and similar expressions refer to this agreement;
- (c) **“Agreement to be Bound”** means an acknowledgement in the form of Schedule C executed by each Person who becomes a PrivCo Securityholder subsequent to the Effective Date to confirm their acceptance and agreement to be bound by the provisions of this Agreement as specified in Section 2.7.
- (d) **“Applicable Law”** means, with respect to any Person, all applicable rules, policies, notices, orders and legislation of any kind whatsoever of any Governmental Authority, regulatory body or stock exchange;
- (e) **“Business”** means the business presently carried on by the Issuer or PrivCo, as the case may be, as a going concern and the intangible goodwill associated therewith and any and all interests of whatsoever kind and nature related thereto;
- (f) **“Closing”** means the completion of the Transaction on the Closing Date pursuant to the terms and conditions contained in this Agreement;
- (g) **“Closing Date”** means such date upon which the Issuer and PrivCo mutually agree;
- (h) **“Concessions”** means all mineral concessions, claims, leases, licenses, permits, access rights and any other rights and interests necessary for PrivCo to explore for, develop, mine, produce, process or refine, minerals, concentrates or ores for development purposes on its properties;
- (i) **“CSE”** means the Canadian Securities Exchange;
- (j) **“Documents”** means all contracts, agreements, documents, permits, licenses, certificates, plans, drawings, specifications, reports, compilations, analysis, studies, technical data, financial statements, budgets, market surveys, minute books, corporate records, corporate seals and any other documents or information of whatsoever nature relating to the Issuer or PrivCo, as the case may be, and any all rights in relation thereto;
- (k) **“Effective Date”** means the date of this Agreement;
- (l) **“Electing Shareholder”** has the meaning ascribed thereto in Section 2.6(a);
- (m) **“Encumbrance”** means, whether or not registered or registrable or recorded or recordable, and regardless of how created or arising:

- (i) a mortgage, assignment of rent, lien, encumbrance, adverse claim, charge, restriction, title defect, security interest, hypothec or pledge, whether fixed or floating, against assets or property (whether real, personal, mixed, tangible or intangible), hire purchase agreement, conditional sales contract, title retention agreement, equipment trust or financing lease, and a subordination to any right or claim of others in respect thereof;
 - (ii) a claim, interest, or estate against or in assets or property (whether real, personal, mixed, tangible or intangible), including, without limitation, an easement, right-of-way, servitude or other similar right in property granted to or reserved or taken by any Person;
 - (iii) an option or other right to acquire any interest in, any assets or property (whether real, personal, mixed, tangible or intangible);
 - (iv) a lien or charge for taxes, assessments, duties, fees, premiums, imposts, levies and other charges imposed by any lawful authority;
 - (v) any other encumbrance of whatsoever nature and kind against assets or property (whether real, personal, mixed, tangible or intangible); or
 - (vi) any agreement to create, or right capable of becoming, any of the foregoing;
- (n) “**Environmental Laws**” means all applicable federal, provincial, state, local and foreign laws, imposing liability or standards of conduct for, or relating to, the regulation of activities, materials, substances or wastes in connection with, or for, the protection of human health, safety, the environmental or natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation);
- (o) “**Exemptions**” has the meaning ascribed thereto in Section 2.5(a);
- (p) “**generally accepted accounting principles**” 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 date such calculation is made or required to be made in accordance with generally accepted accounting principles applied on a basis consistent with preceding years;
- (q) “**Governmental Authority**” means any government or governmental, administrative, regulatory or judicial body, department, commission, authority, tribunal, agency or entity;
- (r) “**IFRS**” means generally accepted accounting principles set out in the CPA Canada Handbook for an entity that prepares its financial statements in accordance with International Financial Reporting Standards;

- (s) **“Intellectual Property”** means all right, title and interest and benefit of PrivCo or the Issuer, as the case may be, in and to intellectual property of every nature, whether registered or unregistered, including, without limitation, all copyrights, patents, patent rights, trade marks, applications for any of the foregoing, trade names, service marks, and other trade rights, license agreements, marketing rights, trade secrets, and know-how, specifications, prototypes, designs, records, drawings, and calculations, licenses, sub-licenses, other intellectual or industrial property and all other proprietary rights or interests, together with all antecedent derivative works, of or pertaining to the PrivCo or Issuer Business, as the case may be;
- (t) **“Issuer”** means KR Investment Ltd.;
- (u) **“Issuer Annual Statements”** means the audited financial statements of the Issuer for the year ended August 31, 2023, as filed on SEDAR+ with the applicable Canadian securities regulators;
- (v) **“Issuer Consideration Securities”** means the 18,550,500 Issuer Shares to be issued by the Issuer to the PrivCo Securityholders in exchange for the PrivCo Shares;
- (w) **“Issuer Consideration Shares”** means the 18,550,500 Issuer Shares to be issued by the Issuer to the PrivCo Securityholders in exchange for the PrivCo Shares, at the Closing pursuant to the terms and conditions of this Agreement;
- (a) **“Issuer Debt Shares”** means the 665,288 Issuer Shares to be issued to certain creditors of the Issuer on or prior to Closing, to settle indebtedness owed by the Issuer in the amount of \$149,689.70 at a deemed price of approximately \$0.23 per Issuer Debt Share;
- (b) **“Issuer Disclosure Record”** means the Issuer’s financial statements, management information circulars, material change reports, technical reports, press releases and all other documents filed publicly by the Issuer on SEDAR+;
- (c) **“Issuer Options”** means the 1,050,000 options to be issued by the Issuer, or the Resulting Issuer, as the case may be, upon listing of the Resulting Issuer Shares on the CSE, with each such Issuer Option being exercisable into Resulting Issuer Shares at a price of \$0.30 per Resulting Issuer Share for a period of three years from the date of issuance;
- (d) **“Issuer Shares”** means the common shares in the capital of the Issuer, of which 4,048,892 are outstanding as of the date hereof;
- (e) **“Issuer Warrants”** means the common share purchase warrants of the Issuer, of which 1,683,267 are exercisable into Issuer Shares at a price of \$0.16 per Issuer Share until January 18, 2025.
- (f) **“Losses”** has the meaning ascribed thereto in Section 6.5;

- (g) **“Material Adverse Change”** means any change (or any condition, event or development involving a prospective change) in the business, operations, results of operations, assets, capitalization or financial condition, of the party referred to which is, or would reasonably be expected to be, materially adverse to the business of such party other than a change: (i) which has prior to the date hereof been publicly disclosed or otherwise disclosed in writing to the other party; (ii) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere, (iii) resulting from acts of god (including storms, earthquakes, pandemics, epidemics, floods, fires or other natural disasters); (iv) effecting the mining industry generally; (v) resulting from applicable law; (vi) resulting from the announcement of this Agreement or the transactions contemplated hereby; or (vii) resulting from any action taken (or omitted to be taken) by a party which is required to be taken, or omitted to be taken, pursuant to this Agreement; provided, however, that with respect to clauses (ii) through (v), such change does not relate primarily to such party or does not have a disproportionate effect on such party;
- (h) **“Name Change”** means the change of the Issuer’s name to “Global Uranium Corp.”, or such other name as may be determined by the Issuer in its sole discretion;
- (i) **“Option Agreement”** means the option agreement in respect of the Wing Lake Uranium Property between PrivCo and Geomap Exploration Inc. dated January 2, 2024;
- (j) **“Permits”** means all licenses, permits and similar rights and privileges that are required and necessary under applicable legislation, regulations, rules and orders for the Issuer or PrivCo, as the case may be, to own and operate their assets and Business or for the status and qualification of the Issuer or PrivCo, as the case may be, to own and operate their assets and to carry on their Business;
- (k) **“Person”** means an individual, company, corporation, body corporate, partnership, joint venture, society, association, trust or unincorporated organization, or any trustee, executor, administrator, or other legal representative;
- (l) **“PrivCo”** means Rare Earth Element Corp.;
- (m) **“PrivCo Financial Statements”** means the financial statements of PrivCo for the year ended January 31, 2024;
- (n) **“PrivCo Securities”** means the PrivCo Shares;
- (o) **“PrivCo Securityholders”** means the Persons who will, at Closing, beneficially and legally own the PrivCo Shares, as set forth and described in Schedule A to this Agreement;
- (p) **“PrivCo Shareholders”** has the meaning ascribed thereto in Section 2.6(a);

- (q) “**PrivCo Shares**” means the common shares in the capital of PrivCo, of which 18,550,500 are issued and outstanding as at the date hereof;
- (r) “**Regulatory Approval**” means any required TSXV and/or CSE approval of the Transaction;
- (s) “**Resulting Issuer**” means the Issuer upon completion of the Transaction, having PrivCo as a wholly-owned subsidiary thereof;
- (t) “**Resulting Issuer Shares**” means the common shares in the capital of the Resulting Issuer;
- (u) “**Securities Act**” means the *Securities Act* (British Columbia), as amended and restated from time to time;
- (v) “**SEDAR+**” means the System for Electronic Document Analysis and Retrieval Plus developed by the Canadian Securities Administrators;
- (w) “**Tax Act**” means the *Income Tax Act* (Canada), as amended and restated from time to time;
- (x) “**Time of Closing**” means 9:00 a.m. (Vancouver, British Columbia, local time) on the Closing Date or such other time upon which the Issuer and PrivCo mutually agree;
- (y) “**Transaction**” means the Acquisition and the Name Change;
- (z) “**TSXV**” means the TSX Venture Exchange; and
- (aa) “**Wing Lake Uranium Property**” means the property described in the Option Agreement, which consists of two contiguous mineral claims, MC00015794 and MC00018054, and covers about 7,166.55 hectares land in the Mudjatic Domain of northern Saskatchewan, Canada, as more particularly described in Schedule D hereto.

1.2 **Schedules** – The following schedules attached hereto constitute a part of this Agreement:

Schedule A – Name, Address, and PrivCo Shares held by each of the PrivCo Securityholders

Schedule B – Signature pages of the PrivCo Securityholders

Schedule C – Acknowledgement and Agreement to be Bound

Schedule D – Description of the Wing Lake Uranium Property

1.3 **Schedule References** – Wherever any provision of any schedule to this Agreement conflicts with any provision in the body of this Agreement, the provisions of the body of this Agreement shall prevail. References herein to a schedule shall mean a reference to a schedule to

this Agreement. References in any schedule to this Agreement shall mean a reference to this Agreement. References to any schedule to another schedule shall mean a reference to a schedule to this Agreement.

1.4 **Headings** – The headings in this Agreement are for reference only and do not constitute terms of this Agreement.

1.5 **Interpretation** – Whenever the singular or masculine is used in this Agreement the same shall be deemed to include the plural or the feminine or the body corporate as the context may require. As used in this Agreement, “or” is not exclusive and “including” is not limiting, whether or not non-limiting language (such as “without limitation”) is used with reference to it.

1.6 **Currency** – Unless otherwise stated, all references to money in this Agreement shall be deemed to be references to the currency of Canada.

1.7 **Knowledge** – Where a representation or warranty is made in this Agreement on the basis of the knowledge or the awareness of the party, such knowledge or awareness consists only of the actual knowledge or awareness after due investigation, as of the date of this Agreement, of that party, if an individual or of the directors and senior executive officers of that party if it is a corporation or a similar entity, but does not include the knowledge or awareness of any other individual or any constructive, implied or imputed third party knowledge.

2. PURCHASE AND SALE

2.1 **Agreement** – Upon and subject to the terms and conditions of this Agreement, each PrivCo Securityholder hereby agrees, to the extent applicable to it, to sell, transfer and convey to the Issuer, and the Issuer agrees to purchase, all and not less than all of the PrivCo Shares owned by such PrivCo Securityholder, as set forth and described in Schedule A, at the Time of Closing in consideration of the issuance by the Issuer of the Issuer Consideration Shares on the basis of one (1) Issuer Consideration Share for each one (1) PrivCo Share held.

2.2 **Issuer Consideration Shares** – Upon and subject to the terms and conditions of this Agreement, each PrivCo Securityholder acknowledges and agrees that the Issuer Consideration Shares shall be issued in exchange for the PrivCo Shares on a one (1) for one (1) basis as set forth and described in Schedule A.

2.3 **Purchase of Entire Interest** – It is the understanding of the parties hereto that this Agreement provides for the purchase of all of the PrivCo Securities that are owned or held by the PrivCo Securityholders at the Time of Closing, whether same are owned as at the date hereof or to be acquired after the date hereof and prior to the Time of Closing, and the PrivCo Securityholders therefore covenant and agree with the Issuer that, if prior to the Time of Closing, they acquire any further shares or securities of PrivCo or rights to acquire any shares or securities of PrivCo, in addition to those set forth in this Agreement, then such shares or securities of PrivCo shall be subject to the terms of this Agreement, and such shares or securities of PrivCo shall be delivered or such rights shall be transferred to the Issuer at the Time of Closing on the terms and conditions set out herein, *mutatis mutandis*.

2.4 **Delivery of Shares**– Subject to the fulfilment of all of the terms and conditions hereof (unless waived as herein provided), at the Time of Closing, the PrivCo Securityholders shall be deemed to have delivered to the Issuer certificates or equivalents representing the PrivCo Shares to the Issuer and the PrivCo Securityholders acknowledge that, without further action required, such PrivCo Shares shall be cancelled upon completion of the Acquisition, in accordance with Article 11 hereof.

2.5 **Acknowledgements** – Each PrivCo Securityholder hereby acknowledges and agrees with the Issuer as follows:

- (a) the transfer of the PrivCo Securities to the Issuer and the issuance of the Issuer Consideration Securities to the PrivCo Securityholders will be made pursuant to appropriate exemptions (the “**Exemptions**”) from the formal takeover bid and registration and prospectus (or equivalent) requirements of applicable securities laws;
- (b) as a consequence of acquiring the Issuer Consideration Securities pursuant to the Exemptions:
 - (i) the Issuer is relying on an exemption from the requirements to provide the PrivCo Securityholders with a prospectus and to sell securities through a Person registered to sell securities under the Securities Act and, as a consequence of acquiring securities pursuant to this exemption, certain protections, rights and remedies provided by the Securities Act, including statutory rights of rescission or damages, will not be available to the PrivCo Securityholders;
 - (ii) the PrivCo Securityholders may not receive information that might otherwise be required to be provided to the PrivCo Securityholders, and the Issuer is relieved from certain obligations that would otherwise apply under the Securities Act if the Exemptions were not being relied upon by the Issuer;
 - (iii) there is no government or other insurance covering the Issuer Consideration Securities;
 - (iv) there are risks associated with the acquisition of the Issuer Consideration Securities;
 - (v) there are restrictions on the PrivCo Securityholders’ ability to resell the Issuer Consideration Securities and it is the responsibility of each PrivCo Securityholder to find out what those restrictions are and to comply with them before selling the Issuer Consideration Securities; and
 - (vi) no securities commission, stock exchange or similar regulatory authority has reviewed or passed on the merits of an investment in the Issuer Consideration Securities;

- (c) the PrivCo Securityholder is knowledgeable of, or has been independently advised as to, the Applicable Law of that jurisdiction which applies to the sale of the PrivCo Securities and the issuance of the Issuer Consideration Securities and which may impose restrictions on the resale of such Issuer Consideration Securities in that jurisdiction and it is the responsibility of each PrivCo Securityholder to become aware of what those trade restrictions are, and to comply with them before selling the Issuer Consideration Securities; and
- (d) the Issuer Consideration Securities may be subject to certain resale restrictions under Applicable Law, and the PrivCo Securityholders agree to comply with such restrictions and the PrivCo Securityholders also acknowledge that the certificates for the Issuer Consideration Securities may bear an applicable legend or legends respecting restrictions on transfers as required under Applicable Law (or legend notation on each applicable Issuer Consideration Security issued electronically in a direct registration system), and that each PrivCo Securityholder has been advised to consult its own legal advisor with respect to applicable resale restrictions and that each is solely responsible for complying with such restrictions.

2.6 Tax Election

- (a) The Issuer will jointly elect with any PrivCo Securityholder holding PrivCo Shares (the “**PrivCo Shareholders**”), if such PrivCo Shareholder is eligible to make such an election, and request the Issuer to make such an election, in accordance with the provisions of this Section 2.6 (the “**Electing Shareholder**”), to have the provisions of subsection 85(1) of the Tax Act apply to the transfer of the PrivCo Shares by the Electing Shareholder to the Issuer in consideration for the issuance of the respective Issuer Consideration Shares contemplated by this Agreement. In order to make an election under subsection 85(1) of the Tax Act, the Electing Shareholder must provide to the Issuer, at the address set out in this Agreement within 90 days following the Closing Date, two signed copies of Canada Revenue Agency Form T2057 duly completed with the details of the respective number of PrivCo Shares transferred by the Electing Shareholder and the applicable elected amount(s) for the purposes of the election. The elected amount specified in the election form must be an amount that is not less than the cost amount to the Electing Shareholder at the Closing Date of the PrivCo Shares transferred by the Electing Shareholder, and not greater than the fair market value at the Closing Date of the PrivCo Shares transferred by the Electing Shareholder.
- (b) The Electing Shareholder shall send the completed and signed election forms to the Issuer and notify the Issuer whether it wishes to file the election form or whether it appoints the Issuer to file the election form on its behalf. Subject to Section 2.6(c), upon receipt of the signed election forms from an Electing Shareholder, the Issuer shall:
 - (i) if the Electing Shareholder has notified the Issuer that it wishes to file the election form, sign the election form and shall deliver one copy back to the Electing Shareholder by mail within 10 days, upon receipt of which the

Electing Shareholder shall file the completed and signed election form within the time period designated for doing so pursuant to the Tax Act and thereafter promptly deliver a copy of the filed election form to the Issuer; or

- (ii) if the Electing Shareholder has notified the Issuer that it appoints the Issuer to file the election form on its behalf, sign the election form and file the completed and signed election form within the time period designated for doing so pursuant to the Tax Act.
- (c) If the Issuer receives an election form that the Issuer determines is not completed, is incorrectly completed, or if the PrivCo Shareholders are not eligible to make an election under subsection 85(1) of the Tax Act, the Issuer will not sign the election form and shall deliver the unsigned form back to the PrivCo Shareholder by mail within 10 days with an explanation of why the election form is being returned to the PrivCo Shareholder. If applicable, the PrivCo Shareholder will have the option of resubmitting the corrected election form for signature and delivery by the Issuer based on the terms above. Despite the Issuer's right to refuse to sign an election form in the foregoing circumstances, it shall be the sole responsibility of the PrivCo Shareholder to determine his/her/its respective eligibility to make the election under subsection 85(1) of the Tax Act, to complete the election form other than the signature of the Issuer, and, if the Electing Shareholder has notified the Issuer that it wishes to file the election form, to file the completed and signed election form within the time period designated for doing so pursuant to the Tax Act, and the Issuer shall not be responsible for determining eligibility of the PrivCo Shareholders to make the election, for the preparation of any election form, for verifying the accuracy of the information contained in any election form, or for filing any election form other than in circumstances where the Electing Shareholder has notified the Issuer that it appoints the Issuer to file the election form on its behalf. If an Electing Shareholder who has completed and filed an election under subsection 85(1) of the Tax Act subsequently wishes to amend the election, the Issuer covenants and agrees to complete an amended election form for that purpose based on the terms above.

2.7 Agreement to be Bound – Each Person who becomes a PrivCo Securityholder subsequent to the Effective Date, or acquires additional PrivCo Securities subsequent to the Effective Date must concurrently with becoming a PrivCo Securityholder or acquiring such additional PrivCo Securities execute and deliver to PrivCo an Agreement to be Bound in form and substance satisfactory to PrivCo, agreeing to be bound by this Agreement.

3. COVENANTS AND AGREEMENTS

3.1 Given by PrivCo – PrivCo covenants and agrees with the Issuer that it will:

- (a) permit representatives of the Issuer, at their own cost, reasonable access during normal business hours to its Documents including, without limitation, all of the assets, contracts, financial records and minute books of PrivCo, so as to permit the

Issuer to make such investigation of PrivCo as the Issuer deems necessary, acting reasonably;

- (b) provide to the Issuer all such further documents, instruments and materials and do all such acts and things as may be reasonably required by the Issuer to seek the Regulatory Approval including, without limiting the foregoing, all relevant information concerning it and its business, assets, operations and financial statements for inclusion in any public disclosure document to be prepared by the Issuer in connection with the Transaction;
- (c) from and including the Effective Date through to and including the Time of Closing, take all reasonable action to preserve and protect the goodwill, assets and undertaking of PrivCo and carry on the Business of PrivCo in the ordinary course in a reasonable and prudent manner consistent with past practice;
- (d) use its commercially reasonable efforts to obtain all required third party consents, Permits, approvals, authorizations, filings, assignments or waivers and amendments or terminations to any instrument or agreement and take such other measures as may be reasonably necessary to fulfil its obligations hereunder and to carry out the transactions contemplated by this Agreement, including obtaining any shareholder approvals, consents or agreements as may be required under applicable corporate laws, securities laws, the rules and policies of the TSXV or CSE and the constating documents of PrivCo to be able to fulfill its obligations hereunder and in connection with the delivery of all of the PrivCo Securities on Closing;
- (e) reasonably co-operate with the Issuer in the Issuer's efforts, at the Issuer's expense, to obtain the Regulatory Approval with respect to the Transaction;
- (f) materially comply with the terms hereof and use reasonable efforts to satisfy the conditions precedent set out in Sections 5.1 and 5.2 so as to close the Transaction and all related transactions by the Closing Date;
- (g) from and including the Effective Date through to and including the Time of Closing, except as set out in this Agreement, not enter into any agreement or understanding with any other party to issue any securities of PrivCo without the prior written consent of the Issuer, not to be unreasonably withheld;
- (h) from and including the Effective Date through to and including the Time of Closing, not directly or indirectly, solicit, initiate, assist, facilitate, promote or knowingly encourage the initiation of proposals or offers from, or entertain or enter into negotiations with, any Person (other than the Issuer), with respect to any amalgamation, merger, consolidation, arrangement, restructuring, sale of any material assets or part thereof of PrivCo;
- (i) make other necessary filings and applications under applicable, foreign, federal and provincial laws and regulations reasonably required on its part in connection with the transactions contemplated herein;

- (j) except as set out in this Agreement, not to issue any debt or equity or other securities, without the prior written consent of the Issuer (not to be unreasonably withheld);
- (k) not to make payments to any party, excluding (i) routine advances to employees and consultants of PrivCo for wages or consulting fees or expenses incurred in the ordinary course, (ii) payments reasonably necessary to preserve or advance the Wing Lake Uranium Property (such payments being subject to prior approval of the Issuer in writing, acting reasonably) or (iii) as otherwise agreed to by the Issuer in writing;
- (l) not to declare or pay any dividends or distribute any of PrivCo's properties or assets to shareholders;
- (m) not to alter or amend PrivCo's articles in any manner which may adversely affect the success of the Transaction, except as is agreed to by the Issuer and PrivCo in writing or as strictly required to give effect to the matters contemplated herein;
- (n) use reasonable efforts to conduct its affairs so that all of the representations and warranties of it contained herein shall be true and correct in all material respects on and as of the Closing Date as if made on the Closing Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein or such representations and warranties speak only as of a specific date, in which case such representations and warranties shall be true and correct on and as of such date; and
- (o) notify the Issuer immediately upon becoming aware that any of its representations or warranties contained herein are no longer true and correct in any material respect.

3.2 **Given by the Issuer** – the Issuer covenants and agrees with PrivCo and the PrivCo Securityholders that the Issuer will:

- (a) permit representatives of PrivCo and the PrivCo Securityholders, at their own cost, reasonable access during normal business hours to the Issuer's Documents including, without limitation, all of the assets, contracts, financial records and minute books of the Issuer, so as to permit such investigation of the Issuer as PrivCo and/or any of the PrivCo Securityholders deem necessary, each acting reasonably;
- (b) take all corporate action necessary to approve and cause the issuance of the Issuer Consideration Securities on Closing as duly issued, fully-paid and non-assessable securities of the Company;
- (c) from and including the Effective Date through to and including the Time of Closing, take all reasonable action to preserve and protect the goodwill, assets and undertaking of the Issuer and carry on the Business of the Issuer in the ordinary course in a reasonable and prudent manner consistent with past practice;

- (d) as promptly as reasonably practicable after the date hereof, in consultation with PrivCo, use its commercially reasonable efforts to solicit the written consent of the shareholders of the Issuer to the Transaction and the listing of the Resulting Issuer Shares on the CSE, and in connection therewith the Issuer will allow PrivCo and its legal counsel a reasonable opportunity to review and comment on drafts of all documentation and communications with shareholders of the Issuer with respect to the Issuer's solicitation of the written consent of its shareholders to the Transaction and the listing of the Resulting Issuer Shares on the CSE;
- (e) use its commercially reasonable efforts to obtain, in a timely manner, the Regulatory Approval for the transactions contemplated hereunder,
- (f) use its commercially reasonable efforts to obtain conditional approval, subject to compliance with the usual requirements of the CSE, for the listing of the Resulting Issuer Shares on the CSE on or before the Closing;
- (g) use its commercially reasonable efforts to effect the delisting of the Issuer Shares from the TSXV on or before the Closing;
- (h) use its commercially reasonable efforts to effect the Name Change on or before Closing;
- (i) from and including the Effective Date through to and including the Time of Closing, not issue any securities and not enter into any agreement or understanding with any third party to issue any securities, without the prior written consent of PrivCo, not to be unreasonably withheld;
- (j) from and including the Effective Date through to and including the Time of Closing, not directly or indirectly, solicit, initiate, assist, facilitate, promote or knowingly encourage the initiation of proposals or offers from, entertain or enter into negotiations with, any Person, with respect to any amalgamation, merger, consolidation, arrangement, restructuring, sale of any material assets or part thereof of the Issuer;
- (k) comply with the material terms hereof and use reasonable efforts to satisfy the conditions precedent set out in Sections 5.1 and 5.3 and to close the Transaction and related transactions by the Closing Date;
- (l) use reasonable efforts to conduct its affairs so that the representations and warranties of the Issuer contained herein shall be true and correct in all material respects on and as of the Closing Date as if made on the Closing Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein or such representations and warranties speak only as of a specific date, in which case such representations and warranties shall be true and correct on and as of such date;
- (m) from and including the Effective Date through to and including the Time of Closing, ensure that the Issuer remains in good standing under Applicable Law;

- (n) obtain all consents, approvals, Permits, authorizations or filings as may be required under applicable corporate laws, securities laws, the rules and policies of the TSXV and/or CSE and the constating documents of the Issuer for the performance by the Issuer of its obligations under this Agreement prior to the Closing; and
- (o) notify PrivCo immediately upon becoming aware that any of the representations or warranties of it contained herein are no longer true and correct in any material respect.

4. TRANSACTION EXPENSES

Each of the parties to this Agreement will bear all costs and expenses incurred by such party in negotiating and preparing this Agreement and in Closing and carrying out the transactions contemplated by this Agreement. All costs and expenses related to satisfying any condition or fulfilling any covenant contain in this Agreement will be borne by the party whose responsibility it is to satisfy the outstanding condition or fulfill the covenant in question.

5. CONDITIONS PRECEDENT

5.1 **In Favour of all Parties** – The obligations of all parties under this Agreement are subject to the fulfillment of the following conditions prior to the Time of Closing:

- (a) the approval of the shareholders of the Issuer for the delisting of the Issuer Shares from the TSXV and for the completion of the Transaction and the listing of the Resulting Issuer Shares on the CSE;
- (b) conditional approval, subject to compliance with the usual requirements of the CSE, for the listing of the Resulting Issuer Shares on the CSE;
- (c) there shall not be in force any order or decree (whether temporary, preliminary or permanent) made or any legal proceeding commenced or threatened against any party (or their respective directors or officers) restraining, prohibiting, preventing or enjoining, temporarily or permanently, the consummation of the transactions contemplated by this Agreement, including, without limitation, the Transaction; and
- (d) there being no prohibition at law prohibiting, preventing or restraining closing of the Transaction or making any of the transactions contemplated by this Agreement illegal.

The conditions precedent set forth above are for the benefit of all parties and may only be waived in writing by the Issuer, PrivCo and the Shareholder Representative, and on behalf of the PrivCo Securityholders, in whole or in part on or before the Time of Closing.

5.2 **In Favour of the Issuer** – the Issuer's obligations under this Agreement are subject to the fulfillment of the following conditions prior to Time of Closing:

- (a) the PrivCo Securityholders and PrivCo shall have tendered all closing deliveries set forth in Section 7.2, respectively, including delivery of their PrivCo Securities, duly endorsed in blank for transfer or accompanied by duly executed stock transfer power or other evidence authorizing transfer of the PrivCo Securities to the Issuer acceptable to the Issuer, acting reasonably;
- (b) the PrivCo Securityholders and PrivCo shall have materially complied with all of their respective covenants and agreements contained in this Agreement;
- (c) the representations and warranties of PrivCo set forth in this Agreement shall have been true and correct as of the date hereof and shall be true and correct at the Time of Closing in all respects (in the case of any representation or warranty containing any materiality qualifier) or in all material respects (in the case of any representation or warranty without any materiality qualifier), except as affected by the transactions contemplated by this Agreement and except for such representations and warranties which speak only as of a specific date, in which case such representations and warranties shall be true and correct on and as of such date, and a certificate of an executive officer of PrivCo to this effect shall have been delivered to the Issuer;
- (d) the representations and warranties of the PrivCo Securityholders set forth in this Agreement shall have been true and correct in all material respects as of the date hereof and shall be true and correct in all material respects as of the Time of Closing, except for such representations and warranties which speak only as of a specific date, in which case such representations and warranties shall be true and correct on and as of such date, and delivery by the PrivCo Securityholders of the documents described in Section 7.2 required to be delivered by the PrivCo Securityholders shall constitute a confirmation by the PrivCo Securityholders that such representations and warranties remain true and correct as aforesaid; and
- (e) no Material Adverse Change shall have occurred with respect to PrivCo between the date of signing this Agreement and the completion of the Transaction.

The conditions precedent set forth above are for the exclusive benefit of the Issuer and may be waived by it in whole or in part on or before the Time of Closing.

5.3 In Favour of PrivCo and the PrivCo Securityholders – The respective obligations of PrivCo and the PrivCo Securityholders under this Agreement are subject to the fulfilment of the following conditions:

- (a) the Issuer shall have tendered all closing deliveries set forth in Section 7.3;
- (b) the Issuer shall have materially complied with all of its covenants and agreements hereunder to be performed and complied with on or before the Time of Closing;
- (c) the representations and warranties of the Issuer contained in this Agreement shall be true and correct as of the date hereof and shall be true and correct at the Time of Closing in all respects (in the case of any representation or warranty containing any

materiality qualifier) or in all material respects (in the case of any representation or warranty without any materiality qualifier), except as affected by the transactions contemplated by this Agreement and except for such representations and warranties which speak only as of a specific date, in which case such representations and warranties shall be true and correct on and as of such date, and a certificate of an executive officer of the Issuer to this effect shall have been delivered to PrivCo;

- (d) no Material Adverse Change shall have occurred with respect to the Issuer between the date of signing this Agreement and the completion of the Transaction;
- (e) all documents and steps necessary, in the view of counsel to PrivCo, acting reasonably, to complete the issuance of the Issuer Consideration Securities to the PrivCo Securityholders in accordance with this Agreement and the Transaction shall have been delivered and completed at Closing; and
- (f) the completion of the Transaction is in compliance in all material respects with all laws, policies, rules and regulations applicable thereto.

The conditions precedent set forth above are for the exclusive benefit of PrivCo and the PrivCo Securityholders, respectively, and may be waived by PrivCo, for itself, and the Shareholder Representative on behalf of the PrivCo Securityholders, in whole or in part on or before the Time of Closing.

6. REPRESENTATIONS AND WARRANTIES

6.1 Concerning the Issuer – In order to induce PrivCo and the PrivCo Securityholders to enter into this Agreement and complete their respective obligations hereunder, the Issuer represents and warrants to PrivCo and the PrivCo Securityholders that:

- (a) the Issuer is a valid and subsisting corporation incorporated under the laws of British Columbia and has all necessary corporate or other power, authority and capacity to own its property and assets as now owned and to carry on its Business as it is now being conducted. The Issuer has all Permits necessary to conduct its Business substantially as now conducted as disclosed in the Issuer Disclosure Record. The Issuer is duly registered or otherwise authorized and qualified to do business and is in good standing in each jurisdiction in which the character of its properties which are owned, leased, licensed or otherwise held, or the nature of its activities, makes such qualification necessary. The Issuer does not have any “subsidiary” (as that term is defined in the *Business Corporations Act* (British Columbia));
- (b) the Issuer is a “reporting issuer” in British Columbia and Alberta as that term is defined in the Securities Act, is not in material default of any requirement of the Securities Act and is not noted as being a “defaulting reporting issuer” (or any analogous terms) in any such jurisdiction;
- (c) the Issuer has full corporate power, authority and capacity to enter into this Agreement and complete the Transaction and related transactions and to carry out

its obligations hereunder and this Agreement (including its execution and delivery and the execution and delivery of all agreements and instruments contemplated herein), the Name Change, the Acquisition and the performance by the Issuer of all of its other obligations under this Agreement will have been, prior to the Time of Closing, authorized by all necessary shareholder (if necessary) and corporate action on the part of the Issuer. This Agreement has been duly executed and delivered by the Issuer and constitutes a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered;

- (d) as of the date hereof, the authorized capital of the Issuer consists of an unlimited number of common shares, of which 4,048,892 Issuer Shares have been duly authorized and validly issued and are outstanding as fully paid and non-assessable. The Issuer has 1,683,267 Issuer Warrants outstanding. In addition, the Issuer reserved 665,288 Issuer Debt Shares and a further 1,050,000 Resulting Issuer Shares in respect of the Issuer Options. All of the Issuer Shares issuable upon the exercise of Issuer Warrants and Issuer Options in accordance with their respective terms, and all of the Issuer Debt Shares, have been duly authorized and, upon issuance, will be validly issued as fully paid and non-assessable, and are not and will not be subject to, or issued in violation of, any pre-emptive rights. There has been no dividend or distribution of any kind declared, paid or made by the Issuer on any Issuer Shares. Other than the Issuer Warrants, Issuer Debt Shares and Issuer Options, no Person has any right, agreement, arrangement, conversion privilege, commitment or option, present or future, pre-emptive, contingent or absolute, of any nature whatsoever, or any right capable of becoming such a right, agreement, arrangement, conversion privilege, commitment or option, for the issue, sale, transfer or allotment of any shares in the capital of the Issuer or any other security or obligation convertible into or exchangeable or exercisable for, or otherwise evidencing a right or obligation to acquire, any such shares, or to require the Issuer to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital;
- (e) there are no securities of the Issuer outstanding or reserved for issuance, other than the Issuer Shares, the Issuer Warrants, the Issuer Debt Shares and the Issuer Options, which have the right to vote generally, or are convertible into or exchangeable for securities having the right to vote generally (as applicable), with the holders of Issuer Shares on any matter. There are no outstanding contractual or other obligations of Issuer to repurchase, redeem or otherwise acquire any of the Issuer's securities or with respect to the voting or disposition of any of its outstanding securities. There are no outstanding bonds, debentures or other evidences of indebtedness of the Issuer having the right to vote with the holders of the outstanding Issuer Shares on any matter;

- (f) the Issuer Disclosure Record does not contain any misrepresentations (as such term is defined in the Securities Act) and does not omit to state a material fact (as such term is defined in the Securities Act) which, at the date thereof, was required to have been stated or was necessary to prevent a statement that was made from being false or misleading in the circumstances in which it was made. All documents and information comprising the Issuer Disclosure Record complied in all material respects with the requirements of Applicable Laws, and any amendments to the Issued Disclosure Record required to be made have been filed on a timely basis with all necessary securities regulatory authorities or the TSX-V. The Issuer has not filed any confidential material change report with any securities regulatory authority that, as at the date of this Agreement, remains confidential;
- (g) all financial statements (including the notes thereto) filed in the Issuer Disclosure Record, including the Issuer Annual Statements (and the notes thereto), have been prepared in accordance with IFRS consistently applied (except as otherwise indicated in such financial statements and the notes thereto or in the related auditor's report), and present fairly in all material respects the financial position, results of operations, changes in equity and all material liabilities (accrued, absolute, contingent or otherwise, including by reflecting reserves required by IFRS) of the Issuer, as of the date thereof and for the periods indicated therein, and there has been no Material Adverse Change in respect of the Issuer since the date of the Issuer Annual Statements which has not been disclosed in the Issuer Disclosure Record and the Business of the Issuer has been carried on in the usual and ordinary course consistent with past practice since the date thereof and conforms in all material respects to the description thereof contained in the Issuer Disclosure Record. There has been no material change in the Issuer's accounting policies, except as described in the notes to the financial statements filed in the Issuer Disclosure Record;
- (h) the Issuer has designed and implemented disclosure controls and procedures to provide reasonable assurance that material information relating to the Issuer is made known to the Chief Executive Officer and the Chief Financial Officer of the Issuer by others within the Issuer, as appropriate to allow timely decisions regarding required disclosure, particularly during the periods in which filings are being prepared. The Issuer has disclosed, based on the most recent evaluation of its Chief Executive Officer and its Chief Financial Officer prior to the date hereof, to the Issuer's auditors and the audit committee of the board of directors of the Issuer (i) any significant deficiencies in the design or operation of its internal controls over financial reporting that are reasonably likely to adversely affect the Issuer's ability to record, process, summarize and report financial information and has identified for the Issuer's auditors and the board of directors of the Issuer any material weaknesses in internal control over financial reporting and (ii) any fraud, whether or not material, that involves management or other employees or service providers who have a significant role in the Issuer's internal control over financial report. As of the date hereof, there are no material weaknesses or significant deficiencies in such internal controls and nothing has come to the attention of the Issuer that has

caused the Issuer to believe that there are any material weaknesses or significant deficiencies in such internal controls;

- (i) the auditors of the Issuer, Davidson & Company LLP, are independent chartered professional accountants as required under applicable legislation;
- (j) the Issuer has complied in all material respects with the requirements of all applicable corporate and securities laws and administrative policies and directions, including, without limitation, the Securities Act, in relation to the issue of its securities;
- (k) the Issuer is not a party to any actions, suits or proceedings pending which could affect the Issuer or its property or assets, and to the best of the Issuer's knowledge, no such actions, suits or proceedings are contemplated or have been threatened;
- (l) there are no judgments or orders against the Issuer or any of its assets or properties which are unsatisfied, nor are there any consent decrees or injunctions to which the Issuer or any of its assets are subject;
- (m) other than the anticipated cessation of trading on the TSXV in connection with the Transaction, no order delisting or ceasing, halting or suspending trading in securities of the Issuer nor prohibiting the sale of such securities has been issued to and is outstanding against the Issuer, and no inquiry, investigations (formal or informal) or proceedings for such purposes are in effect, ongoing, expected to be implemented or undertaken, pending or threatened;
- (n) the Issuer has filed when due all federal, provincial, local and foreign tax returns which are required to be filed with each relevant governmental authority, or has requested extensions thereof, and has paid in full and when due all taxes required to be paid by it, whether or not such taxes are shown on a tax return, or on any assessment or reassessments, and any other assessment, fine or penalty levied against it, or any amounts due and payable to any Governmental Authority, to the extent that any of the foregoing is due and payable. All such tax returns are correct and complete in all material respects, and no material fact has been omitted therefrom. No extension of time in which to file any such tax returns is currently in effect. No governmental authority has asserted that the Issuer is required to file tax returns in any jurisdiction where it does not do so;
- (o) there are no Encumbrances for taxes on the assets of the Issuer, except for taxes not yet due, and there are no audits of any of the tax returns of the Issuer, and there are no claims which have been or may be asserted relating to any such tax returns;
- (p) the Issuer does not have any loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any Person with which it does not deal at "arm's length" (as such term is used in the Tax Act), except as may be publicly disclosed in the Issuer Disclosure Record;

- (q) the Issuer does not have any outstanding indebtedness or liabilities and is not party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any Person, other than those specifically identified in the Issuer Annual Statements or incurred in the ordinary course of business since the date of the Issuer Annual Statements;
- (r) the Issuer is not an insolvent person within the meaning of Applicable Law and will not become an insolvent person as a result of the Closing. No act or proceeding has been taken or authorized by or against the Issuer by any other Person in connection with the dissolution, liquidation, winding up, bankruptcy or insolvency of the Issuer or with respect to any amalgamation, merger, consolidation, arrangement or reorganization of, or relating to, the Issuer, and no such proceedings have been threatened by any other Person;
- (s) the Issuer has and will have by Closing, or as soon as practicable thereafter, filed all documents that are required to be filed under the continuous disclosure provisions of the Securities Act and the rules and policies of the TSXV and the CSE, including annual and interim financial information, press releases disclosing material changes and material change reports;
- (t) the execution and delivery of this Agreement by the Issuer and the performance of its obligations under this Agreement and the completion of the transactions contemplated by this Agreement by the Purchaser do not and will not:
 - (i) conflict with, result in the breach of, cause the acceleration of any indebtedness under or constitute default or violation under, or constitute an event that, with notice or lapse of time or both, would be a default, breach or violation of any of the terms of, the constating documents or any resolutions of the directors or shareholders of the Issuer, or any indenture, mortgage, agreement, lease, licence, contract, permit or other instrument of any kind whatsoever to which the Issuer is a party or by which it is bound, or any judgment or order of any kind whatsoever of any court or administrative body of any kind whatsoever by which the Issuer is bound;
 - (ii) constitute an event which, pursuant to the terms of any indenture, mortgage, agreement, lease, license, contract, Permit or other instrument of any kind whatsoever to which the Issuer is a party, or by which it is bound, would cause any right or interest of the Issuer to come to an end or be amended in any way that is detrimental to the business of the Issuer, or entitle any other Person to terminate or amend any such right or interest or relive any other Person of its obligations thereunder;
 - (iii) result in the violation of any Applicable Law; or
 - (iv) create any Encumbrance on any property or asset of the Purchaser;

- (u) the financial books, records and accounts of the Issuer have in all material respects, been maintained in accordance with good business practices, Applicable Law, IFRS and other generally applicable accounting standards on a basis consistent with prior years and, in each case, are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of the Issuer and accurately and fairly reflect the basis for all financial statements filed in the Issuer Disclosure Record, including the Issuer Annual Statements;
- (v) except as disclosed in the Issuer Disclosure Record, there are no material claims, actions, suits, grievances, complaints or proceedings pending or, to the knowledge of the Issuer, threatened affecting the Issuer or affecting its property or assets at law or in equity before or by any Governmental Authority, non-governmental organization, community, community group, aboriginal peoples or aboriginal group, including matters arising under Environmental Laws. Neither the Issuer nor its assets or properties is subject to any outstanding material judgment, order, writ, injunction, directive, decision, ruling, award or decree. There is no judgment, order, writ, injunction, directive, decision, ruling, award or decree outstanding against the Issuer which, in any such case, affects adversely or might affect adversely the ability of the Issuer to enter into this Agreement or to perform its obligations hereunder;
- (w) to the knowledge of the Issuer, the Issuer has in all material respects complied with and is not in violation of any Applicable Laws. The Issuer has not received any written notices or other correspondence from any governmental or regulatory authority regarding any circumstances that have existed or currently exist which could constitute a material violation of any Applicable Laws. Neither the Issuer nor, to the knowledge of the Issuer, any of its officers, directors, employees or independent contractors acting on behalf of the Issuer has taken, committed to take or been alleged to have taken any action which would cause the Issuer to be in violation of the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder), the United States' *Foreign Corrupt Practices Act* (and the regulations promulgated thereunder) or any Applicable Law of similar effect in any other jurisdiction and, to the knowledge of the Issuer, no such action has been taken by any of its agents, representatives or other Persons who are not officers, directors, employees or independent contractors of the Issuer acting on behalf of the Issuer;
- (x) to the knowledge of the Issuer, the Issuer is and has been in compliance in all material respects with all applicable Environmental Laws and has not received any written order, notice or other communication from any Governmental Authority of material non-compliance with any Environmental Law. To the knowledge of the Issuer, there are no investigations or reviews out of the ordinary course being conducted by any Governmental Authority on the assets and properties owned, leased or used by the Issuer. There is no remedial or corrective action necessary to ensure that the conduct of the business of the Issuer or the ownership, possession, control or management of the assets and properties of the Issuer is in material compliance with Environmental Laws;

- (y) to the best of the Issuer's knowledge, the Issuer does not have, and has not at any time had, any employees; and
- (z) the board of directors of the Issuer has authorized the issuance of the Issuer Consideration Securities and, upon their issuance, the Issuer Consideration Securities will be validly issued and outstanding as fully paid and non-assessable securities of the Issuer registered in accordance with the instructions provided by each PrivCo Securityholder on its respective execution page hereof, free and clear of all liens, charges, escrow conditions or other Encumbrances of any kind whatsoever other than those imposed by applicable securities laws under the Securities Act, the TSXV or the CSE, or as otherwise contemplated in this Agreement.

6.2 **Concerning PrivCo** – In order to induce the Issuer to enter into this Agreement and complete its obligations hereunder, PrivCo represents and warrants to the Issuer that:

- (a) PrivCo is a valid and subsisting corporation incorporated under the laws of British Columbia and has all necessary corporate or other power, authority and capacity to own its property and assets as now owned and to carry on its Business as it is now being conducted. PrivCo has all Permits necessary to conduct its Business substantially as now conducted. PrivCo is duly registered or otherwise authorized and qualified to do business and is in good standing in each jurisdiction in which the character of its properties which are owned, leased, licensed or otherwise held, or the nature of its activities, makes such qualification necessary. PrivCo does not have any “subsidiary” (as that term is defined in the *Business Corporations Act* (British Columbia));
- (b) PrivCo has full corporate power, authority and capacity to enter into this Agreement and to carry out its obligations hereunder and this Agreement (including its execution and delivery and the execution and delivery of all agreements and instruments contemplated herein) and the performance by PrivCo of all of its other obligations under this Agreement will have been, prior to the Time of Closing, authorized by all necessary shareholder (if necessary) and corporate action on the part of PrivCo. This Agreement has been duly executed and delivered by PrivCo and constitutes a legal, valid and binding obligation of PrivCo enforceable against PrivCo in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered;
- (c) it is in material compliance with all Applicable Laws in the jurisdictions in which it carries on business and which may materially affect it, it has not received a notice of noncompliance, nor does it know of any facts that could give rise to a notice of such noncompliance with any such laws, regulations and statutes, and it is not aware of any pending change or contemplated change to any Applicable Law or

governmental position that would materially affect the Business of PrivCo or the Business or legal environment under which PrivCo operates;

- (d) as of the date hereof, the authorized capital of PrivCo consists of an unlimited number of common shares, of which 18,550,500 PrivCo Shares, registered as set out in Schedule “A”, are issued and outstanding as fully paid and non-assessable, and, to the knowledge of PrivCo, such shares are free and clear of all trading restrictions (except as provided for in the Articles of PrivCo, under Applicable Law or pursuant to seasoning period or restricted periods prescribed under NI 45-102 *Resale of Securities*), liens, charges or other Encumbrances of any kind whatsoever. Except pursuant to the Option Agreement and the PrivCo Warrants, no Person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option, for the issue or allotment of any unissued shares in the capital of PrivCo or any other security convertible into or exchangeable for any such shares;
- (e) there are no securities of PrivCo, other than the PrivCo Shares and PrivCo Warrants, which have the right to vote generally, or are convertible into or exchangeable for securities having the right to vote generally, with the holders of PrivCo Shares on any matter. There are no outstanding contractual or other obligations of PrivCo to repurchase, redeem or otherwise acquire any of PrivCo’s securities. There are no outstanding bonds, debentures or other evidences of indebtedness of PrivCo having the right to vote with the holders of the outstanding PrivCo Shares on any matters;
- (f) all financial statements of PrivCo (including the notes thereto), have been prepared in accordance with IFRS consistently applied (except as otherwise indicated in such financial statements and the notes thereto or in the related auditor’s report), present fairly in all material respects the financial position, results of operations, changes in equity and all material liabilities (accrued, absolute, contingent or otherwise, including by reflecting reserves required by IFRS) of PrivCo, as of the date thereof and for the periods indicated therein, and, except as has been disclosed to the Issuer, there has been no Material Adverse Change in the financial position of PrivCo since the date of the PrivCo Financial Statements and the business of PrivCo has been carried on in the usual and ordinary course consistent with past practice since the date thereof. There has been no material change in PrivCo’s accounting policies, except as disclosed in its financial statements;
- (g) the auditors of PrivCo, Devisser Gray LLP, are independent chartered professional accountants as required under applicable legislation;
- (h) PrivCo has complied in all material respects with the requirements of all applicable corporate and securities laws and administrative policies and directions, including, without limitation, the Securities Act, in relation to the issue of its securities;

- (i) PrivCo is not a party to any actions, suits or proceedings pending which could affect PrivCo or its property or assets, and to the best of PrivCo's knowledge, no such actions, suits or proceedings are contemplated or have been threatened;
- (j) the Option Agreement is the only material contract of PrivCo. PrivCo has made available to the Issuer for inspection a true and complete copy of the Option Agreement. The Option Agreement is a valid and binding obligation of PrivCo, enforceable in accordance with its terms, except as may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction. PrivCo has complied in all material respects with all terms of the Option Agreement, has paid all amounts due thereunder if, as and when due, has not waived any rights thereunder and no material default or breach exists in respect thereof on the part of PrivCo or, to the knowledge of PrivCo, on the part of any other party thereto, and, to the knowledge of PrivCo, no event has occurred which, after the giving of notice or the lapse of time or both, could constitute such a default or breach or trigger a right of termination of the Option Agreement;
- (k) except as disclosed to the Issuer in writing, there are no material claims, actions, suits, grievances, complaints or proceedings pending or, to the knowledge of PrivCo, threatened affecting PrivCo or affecting their property or assets at law or in equity before or by any Governmental Authority, non-governmental organization, community, community group, aboriginal peoples or aboriginal group, including matters arising under Environmental Laws. Neither PrivCo nor its assets or properties is subject to any outstanding material judgment, order, writ, injunction, directive, decision, ruling, award or decree. There is no judgment, order, writ, injunction, directive, decision, ruling, award or decree outstanding against PrivCo which, in any such case, affects adversely or might affect adversely the ability of PrivCo to enter into this Agreement or to perform its obligations hereunder;
- (l) to the knowledge of PrivCo, no event or circumstance has occurred or exists that may reasonably be expected to result in the revocation, forfeiture or cancellation of the Concessions;
- (m) there are no adverse claims, actions, suits or proceedings that are, to the knowledge of PrivCo, pending or threatened, and there is no state of facts or events that, to the knowledge of PrivCo, would reasonably be expected to give rise thereto or to adversely affect the title to or right to the Concessions, and PrivCo has no actual knowledge or notice of any adverse claims of any community, including any Indigenous groups, that resides within or near the areas covered by the Concessions;
- (n) PrivCo has obtained and is in compliance with all Permits required by Applicable Laws necessary to conduct its Business as now being conducted. To the knowledge of PrivCo, there are no facts, events or circumstances that would reasonably be

expected to result in a failure to obtain or be in compliance with the Permits as are necessary to conduct its Business as now being conducted;

- (o) there are no judgments or orders against PrivCo or any of its assets or properties which are unsatisfied, nor are there any consent decrees or injunctions to which PrivCo or any of its assets are subject;
- (p) PrivCo is not subject to any regulatory decision or order prohibiting or restricting transfer of its securities;
- (q) PrivCo has filed when due all federal, provincial, local and foreign tax returns which are required to be filed with each relevant governmental authority, or has requested extensions thereof, and has paid in full and when due all taxes required to be paid by it, whether or not such taxes are shown on a tax return, or on any assessment or reassessments, and any other assessment, fine or penalty levied against it, or any amounts due and payable to any Governmental Authority, to the extent that any of the foregoing is due and payable. All such tax returns are correct and complete in all material respects, and no material fact has been omitted therefrom. No extension of time in which to file any such tax returns is currently in effect. No governmental authority has asserted that PrivCo is required to file tax returns in any jurisdiction where it does not do so;
- (r) there are no Encumbrances for taxes on the assets of PrivCo, except for taxes not yet due, and there are no audits of any of the tax returns of PrivCo, and there are no claims which have been or may be asserted relating to any such tax returns;
- (s) except as disclosed to the Issuer, PrivCo does not have any loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any Person with which it does not deal at “arm’s length” (as such term is used in the Tax Act);
- (t) except as disclosed to the Issuer, PrivCo does not have any outstanding indebtedness or liabilities and is not party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any Person, other than those specifically identified in its financial statements or incurred in the ordinary course of business since the date of the financial statements for the year ended January 30, 2024;
- (u) PrivCo is not an insolvent person within the meaning of Applicable Law and will not become an insolvent person as a result of the Closing. No act or proceeding has been taken or authorized by or against PrivCo by any other Person in connection with the dissolution, liquidation, winding up, bankruptcy or insolvency of PrivCo or with respect to any amalgamation, merger, consolidation, arrangement or reorganization of, or relating to, PrivCo, and no such proceedings have been threatened by any other Person;

- (v) to the knowledge of PrivCo, PrivCo has in all material respects complied with and is not in violation of any Applicable Laws. PrivCo has not received any written notices or other correspondence from any governmental or regulatory authority regarding any circumstances that have existed or currently exist which could constitute a material violation of any Applicable Laws. Neither PrivCo nor, to the knowledge of PrivCo, any of its officers, directors, employees or independent contractors acting on behalf of PrivCo has taken, committed to take or been alleged to have taken any action which would cause PrivCo to be in violation of the Corruption of Foreign Public Officials Act (Canada) (and the regulations promulgated thereunder), the United States' Foreign Corrupt Practices Act (and the regulations promulgated thereunder) or any Applicable Law of similar effect in any other jurisdiction and, to the knowledge of PrivCo, no such action has been taken by any of its agents, representatives or other Persons who are not officers, directors, employees or independent contractors of PrivCo acting on behalf of PrivCo;
- (w) to the knowledge of PrivCo, PrivCo is and has been in compliance in all material respects with all applicable Environmental Laws and has not received any written order, notice or other communication from any Governmental Authority of material non-compliance with any Environmental Law. To the knowledge of PrivCo, there are no investigations or reviews out of the ordinary course being conducted by any Governmental Authority on the assets and properties owned, leased or used by PrivCo. There is no remedial or corrective action necessary to ensure that the conduct of the business of PrivCo or the ownership, possession, control or management of the assets and properties of PrivCo is in material compliance with Environmental Laws;
- (x) PrivCo has no employees and PrivCo is not a party to any employment, management or consulting agreement of any kind whatsoever except as otherwise disclosed;
- (y) to the best of PrivCo's knowledge, PrivCo is not aware of any material contingent tax liabilities of PrivCo of any kind whatsoever or any grounds which would prompt a reassessment of PrivCo;
- (z) the financial books, records and accounts of PrivCo have, in all material respects, been maintained in accordance with good business practices, Applicable Law and applicable accounting standards and, in each case, are stated in reasonable details and accurately and fairly reflect the material transactions and dispositions of the assets of PrivCo and accurately and fairly reflect the basis for all financial statements of PrivCo, including the PrivCo Financial Statements;
- (aa) the execution and delivery of this Agreement and the performance of PrivCo's obligations under this Agreement and the completion of the transactions contemplated by this Agreement by PrivCo do not and will not:
 - (i) conflict with, result in the breach of, cause the acceleration of any indebtedness under or constitute default or violation under, or constitute an

event that, with notice or lapse of time or both, would be a default, breach or violation of any of the terms of, the constating documents or any resolutions of the directors or shareholders of PrivCo, or any indenture, mortgage, agreement, lease, licence or other instrument of any kind whatsoever to which PrivCo is a party, or by which it is bound, or any judgment or order of any kind whatsoever of any court or administrative body of any kind whatsoever by which it is bound; or

- (ii) constitute an event which, pursuant to the terms of any indenture, mortgage, agreement, lease, license, contract, permit or other instrument of any kind whatsoever to which PrivCo is a party, or by which it is bound, would cause any right or interest of PrivCo to come to an end or be amended in any way that is detrimental to the business of PrivCo, or entitle any other Person to terminate or amend any such right or interest or relive any other Person of its obligations thereunder;
 - (iii) result in the violation of any Applicable Law; or
 - (iv) create any Encumbrance on any property or asset of PrivCo;
- (bb) the minute books of PrivCo contain all records of the material meetings and proceedings of shareholders and directors of PrivCo actually held since its incorporation, as well as the current constating documents of PrivCo, and no modifications or alterations to such constating documents have been proposed or approved by its shareholders or directors; and
- (cc) PrivCo is not a “reporting issuer” or equivalent in any jurisdiction nor are any shares of PrivCo listed or quoted on any stock exchange or electronic quotation system.

6.3 Concerning the PrivCo Securityholders – In order to induce the Issuer to enter into this Agreement and complete its obligations hereunder, each of the PrivCo Securityholders severally, and not jointly or jointly and severally, represents and warrants to the Issuer solely with respect to itself that:

- (a) if a corporation, it is a valid and subsisting corporation duly incorporated under the laws of the jurisdiction in which it is incorporated or formed;
- (b) it will be, at the Time of Closing, the legal and beneficial owner of the PrivCo Shares registered in its name as set out in Schedule A, free and clear of all Encumbrances;
- (c) at the Time of Closing, the PrivCo Securityholder will have the right, power and authority to transfer legal and beneficial title in and to its PrivCo Securities to the Issuer, free and clear of all liens, claims, charges and other Encumbrances whatsoever;

- (d) the PrivCo Securityholder has not granted to anyone any option or right to acquire any of its PrivCo Securities;
- (e) the entering into and performance of this Agreement and the transactions contemplated herein by it:
 - (i) if a corporation, will not violate its constating documents or bylaws;
 - (ii) will not result in the creation or imposition of any Encumbrance or restriction of any nature whatsoever in favour of a third party upon or against the PrivCo Shares owned by it; or
 - (iii) will not violate any statute, regulation, by law, order, judgment, or decree by which it is bound, except for such violations which would not prohibit or be reasonably expected to prohibit the PrivCo Securityholder from selling its PrivCo Shares;
- (f) if a corporation, the PrivCo Securityholder has taken all necessary corporate action to permit and authorize the sale of its PrivCo Securities to the Issuer; and
- (g) the PrivCo Securityholder has been advised to obtain independent legal and tax advice prior to entering into this Agreement.

6.4 **Survival** – The representations and warranties made by the parties under this Article 7 are true and correct as of the date hereof and shall be true and correct at the Time of Closing as though they were made at that time, and shall survive the Closing and remain in full force and effect for a period of two years following the Closing; provided that, notwithstanding the foregoing:

- (a) the representations and warranties contained in Sections 6.1(a), (c) and (z), Section 6.2 (a), (b), (d) and (e) and Section 6.3 (a), (b), (c), (d) and (f) shall survive indefinitely; and
- (b) the representations and warranties contained in Sections 6.1(n) and (o) and Section 6.2 (r) shall survive until the date that is 60 days after the relevant Governmental Authority are no longer entitled to assess or reassess the taxes in question, having regard, without limitation, to any waiver given before the Closing in respect of such taxes and any entitlement of a Governmental Authority to assess or reassess in respect of such taxes without limitation in the event of fraud or misrepresentation attributable to neglect carelessness or willful default.

After the expiration of such period, as applicable, no party shall have any further liability with respect to any breach of any representation or warranty contained herein, except for those alleged breaches for which notice has been given prior to the end of such period, as applicable; and provided that in the event of any fraud relating to a representation and warranty in this Agreement, then notwithstanding the foregoing time limitations, such representation and warranty shall survive indefinitely for the purposes of claims in respect of such representation and warranty.

6.5 **Indemnity** – The Issuer agrees to indemnify and save harmless PrivCo, and its directors, officers, representatives and agents, and the PrivCo Securityholders, and PrivCo similarly agrees to indemnify and save harmless the Issuer, and its directors, officers, representatives and agents, from and against all losses, claims, actions, causes of action and liabilities, including legal fees and disbursements on a full indemnity basis, of any and all nature whatsoever (“**Losses**”), which the other may suffer, sustain or incur or which may be brought, made or asserted against the other as the result of any inaccuracy in any representation and warranty made in this Agreement by the indemnifying party, or which may be suffered or incurred as a result of, in respect of or arising out of any non-fulfillment of any covenant or agreement on the part of such indemnifying party, subject to the following limitations:

- (a) there shall be no obligation to indemnify in respect of a claim not made in writing within the applicable survival period, if any, specified in Section 6.4;
- (b) no Losses may be recovered from PrivCo pursuant to this Section 6.5 for inaccuracies in any representation and warranty made in this Agreement by PrivCo unless and until the accumulated aggregate amount of Losses of the indemnified parties exceeds \$20,000, in which event the accumulated aggregate amount of all Losses may be recovered; and
- (c) no Losses may be recovered from the Issuer pursuant to this Section 6.5 for inaccuracies in any representation and warranty made in this Agreement by the Issuer unless and until the accumulated aggregate amount of Losses of the indemnified parties exceeds \$20,000, in which event the accumulated aggregate amount of all Losses may be recovered.

6.6 **Limitations on Representations and Warranties** – The parties shall not be deemed to have made any representation or warranty other than as expressly made in Sections 6.1 to 6.3 hereof.

6.7 **Agency for Non-Parties** – Each of the Issuer and PrivCo hereby accepts each indemnity in favour of each of its indemnified parties who are not parties hereto as agent and trustee of that party. Each of the Issuer and PrivCo may enforce an indemnity in favour of any of that party’s indemnified parties on behalf of each such indemnified party.

7. CLOSING

7.1 **Closing Date** – The Closing shall take place electronically at the Time of Closing, or at such other time and date or in such other manner as the Issuer and PrivCo may mutually agree.

7.2 **Deliveries by PrivCo and the PrivCo Securityholders** – At the Time of Closing, PrivCo and the PrivCo Securityholders shall deliver to the Issuer the following documents:

- (a) with respect to each of the PrivCo Securityholders:
 - (i) share certificates or other evidences of the PrivCo Shares owned by such PrivCo Securityholder, duly endorsed in blank for transfer or accompanied by duly executed stock transfer powers; and

- (ii) if required by the CSE to be delivered by the PrivCo Securityholder, any escrow agreement(s), in form satisfactory to the CSE, duly executed by the PrivCo Securityholder;
- (b) with respect to PrivCo, a certified true copy of the register of shareholders of PrivCo, showing the Issuer as the sole shareholder of PrivCo;
- (c) a PrivCo Share certificate, registered in the name of the Issuer, representing 100% of the PrivCo Shares issued and outstanding;
- (d) a certificate of one of PrivCo's executive officers, dated as of the Closing Date, certifying: (i) that attached thereto are true and complete copies of the constating documents of PrivCo (and all amendments thereto as in effect as on such date); (ii) that attached thereto are all resolutions of the board of directors of PrivCo approving its entrance into this Agreement and the completion of the Transaction; and (iv) as to the incumbency and genuineness of the signature of each officer of PrivCo executing this Agreement or any of the other agreements or documents contemplated hereby;
- (e) the officer's certificate referenced in Section 5.2(c);
- (f) certificate of good standing for PrivCo;
- (g) a resignation and release in respect of each of the directors and officers of PrivCo, in form and substance satisfactory to PrivCo and the Issuer, each acting reasonably, duly executed by the Issuer; and
- (h) such other materials that are, in the opinion of the Issuer acting reasonably, required to be delivered by the PrivCo Securityholders and by PrivCo in order for them to meet their obligations under this Agreement..

7.3 Deliveries by the Issuer – At the Time of Closing on the Closing Date, the Issuer shall deliver to PrivCo, on its own behalf and on behalf of the PrivCo Securityholders:

- (a) the Issuer Consideration Securities duly registered in accordance with the instructions provided by each PrivCo Securityholder on their respective execution page hereof;
- (b) a certificate of one of the Issuer's executive officers, dated as of the Closing Date, certifying: (i) that attached thereto are true and complete copies of the constating documents of the Issuer (and all amendments thereto as in effect as on such date); (ii) that attached thereto are all resolutions of the board of directors of the Issuer approving its entrance into this Agreement and the completion of the Transaction; (iii) that attached thereto are all resolutions of the shareholders of the Issuer approving the completion of the Transaction and the listing of the Resulting Issuer Shares on the CSE and (iv) as to the incumbency and genuineness of the signature of each officer of the Issuer executing this Agreement or any of the other agreements or documents contemplated hereby;

- (c) the officer's certificates referred to in Section 5.3(c);
- (d) certificate of good standing for the Issuer;
- (e) reporting issuers lists in British Columbia and Alberta showing the Issuer is a reporting issuer and is not noted as being a "defaulting reporting issuer" (or any analogous terms) in any such jurisdiction;
- (f) evidence of Regulatory Approval of the Transaction, including the Name Change;
- (g) evidence of conditional approval, subject to compliance with the usual requirements of the CSE, for the listing of the Resulting Issuer Shares on the CSE;
- (h) a resignation and release in respect of each of the directors and officers of PrivCo, in form and substance satisfactory to PrivCo and the Issuer, each acting reasonably, duly executed by each such director and officer; and
- (i) such other materials that are, in the opinion of PrivCo acting reasonably, required to be delivered by the Issuer in order for the Issuer to meet its obligations under this Agreement.

8. TERMINATION

8.1 If any of the conditions contained in Article 5 hereof shall not be fulfilled or performed by the Closing Date or if any such condition is, or becomes, impossible to satisfy prior to the Closing Date, and such condition is contained in:

- (a) Section 5.1 hereof, any of the Issuer, PrivCo or the Shareholder Representative (on behalf of the PrivCo Securityholders) may terminate this Agreement by written notice to the Issuer, PrivCo and/or the Shareholder Representative (on behalf of the PrivCo Securityholders), as applicable;
- (b) Section 5.2 hereof, the Issuer may terminate this Agreement by written notice to PrivCo and the Shareholder Representative (on behalf of the PrivCo Securityholders); or
- (c) Section 5.3 hereof, PrivCo or the Shareholder Representative (on behalf of the PrivCo Securityholders) may terminate this Agreement by written notice to the PrivCo, the Shareholder Representative and/or the Issuer, as applicable,

provided that no such Person may terminate this Agreement if such failure of a condition to be fulfilled (or possible to fulfill) by the Closing Date is a result of such Person's failure to comply with its obligations under this Agreement.

If this Agreement is terminated as aforesaid, subject to the proceeding sentence, all further obligations of the parties under this Agreement shall terminate, except for the obligations under Sections 4 and 11, which shall survive such termination. Notwithstanding the foregoing, if the right to terminate arose because of a breach of this Agreement by another party (including a breach

by another party resulting in a condition in favour of the terminating party failing to be satisfied), then such other party or parties shall remain fully liable for any and all Losses sustained or incurred by the terminating party directly or indirectly as a result thereof.

8.2 If any of the parties hereto shall determine at any time prior to the Closing Date that it intends to refuse to consummate the Acquisition 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, the party shall so notify the other of them 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, but in no event later than ten Business Days from the date of such notice.

9. ACKNOWLEDGEMENT OF PRIVCO SECURITYHOLDERS

9.1 The PrivCo Securityholders each acknowledge and agree that upon Closing, any and all rights they may have in or to any securities of PrivCo shall automatically (without any further action) be absolutely terminated and cancelled and no PrivCo Securityholder shall be entitled to any consideration in respect of same other than as explicitly set forth herein. Further, pursuant to Article 14, each of the PrivCo Securityholders hereby nominates, constitutes and appoints Aman Parmar (the “**Shareholder Representative**”) as his/her/its true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, and in his/her/its name, place and stead, to execute any and all documents, instruments and agreements necessary to effect the foregoing and to do and perform each and every act and thing requisite and necessary to be done, as fully and to all intents and purposes as each of the undersigned PrivCo Securityholders might or could do in person, in order to effect the foregoing.

10. STANDSTILL AGREEMENT

10.1 During the period commencing on the date of this Agreement and continuing until the earlier of (i) the closing of the Transaction and (ii) the termination of this Agreement, each of PrivCo and the Issuer agrees that it will not, directly or indirectly, and will not authorize or permit any representative or agent thereof to, directly or indirectly, (a) solicit, initiate, encourage, engage in or respond to any inquiry or proposal regarding any merger, amalgamation, share exchange, business combination, take-over bid, sale or other disposition of all or substantially all of its assets, any recapitalization, reorganization, liquidation, material sale or issue of treasury securities or rights or interest therein or thereto or rights or options to acquire any material number of treasury securities or any type of similar transaction which would or could, in any case, constitute or result in a de facto change of control of either party or the disposition of substantially all of its assets (each an “**Alternative Transaction**”), (b) encourage or participate in any discussions or negotiations regarding any Alternative Transaction, (c) agree to, approve or recommend an Alternative Transaction, or (d) enter into any agreement related to an Alternative Transaction.

10.2 Nothing contained in this Agreement will prohibit, prevent or restrict PrivCo from furnishing or from providing information in respect of or otherwise responding to or engaging in discussions or negotiations in respect of, an unsolicited Alternative Transaction not resulting from a breach of Section 10.1 or the directors of PrivCo, in the fulfilment of their fiduciary duties, from

supporting or facilitating any such unsolicited Alternative Transaction, or PrivCo from completing any such Alternative Transaction, or entering into a definitive and binding agreement to effect such an unsolicited Alternative Transaction, if directors of PrivCo determine in good faith, after consultation, to the extent considered appropriate by the directors, with their financial and legal advisors, that the unsolicited Alternative Transaction constitutes, or could reasonably be expected to lead to or result in, a transaction that would, if consummated in accordance with its terms, be more favourable to PrivCo or the PrivCo Shareholders than the Transaction provided, however, that prior to taking such action, the directors of PrivCo shall have concluded, after considering Applicable Law, and receiving advice of outside counsel that such action would be a proper exercise of their fiduciary duties, or is otherwise required under Applicable Law.

11. PUBLIC DISCLOSURE

11.1 Restrictions on Disclosure – No disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated herein will be made by the Issuer or PrivCo without the prior written agreement of the other as to timing, content and method, provided that the obligations herein will not prevent the Issuer or PrivCo from making, after consultation with the other, such disclosure as its counsel advises is required by Applicable Law, including the rules and policies of the TSXV and the CSE or as is required to carry out the transactions contemplated in this Agreement or the obligations of the Issuer or PrivCo.

11.2 Confidentiality – Except with the prior written consent of the other, each of the Issuer and PrivCo and its respective employees, officers, directors, shareholders, agents, advisors and other representatives will hold all information received from the Issuer or PrivCo, as applicable, concerning any of the Issuer, or PrivCo and the PrivCo Securityholders, as applicable, in strictest confidence and shall disclose or use such information, except as shall be necessary to implement the Transaction or as is required by Applicable Law, including the rules and policies of the TSXV and the CSE, provided that information that becomes available to the public (other than as a result of the breach of this Agreement) shall cease to be subject to this Section 11.2. All such information in written or electronic form and documents will be promptly returned to the party originally delivering them in the event that the transactions provided for in this Agreement are not completed.

11.3 Personal Information – Each of the PrivCo Securityholders hereby consents to the disclosure of his or her personal information in connection with the transactions contemplated by this Agreement, including without limitation the Acquisition, and acknowledges and consents to the fact that PrivCo and the Issuer are collecting the personal information (as that term is defined under applicable privacy legislation, including the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect in Canada from time to time) of the PrivCo Securityholder for the purposes of completing this Agreement and the transactions contemplated hereby. Each PrivCo Securityholder acknowledges and consents to PrivCo and the Issuer retaining such personal information for as long as permitted or required by law or business practices. Each PrivCo Securityholder further acknowledges and consents to the fact that PrivCo and the Issuer may be required by applicable securities legislation or the rules and policies of the TSXV and the CSE to provide regulatory authorities with any personal information provided by the PrivCo Securityholders in this Agreement and each PrivCo Securityholder further consents to the public disclosure of such information by electronic filing or by any other means.

12. POWER OF ATTORNEY

Each of the PrivCo Securityholders hereby nominates, constitutes and appoints the Shareholder Representative as his/her/its true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, and in his/her/its name, place and stead, to execute any and all documents, instruments and agreements relating to the Acquisition, including all documents, instruments and agreements that may be required to effect the exchange of the PrivCo Securities, and the subsequent cancellation and termination of the PrivCo Securities as contemplated hereby, with full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully and to all intents and purposes as each of the undersigned PrivCo Securityholders might or could do in person, and each of the undersigned PrivCo Securityholders hereby ratifies and agrees to ratify and confirm all that the said attorney-in-fact and agent, or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

13. GENERAL

13.1 **Time of the Essence** – Time and each of the terms and conditions of this Agreement shall be of the essence of this Agreement and any waiver by the parties of this paragraph or any failure by them to exercise any of their rights under this Agreement shall be limited to the particular instance and shall not extend to any other instance or matter in this Agreement or otherwise affect any of their rights or remedies under this Agreement.

13.2 **Entire Agreement** – This Agreement constitutes the entire Agreement between the parties hereto in respect of the matters referred to herein and there are no representations, warranties, covenants or agreements, expressed or implied, collateral hereto other than as expressly set forth or referred to herein.

13.3 **Independent Legal Advice.** Each of the parties to this Agreement acknowledges and agrees that Cozen O'Connor LLP (“**Cozen**”) has acted as legal counsel to the Issuer only, and that the Trevor Simpson Law Corporation (“**TSLC**”) has acted as legal counsel to PrivCo only, and not to any other party to this Agreement, and that neither TSLC nor Cozen has been engaged to protect the rights and interests of any of the other parties, meaning the individual PrivCo Securityholders. Each of the PrivCo Securityholders acknowledges and agrees that PrivCo, the Issuer, the other PrivCo Securityholders, TSLC and Cozen have given them adequate opportunity to seek, and have recommended that they seek and obtain, independent legal and taxation advice with respect to the subject matter of this Agreement and for the purpose of ensuring their rights and interests are protected. Each of the PrivCo Securityholders represents and warrants to the Issuer, PrivCo, TSLC and Cozen that he/she/it has sought independent legal and taxation advice or consciously chosen not to do so with full knowledge of the risks associated with not obtaining such independent legal and taxation advice.

13.4 **Further Assurances** – The parties hereto shall execute and deliver all such further documents and instruments and do all such acts and things as any party may, either before or after the Closing, reasonably require of the others in order that the full intent and meaning of this Agreement is carried out. The provisions contained in this Agreement which, by their terms, require performance by a party to this Agreement subsequent to the Closing, shall survive the Closing.

13.5 Amendments – No alteration, amendment, modification or interpretation of this Agreement or any provision of this Agreement shall be valid or binding upon the parties hereto unless such alteration, amendment, modification or interpretation is in a form executed by PrivCo, the Issuer and the Shareholder Representative (on behalf of the PrivCo Securityholders); provided that if any such alteration, amendment, modification, or interpretation materially adversely affects a particular PrivCo Securityholder or group of PrivCo Securityholders more so than the other PrivCo Securityholders, the written consent of such materially adversely affected PrivCo Securityholder(s) shall also be required. Notwithstanding the foregoing, the provisions hereof may be altered, amended or modified on written consent of the Issuer and PrivCo only, provided such alteration, amendment or modification is made for any one or more or all of the following purposes:

- (a) adding to the provisions hereof such additional covenants, enforcement provisions, and release provisions (if any) as in the opinion of counsel acceptable to the Issuer and PrivCo are necessary or advisable, provided the same are not, in the opinion of counsel to the Issuer and PrivCo, prejudicial to the interests of the PrivCo Securityholders;
- (b) adding to the covenants of the Issuer or PrivCo in this Agreement for the protection of the PrivCo Securityholders;
- (c) providing for the issuance of an alternative number of the Issuer Consideration Shares hereunder and any consequential amendments hereto as may be required by the Issuer and PrivCo relying on the advice of counsel, provided the same are not, in the opinion of counsel to the Issuer and PrivCo, materially prejudicial to the interests of the PrivCo Securityholders;
- (d) making such provisions not inconsistent with this Agreement as may be deemed necessary or desirable with respect to matters or questions arising hereunder, provided the same are not, in the opinion of counsel to the Issuer and PrivCo, prejudicial to the interests of the PrivCo Securityholders;
- (e) to rectify any ambiguity, defective provision, clerical omission or mistake or manifest or other error contained herein or in any deed or agreement supplemental or ancillary hereto provided that, in the opinion of the counsel to the Issuer and PrivCo, the rights of the PrivCo Securityholders are not prejudiced thereby;
- (f) adding to or altering the provisions hereof in respect of the transfer of securities and making provision for the exchange of securities of different denominations which do not affect the substance thereof; or
- (g) for any other purpose not inconsistent with the provisions of this Agreement, provided that, in the opinion of counsel to the Issuer and PrivCo, the rights of the PrivCo Securityholders are in no way prejudiced thereby.

13.6 Notices – Any notice, request, demand, election and other communication of any kind whatsoever to be given under this Agreement shall be in writing and shall be delivered by hand,

e-mail or mail to the Issuer or PrivCo (on its own behalf and on behalf of the PrivCo Securityholders) at their following respective addresses:

To the Issuer:

KR Investment Ltd.
363 West 6th Avenue
Vancouver, BC
V5Y 1L1

Attention: John Kim
Email: *[Redacted - Private Information]*

With a copy to:

Cozen O'Connor LLP
Bentall 5
550 Burrard Street, Suite 2501
Vancouver, BC V6C 2B5

Attention: Brian Fast
Email: *[Redacted - Private Information]*

To PrivCo or the PrivCo Securityholders:

Rare Earth Element Corp.

Attention: Aman Parmar
Email: *[Redacted - Private Information]*

With a copy to:

Attention: Trevor Simpson
Email: *[Redacted - Private Information]*

or to such other addresses as may be given in writing by the Issuer or PrivCo, in the manner provided for in this paragraph, and the party sending such notice should request acknowledgment of delivery and the party receiving such notice should provide such acknowledgment. Notwithstanding whether or not a request for acknowledgment has been made or replied to, whether or not delivery has occurred will be a question of fact. If a party can prove that delivery was made as provided for above, then it will constitute delivery for the purposes of this Agreement whether or not the receiving party acknowledged receipt.

13.7 Assignment – This Agreement may not be assigned by any party hereto without the prior written consent of all of the parties hereto.

13.8 Governing Law – This Agreement shall be subject to, governed by, and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada

applicable therein, and the parties hereby irrevocably and unconditionally attorn to the jurisdiction of the Courts of British Columbia.

13.9 **Counterparts** – This Agreement may be signed by fax, e-mail (scan) or other means of electronic transmission and in counterpart, and each copy so signed shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

13.10 **Severability** – If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions will not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby, unless in either case as a result of such determination this Agreement would fail in its essential purpose.

13.11 **Number and Gender** – Unless the context of this Agreement otherwise requires, to the extent necessary so that each clause will be given the most reasonable interpretation, the singular number will include the plural and vice versa, the verb will be construed as agreeing with the word so substituted, words importing the masculine gender will include the feminine and neuter genders, words importing persons will include firms and corporations and words importing firms and corporations will include individuals.

13.12 **Enurement** – This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors, permitted assigns, trustees, representatives, heirs and executors.

[Remainder of page intentionally left blank. Execution page follows.]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the Effective Date.

KR INVESTMENT LTD.

Per: (s) "Eli Dusenbury"
Authorized Signatory

RARE EARTH ELEMENT CORP.

Per: (s) "Aman Parmar"
Authorized Signatory

SCHEDULE A
PRIVCO SECURITYHOLDERS

This Schedule A is incorporated by reference and deemed to form part of this Agreement dated as of the Effective Date.

Name and Address of PrivCo Securityholder	Number of PrivCo Shares	Number of PrivCo Warrants	Number of Issuer Consideration Shares to be Issued
[Redacted - Private Information]	500		500
[Redacted - Private Information]	1,500,000	1,500,000	1,500,000
[Redacted - Private Information]	1,500,000	1,500,000	1,500,000
[Redacted - Private Information]	200,000	200,000	200,000
[Redacted - Private Information]	750,000	750,000	750,000
[Redacted - Private Information]	1,500,000	1,500,000	1,500,000
[Redacted - Private Information]	250,000	250,000	250,000
[Redacted - Private Information]	1,500,000	1,500,000	1,500,000

[Redacted - Private Information]	50,000	50,000	50,000
[Redacted - Private Information]	150,000	150,000	150,000
[Redacted - Private Information]	100,000	100,000	100,000
[Redacted - Private Information]	1,750,000	1,750,000	1,750,000
[Redacted - Private Information]	1,500,000	1,500,000	1,500,000
[Redacted - Private Information]	1,500,000	1,500,000	1,500,000
[Redacted - Private Information]	500,000	500,000	500,000
[Redacted - Private Information]	1,300,000	1,300,000	1,300,000
[Redacted - Private Information]	150,000	150,000	150,000
[Redacted - Private Information]	300,000	300,000	300,000
[Redacted - Private Information]	50,000	50,000	50,000

[Redacted - Private Information]	1,500,000	1,500,000	1,500,000
[Redacted - Private Information]	500,000	500,000	500,000
[Redacted - Private Information]	150,000	150,000	150,000
[Redacted - Private Information]	100,000	100,000	100,000
[Redacted - Private Information]	100,000	100,000	100,000
[Redacted - Private Information]	1,500,000	1,500,000	1,500,000
[Redacted - Private Information]	150,000		150,000

SCHEDULE B
SIGNATURES OF PRIVCO SECURITYHOLDERS (INDIVIDUAL)

This Schedule B is incorporated by reference and deemed to form part of this Agreement dated as of the Effective Date.

PrivCo Securityholder Details:

Name of PrivCo Securityholder: [Redacted - Private Information]

Address of PrivCo Securityholder: [Redacted - Private Information]

Issuer Consideration Securities Registration and Delivery Instructions:

Registered Name of Shareholder: [Redacted - Private Information]

Address of Record for Shareholder: [Redacted - Private Information]

Delivery Address (if different from
address of record): _____

Contact Person Name: [Redacted - Private Information]

Contact Person Telephone: [Redacted - Private Information]

Contact Person Email Address: [Redacted - Private Information]

The undersigned agrees to be bound by the terms and conditions of the Agreement, and by signing where indicated, the PrivCo Securityholder agrees to transfer to the Issuer all of the PrivCo Securities it owns, as described in Schedule A.

Name: [Redacted - Private Information]

SCHEDULE B
SIGNATURES OF PRIVCO SECURITYHOLDERS (CORPORATION)

This Schedule B is incorporated by reference and deemed to form part of this Agreement dated as of the Effective Date.

PrivCo Securityholder Details:

Name of PrivCo Securityholder: [Redacted - Private Information]

Address of PrivCo Securityholder: [Redacted - Private Information]

Issuer Consideration Securities Registration and Delivery Instructions:

Registered Name of Shareholder: [Redacted - Private Information]

Address of Record for Shareholder: [Redacted - Private Information]

Delivery Address (if different from address of record): _____

Contact Person Name: [Redacted - Private Information]

Contact Person Telephone: [Redacted - Private Information]

Contact Person Email Address: [Redacted - Private Information]

The undersigned agrees to be bound by the terms and conditions of the Agreement, and by signing where indicated, the PrivCo Securityholder agrees to transfer to the Issuer all of the PrivCo Securities it owns, as described in Schedule A.

Corporate Name:
[Redacted - Private Information]

Per: [Redacted - Private Information]

Authorized Signatory

Name: [Redacted - Private Information]

Title: Director

SCHEDULE B
SIGNATURES OF PRIVCO SECURITYHOLDERS (INDIVIDUAL)

This Schedule B is incorporated by reference and deemed to form part of this Agreement dated as of the Effective Date.

PrivCo Securityholder Details:

Name of PrivCo Securityholder: [Redacted - Private Information]

Address of PrivCo Securityholder: [Redacted - Private Information]

Issuer Consideration Securities Registration and Delivery Instructions:

Registered Name of Shareholder: [Redacted - Private Information]

Address of Record for Shareholder: [Redacted - Private Information]

Delivery Address (if different from
address of record): _____

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Contact Person Telephone: [Redacted - Private Information]

Contact Person Email Address: [Redacted - Private Information]

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Name: [Redacted - Private Information]

SCHEDULE B
SIGNATURES OF PRIVCO SECURITYHOLDERS (INDIVIDUAL)

This Schedule B is incorporated by reference and deemed to form part of this Agreement dated as of the Effective Date.

PrivCo Securityholder Details:

Name of PrivCo Securityholder: [Redacted - Private Information]

Address of PrivCo Securityholder: [Redacted - Private Information]

Issuer Consideration Securities Registration and Delivery Instructions:

Registered Name of Shareholder: [Redacted - Private Information]

Address of Record for Shareholder: [Redacted - Private Information]

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Corporate Name:
[Redacted - Private Information]

Per: [Redacted - Private Information]

Authorized Signatory

Name: [Redacted - Private Information]

Title: Director

SCHEDULE B
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[Redacted - Private Information]

Per: [Redacted - Private Information]

Authorized Signatory

Name: [Redacted - Private Information]

Title: Director

SCHEDULE C
ACKNOWLEDGMENT AND AGREEMENT TO BE BOUND

TO: RARE EARTH ELEMENT CORP. (“PrivCo”)

AND TO: THE HOLDERS OF THE SECURITIES OF PRIVCO (the “PrivCo Securityholders”)

AND TO: KR INVESTMENT LTD. (the “Issuer”)

I, the beneficial owner of securities listed in the attached Exhibit “A” (the “Securities”), acknowledge that the Securities are subject to a securities exchange agreement dated March 20, 2024 (the “Agreement”) among PrivCo, the Issuer and the PrivCo Securityholders.

Terms capitalized but not defined herein shall have the meaning given to them in the Agreement.

For other good and valuable consideration, I agree to be bound by the Agreement in respect of the Securities as if I were an original signatory to the Agreement.

Dated at _____, _____ on _____, 2024.

Where the beneficial owner of the Securities is an individual:

Signed, sealed and delivered by)
in the presence of:)
)
)
)
)
_____)
Signature of Witness)
)
)
)
)
)
_____)
Name of Witness)

Where the beneficial owner of the Securities is a corporation:

Per: _____

EXHIBIT "A" TO SCHEDULE C

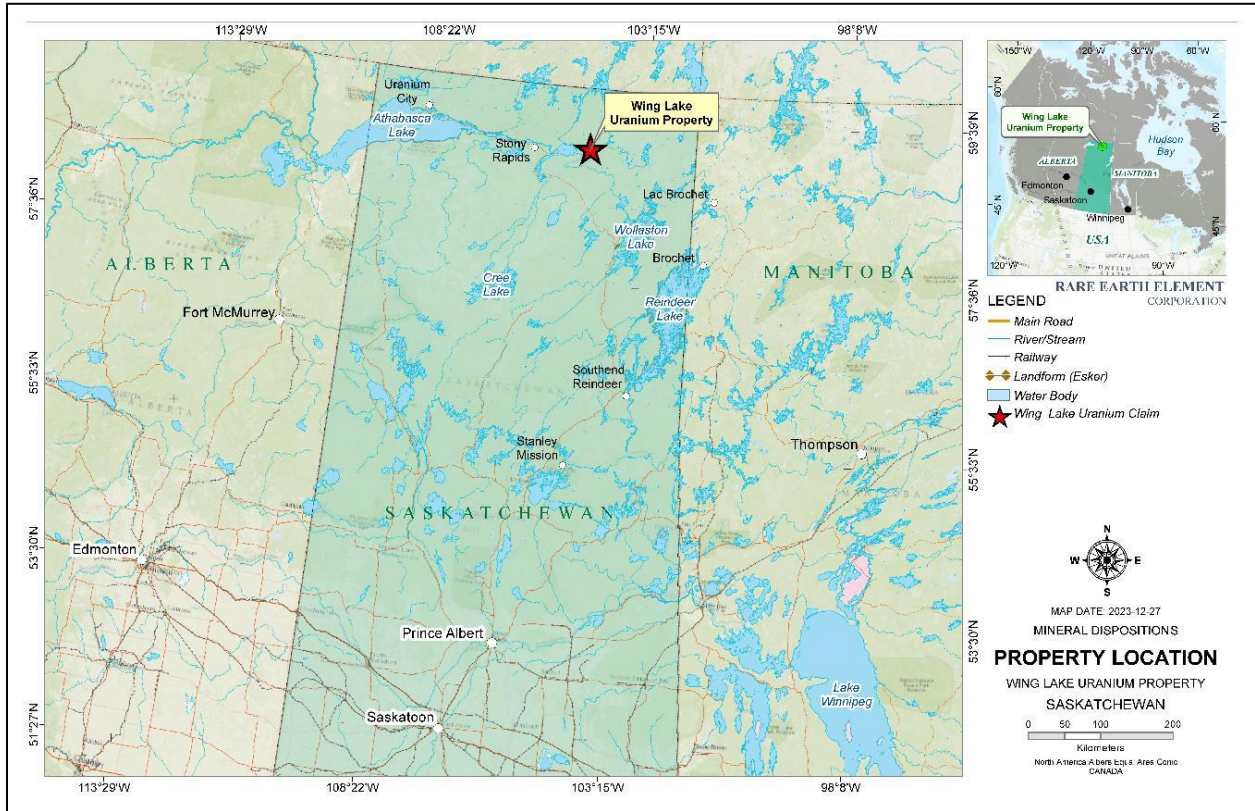
Name and Address of PrivCo Securityholder	Number of PrivCo Shares	Number of PrivCo Warrants	Number of Issuer Consideration Shares to be Issued

SCHEDULE D
DESCRIPTION OF THE WING LAKE URANIUM PROPERTY

Description

The Wing Lake Uranium Property consists of two contiguous mineral claims, MC00015794 and MC00018054, which cover about 7,166.55 hectares land in the Mudjatik Domain of northern Saskatchewan, Canada, an area known for uranium and base metal deposits. The Wing Lake Uranium Property is centered on UTM coordinate system NAD 1983, Zone 13N, at 6,566,000 meters Northing and 520,000 meters Easting; or at 104° 38' 55" West Longitude and 59° 16' 01" North Latitude. The western boundary of the Wing Lake Uranium Property is located approximately 85 km to the east of the community of Stony Rapids on NTS 074P02 & 074P07.

Location Map



Claims Map

