

**AMALGAMATION AGREEMENT**

**AMONG:**

**MIRAMONT RESOURCES CORP.**

**- and -**

**KUYA SILVER CORP.**

**- and -**

**2757974 ONTARIO INC.**

**Dated June 10, 2020**

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## AMALGAMATION AGREEMENT

THIS AGREEMENT dated June 10, 2020 is made

### AMONG:

**MIRAMONT RESOURCES CORP.**, a corporation incorporated and existing under the *Business Corporations Act* (British Columbia)

(hereinafter referred to as “**Mont**”)

- and -

**KUYA SILVER CORP.**, a corporation incorporated and existing under the *Business Corporations Act* (Ontario)

(hereinafter referred to as “**Kuya**”)

-and –

**2757974 ONTARIO INC.**, a corporation incorporated and existing under the *Business Corporations Act* (Ontario)

(hereinafter referred to as “**Mont Subco**”)

**WHEREAS** the Parties have agreed, subject to the satisfaction of certain conditions precedent, to carry out a three-cornered Amalgamation pursuant to Section 174 of the *Business Corporations Act* (Ontario) (the “**OBCA**”) pursuant to which, among other things:

- (i) each Mont Subco Share will be exchanged for one Amalco Share;
- (ii) each Kuya Share held by Kuya Shareholders (other than Kuya Dissenting Shareholders) will be exchanged for 1.835 post-Consolidation (as defined below) Mont Shares; and
- (iii) all outstanding Kuya Warrants shall entitle the holders thereof to receive, upon the subsequent exercise thereof, Mont Shares based on the Exchange Ratio and all other terms of the Kuya Warrants shall remain the same;

**NOW, THEREFORE**, in consideration of the mutual benefits to be derived and the representations and warranties, conditions and promises herein contained and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged) and intending to be legally bound hereby, the Parties agree as follows:

### ARTICLE I GENERAL

#### 1.1 *Defined Terms*

Capitalized terms used herein (including the recitals) and not otherwise defined shall have the meanings ascribed to such terms as follows:

“**Advisors**” when used with respect to any Person, shall mean such Person's directors, officers, employees, representatives, agents, counsel, accountants, advisers, engineers, and consultants.

“**Affiliate**” shall have the meaning ascribed to such term in National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators.

“**Agreement**” means this Amalgamation Agreement, as it may be amended or supplemented at any time and from time to time after the date hereof.

“**Amalco**” means the corporation resulting from the amalgamation of Mont Subco and Kuya pursuant to the Amalgamation.

“**Amalco Shares**” means common shares in the capital of Amalco.

“**Amalgamation**” means an amalgamation under Section 174 of the OBCA, on the terms and subject to the conditions set out in this Agreement, subject to any amendments or variations thereto made in accordance with the provisions of this Agreement, and pursuant to which Kuya Shareholders will receive 1.835 post-Consolidation Mont Shares for each one Kuya Share held which will result in Mont becoming the parent company of Amalco.

“**Associate**” shall have the meaning ascribed to such term in the *Securities Act* (Ontario).

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

“**Bethania Share Purchase Agreement**” means the share purchase agreement between S & L Andes Export SAC and Kuya dated October 9, 2017, as amended, whereby Kuya has the option to acquire up to an 80% interest in S & L Andes Export SAC, the owner of the Bethania property.

“**Breaching Party**” shall have the meaning ascribed to such term in Section 11.2(c).

“**Budget**” means the budget of Mont provided to Kuya prior to signing the LOI.

“**Business Day**” means any day other than a Saturday or Sunday or other day on which Canadian Chartered Banks located in the Cities of Toronto, Ontario, and Vancouver, British Columbia, are required or permitted to close.

“**Canadian Securities Laws**” means the *Securities Act* (Ontario) (or equivalent legislation) in each of the Provinces of Canada and the respective regulations under such legislation together with applicable published rules, regulations, policy statements, national instruments and memoranda of understanding of the Canadian Provincial Securities Administrators and the securities regulatory authorities in such Provinces.

“**Certificate**” shall mean the Certificate of Amalgamation issued by the Director pursuant to Section 178 of the OBCA.

“**Consolidation**” means the consolidation of the Mont Shares on a basis of one (1) new Mont Share for each ten (10) Mont Shares held by a Mont Shareholder.

“**Consolidation Resolution**” means the resolution of the Board of Directors of Mont authorizing the Consolidation.

“**Contract**” means any contract, lease, agreement, instrument, license, commitment, order, or quotation, written or oral.

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

“**Depository**” means the depository for the Kuya Shares as mutually agreed to by Mont and Kuya.

“**Dissent Rights**” shall have the meaning ascribed to such term in Section 2.1.

“**Effective Date**” shall have the meaning ascribed to such term in Section 1.2(f)(i).

“**Effective Time**” means 12:01 a.m. (Toronto time) on the Effective Date.

“**Employee Plans**” means all plans, arrangements, agreements, programs, policies or practices, whether oral or written, formal or informal, funded or unfunded, maintained for employees, including, without limitation:

- (a) any employee benefit plan or material fringe benefit plan;
- (b) any retirement savings plan, pension plan or compensation plan, including, without limitation, any defined benefit pension plan, defined contribution pension plan, group registered retirement savings plan or supplemental pension or retirement income plan;
- (c) any bonus, profit sharing, deferred compensation, incentive compensation, stock compensation, stock purchase, hospitalization, health, drug, dental, legal disability, insurance (including without limitation unemployment insurance), vacation pay, severance pay or other benefit plan, arrangement or practice with respect to employees or former employees, individuals working on contract, or other individuals providing services of a kind normally provided by employees; and
- (d) where applicable, all statutory plans, including, without limitation, the Canada or Québec Pension Plans.

“**Encumbrance**” means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse claim, exception, reservation, restrictive covenant, agreement, easement, lease, licence, right of occupation, option, right of first refusal, right of pre-emption, privilege or any matter capable of registration against title or any Contract to create any of the foregoing.

“**Environmental Laws**” means Laws regulating or pertaining to the generation, discharge, emission or release into the environment (including without limitation ambient air, surface water, groundwater or land), spill, receiving, handling, use, storage, containment, treatment, transportation, shipment, disposition or remediation or clean-up of any Hazardous Substance, as such Laws are amended and in effect as of the date hereof.

“**Exchange Ratio**” means 1.835 post-Consolidation Mont Shares for each one Kuya Share, which Kuya Shareholders will be entitled to receive in connection with the Amalgamation.

“**Financing**” means the private placement of Kuya Subscription Receipts to be completed by Kuya prior to the Effective Date for minimum gross proceeds of C\$1,000,000, or such other minimum amount as may be agreed to by Kuya and Mont, at a price of C\$0.90 per Kuya Subscription Receipt, whereby each Kuya Subscription Receipt will be automatically converted into one (1) post-Consolidation Mont Share upon the satisfaction or waiver of such escrow release conditions as are customary for transactions of this nature.

“**Fundamental Change Resolution**” means the special resolution of the Mont Shareholders to be passed at the Mont Meeting approving the Amalgamation and such other matters (if any) required under Canadian Securities Laws, the policies of the CSE and applicable corporate Laws in connection the approval of the transaction contemplated hereunder.

“**Government**” means: (i) the government of Canada, or any foreign country; (ii) the government of any Province, county, municipality, city, town, or district of Canada, or any foreign country; and (iii) any ministry, agency, department, authority, commission, administration, corporation, bank, court, magistrate, tribunal, arbitrator, instrumentality, or political subdivision of, or within the geographical jurisdiction of, any government described in the foregoing clauses (i) and (ii).

“**Governmental**” means pertaining to any Government.

“**Governmental Authority**” means and includes, without limitation, any Government or other political subdivision of any Government, judicial, public or statutory instrumentality, court, tribunal, commission, board, agency (including those pertaining to health, safety or the environment), authority, body or entity, or other regulatory bureau, authority, body or entity having legal jurisdiction over the activity or Person in question and, for greater certainty, includes the CSE.

“**Government Official**” means:

- (a) any official, officer, employee, or representative of, or any person acting in an official capacity for or on behalf of, any Governmental Authority;
- (b) any salaried political party official, elected member of political office or candidate for political office; or
- (c) any company, business, enterprise or other entity owned or controlled by any person described in the foregoing clauses.

“**Hazardous Substance**” means any waste or other substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws, and specifically including tailings, petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials or any substance which is deemed under Environmental Laws to be deleterious to natural resources or occupational or public health and safety.

“**IFRS**” means the International Financial Reporting Standards.

“**Income Tax**” means any Tax based on or measured by income (including without limitation, based on net income, gross income, income as specifically defined, earnings, profits or selected items of income, earnings or profits); and any interest, Penalties and additions to tax with respect to any such tax (or any estimate or payment thereof).

“**ITA**” means the *Income Tax Act* (Canada), as amended and all regulations thereunder.

“**Kuya**” means Kuya Silver Corp., a corporation incorporated under the laws of Ontario.

“**Kuya Amalgamation Resolution**” means the special resolution of the Kuya Shareholders approving the Amalgamation and adopting the Amalgamation Agreement to be passed at either the Kuya Meeting or by unanimous written consent.

“**Kuya Assets**” means the material assets of Kuya and the Kuya Subsidiary, including the mineral exploration properties of Kuya located in Peru and the mineral rights as described in Schedule “B”.



“**Kuya Circular**” means, if necessary, the management information circular of Kuya to be provided to the Kuya Shareholders in respect of the Kuya Amalgamation Resolution, and such other matters (if any) to be considered at the Kuya Meeting.

“**Kuya Dissent Procedures**” means the dissent procedures for Kuya Shareholders as will be more particularly described in the Kuya Circular.

“**Kuya Dissenting Shareholder**” means a registered Kuya Shareholder who dissents in respect of the Kuya Amalgamation Resolution in strict compliance with the Kuya Dissent Procedures.

“**Kuya Group**” means collectively Kuya and the Kuya Subsidiary.

“**Kuya Meeting**” means, if necessary, the special meeting of the Kuya Shareholders to be held to approve, *inter alia*, the Kuya Amalgamation Resolution and such other matters as the Parties may determine, and any and all adjournments or postponements of such meeting.

“**Kuya Shareholders**” means the holders of the issued and outstanding Kuya Shares.

“**Kuya Shares**” means the common shares in the capital of Kuya.

“**Kuya Subscription Receipt**” means the subscription receipt entitling the holder thereof to receive one (1) post-Consolidation Mont Share upon the satisfaction or waiver of such escrow release conditions as are customary for transactions of this nature.

“**Kuya Subsidiary**” means Aerecura Materiales SAC, a company duly incorporated and existing under the laws of Peru.

“**Kuya Warrants**” means the: (i) 1,040,167 common share purchase warrants exercisable at USD\$0.001 upon the acquisition of S&L Andes Export SAC and expiring on the 15<sup>th</sup> day following the acquisition of the 80% interest pursuant to the Bethania Share Purchase Agreement; and (ii) 5,474 common share purchase warrants exercisable at USD\$1.00 and expiring September 18, 2020.

“**Law**” means any of the following of, or issued by, any Government, in effect on or prior to the date hereof, including any amendment, modification or supplementation of any of the following from time to time subsequent to the original enactment, adoption, issuance, announcement, promulgation or granting thereof and prior to the date hereof: any statute, law, act, ordinance, code, rule or regulation of any writ, injunction, award, decree, judgment or order.

“**liability**” of any Person means and include:

- (a) any right against such Person to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured;
- (b) any right against such Person to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to any equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured; and
- (c) any obligation of such Person for the performance of any covenant or agreement (whether for the payment of money or otherwise).

“**Listing Statement**” means the listing statement of Mont to be prepared in accordance with the requirements of the CSE and filed with the CSE in connection with the Amalgamation.

“**LOI**” means the non-binding letter of intent entered into between Mont and Kuya dated April 30, 2020.

“**Material Adverse Change**” or “**Material Adverse Effect**” means, with respect to either Party any change, event, effect, occurrence or state of facts that has, or could reasonably be expected to constitute a material adverse change in respect of or to have a material adverse effect on, the business, properties, assets, liabilities (including contingent liabilities), prospects, results of operations or financial condition of the party. The foregoing shall not include any change or effects attributable to: (i) changes relating to general economic, political or financial conditions; (ii) relating to the state of securities or commodities markets in general; (iii) changes affecting the worldwide mining industry in general which does not have a materially disproportionate effect on the Party; (iv) changes in the price of graphite; or (v) the announcement of the Amalgamation.

“**Meetings**” means the Mont Meeting and the Kuya Meeting, collectively.

“**Mont**” means Miramont Resources Corp., a corporation incorporated under the BCBCA.

“**Mont Circular**” means the management information circular of Mont to be provided to the Mont Shareholders in respect of the Fundamental Change Resolution and the other matters (if any) to be considered at the Mont Meeting.

“**Mont Meeting**” means a special meeting of the Mont Shareholders to be held to approve, *inter alia*, the Fundamental Change Resolution and such other matters as the Parties may determine, and any and all adjournments or postponements of such meeting.

“**Mont Options**” means the currently issued and outstanding options to purchase common shares in the capital of Mont pursuant to the Mont Stock Option Plan.

“**Mont Securities Documents**” shall have the meaning ascribed to such term in Section 4.5(a).

“**Mont Shareholders**” means the holders of Mont Shares.

“**Mont Shares**” means the common shares in the capital of Mont.

“**Mont Stock Option Plan**” means the stock option plan of Mont.

“**Mont Subco**” means 2757974 Ontario Inc., a wholly-owned subsidiary of Mont, created for the purpose of effecting the Amalgamation.

“**Mont Subco Amalgamation Resolution**” means the resolution of Mont, as the sole shareholder of Mont Subco, approving the Amalgamation and adopting the Amalgamation Agreement.

“**Mont Subsidiaries**” means collectively, Mont Subco, Puno Gold Corporation and Minera Puno Gold, S.A.C.

“**Name Change**” means the change of Mont’s name to “Kuya Silver Corporation” or such other name as is acceptable to the regulatory authorities.

“**Name Change Resolution**” means the resolution of the Board of Directors of Mont authorizing the name change of Mont to “**Kuya Silver Corporation**”.

“**Non-Offending Persons**” shall have the meaning ascribed to such term in Section 7.8.

“**OBCA**” means the *Business Corporations Act* (Ontario) as amended.

“**Parties**” and “**Party**” means the parties to this Agreement.

“**penalty**” means any civil or criminal penalty (including any interest thereon), fine, levy, lien, assessment, charge, monetary sanction or payment, or any payment in the nature thereof, of any kind, required to be made to any Government under any Law.

“**Person**” means any corporation, partnership, limited liability company or partnership, joint venture, trust, unincorporated association or organization, business, enterprise or other entity; any individual; and any Government.

“**subsidiary**” means, with respect to a specified corporation, any corporation of which more than fifty per cent (50%) of the outstanding shares ordinarily entitled to elect a majority of the Board of Directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified corporation, and shall include any corporation in like relation to a subsidiary.

“**Tax**” means any tax, levy, charge or assessment imposed by or due any Government, together with any interest, Penalties, and additions to tax relating thereto, including without limitation, any of the following:

- (a) any Income Tax;
- (b) any franchise, sales, use and value added tax or any license or withholding tax; any payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, alternative or add-on minimum tax; and any customs duties or other taxes;
- (c) any tax on property (real or personal, tangible or intangible, based on transfer or gains);
- (d) any estimate or payment of any of tax described in the foregoing clauses (a) through (d); and
- (e) any interest, Penalties and additions to tax with respect to any tax (or any estimate or payment thereof) described in the foregoing clauses (a) through (e).

“**Tax Return**” means all returns, amended returns and reports (including elections, declarations, disclosures, schedules, estimates and information returns) required to be supplied to a Tax authority in Canada.

“**Termination Date**” means December 31, 2020.

“**U.S. Securities Act**” means the United States *Securities Act of 1933*, as amended.

## **1.2 Amalgamation**

- (a) Kuya and Mont agree to effect the combination of their respective businesses and assets by way of a “three-cornered amalgamation” between Mont, Mont Subco, a wholly owned subsidiary of Mont, and Kuya.
- (b) As soon as reasonably practicable following the execution and delivery of this Agreement:
  - (i) Kuya shall use commercially reasonable efforts to either obtain a written consent resolution of the Kuya Shareholders approving the Kuya Amalgamation Resolution or call and hold the Kuya Meeting for the purpose of approving the Kuya Amalgamation Resolution, and other ancillary matters if necessary;
  - (ii) Mont shall call and hold the Mont Meeting for the purpose of approving the Fundamental Change Resolution and other ancillary matters if necessary;
  - (iii) the Parties shall use commercially reasonable efforts to prepare and mail the Kuya Circular, if necessary, and the Mont Circular, respectively; and

- (iv) Mont shall sign a written consent resolution approving the Mont Subco Amalgamation Resolution.
- (c) Upon the approval of the Consolidation Resolution by the Board of Directors of Mont in accordance with the requirements of the BCBCA and the Articles of Mont and satisfaction of the conditions precedent contained in this Agreement, and prior to the Effective Time, Mont shall complete and give effect to the Consolidation upon and subject to the terms of this Agreement.
- (d) Immediately prior to the filing of the Articles of Amalgamation, each Mont Subscription Receipt will be automatically converted into one post-Consolidation Mont Share without payment of additional consideration or further action on the part of the holder.
- (e) Upon the approval of the Fundamental Change Resolution by the Mont Shareholders, the Mont Subco Amalgamation Resolution by Mont and the Kuya Amalgamation Resolution by the Kuya Shareholders, the completion of the Consolidation set forth in paragraph 1.2(c) above and the satisfaction of the conditions precedent contained in this Agreement, Mont Subco and Kuya shall jointly complete and file Articles of Amalgamation, in duplicate, substantially in the form set forth in Schedule “A” hereto with the Director appointed under the OBCA, giving effect to the Amalgamation of Mont Subco and Kuya upon and subject to the terms of this Agreement.
- (f) Upon the issue of a Certificate giving effect to the Amalgamation:
- (i) Mont Subco and Kuya shall be amalgamated and shall continue as one corporation effective on the date of the Certificate (the “**Effective Date**”) under the terms and conditions prescribed in this Agreement;
  - (ii) each of Mont Subco and Kuya shall cease to exist as entities separate from Amalco;
  - (iii) Amalco shall possess all the property, rights, privileges and franchises and be subject to all the liabilities, including civil, criminal and quasi-criminal, and all the contracts, disabilities and debts of each of Mont Subco and Kuya;
  - (iv) a conviction against, or ruling, order or judgment in favour of or against either Mont Subco or Kuya may be enforced by or against Amalco;
  - (v) the Articles of Amalgamation of Amalco shall be deemed to be the articles of incorporation of Amalco and the Certificate, except for the purposes of subsection 117(1) of the OBCA, shall be deemed to be the certificate of incorporation of Amalco; and
  - (vi) Amalco shall be deemed to be the party plaintiff or the party defendant, as the case may be, in any civil action commenced by or against either Mont Subco or Kuya before the Amalgamation has become effective.
- (g) The name of Amalco shall be “**Kuya Silver Inc.**”, or such other name as mutually determined by the Parties.
- (h) The registered office of Amalco shall be 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2.

- (i) There shall be no restrictions on the business that Amalco may carry on or on the powers Amalco may exercise.
- (j) The By-laws of Amalco shall be the existing By-laws of Kuya. A copy of the proposed By-laws of Amalco may be examined at the following address: 217 Queen Street West, Suite 401, Toronto, Ontario, M5V 0R2.
- (k) The Board of Directors of Amalco shall consist of a minimum of one (1) director and a maximum of ten (10) directors, until changed in accordance with the OBCA. The number of first directors of Amalco shall be one director and the first directors of Amalco shall be:

<u>Name</u>	<u>Address</u>	<u>Resident Canadian</u>
David Stein	[Redacted: Confidential address]	Yes

- (l) The first directors of Amalco shall hold office until the first annual meeting of the shareholders of Amalco, or until their successors are elected or appointed in accordance with the By-laws of Amalco and the OBCA. The subsequent directors shall be elected each year thereafter by ordinary resolution at either an annual meeting of the shareholders or a special meeting of the shareholders by a majority of the votes cast at such meeting. The directors shall manage or supervise the management of the business and affairs of Amalco, subject to the provisions of the OBCA.
- (m) The executive officers of Amalco upon completion of the Amalgamation shall be as follows:
  - David Stein                      -    President and Secretary
- (n) Amalco shall be authorized to issue an unlimited number of common shares.
- (o) At the Effective Time of the Amalgamation and as a result of the Amalgamation:
  - (i) each holder of Kuya Shares (other than Kuya Dissenting Shareholders described in paragraph 1.2(q)) shall receive one fully paid and non-assessable post-Consolidation Mont Share for each Kuya Share held, following which all such Kuya Shares shall be cancelled;
  - (ii) Mont shall receive one fully paid and non-assessable Amalco Share for each one Mont Subco Share held by Mont, following which all such Mont Subco Shares shall be cancelled;
  - (iii) in consideration of the issuance of post-Consolidation Mont Shares pursuant to paragraph 1.2(o)(i), Amalco shall issue to Mont one Amalco Share for each post-Consolidation Mont Share issued;
  - (iv) Mont shall add to the stated capital maintained in respect of the Mont Shares an amount equal to the aggregate paid-up capital for purposes of the ITA of the Kuya Shares immediately prior to the Amalgamation (less the paid-up capital of any Kuya Shares held by Kuya Dissenting Shareholders who do not exchange their Kuya Shares for post-Consolidation Mont Shares on the Amalgamation);
  - (v) Amalco shall add to the stated capital maintained in respect of the Amalco Shares

an amount such that the stated capital of the Amalco Shares shall be equal to the aggregate paid-up capital for purposes of the ITA of the Mont Subco Shares and Kuya Shares immediately prior to the Amalgamation;

- (vi) no fractional post-Consolidation Mont Shares shall be issued to holders of Kuya Shares; in lieu of any fractional entitlement, the number of post-Consolidation Mont Shares issued to each former holder of Kuya Shares shall be rounded down to the next lesser whole number of post-Consolidation Mont Shares;
- (vii) Mont shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to transactions contemplated by this Agreement to any holder of Kuya Shares such amounts as it determines are required or permitted to be deducted and withheld with respect to such payment under the ITA or any provision of provincial, state, local or foreign tax law, in each case as amended; to the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the holder of the Kuya Shares in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority; and
- (viii) Amalco will become a wholly-owned subsidiary of Mont.

(p) At the Effective Time:

- (i) subject to subsection 1.2(q), the registered holders of Kuya Shares shall become the registered holders of the post-Consolidation Mont Shares to which they are entitled, calculated in accordance with the provisions hererof, and the holders of share certificates representing such Kuya Shares may surrender such certificates to the Depositary and, upon such surrender, shall be entitled to receive and, as soon as reasonably practicable following the Effective Time shall receive, share certificates or DRS statements representing the number of Mont Shares to which they are so entitled, provided that certificates or DRS statements being delivered to United States holders shall bear on the face thereof the following legend:

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR STATE SECURITIES LAWS. THE HOLDER HEREOF AGREES FOR THE BENEFIT OF KUYA SILVER CORPORATION AND ANY SUCCESSOR ENTITY (THE "CORPORATION") THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, AFTER PROVIDING A LEGAL OPINION SATISFACTORY TO THE CORPORATION, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) INSIDE THE UNITED STATES PURSUANT TO EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, OR (D) INSIDE THE UNITED STATES PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION;

and

- (ii) Mont shall become the registered holder of the Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof, and shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof.
- (q) At the Effective Time, each Kuya Share held by a Kuya Dissenting Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all liens, claims and encumbrances, to Amalco and Amalco shall be deemed to have purchased and thereupon be obliged to pay the amount therefor determined and payable in accordance with Article II hereof, and the name of such holder shall be removed from the central securities register as a holder of Kuya Shares and such Kuya Dissenting Shareholder will cease to have any rights as a Kuya Shareholder other than the right to be paid the fair value of its Kuya Shares in accordance with Article II.
- (r) If a Kuya Dissenting Shareholder fails to perfect or effectively withdraws its claim under section 185 of the OBCA or forfeits its right to make a claim under section 185 of the OBCA or if its rights as a Kuya Shareholder are otherwise reinstated, such holder's Kuya Shares shall thereupon be deemed to have been converted as of the Effective Time as prescribed by subsection 1.2(o)(i).
- (s) There shall be no restriction on the transferability of the shares of Amalco, except as provided under applicable securities laws.
- (t) Subject to the approval of the Name Change Resolution by the Board of Directors of Mont in accordance with the requirements of the BCBCA and the Articles of Mont and satisfaction of the conditions precedent contained in this Agreement, immediately following the Effective Time, Mont shall complete and file Notice of Alteration, in the prescribed form, giving effect to the Name Change upon and subject to the terms of this Agreement.
- (u) Subject to the provisions of the OBCA, the following provisions shall apply to Amalco:
  - (i) without in any way restricting the powers conferred upon Amalco or its Board of Directors by the OBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, the Board of Directors may from time to time, without authorization of the shareholders, in such amounts and on such terms as it deems expedient:
    - (A) borrow money upon the credit of Amalco;
    - (B) issue, re-issue, sell or pledge debt obligations of Amalco;
    - (C) subject to the provisions of the OBCA, as now enacted or as the same may from time to time be amended, re-enacted or replaced, give a guarantee on behalf of Amalco to secure performance of an obligation of any person; and
    - (D) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of Amalco owned or subsequently acquired, to secure any obligation of Amalco.

- (ii) the Board of Directors may from time to time delegate to a director, a committee of directors or an officer of Amalco any or all of the powers conferred on the board as set out above, to such extent and in such manner as the board shall determine at the time of such delegation.

**1.3 Board of Directors and Officers**

Each of the Parties hereby agrees that upon completion of the Amalgamation, the Board of Directors of Mont shall be set at five (5) directors and consist of the following persons and management of Mont shall be comprised of the following persons:

David Stein	Chief Executive Officer and Director
Lesia Burianyak	Chief Financial Officer
Leah Hodges	Corporate Secretary
Tyson King	VP Corporate Development
Quinton Hennigh	Director (Mont nominee)
Dale Peniuk	Director (Mont nominee)
Andres Recalde	Director (Kuya nominee)
TBD	Director (Kuya nominee)

**ARTICLE II  
DISSENT RIGHTS**

**2.1 Dissent Rights**

Holders of Kuya Shares may exercise rights of dissent (“**Dissent Rights**”) from the Kuya Amalgamation Resolution pursuant to and in the manner set forth under section 185 of the OBCA, provided that notwithstanding subsection 185(6) of the OBCA, the written objection to the Kuya Amalgamation Resolution must be sent to Kuya by holders who wish to dissent and received by Kuya not later than 11:30 a.m. (Toronto Time) on the date that is one Business Day immediately prior to the Kuya Meeting or any date to which the Kuya Meeting may be postponed or adjourned and provided further that holders who exercise such rights of dissent and who:

- (i) are ultimately entitled to be paid fair value for their Kuya Shares, which fair value shall be the fair value of such shares as at the close of business on the day prior to the Kuya Meeting and shall be paid an amount equal to such fair value by Amalco; and
- (ii) are ultimately not entitled, for any reason, to be paid fair value for their Kuya Shares shall be deemed to have participated in the Amalgamation, as of the Effective Time, on the same basis as a non-dissenting holder of Kuya Shares and shall be entitled to receive only the consideration contemplated in Section 1.2(o)(i) hereof that such holder would have received pursuant to the Amalgamation if such holder had not exercised Dissent Rights,

but in no case shall Mont, Mont Subco, Kuya or any other person be required to recognize holders of Kuya Shares who exercise Dissent Rights as holders of Kuya Shares after the time that is immediately prior to



the Effective Time, and the names of such holders of Kuya Shares who exercise Dissent Rights shall be deleted from the central securities register as holders of Kuya Shares at the Effective Time. In no circumstances shall Mont, Mont Subco, Kuya or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is a registered holder of Kuya Shares in respect of which such Dissent Rights are sought to be exercised. A registered holder of Kuya Shares is not entitled to exercise Dissent Rights with respect to Kuya Shares if such holder votes (or instructs, or is deemed, by submission of any incomplete proxy, to have instructed his, her or its proxyholder to vote) in favour of the Kuya Amalgamation Resolution.

### **ARTICLE III REPRESENTATIONS AND WARRANTIES OF KUYA**

Kuya represents and warrants to and in favour of Mont and Mont Subco and acknowledges that Mont and Mont Subco are relying on such representations and warranties in connection with this Agreement and the transactions contemplated herein:

#### ***3.1 Organization and Good Standing***

- (a) Kuya is a corporation duly organized, validly existing, and in good standing under the OBCA and is qualified to transact business and is in good standing in the jurisdictions where it is required to qualify in order to conduct its business as presently conducted. Other than the Kuya Subsidiary, there are no subsidiaries of Kuya.
- (b) Kuya has the corporate power and authority to own, lease or operate its properties and to carry on its business as now conducted.
- (c) Kuya is not a reporting issuer in any jurisdiction, has not been, to the knowledge of Kuya, the subject of a cease trade order or investigation under Canadian Securities Laws, has not been, to the knowledge of Kuya, the subject of any investigation by any other regulatory or administrative authority or body, is current with all filings required to be made under Canadian Securities Laws;

#### ***3.2 Consents, Authorizations, and Binding Effect***

- (a) Kuya may execute, deliver and perform this Agreement without the necessity of obtaining any consent, approval, authorization or waiver, or giving any notice or otherwise, except:
  - (i) consents, approvals, authorizations and waivers which have been obtained and are unconditional, and in full force and effect, and notices which have been given on a timely basis;
  - (ii) the approval of the Kuya Amalgamation Resolution by the Kuya Shareholders;
  - (iii) the filing of Articles of Amalgamation with the Director under the OBCA; or
  - (iv) those which, if not obtained or made, would not prevent or delay the consummation of the Amalgamation or otherwise prevent Kuya from performing its obligations under this Agreement and would not be reasonably likely to have a Material Adverse Effect on Kuya.
- (b) Kuya has full corporate power and authority to execute and deliver this Agreement and to

perform its obligations hereunder and to complete the Amalgamation, subject to the approval of the Kuya Amalgamation Resolution by the Kuya Shareholders.

- (c) The Board of Directors of Kuya has unanimously: (i) approved the Amalgamation and the execution, delivery and performance of this Agreement and (ii) directed that the Kuya Amalgamation Resolution be submitted to the Kuya Shareholders, and unanimously recommended approval thereof.
- (d) This Agreement has been duly executed and delivered by Kuya and constitutes a legal, valid, and binding obligation of Kuya, enforceable against it in accordance with its terms, except:
  - (i) as may be limited by bankruptcy, reorganization, insolvency and similar Laws of general application relating to or affecting the enforcement of creditors' rights or the relief of debtors; and
  - (ii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defenses and to the discretion of the court before which any proceeding therefor may be brought.
- (e) The execution, delivery, and performance of this Agreement will not:
  - (i) constitute a violation of the Certificate or Articles of Incorporation (or like charter documents) or By-laws, each as amended, of Kuya;
  - (ii) conflict with, result in the breach of or constitute a default or give to others a right of termination, cancellation, creation or acceleration of any obligation under or the loss of any material benefit under or the creation of any benefit or right of any third party under any Contract, permit or license to which Kuya is a party or as to which any of its property is subject which would have a Material Adverse Effect on Kuya;
  - (iii) constitute a violation of any Law applicable or relating to Kuya or its business except for such violations which would not have a Material Adverse Effect on Kuya; or
  - (iv) result in the creation of any lien upon any of the assets of Kuya other than such liens as would not have a Material Adverse Effect on Kuya.
- (f) Neither Kuya nor any Affiliate or Associate of Kuya, nor any director or officer of Kuya beneficially owns or has the right to acquire a beneficial interest in any Mont Shares.

### **3.3 Insurance**

Kuya does not currently carry any insurance.

### **3.4 Litigation and Compliance**

- (a) There are no actions, suits, claims or proceedings, whether in equity or at law or, any Governmental investigations pending or threatened:
  - (i) against or affecting Kuya or with respect to or affecting any asset or property

owned, leased or used by Kuya; or

- (ii) which question or challenge the validity of this Agreement, or the Amalgamation or any action taken or to be taken pursuant to this Agreement, or the Amalgamation;

nor is Kuya aware of any basis for any such action, suit, claim, proceeding or investigation.

- (b) Kuya has conducted and is conducting its business in compliance with, and is not in default or violation under, and has not received notice asserting the existence of any default or violation under, any Law applicable to its business or operations, except for non-compliance, defaults and violations which would not, in the aggregate, have a Material Adverse Effect on Kuya.
- (c) Neither Kuya nor any of the Kuya Assets is subject to any judgment, order or decree entered in any lawsuit or proceeding which has had, or which is reasonably likely to have, a Material Adverse Effect on Kuya or which is reasonably likely to prevent Kuya from performing its obligations under this Agreement.
- (d) Kuya has duly filed or made all reports and returns required to be filed by it with any Government and has obtained all permits, licenses, consents, approvals, certificates, registrations and authorizations (whether Governmental, regulatory or otherwise) which are required in connection with its business and operations, except where the failure to do so has not had and will not have a Material Adverse Effect on Kuya.
- (e) there are no known or anticipated material liabilities of Kuya of any kind whatsoever (including absolute, accrued or contingent liabilities) nor any commitments whether or not determined or determinable, in respect of which Kuya is or may become liable other than the liabilities disclosed on or reflected in the financial statements referred to in Section 3.5(a) or incurred in the ordinary course of business.
- (f) neither Kuya nor to the knowledge of Kuya, any director, officer, employee, consultant, representative or agent of the foregoing, has (i) violated any anti-bribery or anti-corruption laws applicable to Kuya, including but not limited to the *U.S. Foreign Corrupt Practices Act* and Canada's *Corruption of Foreign Public Officials Act*, or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (X) to any Government Official, whether directly or through any other person, for the purpose of influencing any act or decision of a Government Official in his or her official capacity; inducing a Government Official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a Government Official to influence or affect any act or decision of any Governmental Authority; or assisting any representative of Kuya in obtaining or retaining business for or with, or directing business to, any person; or (Y) to any person, in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither Kuya nor to the knowledge of Kuya, any director, officer, employee, consultant, representative or agent of foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded Kuya or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (ii) made a

voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing anti-bribery or anti-corruption Laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such Laws, or received any notice, request, or citation from any person alleging non-compliance with any such Laws.

### **3.5 Financial Statements**

- (a) The financial statements (including, in each case, any notes thereto and related management discussion and analysis) of Kuya will be prepared in accordance with IFRS applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto) and will fairly present the assets, liabilities and financial condition of Kuya as of the respective dates thereof and the consolidated earnings, results of operations and changes in financial position of Kuya for the periods then ended.
- (b) There are no contracts with Kuya, on the one hand, and: (i) any officer or director of Kuya; (ii) any holder of 5% or more of the equity securities of Kuya; or (iii) an associate or affiliate of a person in (i) or (ii), on the other hand.

### **3.6 Taxes**

- (a) Kuya has not filed any tax returns since incorporation and currently there is no known action, suit, proceeding, investigation or claims pending or threatened against Kuya in respect of Taxes or any matters under discussion with any Government relating to Taxes, in each case which are likely to have a Material Adverse Effect on Kuya, and no waivers or written requests for waivers of the time to assess any such Taxes are outstanding or pending. Kuya will cause all required tax returns to be filed with the appropriate Governmental Authority prior to the Effective Date and will promptly inform Mont of any issues that arise that could constitute a Material Adverse Effect on Mont.
- (b) Kuya is not, and will not be at the Effective Time, a “non-resident” as that term is used for the purposes of the ITA.

### **3.7 Pension and Other Employee Plans and Agreements**

Kuya does not maintain or contribute to any Employee Plan.

### **3.8 Labour Relations**

Kuya does not currently have any employees that are or could be covered by any collective bargaining agreement.

### **3.9 Contracts, Etc.**

- (a) Except in connection with the Financing, and for contracts, agreements, leases and commitments entered into in the ordinary course of business as of the date hereof, Kuya is not a party to or bound by any Contract:
  - (i) relating to capital expenditures or improvements in excess of \$200,000 in the aggregate;

- (ii) by which title to any assets, rights or properties is retained by a third party as security for an obligation;
  - (iii) which will be at the Effective Date secured by a lien upon any assets, rights or properties as security for an obligation;
  - (iv) relating to the employment of any employees or the rights of employees on severance or termination;
  - (v) relating to management, consulting or any other similar type of Contract which involves an amount exceeding \$200,000 per annum, excluding those which may be terminated without penalty on three months' notice or less;
  - (vi) which contemplates payment on or as a result of a change of control of Kuya (whether on termination of such agreement, on occurrence of any other event or circumstance, or after notice or lapse of time or otherwise), other than consulting agreements entered into in the ordinary course;
  - (vii) with any director or officer, former director or officer, or any person not dealing at arm's length with Kuya;
  - (viii) with a bank or other financial institution relating to borrowed money;
  - (ix) relating to the existence or creation or purchase or sale of any bonds, debentures, notes or long-term debts;
  - (x) relating to outstanding letters of credit or constituting an agreement of guarantee or indemnification of the obligations or liabilities (contingent or otherwise) of any other person or relating to commitments to purchase the assets of any other person or to guarantee the price thereof;
  - (xi) relating to the acquisition or disposition of any shares or securities of any entity;
  - (xii) relating to the acquisition or disposition or lease of any business operations or real property;
  - (xiii) limiting or restraining Kuya from engaging in any activities or competing with any person;
  - (xiv) which involves the use of a derivative, including any forward contracts or options;  
or
  - (xv) relating to the existence or creation of any *bona fide* offer of an opportunity (including a joint venture opportunity) to any person.
- (b) Kuya and, to the knowledge of Kuya, each of the other parties thereto is in compliance with all covenants under any Contract and no default has occurred which, with notice or lapse of time or both would directly or indirectly constitute such a default under any Contract, except for such non-compliance or default as has not had and will not have a Material Adverse Effect on Kuya.

### **3.10 *Absence of Certain Changes, Etc.***

Except as contemplated by the Amalgamation and this Agreement, since December 31, 2019:

- (a) there has been no Material Adverse Change to Kuya;
- (b) Kuya has not:
  - (i) sold, transferred, distributed or otherwise disposed of or acquired a material amount of its assets, or agreed to do any of the foregoing, except in the ordinary course of business;
  - (ii) incurred any liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) which has had or is likely to have a Material Adverse Effect on Kuya;
  - (iii) prior to the date hereof, made or agreed to make any material capital expenditure or commitment for additions to property, plant, or equipment in excess of \$200,000;
  - (iv) made or agreed to make any material increase in the compensation payable to any employee or director except for increases made in the ordinary course of business and consistent with presently existing policies or agreements or past practice;
  - (v) conducted its operations other than in all material respects in the normal course of business;
  - (vi) entered into any material transaction or material Contract, or amended or terminated any material transaction or material Contract, except transactions or Contracts entered into in the ordinary course of business; or
  - (vii) agreed or committed to do any of the foregoing; and
- (c) there has not been any declaration, setting aside or payment of any dividend or other distribution with respect to Kuya's capital stock.

### **3.11 *Capitalization***

- (a) At the date hereof the authorized capital of Kuya consists of an unlimited number of Kuya Shares, of which 7,107,349 Kuya Shares are issued and outstanding.
- (b) All the outstanding Kuya Shares have been duly authorized and are validly issued, fully paid and non-assessable, free of pre-emptive rights.
- (c) Other than the 1,045,641 Kuya Warrants there are no authorized, outstanding or existing:
  - (i) voting trusts or other agreements or understandings with respect to the voting of any Kuya Shares to which Kuya is a party;
  - (ii) securities issued by Kuya that are convertible into or exchangeable for Kuya Shares;

- (iii) agreements, options, warrants or other rights capable of becoming agreements, options or warrants to purchase or subscribe for any Kuya Shares or securities convertible into or exchangeable for any Kuya Shares;
- (iv) agreements of any kind to which Kuya is party relating to the issuance of any Kuya Shares, any securities convertible, exchangeable or exercisable for Kuya Shares, or requiring Kuya to qualify securities of Kuya for distribution by prospectus under Canadian Securities Laws; or
- (v) agreements of any kind which may obligate Kuya to issue or purchase any of its securities.

### **3.12 Environmental Matters**

Kuya is in compliance, in all material respects, with all applicable Environmental Laws and has not materially violated any environmental laws applicable to it as at the relevant time. Kuya is not the subject of: (i) any proceeding, application, order or directive which relates to any environmental, health or safety matter; or (ii) any demand or notice with respect to any Environmental Laws. Kuya has made adequate reserves for all reclamation obligations and has made appropriate arrangements through obtaining reclamation bonds or otherwise to discharge such reclamation obligations, to the extent applicable. To the best of Kuya's knowledge, there is no material environmental liability nor factors likely to give rise to any material environmental liability affecting any of the material properties of Kuya.

### **3.13 Indebtedness**

No indebtedness for borrowed money is owing or guaranteed by Kuya.

### **3.14 Undisclosed Liabilities**

There are no material liabilities of the Kuya Group of any kind whatsoever, whether or not accrued and whether or not determined or determinable, in respect of which Kuya may become liable on or after the consummation of the transactions contemplated hereby other than:

- (a) liabilities that will be disclosed on or reflected or provided for in the most recent financial statements of Kuya; and
- (b) liabilities incurred in the ordinary and usual course of business of Kuya and attributable to the period since incorporation, none of which has had or may reasonably be expected to have a Material Adverse Effect on Kuya.

### **3.15 Due Diligence Investigations**

All information relating to the business, assets, liabilities, properties, capitalization or financial condition of Kuya provided by Kuya or its Advisors to Mont is true, accurate and complete in all material respects.

### **3.16 U.S. Matters**

- (a) As of the date hereof, Kuya is not a "foreign private issuer" as defined in Rule 405 under the United States *Securities Act of 1933*, as amended.

- (b) Kuya is not registered, and is not required to be registered, under the United States *Investment Company Act* of 1940, as amended.

### **3.17 Competition Act**

The transactions contemplated by this Agreement are not subject to notification under Part IX of the *Competition Act* (Canada) as neither Kuya's assets in Canada nor its gross revenues from sales in or from Canada, exceed the thresholds set out in Section 110 of the *Competition Act* (Canada), as determined in accordance with the Notifiable Transaction Regulations thereto.

### **3.18 Investment Canada**

Kuya is not a “non-Canadian” within the meaning of the *Investment Canada Act* (Canada).

### **3.19 Brokers**

Other than in connection with the Financing, neither Kuya nor its Associates, Affiliates or Advisors have retained any broker or finder in connection with the Amalgamation or the other transactions contemplated hereby, nor have any of the foregoing incurred any liability to any broker or finder by reason of any such transaction.

### **3.20 Interest in Mineral Rights**

- (a) The Kuya Assets represent all of Kuya's material mineral interests and rights (including any material claims, concessions, exploration licences, exploitation licences, prospecting permits, mining leases and mining rights, in each case, either existing under contract, by operation of Law or otherwise). Other than the Kuya Assets, Kuya does not own or have any interest in any material mineral interests and rights;
- (b) Kuya is the sole legal and beneficial owner of all right, title and interest in and to the Kuya Assets, free and clear of any Encumbrances, other than as set forth in the Bethania Share Purchase Agreement;
- (c) the Kuya Assets are in good standing under applicable Laws and all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, rentals, fees, expenditures and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made;
- (d) there is no material adverse claim against or challenge to the title to or ownership of the Kuya Assets;
- (e) Kuya has the exclusive right to deal with the Kuya Assets;
- (f) other than rights of S & L Andes Export SAC to the Bethania Silver property as contemplated by the Bethania Share Purchase Agreement, no Person other than Kuya has any interest in the Kuya Assets or the production or profits therefrom or any royalty in respect thereof or any right to acquire any such interest;
- (g) there are no options, back-in rights, earn-in rights, rights of first refusal or similar provisions or rights which would affect Kuya's interest in the Kuya Assets;



- (h) there are no material restrictions on the ability of Kuya to use, transfer or exploit the Kuya Assets, except pursuant to the applicable Law; and
- (i) Kuya has not received any notice, whether written or oral, from any Government or any revocation or intention to revoke any interest of Kuya in any of the Kuya Assets.

### **3.21 Technical Report**

To the knowledge of Kuya, the technical report relating to the Bethania Silver property does not contain a material misrepresentation and Kuya has no knowledge of a material adverse change in any information provided to the author of the technical report relating to the Bethania Silver property since the date that such information was provided. Kuya has no reason to believe the technical report relating to the Bethania Silver property does not fully comply with the requirements set out in National Instrument 43-101.

## **ARTICLE IV REPRESENTATIONS AND WARRANTIES OF MONT AND MONT SUBCO**

Each of Mont and Mont Subco hereby represents and warrants to Kuya as follows and acknowledges that Kuya is relying on such representations and warranties in entering into this Agreement and completing the transactions contemplated herein:

### **4.1 Organization and Good Standing**

- (a) Each of Mont and Mont Subco is a corporation duly organized, validly existing, and in good standing under the BCBCA and OBCA, respectively, and is qualified to transact business and is in good standing in the jurisdictions where it is required to qualify in order to conduct its business as presently conducted. Except for Mont Subco, Puno Gold Corporation and Minera Puno Gold, S.A.C., there are no other subsidiaries of Mont.
- (b) Mont and the Mont Subsidiaries each have the corporate power and authority to own, lease, or operate its properties and to carry on its business as now conducted.

### **4.2 Consents, Authorizations, and Binding Effect**

- (a) Mont and Mont Subco may execute, deliver, and perform this Agreement without the necessity of obtaining any consent, approval, authorization or waiver, or giving any notice or otherwise, except:
  - (i) the approval of: (A) the Mont Subco Amalgamation Resolution by Mont, (B) the Fundamental Change Resolution by the Mont Shareholders, represented in person or by proxy at the Mont Meeting, and (C) the Name Change Resolution and the Consolidation Resolution by the Board of Directors of Mont;
  - (ii) the approval of the CSE;
  - (iii) consents, approvals, authorizations and waivers, which have been obtained, and are unconditional and in full force and effect and notices which have been given on a timely basis;
  - (iv) the filing of Articles of Amalgamation with the Director under the OBCA; or

- (v) those which, if not obtained or made, would not prevent or delay the consummation of the Amalgamation or otherwise prevent Mont or Mont Subco from performing their respective obligations under this Agreement and would not be reasonably likely to have a Material Adverse Effect on Mont.
- (b) Each of Mont and Mont Subco has full corporate power and authority to execute and deliver this Agreement and to perform its respective obligations hereunder and to complete the Amalgamation, subject to the approval of the Mont Subco Amalgamation Resolution by Mont, the Fundamental Change Resolution by Mont Shareholders at the Mont Meeting and the Name Change Resolution and the Consolidation Resolution by the Board of Directors of Mont.
- (c) The Board of Directors of Mont have unanimously: (i) approved the Amalgamation and the execution, delivery and performance of this Agreement; and (ii) directed that the Fundamental Change Resolution be submitted to the Mont Shareholders at the Mont Meeting, and unanimously recommended approval thereof.
- (d) The Board of Directors of Mont Subco have unanimously approved the Amalgamation and the execution, delivery and performance of this Agreement.
- (e) This Agreement has been duly executed and delivered by Mont and Mont Subco and constitutes a legal, valid, and binding obligation of Mont and Mont Subco enforceable against each of them in accordance with its terms, except:
  - (i) as may be limited by bankruptcy, reorganization, insolvency and similar Laws of general application relating to or affecting the enforcement of creditors' rights or the relief of debtors; and
  - (ii) that the remedy of specific performance and injunctive and other forms of equitable relief may be subject to equitable defences and to the discretion of the court before which any proceeding therefor may be brought.
- (f) The execution, delivery, and performance of this Agreement will not:
  - (i) constitute a violation of the Certificate or Articles of Incorporation (or like charter documents) or Articles or By-laws, each as amended, of Mont or Mont Subco;
  - (ii) conflict with, result in the breach of or constitute a default or give to others a right of termination, cancellation, creation or acceleration of any obligation under, or the loss of any material benefit under or the creation of any benefit or right of any third party under any Contract, permit or license to which Mont or the Mont Subsidiaries are a party or as to which any of its respective property is subject which would in any such case have a Material Adverse Effect on Mont or the Mont Subsidiaries;
  - (iii) constitute a violation of any Law applicable or relating to Mont or the Mont Subsidiaries or its business except for such violations which would not have a Material Adverse Effect on Mont or the Mont Subsidiaries, as applicable; or
  - (iv) result in the creation of any lien upon any of the assets of Mont or the Mont Subsidiaries, other than such liens as would not have a Material Adverse Effect on

Mont or the Mont Subsidiaries as applicable.

- (g) Neither Mont nor any Affiliate or Associate of Mont beneficially owns or has the right to acquire a beneficial interest in any Kuya Shares.

#### **4.3 Insurance**

Mont or the Mont Subsidiaries does not currently carry any insurance.

#### **4.4 Litigation and Compliance**

- (a) There are no actions, suits, claims or proceedings, whether in equity or at law, or any Governmental investigations pending or threatened:
  - (i) against or affecting Mont or the Mont Subsidiaries or with respect to or affecting any asset or property owned, leased or used by Mont or the Mont Subsidiaries; or
  - (ii) which question or challenge the validity of this Agreement or the Amalgamation or any action taken or to be taken pursuant to this Agreement or the Amalgamation;

nor is Mont aware of any basis for any such action, suit, claim, proceeding or investigation.

- (b) Mont and the Mont Subsidiaries have conducted and are conducting its business in compliance with, and is not in default or violation under, and has not received notice asserting the existence of any default or violation under, any Law applicable to the businesses or operations of Mont or the Mont Subsidiaries, as applicable, except for non-compliance, defaults, and violations which would not, in the aggregate, have a Material Adverse Effect on Mont or the Mont Subsidiaries.
- (c) Neither Mont nor the Mont Subsidiaries, nor any of their respective assets, are subject to any judgment, order or decree entered in any lawsuit or proceeding which has had, or which is reasonably likely to have, a Material Adverse Effect on Mont or the Mont Subsidiaries, as applicable, or which is reasonably likely to prevent Mont from performing its obligations under this Agreement.
- (d) Mont and the Mont Subsidiaries have duly filed or made all reports and returns required to be filed by it with any Government and has obtained all permits, licenses, consents, approvals, certificates, registrations and authorizations (whether Governmental, regulatory or otherwise) which are required in connection with the business and operations of Mont or the Mont Subsidiaries, except where the failure to do so has not had and will not have a Material Adverse Effect on Mont or the Mont Subsidiaries, as applicable.
- (e) There are no known or anticipated material liabilities of Mont or the Mont Subsidiaries of any kind whatsoever (including absolute, accrued or contingent liabilities) nor any commitments whether or not determined or determinable, in respect of which Mont or the Mont Subsidiaries is or may become liable other than the liabilities disclosed on, reflected in or provided for in the financial statements referred to in Section 4.5(b) hereof or incurred in the ordinary course of business.
- (f) Neither Mont nor the Mont Subsidiaries and neither to the knowledge of Mont, the Mont subsidiaries, any director, officer, employee, consultant, representative or agent of the

foregoing, has (i) violated any anti-bribery or anti-corruption laws applicable to Mont, including but not limited to the *U.S. Foreign Corrupt Practices Act* and Canada's *Corruption of Foreign Public Officials Act*, or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (X) to any Government Official, whether directly or through any other person, for the purpose of influencing any act or decision of a Government Official in his or her official capacity; inducing a Government Official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a Government Official to influence or affect any act or decision of any Governmental Authority; or assisting any representative of Mont in obtaining or retaining business for or with, or directing business to, any person; or (Y) to any person, in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither Mont nor to the knowledge of Mont, any director, officer, employee, consultant, representative or agent of foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded Mont or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing anti-bribery or anti-corruption Laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such Laws, or received any notice, request, or citation from any person alleging non-compliance with any such Laws.

#### **4.5 Public Filings; Financial Statements**

- (a) Mont has filed all documents required pursuant to applicable Canadian Securities Laws (the "**Mont Securities Documents**"). As of their respective dates, the Mont Securities Documents complied in all material respects with the then applicable requirements of the applicable Canadian Securities Laws and, at the respective times they were filed, none of the Mont Securities Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make any statement therein, in light of the circumstances under which it was made, not misleading. Mont has not filed any confidential disclosure reports which have not at the date hereof become public knowledge.
- (b) The consolidated financial statements (including, in each case, any notes thereto) of Mont included in the Mont Securities Documents were prepared in accordance with IFRS applied on a consistent basis during the periods involved (except as may be indicated therein or in the notes thereto) and fairly presented the assets, liabilities and financial condition of Mont on a consolidated basis as of the respective dates thereof and the earnings, results of operations and changes in financial position of Mont for the periods then ended (subject, in the case of unaudited statements, to the absence of footnote disclosure and to normal year-end audit adjustments and to any other adjustments described therein). Except as disclosed in the Mont Securities Documents, Mont has not, since July 31, 2019, made any change in the accounting practices or policies applied in the preparation of its financial statements.
- (c) Mont is a "reporting issuer" (or its equivalent) under Canadian Securities Laws of each of the Provinces of Ontario and British Columbia. Mont is not currently in default in any

material respect of any requirement of applicable Canadian Securities Laws and Mont is not included on a list of defaulting reporting issuers maintained by any of the securities commissions or similar regulatory authorities in each of such Provinces.

- (d) There has not been any reportable event (within the meaning of National Instrument 51-102 of the Canadian Securities Administrators) since July 31, 2019 with the auditors of Mont.
- (e) There are no contracts with Mont, on the one hand, and: (i) any officer or director of Mont; (ii) any holder of 5% or more of the equity securities of Mont; or (iii) an associate or affiliate of a person in (i) or (ii), on the other hand.

#### **4.6 Taxes**

Mont and the Mont Subsidiaries have timely filed, or has caused to be timely filed on its behalf, all Tax Returns required to be filed by it, all such Tax Returns are complete and accurate in all material respects, for all periods through July 31, 2019 for Mont. All Taxes shown to be due on such Tax Returns, or otherwise owed, have been timely paid, other than those which are being contested in good faith and in respect of which adequate reserves have been provided in the most recently published consolidated financial statements of Mont. Mont's most recent audited financial statements reflect a reserve in accordance with IFRS for all Taxes payable by Mont or the Mont Subsidiaries for all taxable periods and portions thereof through the date of such financial statements. No deficiency with respect to any Taxes has been proposed, asserted or assessed in writing against Mont or the Mont Subsidiaries, there are no actions, suits, proceedings, investigations or claims pending or threatened against Mont or the Mont Subsidiaries in respect of Taxes or any matters under discussion with any Government relating to Taxes, in each case which are likely to have a Material Adverse Effect on Mont or the Mont Subsidiaries, and no waivers or written requests for waivers of the time to assess any such Taxes are outstanding or pending. Mont has withheld from each payment made to any of their past or present employees, officers or directors, and to any non-resident of Canada, the amount of all Taxes required to be withheld therefrom and have paid the same to the proper tax or receiving officers within the time required under applicable legislation. Mont has remitted to the appropriate tax authorities all amounts collected by it in respect of federal goods and services tax and provincial or harmonized sales taxes. There are no liens for Taxes upon any asset of Mont except liens for taxes not yet due.

#### **4.7 Pension and Other Employee Plans and Agreement**

Other than the Mont Stock Option Plan, Mont or the Mont Subsidiaries do not maintain or contribute to any Employee Plan.

#### **4.8 Labour Relations**

No employees of Mont or the Mont Subsidiaries are covered by any collective bargaining agreement.

#### **4.9 Contracts, Etc.**

- (a) Except for contracts, agreements, leases and commitments entered into in the ordinary course of business or which have been filed as, Mont or the Mont Subsidiaries, as applicable, is or are not a party to or bound by any Contract:
  - (i) relating to capital expenditures or improvements in excess of \$100,000 in the

aggregate;

- (ii) by which title to any assets, rights or properties is retained by a third party as security for an obligation;
  - (iii) which will be at the Effective Date secured by a lien upon any assets, rights or properties as security for an obligation;
  - (iv) relating to the employment of any employees or the rights of employees upon severance or termination;
  - (v) relating to management, consulting or any other similar type of Contract which involves an amount exceeding \$100,000 per annum, excluding those which may be terminated without penalty on 90 days' notice or less;
  - (vi) which contemplates payment on or as a result of a change of control of Mont (whether on termination of such agreement, on occurrence of any other event or circumstances, or after notice or lapse of time or otherwise);
  - (vii) with any director or officer, former director or officer, shareholder or any person not dealing at arm's length with Mont or the Mont Subsidiaries, as applicable;
  - (viii) with a bank or other financial institution relating to borrowed money;
  - (ix) relating to the existence, creation, purchase or sale of any bonds, debentures, notes or long-term debts;
  - (x) relating to outstanding letters of credit or constituting an agreement of guarantee or indemnification of the obligations or liabilities (contingent or otherwise) of any other person or relating to commitments to purchase the assets of any other person or to guarantee the price thereof;
  - (xi) relating to the acquisition or disposition of any shares or securities of any entity;
  - (xii) relating to the acquisition, disposition or lease of any business operations or real property;
  - (xiii) limiting or restraining Mont or the Mont Subsidiaries from engaging in any activities or competing with any person;
  - (xiv) which involves the use of a derivative, including any forward contracts or options;  
or
  - (xv) relating to the existence or creation of any *bona fide* offer of an opportunity (including a joint venture opportunity) to any person.
- (b) Mont and Mont Subsidiaries and, to the knowledge of Mont and the Mont Subsidiaries, each of the other parties thereto, is in compliance with all covenants under any Contract, and no default has occurred which, with notice or lapse of time or both, would directly or indirectly constitute such a default, except for such non-compliance or default as has not had and will not have a Material Adverse Effect on Mont or the Mont Subsidiaries.

#### **4.10 *Absence of Certain Changes, Etc.***

Except as contemplated by the Amalgamation, the Financing and this Agreement, since July 31, 2019:

- (a) there has been no Material Adverse Change in Mont or the Mont Subsidiaries;
- (b) Mont or the Mont Subsidiaries have not:
  - (i) sold, transferred, distributed, or otherwise disposed of or acquired a material amount of its assets, or agreed to do any of the foregoing, except in the ordinary course of business;
  - (ii) incurred any liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) which has had or is likely to have a Material Adverse Effect on Mont or the Mont Subsidiaries, as applicable;
  - (iii) prior to the date hereof, made or agreed to make any material capital expenditure or commitment for additions to property, plant, or equipment in excess of \$100,000;
  - (iv) made or agreed to make any material increase in the compensation payable to any employee or director except for increases made in the ordinary course of business and consistent with presently existing policies or agreement or past practice;
  - (v) conducted its operations other than in all material respects in the normal course of business;
  - (vi) entered into any material transaction or material Contract, or amended or terminated any material transaction or material Contract, except transactions or Contracts entered into in the ordinary course of business; and
  - (vii) agreed or committed to do any of the foregoing; and
- (c) there has not been any declaration, setting aside or payment of any dividend with respect to either of Mont's or any Mont Subsidiary's capital stock.

#### **4.11 *Capitalization***

- (a) As at the date hereof, the authorized capital of Mont and the Mont Subsidiaries consists of:
  - (i) in the case of Mont, an unlimited number of Mont Shares and an unlimited number of preferred shares, of which 55,773,234 Mont Shares (on a pre-Consolidation basis) and nil preferred shares are outstanding;
  - (ii) in the case of Mont Subco, an unlimited number of common shares, of which 100 common shares are outstanding;
  - (iii) in the case of Puno Gold Corporation, an unlimited number of common shares, of which 17,100,000 common shares are outstanding; and

- (iv) in the case of Minera Puno Gold, S.A.C., an unlimited number of common shares, of which 1,000 common shares are outstanding.
- (b) All outstanding shares of all series and classes in the capital of Mont and the Mont Subsidiaries have been duly authorized and are validly issued, fully paid and non-assessable, free of pre-emptive rights.
- (c) Other than options to acquire 3,250,000 Mont Shares at exercise prices ranging from \$0.37 and \$0.415 and expiring on dates ranging from March 6, 2023 to February 21, 2024 and warrants to acquire 4,796,654 Mont Shares at an exercise price of \$0.50 and expiring January 31, 2021, there are no authorized, outstanding or existing:
  - (i) voting trusts or other agreements or understandings with respect to the voting of any Mont Shares to which Mont is a party;
  - (ii) securities issued by Mont or the Mont Subsidiaries that are convertible into or exchangeable for any Mont Shares or any shares in the capital of any of the Mont Subsidiaries;
  - (iii) agreements, options, warrants, or other rights capable of becoming agreements, options or warrants to purchase or subscribe for any Mont Shares or any shares in the capital of the Mont Subsidiaries or securities convertible into or exchangeable or exercisable for any such common shares;
  - (iv) agreements of any kind to which Mont or the Mont Subsidiaries are party relating to the issuance or sale of any Mont Shares or any shares in the capital of any of the Mont Subsidiaries, or any securities convertible into or exchangeable or exercisable for any such common shares or requiring Mont to qualify securities of Mont for distribution under Canadian Securities Laws; or
  - (v) agreements of any kind which may obligate Mont or the Mont Subsidiaries to issue or purchase any of its securities.

#### **4.12 Environmental Matters**

Mont and the Mont Subsidiaries are in compliance, in all material respects, with all applicable Environmental Laws and has not materially violated any then current environmental laws as applied at that time. Mont and the Mont Subsidiaries are not the subject of: (i) any proceeding, application, order or directive which relates to any environmental, health or safety matter; or (ii) any demand or notice with respect to any Environmental Laws. There is no material environmental liability nor factors likely to give rise to any material environmental liability affecting Mont or the Mont Subsidiaries.

#### **4.13 Indebtedness**

As at the date of this Agreement, no indebtedness for borrowed money was owing or guaranteed by Mont or the Mont Subsidiaries.

#### **4.14 Undisclosed Liabilities**

There are no material liabilities of Mont or the Mont Subsidiaries of any kind whatsoever, whether or not accrued and whether or not determined or determinable, in respect of which Mont may become liable



on or after the consummation of the transactions contemplated hereby other than:

- (a) liabilities disclosed on or reflected or provided for in the most recent financial statements of Mont included in the Mont Securities Documents; and
- (b) liabilities incurred in the ordinary and usual course of business of Mont and attributable to the period since July 31, 2019, including expenses, debts, liabilities or other obligations incurred in connection with the preparation of audited financial statements for the fiscal year ended July 31, 2019, and professional fees associated with the preparation of this Agreement and the completion of the transactions contemplated herein.

#### **4.15 Due Diligence Investigations**

All information relating to the business, assets, liabilities, properties, capitalization or financial condition of Mont and the Mont Subsidiaries provided by Mont or its Advisors to Kuya is true, accurate and complete in all material respects.

#### **4.16 U.S. Matters**

- (a) As of the date hereof, Mont is not a “foreign private issuer” as defined in Rule 405 under the United States *Securities Act of 1933*, as amended.
- (b) Mont is not registered, and is not required to be registered, under the United States *Investment Company Act of 1940*, as amended.
- (c) The issuance and exchange of Mont Shares to Kuya Shareholders as contemplated by this Agreement are exempt from the registration requirements of any applicable United States federal and state federal securities laws, and neither Mont nor Mont Subco nor any authorized agent acting on their behalf will take any action hereafter that would cause the loss of such exemption.

#### **4.17 Competition Act**

The transactions contemplated by this Agreement are not subject to notification under Part IX of the *Competition Act* (Canada) as neither Mont’s assets in Canada nor its gross revenues from sales in or from Canada, exceed the thresholds set out in Section 110 of the *Competition Act* (Canada), as determined in accordance with the Notifiable Transaction Regulations thereto.

#### **4.18 Investment Canada**

Mont is not a “non-Canadian” within the meaning of the *Investment Canada Act* (Canada).

#### **4.19 Brokers**

Neither Mont, nor its Associates, Affiliates or Advisors have retained any broker or finder in connection with the transactions contemplated hereby, nor have any of the foregoing incurred any Liability to any broker or finder by reason of any such transaction.

## **ARTICLE V COVENANTS OF KUYA**

From and after the date hereof and until the Effective Date (except as hereinafter otherwise

provided), unless Mont shall otherwise consent in writing, which consent shall not be unreasonably withheld, conditioned or delayed:

### **5.1 Access**

Kuya shall permit:

- (a) Mont and its Advisors to have reasonable access at reasonable times to all properties, books, accounts, records, Contracts, files, correspondence, tax records, and documents of or relating to Kuya and to discuss such matters with the executive officers of Kuya; Kuya shall make available to Mont and its Advisors all information concerning its business and properties in its possession or under its control as Mont may reasonably request; and
- (b) Mont to conduct, or cause its agents to conduct, such reasonable reviews, inspections, surveys, tests, and investigations of the assets of Kuya as they deem necessary or advisable, provided such reviews are conducted at reasonable times and in a reasonable manner.

### **5.2 Ordinary Course**

Kuya shall conduct business only in the ordinary course consistent with past practice. Except as contemplated by this Agreement, the Amalgamation, the Financing or as agreed to between the Parties or as required by applicable Laws, Kuya shall not:

- (a) amend its Articles or Certificate of Incorporation (or like charter documents) or By-laws, except as contemplated by the Amalgamation and this Agreement;
- (b) subdivide, split, combine, consolidate, or reclassify any of its outstanding shares of capital stock;
- (c) issue or agree to issue any securities except pursuant to the exercise of currently outstanding options or other convertible securities;
- (d) declare, set aside or pay any dividend or make any other distribution payable in cash, shares, stock, securities or property with respect to any of its shares of capital stock other than consistent with past practice;
- (e) repurchase, redeem, or otherwise acquire, directly or indirectly, any of its capital stock or any securities convertible into or exchangeable or exercisable into any of its capital stock;
- (f) incur, guarantee, assume or modify any additional indebtedness for borrowed money in an aggregate amount in excess of \$100,000 in the ordinary course of business;
- (g) other than pursuant to obligations or rights under existing written contracts, agreements and commitments, sell, lease or otherwise dispose of any material property or assets or enter into any agreement or commitment in respect of any of the foregoing;
- (h) amend or propose to amend the rights, privileges and restrictions attaching to the Kuya Shares or any of the terms of its stock options or common share purchase warrants as they exist at the date of this Agreement, or reduce its stated capital;
- (i) reorganize, amalgamate or merge with another Person;

- (j) acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity or material assets;
- (k) enter into any agreements outside of the ordinary course with its directors or officers or their respective affiliates;
- (l) except as required by IFRS, or any applicable Law, make any changes to the existing accounting practices of Kuya or make any material tax election inconsistent with past practice;
- (m) enter into, without prior consultation with and written consent of Mont, new commitments of a capital expenditure nature or incur any new contingent liabilities other than (A) expenditures required by Law; (B) expenditures made in connection with transactions contemplated in this Agreement; and (C) expenditures required to prevent the occurrence of a Material Adverse Effect; or
- (n) enter into or modify any employment, consulting, severance, collective bargaining or similar agreement, policy or arrangement with, or grant any bonus, salary increase, option to purchase shares, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred compensation, incentive compensation, severance, change of control or termination pay to, or make any loan to, any officer, director, employee or consultant of Kuya.

### **5.3 Closing Conditions**

Kuya shall use all reasonable efforts to cause all of the conditions to the obligations of Mont and Mont Subco under this Agreement to be satisfied on or prior to the Effective Date (to the extent the satisfaction of such conditions is within the control of the Kuya Group).

### **5.4 Mont Circular and Listing Statement**

Kuya shall use all commercially reasonable efforts to assist Mont in connection with the preparation of the Mont Circular and the Listing Statement, and prepare as promptly as possible any other documents required by applicable legislation and/or regulation in connection with all shareholder and regulatory approvals required in respect of the Amalgamation and the other matters contemplated hereby, including but not limited to the extent applicable, the disclosure regarding Kuya (including financial statements) prescribed under applicable Canadian Securities Laws and described in the form of prospectus that Kuya would be eligible to use, for inclusion in the Mont Circular or the Listing Statement, as the case may be, unless such cooperation and efforts would subject Kuya to unreasonable cost or liability or would be in breach of applicable statutory or regulatory requirements.

## **ARTICLE VI COVENANTS OF MONT**

From and after the date hereof and until the Effective Date (except as hereinafter otherwise provided), unless Kuya shall otherwise consent in writing, which consent shall not be unreasonably withheld, conditioned or delayed:

### **6.1 Access**

Mont shall permit:

- (a) Kuya and its Advisors to have reasonable access at reasonable times to all properties books, accounts, records, Contracts, files, correspondence, tax records, and documents of or relating to Mont including auditor's working papers and management letters and to discuss such matters with the executive officers of Mont; Mont shall make available to Kuya and its Advisors a copy of each report or other document filed pursuant to Canadian Securities Laws and all other information concerning its business and properties in its possession or under its control as Kuya may reasonably request; and
- (b) Kuya to conduct, or cause its Advisors or agents to conduct, such reasonable reviews, inspections, surveys, tests, and investigations of the assets of Mont as they deem necessary or advisable provided such reviews are conducted at reasonable times and in a reasonable manner.

## **6.2 Ordinary Course**

Mont shall conduct business only in the ordinary course consistent with past practice. Except as contemplated by this Agreement, the Amalgamation, the Financing or as agreed to between the Parties or as required by applicable Laws, each of Mont and Mont Subco shall not:

- (a) amend its Articles or Certificate of Incorporation (or like charter documents) or Articles or By-laws, except as contemplated by the Amalgamation and this Agreement;
- (b) subdivide, split, combine, consolidate, or reclassify any of its outstanding shares of capital stock;
- (c) issue or agree to issue any securities, except as contemplated by the Amalgamation and this Agreement, and except pursuant to the exercise of currently outstanding options and warrants;
- (d) declare, set aside or pay any dividend or make any other distribution payable in cash, shares, stock, securities or property with respect to any of its shares of capital stock other than consistent with past practice;
- (e) repurchase, redeem, or otherwise acquire, directly or indirectly, any of its capital stock or any securities convertible into or exchangeable or exercisable into any of its capital stock;
- (f) incur, guarantee, assume or modify any additional indebtedness for borrowed money in an aggregate amount in excess of \$100,000 in the ordinary course of business;
- (g) other than pursuant to obligations or rights under existing written contracts, agreements and commitments, sell, lease or otherwise dispose of any material property or assets or enter into any agreement or commitment in respect of any of the foregoing;
- (h) amend or propose to amend the rights, privileges and restrictions attaching to the Mont Shares or any of the terms of its stock options or common share purchase warrants as they exist at the date of this Agreement, or reduce its stated capital;
- (i) except as contemplated by the Amalgamation and this Agreement, reorganize, amalgamate or merge with another Person;
- (j) except as contemplated by the Amalgamation and this Agreement, acquire or agree to

acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity or material assets;

- (k) enter into any agreements outside of the ordinary course with its directors or officers or their respective affiliates;
- (l) except as required by IFRS, or any applicable law, make any changes to the existing accounting practices of Mont or make any material tax election inconsistent with past practice;
- (m) enter into, without prior consultation with and consent of Kuya, new commitments of a capital expenditure nature or incur any new contingent liabilities other than (A) expenditures required by law; (B) expenditures made in connection with transactions contemplated in this Agreement; and (C) expenditures required to prevent the occurrence of a Material Adverse Effect; or
- (n) enter into or modify any employment, consulting, severance, collective bargaining or similar agreement, policy or arrangement with, or grant any bonus, salary increase, option to purchase shares, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred compensation, incentive compensation, severance, change of control or termination pay to, or make any loan to, any officer, director, employee or consultant of Mont.

### **6.3 Consolidation**

Prior to the Effective Time and subject to the requisite approval by the Board of Directors of Mont of the Consolidation Resolution, Mont shall complete and give effect to the Consolidation.

### **6.4 Closing Conditions**

Mont shall use all commercially reasonable efforts to cause all of the conditions to the obligations of Kuya under this Agreement to be satisfied on or prior to the Effective Date (to the extent the satisfaction of such conditions is within the control of Mont).

### **6.5 Stock Exchange Approval**

Mont shall use all commercially reasonable efforts to obtain the conditional approval of the CSE to list the post-Consolidation Mont Shares issuable to the Kuya Shareholders in connection with the transaction contemplated by this Agreement.

### **6.6 Name Change**

Immediate following the Effective Time and subject to the requisite approval by the Board of Directors of Mont of the Name Change Resolution, Mont shall complete and file the Notice of Alteration in accordance with the requirements of the BCBCA giving effect to the Name Change.

### **6.7 Kuya Circular**

Mont shall use all commercially reasonable efforts to assist Kuya in connection with the preparation of the Kuya Circular, if necessary, and prepare as promptly as possible any other documents required by applicable legislation and/or regulation in connection with all shareholder and regulatory approvals required

in respect of the Amalgamation and the other matters contemplated hereby, including but not limited to the extent applicable, the disclosure regarding Mont (including financial statements) prescribed under applicable Canadian Securities Laws and described in the form of prospectus that Mont would be eligible to use, for inclusion in the Kuya Circular, if necessary, unless such cooperation and efforts would subject Mont to unreasonable cost or liability or would be in breach of applicable statutory or regulatory requirements.

## **ARTICLE VII OTHER COVENANTS OF THE PARTIES**

### **7.1 *Amalgamation***

On or before the Effective Date, Mont and Kuya shall take all necessary steps to amalgamate Kuya with Mont Subco. Mont, Mont Subco and Kuya may mutually agree, based on subsequent tax advice, to allow all existing Kuya Warrants to be exchanged for an equivalent security of Mont subject to the same terms and conditions as the original Kuya securities after taking into consideration the Exchange Ratio.

### **7.2 *Consents and Notices***

Promptly after the date hereof and, if necessary, for a reasonable time after the Effective Date:

- (a) The Parties shall use all commercially reasonable efforts, and the Parties shall cooperate with each other to obtain, all consents, waivers, approvals, and authorizations, in addition to those set forth in clause (b) below which may be necessary to effect the Amalgamation including, without limitation, obtaining those consents, waivers, approvals, and authorizations described in Section 3.2 hereof and Section 4.2 hereof and shall provide copies of such documents to the other Party.
- (b) Each of Kuya, Mont and Mont Subco will promptly execute and file, or join in the execution and filing of, any application or other document that may be necessary in order to obtain the authorization, approval or consent of any Governmental Authority which may be reasonably required, or which any other Party may reasonably request in connection with the consummation of the transactions contemplated by this Agreement and shall provide copies of such documents to the other Party. Each of Kuya, Mont and Mont Subco will use commercially reasonable efforts to obtain promptly all such authorizations, approvals and consents.

### **7.3 *Circulars and Listing Statement***

- (a) Each of Kuya and Mont shall use all commercially reasonable efforts to prepare, as promptly as practicable after the date of this Agreement, the Kuya Circular, if necessary, and the Mont Circular, respectively, and the Listing Statement, together with any other documents required under Canadian Securities Laws and applicable corporate Laws in connection with the Kuya Meeting, if necessary, the Mont Meeting or listing of the post-Consolidation Mont Shares issuable in connection with the Amalgamation on the CSE, and each of Mont and Kuya shall co-operate with each other in preparation of their respective written consent resolutions or circulars, as applicable, and in connection therewith provide the other Party with such information and material concerning its affairs as such other Party shall reasonably request, unless such cooperation and efforts would subject such Party to unreasonable cost or liability or would be in breach of statutory or regulatory requirements applicable to such Party.

- (b) As soon as practicable after the date hereof, Kuya shall either obtain a written consent resolution of the Kuya Shareholders approving the Kuya Amalgamation Resolution or call and hold the Kuya Meeting, and Mont shall call and hold the Mont Meeting and each Party shall mail their respective circulars, as necessary, and all other documentation required in connection with the Meetings to each of their respective shareholders. The Meetings, as necessary, shall be held at the earliest practicable date following the mailing of the Kuya Circular, if necessary, and the Mont Circular, respectively.
- (c) Each of the Kuya Circular, if necessary, and Mont Circular shall include, *inter alia*, the unanimous recommendation of the Board of Directors of each of Kuya and Mont that their respective shareholders vote in favour of approval of the Kuya Amalgamation Resolution and the Fundamental Change Resolution, as applicable.
- (d) Kuya covenants that the Kuya Circular, if necessary, will comply as to form in all material respects with Canadian Securities Law and applicable corporate Laws and that none of the information to be supplied by Kuya for inclusion or incorporation in the Mont Circular or the Listing Statement, as the case may be, will at the time of the mailing of the Mont Circular to the Mont Shareholders or the filing of the Listing Statement with the CSE, as applicable, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. If at any time prior to the Effective Time any event with respect to Kuya, its officers and directors shall occur that is required to be described in the Mont Circular or Listing Statement, as the case may be, Kuya shall give prompt notice to Mont of such event.
- (e) Mont covenants that the Mont Circular and Listing Statement will comply as to form in all material respects with Canadian Securities Law and applicable corporate Laws and that none of the information to be supplied by Mont for inclusion or incorporation in the Kuya Circular, if necessary, or the Listing Statement, as the case may be, will at the time of the mailing of the Kuya Circular to the Kuya Shareholders, if necessary, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they are made, not misleading. If at any time prior to the Effective Time any event with respect to Mont, its officers and directors shall occur that is required to be described in the Kuya Circular, if necessary, or Listing Statement, as the case may be, Mont shall give prompt notice to Kuya of such event.

#### **7.4 Defense of Proceedings**

Mont and Mont Subco, on the one hand, and Kuya, on the other hand, shall vigorously defend, or shall cause to be vigorously defended, any lawsuits or other legal proceedings brought against Mont, Kuya, or their respective officers, directors or shareholders, challenging this Agreement or the completion of the Amalgamation, and the Parties shall cooperate with each other in all respects in such defense. Neither Mont, Mont Subco nor Kuya shall compromise or settle any claim brought in connection with the Amalgamation, without the prior written consent of the other Parties.

#### **7.5 Press Releases**

Before issuing any press release or otherwise making any public statements with respect to the this Agreement or the Amalgamation, Mont, Mont Subco and Kuya shall consult with each other and shall undertake reasonable efforts to agree upon the terms of such press release, and shall not issue any such

press release or make any such public statement prior to such consultation, except as may be required by applicable Law or by obligations pursuant to any listing agreement with any stock exchange.

#### **7.6 Non-Solicitation**

From and after the date hereof until the termination of this Agreement, and other than with respect to the Financing, neither Party nor any of their respective officers, directors, employees (other than to the extent required by Law), agents or Affiliates (and their officers, directors or employees) shall, directly or indirectly, (i) solicit, encourage or conduct discussions with or engage in negotiations with any Person, other than the other Party, relating to the possible acquisition of Kuya or Mont, as applicable, or any of its Affiliates (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets, (ii) provide information with respect to Kuya or Mont, as applicable, or any of its Affiliates to any Person, other than the Parties, relating to the possible acquisition of Kuya or Mont, as applicable, (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets, (iii) enter into an agreement with any Person, other than the Parties, providing for the acquisition of such Party or any of its affiliates (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets, or (iv) make or authorize any statement, recommendation or solicitation in support of any possible acquisition of such Party (whether by way of merger, purchase of shares, purchase of assets or otherwise) or any material portion of its shares or assets by any Person, other than by the Parties. In addition to the foregoing, if either Party or any of their respective officers, directors, agents, or Affiliates receives any unsolicited offer or proposal to enter negotiations relating to any of the above, such Party shall immediately notify the other Party thereof, including information as to the identity of the offeror or the party making any such offer or proposal and the specific terms of such offer or proposal, as the case may be. Notwithstanding the foregoing, this section does not restrict, limit or prohibit the Board of Directors of Kuya or the Board of Directors of Mont from exercising its fiduciary duties under applicable Law where in the good faith judgment of the Board of Directors of Kuya or the Board of Directors of Mont, as applicable, after consultation with outside legal counsel, failure to take such action would be inconsistent with the exercise of its fiduciary duties. For greater certainty, such fiduciary duty shall not relieve either Party of its obligations under this Agreement or limit the remedies (including specific performance and injunctive relief) available to the other Party.

#### **7.7 Refrain from Certain Actions**

No Party shall take any action, refrain from taking any action (subject to commercially reasonable efforts) or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or which would or could reasonably be expected to materially impede the completion of the transactions contemplated hereby or which would or could reasonably be expected to have a Material Adverse Effect on such Party.

#### **7.8 Indemnity**

Each Party (the “**Indemnifying Party**”) shall indemnify and hold harmless the other Parties hereto (and such other Parties’ respective directors, officers and Advisors) (collectively, the “**Non-Offending Persons**”) from and against all claims, damages, liabilities, actions or demands to which the Non-Offending Persons may become subject insofar as such claims, damages, liabilities, actions or demands arise out of or are based upon: (i) the information supplied by an Indemnifying Party (other than the Non-Offending Persons) and contained in such other Party’s circular having contained a misrepresentation; or (ii) any breach of a representation, warranty, covenant or obligation of the Indemnifying Party contained in this Agreement or any certificate or notice delivered by it in connection herewith, and will reimburse such Non-Offending Persons for any legal or other expenses reasonably incurred by such Non-Offending Persons in connection with investigating or defending any such loss, claim, damage, liability, action or demand. Each



Party hereto shall obtain and hold the rights and benefits of this Section 7.8 in trust for and on behalf of such Party's directors, officers and advisers.

### **7.9 Warrants**

Each Party agrees that upon completion of the Amalgamation, subject to Section 7.1, the Kuya Warrants shall entitle the holders thereof to receive, upon the subsequent exercise thereof, Mont Shares based on the Exchange Ratio and such outstanding Kuya Warrants shall otherwise remain outstanding in accordance with their respective terms and conditions. Kuya, with the co-operation of Mont, shall prepare and file with the CSE all necessary reports, applications or other documents required in order to permit the issuance of Mont Shares upon the exercise of the aforesaid Kuya Warrants.

### **7.10 Mont Options**

The Parties shall use all commercially reasonable efforts, which shall include, but are not limited to, Mont entering into consulting agreements with each of the resigning directors and officers of Mont as of the Effective Date in a form acceptable to both Mont and Kuya, to ensure that the terms of all outstanding Mont Options as of the Effective Date are amended in compliance with the policies of the CSE, such that all outstanding Mont Options shall immediately vest as of the Effective Date and the expiry dates shall be extended to the date that is one year from the Effective Date.

### **7.11 Exemptions from Registration Requirements of U.S. Securities Laws**

The Parties hereto intend for the issuances and exchanges of shares contemplated hereby to be exempt from the registration requirements of any applicable United States federal and state securities laws and, accordingly, each agrees to take such further commercially reasonable actions (including the execution and delivery of such further instruments and documents) as any other Party may reasonably request with regards to maintaining such exemptions.

### **7.11 Stock Exchange Listing**

Mont shall use all commercially reasonable efforts to obtain the conditional approval of the CSE for the listing of the post-Consolidation Mont Shares issuable to holders of Kuya Shares and Kuya Warrants pursuant to the Amalgamation and terms of this Agreement.

## **ARTICLE VIII CONDITIONS TO OBLIGATIONS OF MONT**

### **8.1 Conditions Precedent to Completion of the Amalgamation**

The obligation of Mont and Mont Subco to complete the Amalgamation is subject to the satisfaction of the following conditions on or prior to the Effective Date, each of which may be waived by Mont and Mont Subco:

- (a) The representations and warranties of Kuya set forth in Article III qualified as to materiality shall be true and correct, and the representations and warranties not so qualified shall be true and correct in all material respects as of the date of this Agreement and on the Effective Date as if made on the Effective Date, except for such representations and warranties made expressly as of a specified date which shall be true and correct in all material respects as of such date; and Mont shall have received a certificate signed on behalf of Kuya by an executive officer thereof to such effect dated as of the Effective Date.

- (b) Kuya shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by it prior to or on the Effective Date and Mont shall have received a certificate signed on behalf of Kuya by an executive officer thereof to such effect dated as of the Effective Date.
- (c) There shall not have occurred any Material Adverse Change to Kuya since the date of this Agreement.
- (d) The Kuya Shareholders shall have approved the Kuya Amalgamation Resolution at the Kuya Meeting or by unanimous written consent.
- (e) The Mont Shareholders shall have approved the Fundamental Change Resolution at the Mont Meeting.
- (f) Dissent Rights shall have been exercised in respect of no more than 5% of the issued and outstanding Kuya Shares.
- (g) Mont and Mont Subco shall have received title opinions in form and substance satisfactory to Mont and Mont Subco and their counsel, acting reasonably, addressed to Mont and Mont Subco relating to the Kuya Assets.
- (h) [Redacted: Sensitive commercial information].
- (i) Kuya completing the Financing.
- (j) Mont delivering an executed consulting agreement with Tyson King (the “**King Consulting Agreement**”) for his role as VP Corporate Development for a period of at least two years commencing on the Effective Date, which shall contain substantially similar payment terms as his current consulting agreement with Mont and shall contain provisions customary to such position in the same industry, and shall include, without limitation, Tyson King duly waiving any termination or change of control payments triggered upon completion of the Amalgamation, all such terms being agreed to by both Mont and Kuya.
- (k) Mont delivering an executed consulting agreement with Lesia Burianyak (the “**Burianyak Consulting Agreement**”) for her role as Chief Financial Officer for a period of at least six months commencing on the Effective Date, which shall contain the same payment terms as her current consulting agreement with Mont and shall contain provisions customary to such position in the same industry, all such terms being agreed to by both Mont and Kuya.
- (l) Mont delivering an executed consulting agreement with Leah Hodges (the “**Hodges Consulting Agreement**”) for her role as Corporate Secretary for a period of at least six months commencing on the Effective Date, which shall contain the same payment terms as her current employment agreement with Mont and shall contain provisions customary to such position in the same industry, all such terms being agreed to by both Mont and Kuya.
- (m) The consulting agreements as contemplated by Section 7.10 being entered into with former directors and officers in a form reasonably acceptable to Mont.

**ARTICLE IX**  
**CONDITIONS TO OBLIGATIONS OF KUYA**

**9.1**     ***Conditions Precedent to Completion of the Amalgamation***

The obligation of Kuya to complete the Amalgamation is subject to the satisfaction of the following conditions on or prior to the Effective Date, each of which may be waived by Kuya:

- (a)     The representations and warranties of Mont and Mont Subco set forth in Article IV qualified as to materiality shall be true and correct, and the representations and warranties not so qualified shall be true and correct in all material respects as of the date hereof and on the Effective Date as if made on the Effective Date, except for such representations and warranties made expressly as of a specified date which shall be true and correct in all material respects as of such date, and Kuya shall have received certificates signed on behalf of Mont and Mont Subco, respectively, by an executive officer thereof to such effect dated as of the Effective Date.
- (b)     Mont and Mont Subco shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by Mont and Mont Subco, respectively, prior to or on the Effective Date and Kuya shall have received certificates signed on behalf of Mont and Mont Subco, respectively, by an executive officer thereof to such effect dated as of the Effective Date.
- (c)     There shall not have occurred any Material Adverse Change in Mont since the date of this Agreement.
- (d)     The Mont Shareholders shall have approved the Fundamental Change Resolution at the Mont Meeting.
- (e)     Mont shall have approved the Mont Subco Amalgamation Resolution in accordance with applicable Law.
- (f)     The Mont Board of Directors shall have approved the Consolidation Resolution and Name Change Resolution.
- (g)     Each of the directors and officers of Mont shall have tendered their resignations (and in the case of the directors, in a manner that allows for the orderly replacement of directors on the Effective Date) and provided mutual releases in a form acceptable to Kuya and Mont, each acting reasonably.
- (h)     Mont having completed the Consolidation.
- (i)     The cancellation of the Mont Bank of Montreal (“**BMO**”) credit card and the discharge of the financing statement in favour of BMO.
- (j)     Mont shall have filed Notice of Alteration in accordance with the BCBCA in respect of the Name Change and the Name Change shall be effective.
- (k)     Kuya shall be satisfied that the exchange of post-Consolidation Mont Shares for Kuya Shares shall be qualified or exempt from registration or qualification under all applicable United States federal and state securities laws.

- (l) Kuya completing the Financing.
- (m) Mont shall have adhered to the Budget as agreed to by the Parties prior to signing the LOI with a cost overrun maximum of 10% monthly.
- (n) Tyson King delivering an executed King Consulting Agreement.
- (o) Lesia Burianyk delivering an executed Burianyk Consulting Agreement.
- (p) Leah Hodges delivering an executed Hodges Consulting Agreement.
- (q) The consulting agreements as contemplated by Section 7.10 being entered into with former directors and officers in a form reasonably acceptable to Kuya.

## ARTICLE X MUTUAL CONDITIONS PRECEDENT

### ***10.1 Mutual Conditions Precedent***

The obligations of Mont and Kuya to complete the Amalgamation are subject to the satisfaction of the following conditions on or prior to the Effective Date, each of which may be waived only with the consent in writing of Mont, Mont Subco and Kuya:

- (a) All consents, waivers, permits, exemptions, orders, consents and approvals required to permit the completion of the Amalgamation, the failure of which to obtain could reasonably be expected to have a Material Adverse Effect on Kuya or Mont or materially impede the completion of the Amalgamation, shall have been obtained.
- (b) No temporary restraining order, preliminary injunction, permanent injunction or other order preventing the consummation of the Amalgamation shall have been issued by any federal, state, or provincial court (whether domestic or foreign) having jurisdiction and remain in effect.
- (c) The post-Consolidation Mont Shares to be issued pursuant to the Amalgamation shall have been conditionally approved for listing on the CSE, subject to standard conditions on the Effective Date or as soon as practicable thereafter.
- (d) On the Effective Date, no cease trade order or similar restraining order of any other provincial securities administrator relating to the Mont Shares, the Kuya Shares or the Amalco Shares shall be in effect.
- (e) There shall not be pending or threatened any suit, action or proceeding by any Governmental Authority, before any court or Governmental Authority, agency or tribunal, domestic or foreign, that has a significant likelihood of success, seeking to restrain or prohibit the consummation of the Amalgamation or any of the other transactions contemplated by this Agreement or seeking to obtain from Mont, Mont Subco or Kuya any damages that are material in relation to Mont, Mont Subco and Kuya.
- (f) The distribution of Amalco Shares and the Mont Shares pursuant to the Amalgamation shall be exempt from the prospectus and registration requirements of applicable Canadian Securities Law either by virtue of exemptive relief from the securities regulatory authorities

of each of the provinces of Canada or by virtue of applicable exemptions under Canadian Securities Laws and shall not be subject to resale restrictions under applicable Canadian Securities Laws (other than as applicable to control persons).

- (g) This Agreement shall not have been terminated in accordance with its terms.

## **ARTICLE XI CLOSING**

### ***11.1 Closing***

The Closing shall take place at the offices of Kuya's counsel, Irwin Lowy LLP at 12:00 p.m. (Toronto time) on the Effective Date or on such other date as Kuya and Mont may agree.

### ***11.2 Termination of this Agreement***

This Agreement may be terminated at any time prior to the Effective Time, whether before or after approval of the Kuya Amalgamation Resolution by the Kuya Shareholders, the Mont Subco Amalgamation Resolution by Mont or the Fundamental Change Resolution by the Mont Shareholders or any other matters presented in connection with the Amalgamation:

- (a) by mutual written consent of Mont, Mont Subco and Kuya;
- (b) by a Party if a condition in its favour or a mutual condition is not satisfied by the Termination Date (or any earlier date by which such condition is required to be satisfied) except where such failure is the result of a breach of this Agreement by such Party;
- (c) by Mont or Kuya if there has been a breach of any of the representations, warranties, covenants and agreements on the part of the other Party (the "**Breaching Party**") set forth in this Agreement, which breach has or is likely to result in the failure of the conditions set forth in Section 8.1, 9.1, or 10.1, as the case may be, to be satisfied and in each case has not been cured within ten (10) Business Days following receipt by the Breaching Party of notice of such breach from the non-breaching Party;
- (d) by any Party if any permanent order, decree, ruling or other action of a court or other competent authority restraining, enjoining or otherwise preventing the consummation of the Amalgamation shall have become final and non-appealable;
- (e) by Mont if:
  - (i) Kuya or the Board of Directors of Kuya, or any committee thereof, withdraws or modifies in a manner adverse to Mont, its approval of this Agreement or its recommendation to vote in favour of the Amalgamation; or
  - (ii) the Kuya Amalgamation Resolution is not approved by the Kuya Shareholders;
- (f) by Kuya if either of the Fundamental Change Resolution is not approved by the Mont Shareholders or the Name Change Resolution or Consolidation Resolution is not approved by the Board of Directors of Mont;
- (g) by Mont or Kuya if the Amalgamation is not completed by the Termination Date provided

that the Party then seeking to terminate this Agreement is not then in default of any of its obligations hereunder; or

- (h) by Mont or Kuya if the other Party has breached the provisions of Section 7.6 hereof in any material manner.

### ***11.3 Expense Reimbursement***

Should either Party breach the non-solicitation provision in Section 7.6 set forth above, the breaching Party shall forthwith pay to the other Party a fee equal to \$50,000 as partial reimbursement for third party costs and expenses incurred connection with the transactions contemplated herein. Except as set forth above, the Parties shall each be responsible for their own costs and expenses, including, but not limited to, legal counsel, accountants, business valuers and financial advisors, until such time as the Amalgamation is completed.

### ***11.4 Survival of Representations and Warranties; Limitation***

The representations and warranties set forth in herein shall expire and be terminated on the earlier of the Effective Date or the termination of this Agreement.

## **ARTICLE XII MISCELLANEOUS**

### ***12.1 Further Actions***

From time to time, as and when requested by any Party, the other Parties shall execute and deliver, and use all commercially reasonable efforts to cause to be executed and delivered, such documents and instruments and shall take, or cause to be taken, such further or other actions as may be reasonably requested in order to:

- (a) carry out the intent and purposes of this Agreement;
- (b) effect the Amalgamation (or to evidence the foregoing); and
- (c) consummate and give effect to the other transactions, covenants and agreements contemplated by this Agreement.

### ***12.2 Expenses***

Except as otherwise provided herein, each of the Parties shall be responsible for the payment of all expenses incurred by it in connection with this Agreement and the Amalgamation, including but not limited to the fees and expenses of their legal counsel, accountants, financial and investment advisors, brokers and finders.

### ***12.3 Entire Agreement***

This Agreement, which includes the Schedules hereto and the other documents, agreements, and instruments executed and delivered pursuant to or in connection with this Agreement, contains the entire Agreement between the Parties with respect to matters dealt within herein and, except as expressly provided herein, supersedes all prior arrangements or understandings with respect thereto, including without limitation the LOI.

#### **12.4 Descriptive Headings**

The descriptive headings of this Agreement are for convenience only and shall not control or affect the meaning or construction of any provision of this Agreement.

#### **12.5 Notices**

All notices or other communications which are required or permitted hereunder shall be in writing and sufficient if delivered personally or sent by telecopier or other electronic communication, nationally recognized overnight courier, or registered or certified mail, postage prepaid, addressed as follows:

- (a) If to Mont and Mont Subco:

23rd Floor, 1177 West Hastings Street  
Vancouver, BC  
V6E 2K3

Attention: Tyson King  
Email: [tking@miramontresources.com](mailto:tking@miramontresources.com)

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

DuMoulin Black LLP  
595 Howe Street, 10<sup>th</sup> Floor  
Vancouver, BC  
V6C 2T5

Attention: David Gunasekera  
Email: [DGunasekera@dumoulinblack.com](mailto:DGunasekera@dumoulinblack.com)

- (b) If to Kuya:

240 Richmond Street West  
Toronto, Ontario  
M5V 1V6

Attention: David Stein  
Telephone: [david@kuyasilver.com](mailto:david@kuyasilver.com)

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

Irwin Lowy LLP  
217 Queen Street West, Suite 401  
Toronto, Ontario M5V 0R2

Attention: Chris Irwin  
Email: [cirwin@irwinlowy.com](mailto:cirwin@irwinlowy.com)

Any such notices or communications shall be deemed to have been received: (i) if delivered personally or sent by telecopier (with transmission confirmed), by e-mail or other electronic

communication, nationally recognized overnight courier, on the date of such delivery; or (ii) if sent by registered or certified mail, on the third Business Day following the date on which such mailing was postmarked. Any Party may by notice change the address to which notices or other communications to it are to be delivered or mailed.

### ***12.6 Governing Law***

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Ontario and the federal laws of Canada applicable therein, but references to such laws shall not, by conflict of laws, rules or otherwise require application of the law of any jurisdiction other than the Province of Ontario.

### ***12.7 Enurement and Assignability***

This Agreement shall be binding upon and shall enure to the benefit of and be enforceable by the Parties and their respective successors and permitted assigns, provided that this Agreement shall not be assignable otherwise than by operation of law by either Party without the prior written consent of the other Parties, and any purported assignment by any Party without the prior written consent of the other Party shall be void.

### ***12.8 Confidentiality***

The Parties agree that no disclosure or announcement, public or otherwise, in respect of the Amalgamation, this Agreement or the transactions contemplated herein shall be made by any Party or its representatives without the prior agreement of the other Parties as to timing, content and method, hereto, provided that the obligations herein will not prevent any Party from making, after consultation with the other Parties, such disclosure as its counsel advises is required by applicable Law or the rules and policies of the CSE (or any other relevant stock exchange). If either Mont, Mont Subco, or Kuya is required by applicable Law or regulatory instrument, rule or policy to make a public announcement with respect to the Amalgamation, such Party hereto will provide as much notice to the other of them as reasonably possible, including the proposed text of the announcement.

### ***12.9 Remedies***

The Parties acknowledge that an award of money damages may be inadequate for any breach of the obligations undertaken by the Parties and that the Parties shall be entitled to seek equitable relief, in addition to remedies at law. In the event of any action to enforce the provisions of this Agreement, each of the Parties waive the defense that there is an adequate remedy at law. Without limiting any remedies any Party may otherwise have, in the event any Party refuses to perform its obligations under this Agreement, the other Party shall have, in addition to any other remedy at law or in equity, the right to specific performance.

### ***12.10 Waivers and Amendments***

Any waiver of any term or condition of this Agreement, or any amendment or supplementation of this Agreement, shall be effective only if in writing. A waiver of any breach or failure to enforce any of the terms or conditions of this Agreement shall not in any way affect, limit, or waive a Party's rights hereunder at any time to enforce strict compliance thereafter with every term or condition of this Agreement.



**12.11 Illegalities**

In the event that any provision contained in this Agreement shall be determined to be invalid, illegal, or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and the remaining provisions of this Agreement shall not, at the election of the Party for whose benefit the provision exists, be in any way impaired.

**12.12 Currency**

Except as otherwise set forth herein, all references to amounts of money in this Agreement are to Canadian Dollars.

**12.13 Counterparts**

This Agreement may be executed in any number of counterparts by original or telefacsimile signature, each of which will be an original as regards any party whose signature appears thereon and all of which together will constitute one and the same instrument. This Agreement will become binding when one or more counterparts hereof, individually or taken together, bears the signatures of all the parties reflected hereon as signatories.

**12.14 Language**

At the request of the Parties this Agreement has been drafted in the English language.

**12.15 Time of Essence**

Time is of the essence of this Agreement and of each of its provisions.

**[REMAINDER OF THE AGREEMENT IS INTENTIONALLY BLANK]**

**IN WITNESS WHEREOF**, the undersigned have executed and delivered this Agreement as of the day and year first above written.

**MIRAMONT RESOURCES CORP.**

By: “Tyson King”  
Name: Tyson King  
Title: President and Chief Executive Officer

**KUYA SILVER CORP.**

By: “David Stein”  
Name: David Stein  
Title: President

**2757974 ONTARIO INC.**

By: “Tyson King”  
Name: Tyson King  
Title: President and Secretary

**SCHEDULE A  
ARTICLES OF AMALGAMATION**

Follows on the next page.

**SCHEDULE B**  
**KUYA ASSETS**

1. The properties and concessions as contained in the Bethania Share Purchase Agreements which has been provided to Mont prior to the date hereof.
2. Tres Banderas 02 concession has granted to the Kuya Subsidiary.