

## SHARE PURCHASE AGREEMENT

THIS AGREEMENT is dated as of the 7 day of August, 2020.

AMONG:

**SWAN GOLD LTD.**, a company existing under the laws of the Province of British Columbia and having a registered office located at 704-595 Howe Street, Vancouver, British Columbia, V6C 2T5.

(the "**Company**")

AND:

**THOSE SHAREHOLDERS OF THE COMPANY SET FORTH IN SCHEDULE "A" TO THIS AGREEMENT**

(collectively the "**Vendors**")

AND:

**GRAPHITE ENERGY CORP.**, a company existing under the laws of the Province of British Columbia and having a registered office located at Suite 1510 - 789 West Pender Street., Vancouver, British Columbia, V6C 1H2.

(the "**Purchaser**")

WHEREAS:

- A. The Company is the registered and beneficial owner of a series of tenement applications located in Pilbara, Western Australia as further set out in Schedule "A" (the "**Property**" as further described herein);
- B. The Vendors are the registered and beneficial owners of one-hundred percent (100%) of the right, title and interest in and to the Vendors Shares (as hereafter defined) which in the aggregate represent all of the issued and outstanding Company Shares (as hereafter defined); and
- C. The Vendors have agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Vendors, one-hundred percent (100%) right, title and interest in and to all of the Vendors Shares pursuant to the terms and conditions of this Agreement;

NOW THEREFORE this Agreement witnesses that in consideration of the premises and mutual covenants contained herein, payment by each party hereto to the others of \$10.00 and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by each party hereto, the parties agree as follows:

### **1. Definitions and Interpretation**

1.1 In this Agreement and in the Schedules and the recitals hereto, unless the context otherwise requires, the following expressions will have the following meanings:

- a) "**Adverse Interests**" means any lien, charge, mortgage, hypothec, pledge, assignment, option, lease, sublease, right to possession, or other security interest, encumbrance or adverse right, restriction or interest of any nature or kind.

- b) **"Applicable Law"** means:
- (i) any domestic or foreign statute, law (including common and civil law), code, ordinance, rule, regulation, restriction or bylaw; or
  - (ii) any judgment, order, ruling, decision, writ, decree, injunction or award, of any governmental entity, statutory body or self-regulatory authority (including a stock exchange), to the extent that the same is legally binding on the person referred to in the context in which the term is used.
- c) **"Applicable Securities Laws"** means securities laws in all jurisdictions relevant to the issuance of the Purchaser Shares to the Vendors.
- d) **"Closing"** means the completion of the purchase and sale of all of the Vendors Shares and other transactions contemplated in this Agreement in accordance with the terms and conditions of this Agreement.
- e) **"Closing Date"** means the date on which the Closing occurs.
- f) **"Company"** means Swan Gold Ltd., a corporation incorporated under the laws of the Province of British Columbia.
- g) **"Company Shares"** means the common shares in the capital of the Company.
- h) **"Consideration Shares"** means the Purchaser Shares issued in consideration for the Vendors Shares, pursuant to the terms of this Agreement.
- i) **"Effective Date"** means the date as may be mutually agreed by the Purchaser and the Company.
- j) **"Exchange"** means the Canadian Securities Exchange.
- k) **"Finders Shares"** means the 750,000 common shares of the Purchaser issuable to the finder of the Transaction.
- l) **"Legal Proceeding"** means any action, suit, claim, litigation, complaint, grievance, application, arbitration, inquiry, investigation, hearing or other civil, criminal, regulatory, or administrative proceeding or other similar proceeding, at law or in equity, before or by any court, agency, commission, tribunal, panel or other judicial, governmental or administrative body or authority and includes any appeal or review thereof and any application or leave for appeal or review.
- m) **"Material Adverse Effect"** means an effect, change, event, occurrence, fact or circumstance that, individually or in the aggregate with another such effect, change, event, occurrence, fact or circumstance, is or would be reasonably expected to be material and adverse to the business, affairs, operations, property, assets, liabilities, financial condition, financial results, capital or prospects (financial or otherwise) of the Company or which could or could be reasonably expected to prevent, materially delay or materially impair the ability of the respective parties to complete the transactions contemplated by this Agreement and to otherwise consummate the transactions contemplated in this Agreement, except any such effect resulting from or arising in connection with:

- (i) any adoption, implementation, proposal or change in applicable law or any interpretation thereof by any governmental entity;
- (ii) any natural disaster;
- (iii) the announcement of this Agreement or any transactions contemplated herein, or otherwise contemplated by or arising as a result of the terms of this Agreement;

provided, however, that with respect to clauses (ii) and (iii), such matter does not have a materially disproportionate effect on the Company, taken as a whole, relative to other comparable companies and entities operating in the industries in which the Company operates.

- n) "**Property**" means the tenement applications located in Pilbara, Western Australia as more particularly described in Schedule "A".
- o) "**Purchaser**" means Graphite Energy Corp., a corporation existing under the laws of the Province of British Columbia.
- p) "**Purchaser Shares**" means the common shares in the capital of the Purchaser.
- q) "**Survival Period**" has the meaning set out in section 5.4 hereof.
- r) "**Vendors**" means collectively, the shareholders of the Company set forth in Schedule "B" hereto.
- s) "**Vendors Shares**" means the 7,500,000 Company Shares held collectively by the Vendors, in such amounts as are set forth in Schedule "B" hereto.
- t) "**Voluntary Resale Restrictions**" means the voluntary resale restrictions imposed on the Consideration Shares as outlined by Section 2.4 of this Agreement.

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

- a) the division of this Agreement into articles, sections and other subdivisions and the use of headings are for convenience only and are not intended to define, interpret or limit the scope, extent or intent of this Agreement;
- b) all references in this Agreement to "articles", "sections" and other subdivisions or Schedules are to the designated articles, sections or other subdivisions or Schedules of this Agreement;
- c) the words "hereof", "hereto", "herein", "hereby", "herewith" and "hereunder" and other words of similar import refer to this Agreement as a whole and not to any particular article, section or other subdivision;
- d) the word "or" is not exclusive and the word "including" is not limiting (whether or not non-limiting language is used with reference thereto);
- e) the words "written" or "in writing" include printing, typewriting or any electronic means of communication capable of being visibly reproduced at the point of reception including facsimile or e-mail;

- f) a “day” shall refer to a calendar day, and references to a “business day” shall refer to days on which banks are ordinarily open for business in Vancouver, British Columbia, other than a Saturday or a Sunday; in calculating all time periods the first day of a period is not included and the last day is included, and if a date is or a time period ends on a day which is not a business day, such date will be extended and the time period will be deemed to expire on the next business day;
- g) all references to “\$” or “dollars” are references to the lawful currency of Canada;
- h) any reference to a statute is a reference to the applicable statute and to any regulations made pursuant thereto and includes all amendments made thereto and in force from time to time and any statute or regulation that has the effect of supplementing or superseding such statute or regulation;
- i) words importing individuals include bodies corporate and other artificial entities, and vice versa; words importing gender include the other gender; words importing one form of body corporate or artificial entity include all other forms of bodies corporate or artificial entities; and words importing the singular includes the plural, and vice versa; and
- j) the rule of construction to the effect that any ambiguity is to be resolved against the drafting party shall not be applicable in the construction or interpretation of any of the terms and conditions of this Agreement.

## **2. Purchase and Sale**

2.1 Subject to the terms and conditions of this Agreement, at the Closing, each Vendor shall sell, assign and transfer to the Purchaser, and the Purchaser shall purchase from each Vendor, one-hundred percent (100%) right, title and interest in and to each of the Vendor’s respective Vendors Shares (which in the aggregate represent all of the issued and outstanding Company Shares), free and clear of all Adverse Interests.

2.2 In consideration for the Vendors Shares, the Purchaser shall issue to the Vendors an aggregate of 7,500,000 Consideration Shares at the Closing, duly registered in accordance with, and in such amounts as are set forth in, Schedule "B" hereto.

2.3 The parties to this Agreement acknowledge the Purchaser will issue a finders fee of 750,000 common shares to certain finders.

2.4 The Vendors acknowledge that the certificates evidencing Consideration Shares issued under this Agreement subject to the following voluntary resale restrictions and will be legended as follows:

- (a) As to 30% of the Consideration Shares, no restrictions on resale;
- (b) As to 20% of the Consideration Shares:

“WITHOUT PRIOR WRITTEN APPROVAL OF THE COMPANY THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [Insert date that is four months after Closing].

- (c) As to an additional 20% of the Consideration Shares:

“WITHOUT PRIOR WRITTEN APPROVAL OF THE COMPANY THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [Insert date that is eight months after Closing].

(d) As to the final 20% of the Consideration Shares:

“WITHOUT PRIOR WRITTEN APPROVAL OF THE COMPANY THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [Insert date that is twelve months after Closing].

2.6 The parties hereby acknowledge and declare their common intention that the transfer of the Vendors Shares contemplated herein shall take place on a fully-deferred basis for the purposes of the *Income Tax Act* (Canada), pursuant to the provisions of section 85.1 of the *Income Tax Act* (Canada).

### 3. Conduct of Business Prior to Closing

3.1 Except as contemplated by this Agreement the Company shall not without the prior written consent of the Purchaser enter into any contract with respect to the business or assets of the Company other than in the ordinary course and the Company shall continue to carry on its business and maintain its assets and shall not:

- (a) incur any debt other than debt incurred in the ordinary course or to cease to maintain its good standing under Applicable Laws;
- (b) issue any shares, rights warrants or options to purchase shares or any securities convertible into shares, warrants or options in its capital;
- (c) enter into any transaction with or make payments to a party or parties with which it does not deal at arm's length;
- (d) grant any director, officer or employee who has a policy-making function any increase in compensation or in severance or termination pay or enter into any employment or consulting agreement with any such director, officer or employee, or hire or promote any such Person;
- (e) take any action which would be outside the ordinary course or which may result in a material adverse change with respect to the Company; or
- (f) perform any act or enter into any transaction or negotiation which might materially adversely interfere or be materially inconsistent with the consummation of the transaction contemplated herein.

### 4. Additional Covenants

4.1 The Purchaser shall:

- a) engage the Vendors James Hutton and Christopher Wilson as advisors to the board of the Purchaser, and in consideration for such services will grant a total of 250,000 stock options to each of Mr. Hutton and Dr. Wilson; and
- b) issue a finders fee of 750,000 common shares to of the Purchaser to [insert names of finders].

4.2 Each of the parties hereto shall, in good faith, use all commercially reasonable efforts to:

- a) conduct their business and affairs in a manner such that its respective representations and warranties made by it herein remain true prior to Closing, and to promptly notify the other parties should any representation and warranty made by it herein cease to be true;
- b) perform and observe the covenants made by it herein; and
- c) perform and observe matters required to satisfy any other conditions precedent to the completion of the transactions contemplated by this Agreement.

**5. Representations and Warranties**

5.1 Each of the Vendors severally represents and warrants to the Purchaser, and acknowledges that the Purchaser is relying on such representations and warranties, that as of the date of this Agreement and the Closing:

- a) if it is not an individual, it is duly formed, validly existing and in good standing under the laws of its jurisdiction of formation, or if it is an individual, it is of full age of majority;
- b) it has the legal power and capacity and has taken all necessary action and has obtained all necessary approvals to enter into and execute this Agreement and to carry out its obligations hereunder;
- c) it has duly executed this Agreement and this Agreement constitutes a legal, valid and binding obligation of it enforceable against it in accordance with the Agreement's terms;
- d) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein by the Vendors will constitute or result in a breach of or default under, or create a state of facts which after notice or lapse of time or both will constitute or result in a breach of or default under, or will otherwise conflict with (i) if it is not an individual, its constituting documents or any resolutions of its directors, shareholders or other stakeholders, (ii) any indenture, agreement or instrument to which it is a party or by which it is bound, or (iii) any Applicable Laws or orders, rulings or other judgments or decisions of a court or regulatory authority having jurisdiction over it;
- e) it is the registered holder and beneficial owner of one-hundred percent (100%) right, title and interest in and to its respective Vendors Shares as indicated in Schedule "B" hereto; it has good and marketable title to such Vendors Shares free and clear of all Adverse Interests; its Vendors Shares are validly issued and outstanding as fully paid and non-assessable securities in the capital of the Company; it holds no other shares in the capital of the Company other than such Vendors Shares; and it holds no right, privilege, option, warrant or agreement to purchase or otherwise acquire, directly or indirectly, any other shares in the capital of the Company;
- f) no person has any right, privilege, option, warrant or agreement, contingent or otherwise, or any of the foregoing capable of become any right, privilege, option, warrant or agreement, to purchase or otherwise acquire, directly or indirectly, any of its respective Vendors Shares or any interest or entitlement therein (other than as provided by this Agreement);
- g) it is not a party to any shareholders agreement, escrow agreement, pooling agreement, voting trust or similar arrangements or obligations in respect of its respective Vendors Shares or any other securities of the Company;

- h) it has no information or knowledge of any facts relating to the Company which if known to the Purchaser would or might reasonably be expected to deter the Purchaser from completing the transactions contemplated herein and hereby, and none of the foregoing representations and warranties and no documents furnished by or on behalf of the Vendors to the Purchaser in connection herewith or hereunder, contains any untrue statement of material fact or omits to state any material fact that the party knew or ought to have known is necessary to make any such representation or warranty not misleading to a prospective purchaser of the Vendors Shares seeking full information as to the Vendors Shares, the Company and its business and affairs;
- i) to the knowledge of the Vendor, none of the Vendors are subject to a cease trade or other order of any applicable securities regulatory authority or stock exchange and to the knowledge of each Vendor no Legal Proceedings are pending or threatened which may operate to prevent or restrict trading of any securities owned by each respective Vendor or otherwise prevent or restrict the completion of the transactions contemplated herein and no such Legal Proceedings are currently in progress, pending, contingent or threatened before any applicable securities regulatory authority or stock exchange;
- j) to the knowledge of the Vendors, the operations of the Company have been conducted in all material respects in compliance with all Applicable Laws of each jurisdiction in which the Company owns or leases property or assets or carries on business, in accordance with industry standards and otherwise in a good and workmanlike manner, and the Company has not received any notice of and knows of no state of facts which would constitute or result in any such violation of any such laws; and
- k) to the knowledge of Vendors, the financial records of the Company are complete and accurate in all material respects and present fairly the financial condition of the Company as at the Closing Date.

5.2 The Company represents and warrants to the Purchaser and acknowledges that the Purchaser is relying on such representations and warranties, that as of the date of this Agreement and the Closing:

- a) the Company is duly formed, validly existing and in good standing under the laws of the Province of British Columbia;
- b) the Company has the corporate power and capacity and has taken all necessary corporate action and has obtained all necessary approvals to own its property and assets, to conduct its business as presently conducted, and to enter into and execute this Agreement, and to carry out its respective obligations under it;
- c) the Company has duly executed this Agreement and this Agreement constitutes a legal, valid and binding obligation of it enforceable against it in accordance with the Agreement's terms except that (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally; (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court; (iii) rights of indemnity and contribution hereunder may be limited under applicable law; and (iv) a court may stay proceedings before them by virtue of equitable or statutory powers;
- d) provided the conditions to Closing, as set out in section 5.3 hereof, are satisfied, neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein will constitute or result in a breach of or default under, or create a



state of facts which after notice or lapse of time or both will constitute or result in a breach of or default under, or will otherwise conflict with (i) any of the Company's constituting documents or any resolutions of its directors, shareholders or other stakeholders, (ii) any indenture, agreement or instrument to which the Company is a party or by which it is bound (or otherwise cause a forfeiture of rights or accelerate any performance required thereby), or (iii) to the knowledge of the Vendors, any Applicable Laws or orders, rulings or other judgments or decisions of a court or regulatory authority having jurisdiction over the Company; in each case that may result in a Material Adverse Effect;

- e) the Company's authorized capital consists of an unlimited number of Company Shares and an unlimited number of special shares, of which 7,500,000 Company Shares are validly issued and outstanding, all of which are either held by the Vendors and all in proportions set out in Schedule "B" hereto, and no special shares are issued and outstanding;
- f) except as contemplated herein, as of the Closing Date, no person shall have any right, privilege, option, warrant or agreement, contingent or otherwise, or any of the foregoing capable of become any right, privilege, option, warrant or agreement, to purchase or otherwise acquire, directly or indirectly, any Company Shares or any other shares in the capital of the Company from the treasury of the Company;
- g) as of the Closing Date, the Company shall be the registered and beneficial owner of the tenement applications comprising the Property, free and clear of any Adverse Interest;
- h) there are no actual, pending, contingent or, threatened Legal Proceedings which, individually or in the aggregate, may result in or could reasonably be expected to have a Material Adverse Effect on the business, affairs, operations, property, assets, liabilities, financial condition, financial results, capital or prospects (financial or otherwise) of the Company;
- i) the Company is not subject to any cease trade or other order of any applicable securities regulatory authority or stock exchange and no Legal Proceedings involving the Company which may operate to prevent or restrict trading of any securities of the Company or otherwise prevent or restrict the completion of the transactions contemplated herein are currently in progress, pending, contingent or threatened before any applicable securities regulatory authority or stock exchange;
- j) the Company has not entered into any agreement or arrangement, written or oral, that would entitle any person to any claim against the Company for a brokerage or finder fee, commission or other compensation, or any like payment, in respect of this Agreement and the transactions contemplated herein; and
- k) the Company does not have any information or knowledge of any facts relating to the Company which if known to the Purchaser would or might reasonably be expected to deter the Purchaser from completing the transactions contemplated herein and hereby, and none of the foregoing representations and warranties and no documents furnished by or on behalf of the Company or the Vendors to the Purchaser in connection herewith or hereunder, contains any untrue statement of material fact or omits to state any material fact that the party knew or ought to have known is necessary to make any such representation or warranty not misleading to a prospective purchaser of the Company Shares seeking full information as to the Company Shares, the Company and its business and affairs.



5.3 The Purchaser represents and warrants to the Vendors and acknowledges that the Vendors are relying on such representations and warranties, that as of the date of this Agreement and the Closing:

- a) the Purchaser is duly formed, validly existing and in good standing under the laws of the Province of British Columbia and is not in default of any requirements of the Exchange;
- b) the Purchaser has the corporate power and capacity and has taken all necessary corporate action and has obtained all necessary approvals to own and lease its property and assets, to conduct its business as presently conducted, and to enter into and execute this Agreement and to carry out its obligations hereunder;
- c) the Purchaser has duly executed this Agreement and this Agreement constitutes a legal, valid and binding obligation of it enforceable against it in accordance with the Agreement's terms except that (i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally; (ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court; (iii) rights of indemnity and contribution hereunder may be limited under applicable law; and (iv) a court may stay proceedings before them by virtue of equitable or statutory powers;
- d) neither the execution and delivery of this Agreement nor the consummation of the transactions contemplated herein will constitute or result in a breach of or default under, or create a state of facts which after notice or lapse of time or both will constitute or result in a breach of or default under, or will otherwise conflict with (i) the Purchaser's constituting documents or any resolutions of its directors, shareholders or other stakeholders, (ii) any indenture, agreement or instrument to which the Purchaser is a party or by which it is bound (or otherwise cause a forfeiture of rights or accelerate any performance required thereby), or (iii) any Applicable Laws or orders, rulings or other judgments or decisions of a court or regulatory authority having jurisdiction over the Purchaser;
- e) the Purchaser is a reporting issuer in the Provinces of British Columbia, Alberta and Ontario, and the Purchaser Shares are listed for trading on the Exchange;
- f) there are no actual, pending, contingent or, to the knowledge of the Purchaser, threatened Legal Proceedings which, individually or in the aggregate, may result in or could reasonably be expected to have a Material Adverse Effect on the business, affairs, operations, property, assets, liabilities, financial condition, financial results, capital or prospects (financial or otherwise) of the Purchaser;
- g) the Purchaser is not subject to any cease trade or other order of any applicable securities regulatory authority or stock exchange and, to the knowledge of the Purchaser, no Legal Proceedings involving the Purchaser which may operate to prevent or restrict trading of any securities of the Purchaser or otherwise prevent or restrict the completion of the transactions contemplated herein are currently in progress, pending, contingent or threatened before any applicable securities regulatory authority or stock exchange;
- h) the Purchaser has not entered into any agreement or arrangement, written or oral, that would entitle any person to any claim against the Purchaser for a brokerage or finder fee, commission or other compensation, or any like payment, in respect of this Agreement and the transactions contemplated herein;
- i) the Purchaser is in compliance with its timely disclosure obligations under Applicable Laws, including stock exchange regulations, and no order ceasing or suspending trading in

securities of the Purchaser or prohibiting the transactions contemplated hereby has been issued and no proceedings for such purpose are ongoing or pending, or to the best knowledge of the Purchaser, threatened;

- j) on Closing, the Consideration Shares will be issued to the Vendors as fully paid and non-assessable common shares in the capital of the Purchaser, and will be duly registered in the names of the Vendors in the books and registers of the Purchaser; and
- k) the forms, reports, news releases, financial statements and other documents filed by the Purchaser on SEDAR (System for Electronic Document Analysis and Retrieval), taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

5.4 The representations and warranties set out herein shall survive the Closing and, notwithstanding any investigation made by or on behalf of a party hereto and the occurrence of the Closing, shall continue in full force and effect for a period of two (2) years following the date hereof (the "**Survival Period**").

## **6. Indemnification**

6.1 Each Vendor shall indemnify and save harmless the Purchaser from any and all losses suffered or incurred by the Purchaser as a result of or arising directly or indirectly out of or in connection with any inaccuracy of or any breach by the Vendor of the representations and warranties as to itself (and not the other Vendors) contained in Section 5.1 or a breach by the Vendor of any covenant of such Vendor contained herein.

6.2 The Purchaser shall indemnify and save harmless the Vendors and/or the Company from any and all losses suffered or incurred by the Vendor as a result of or arising directly or indirectly out of or in connection with any inaccuracy of or any breach by the Purchaser of the representations and warranties contained in Section 5.3 or a breach of any covenant of the Purchaser contained herein.

6.3 Notwithstanding any other provision of this Section 6 to the contrary, the Vendors' liability pursuant to Section 6.1 for any losses suffered or incurred by the Purchaser shall be subject to the following limitations: each Vendor shall have no liability in excess of a maximum aggregate amount of 100% of the value of the portion of the Consideration Shares payable to such Vendor, provided, however, that in the event of fraud or willful misrepresentation by Vendor, the liability of such Vendor shall not be limited by this Section 6.3.

6.4 In the event that the Party providing indemnification under this Agreement (the "Indemnifying Party") shall become aware of any circumstances which have given or could give rise to a Claim of indemnification under this Section 6, the Party being indemnified under this Agreement (the "Indemnified Party") shall promptly give written notice to the Indemnifying Party of those circumstances. Such notice shall specify whether the losses arise as a result of a Claim by a Person against the Indemnified Party (a "Third Party Claim") or whether the losses do not so arise (a "Direct Claim"), and shall also specify with reasonable particularity (to the extent the information is available) the factual basis for the claim and the amount of the losses, if known.

6.5 If through the fault of the Indemnified party, the Indemnifying Party does not receive notice of any Claim in time to contest effectively the determination of any liability susceptible of being contested, the Indemnifying party shall be entitled to set off against the amount Claimed by the Indemnified Party the amount of any losses incurred by the Indemnifying Party resulting from the Indemnified Party's failure to give that notice on a timely basis.

**7. Conditions of Closing**

7.1 The Vendors shall not be obligated to complete the sale of the Vendors Shares pursuant to this Agreement and the other transactions contemplated herein, unless each of the conditions listed below is satisfied, it being understood that the said conditions are included for the exclusive benefit of the Vendors:

- a) the representations and warranties of the Purchaser in this Agreement shall be true and correct in all material respects at the Closing;
- b) the covenants and conditions of the Purchaser to be performed and observed in this Agreement prior to or at Closing shall have been performed and observed in all material respects;
- c) the receipt of any other consents contemplated by this Agreement or otherwise necessary for this Agreement and the completion of the transactions contemplated herein, and all such approvals being in full force and effect;
- d) there shall have been no event or change that has had or would be reasonably likely to have a Material Adverse Effect on the Purchaser; and
- e) there shall have been no order made or any Legal Proceedings commenced or threatened for the purpose, or which could have the effect, of preventing or restraining the completion of the transactions contemplated by this Agreement.

7.2 If any condition in section 7.1 hereof has not been fulfilled or if any such condition is or becomes impossible to satisfy, other than as a result of the failure of the Vendors or the Company to comply with their obligations under this Agreement, then the Vendors (acting unanimously) may, without limiting any rights or remedies available to the Vendors at law or in equity, either:

- a) terminate this Agreement by notice to the Purchaser; or
- b) waive compliance with any such condition without prejudice to its right of termination in the event of the non-fulfillment of any other condition for its benefit.

7.3 The Purchaser shall not be obligated to complete the purchase of the Vendors Shares pursuant to this Agreement and the other transactions contemplated herein, unless each of the conditions listed below is satisfied, it being understood that the said conditions are included for the exclusive benefit of the Purchaser:

- a) all of the Vendors have executed and delivered this Agreement and agreed to tender their respective Vendor Shares in exchange for the Purchaser Shares in the proportions set out in Schedule "B";
- b) the representations and warranties of the Vendors and the Company in this Agreement shall be true and correct in all material respects at the Closing;
- c) the covenants and conditions of the Vendors and the Company to be performed and observed in this Agreement prior to or at Closing shall have been performed and observed in all material respects;
- d) there shall have been no event or change that has had or would be reasonably likely to have a Material Adverse Effect on the Company or the Property;

- e) the Property being free of all Adverse Interests, **except those set forth in Schedule "B"**, and the Company being in good standing with respect to all filing requirements under Applicable Laws;
- f) the Board of Directors of the Company shall have approved the transfer of the Company Shares contemplated in this Agreement, in accordance with the Articles of Incorporation of the Company; and
- g) there shall have been no order made or any Legal Proceedings commenced or threatened for the purpose, or which could have the effect, of preventing or restraining the completion of the transactions contemplated by this Agreement.

7.4 If any condition in section 7.3 hereof has not been fulfilled or if any such condition is or becomes impossible to satisfy, other than as a result of the failure of the Purchaser to comply with its obligations under this Agreement, then the Purchaser may, without limiting any rights or remedies available to the Purchaser at law or in equity, either:

- a) terminate this Agreement by notice to the Vendors and the Company; or
- b) waive compliance with any such condition without prejudice to its right of termination in the event of the non-fulfillment of any other condition for its benefit.

## **8. Closing**

8.1 The Closing shall take place at the offices of counsel to the Company, at 11:00 a.m. (Vancouver time) on July 31, 2020 (the "Closing Date"), or such other time and date as may be agreed by the Company and the Purchaser, such agreement not to be unreasonably withheld.

8.2 At Closing, the Vendors and the Company shall deliver or cause to be delivered to the Purchaser the following documents:

- a) a copy of the resolutions of the Company authorizing this Agreement and the transactions contemplated herein and hereby;
- b) the minute books of the Company and all corporate, financial, legal and technical files, records and data of the Company;
- c) certificates representing the Vendors Shares owned by the Vendors duly endorsed for transfer to the Purchaser;
- d) a certificate representing the Vendors Shares, duly registered in the name of the Purchaser;
- e) the resignation of the existing Board members of the Company and a consent resolution appointing the Purchaser's representative to the Board to fill the vacancy; and
- f) such other documents and instruments in connection with the Closing as may be reasonably requested by the Purchaser.

8.3 At Closing, the Purchaser shall deliver or cause to be delivered to the Vendors the following documents:

- a) a copy of the resolutions of the Purchaser authorizing this Agreement and the transactions contemplated herein and hereby;

- b) certificates representing the Finders Shares; and
- c) such other documents and instruments in connection with the Closing as may be reasonably requested by the Vendors.

**9. Filings and Authorizations**

9.1 The Company and the Purchaser, as promptly as practical after the execution of this Agreement shall:

- (i) use commercial or reasonable efforts to make, or cause to be made, all filings and submissions under Applicable Securities Laws that are required to consummate the transaction contemplated by, and in accordance with the terms of this Agreement including those of the Exchange;
- (ii) obtain or cause to be obtained all authorizations necessary to be obtained by it in order to consummate the transaction contemplated in this agreement; and
- (iii) take or cause to be taken all other actions necessary, proper or advisable in order for it to fulfill its obligations under this Agreement, including those actions necessary, proper or advisable to enable the Purchaser to satisfy any conditions imposed by the Exchange or required by the Exchange.

9.2 The Purchaser's legal counsel shall be the filing solicitor of record in all filings to be made with the Exchange, with copies of all correspondence with the Exchange to be provided to the Company's legal counsel.

**10. Termination**

10.1 This Agreement may be terminated by the mutual consent of the parties or in the following circumstances by written notice given by the terminating party to the other parties hereto:

- a) by either the Vendors (acting unanimously) or the Purchaser if the Effective Date has not occurred on or before the Closing Date, or such later date as may be mutually agreed by the Purchaser and the Vendors;
- b) by the Vendors (acting unanimously) if the Purchaser is in default of any covenant on its part to be performed hereunder, the Vendors have given written notice to the Purchaser of such default, the Purchaser has not proceeded to cure such default within fourteen (14) days of such notice and thereafter proceeded in good faith to diligently cure such default to the Vendors' reasonable satisfaction provided that in any case such default shall be cured within thirty (30) days after such notice (or such longer period as may be reasonably required to cure the default given the nature or circumstances thereof); and
- c) by the Purchaser if any of the Vendors or the Company is in default of any covenant on its part to be performed hereunder, the Purchaser has given written notice to the Vendors and the Company of such default, and the Vendor in default and/or the Company has not proceeded to cure such default within fourteen (14) days of such notice and thereafter proceeded in good faith to diligently cure such default to the Purchaser's reasonable satisfaction provided that in any case such default shall be cured within thirty (30) days after such notice (or such longer period as may be reasonably required to cure the default given the nature or circumstances thereof).

10.2 Upon termination of this Agreement, each party hereto shall be released from all obligations under this Agreement. Each party's right of termination is in addition to and not in derogation or limitation of any other rights, claims, causes of action or other remedy that such party may have under this Agreement or otherwise at law or in equity with respect to such termination and any misrepresentation, breach of covenant or indemnity contained herein.

## **11. Notices**

11.1 Any notice, communication, instrument or document required or permitted to be given under this Agreement shall be in writing and may be given by personal delivery, pre-paid, certified or registered mail, or by telecommunication, facsimile, email or other similar form of communication (in each case with electronic confirmed receipt), addressed as follows:

- a) If to the Company or the Vendors at:

Swan Gold Ltd.  
704-595 Howe Street  
Vancouver, British Columbia V6C 2T5

Attention: James Hutton  
Email: jhutton17@gmail.com

- b) If to the Purchaser at:

Graphite Energy Corp.  
142-789 West Pender Street,  
Vancouver, British Columbia  
V6C 1H2

Attention: Adrian Hobkirk  
Email: hobkirkadrian@gmail.com

and such shall be deemed to have been given (i) if effected by electronic, facsimile or personal delivery with confirmation of receipt of delivery, at the time of delivery or electronic confirmed receipt unless such occurs after the recipient's customary business hours in which case it shall be deemed to have been given on the next business day; and (ii) if effected by mail, on the fourth business day after mailing excluding all days on which postal service is disrupted.

11.2 A party may at any time in the above manner give notice to the other parties of any change of address and after the giving of such notice the address or addresses specified will be the address of such party for the purpose of giving notice hereunder.

## **12. General**

12.1 This Agreement (including the Schedules thereto) constitutes the entire agreement among the parties and replaces and supersedes all prior agreements, memoranda, correspondence, communications, negotiations and representations, whether oral or written, express or implied, statutory or otherwise among the parties with respect to the subject matter herein, except for any agreements related to the Purchaser Loan which shall continue in full force and effect following the execution of this Agreement. There are no implied covenants contained in this Agreement other than those of good faith and fair dealing.

12.2 The parties shall from time to time prior to or after Closing execute and deliver any and all such instruments and other documents and perform any and all such acts and other things as may be necessary or desirable to carry out the intent of this Agreement.

12.3 Any amendments hereto or waivers in respect hereof shall only be effective if made in writing and executed by the parties thereto. No waiver shall constitute a waiver of any other provision or act as a continuing waiver unless such is expressly provided for.

12.4 Time is of the essence of this Agreement. Any failure to exercise any rights provided for hereunder shall not, in the absence of a waiver in accordance with the terms hereof, affect the subsequent enforcement of such right.

12.5 The invalidity or unenforceability of any provision hereof shall not affect or impair the validity or enforceability of the remainder of the Agreement or any other provision hereof. In the event that any provision hereof is invalid or unenforceable in a given jurisdiction, that shall not affect the validity or enforceability of the provision in any other jurisdiction. The courts shall have the power to modify this Agreement, in a manner consistent with the intent of the parties, in order to limit the application of any such offensive provision to the maximum extent permitted by law.

12.6 This Agreement and any rights herein or hereto shall not be assigned or otherwise transferred by any party hereto without the express written consent of the other parties hereto. This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

12.7 This Agreement shall be exclusively governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. For the purposes of all legal proceedings, this Agreement shall be deemed to have been made and performed in Ontario, and the parties hereby irrevocably agree that the courts of the Province of Ontario shall have exclusive jurisdiction to entertain any action arising under this Agreement.

12.8 This Agreement may be executed and delivered in two or more counterparts and by facsimile and by electronic delivery. Each such counterpart, facsimile and electronically delivered copy shall be deemed to form one and the same and an originally executed instrument, bearing the date set forth on the face page hereof notwithstanding the date of execution or delivery.

**[INTENTIONALLY LEFT BLANK]**



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

**On behalf of the Purchaser:**

**On behalf of the Company:**

**GRAPHITE ENERGY CORP.**

**SWAN GOLD LTD.**

Per: "Adrian F.C. Hobkirk"  
Authorized Signatory

Per: "James A. Hutton"  
Authorized Signatory

**On behalf of the Vendors:**

**SIGNED, SEALED & DELIVERED**

In the presence of:

\_\_\_\_\_  
Witness

} "James A. Hutton"

**HUTTON CAPITAL CORP.**

**SIGNED, SEALED & DELIVERED**

In the presence of:

\_\_\_\_\_  
Witness

} "Suma Men"

**SUMA MEN**

**SIGNED, SEALED & DELIVERED**

In the presence of:

\_\_\_\_\_  
Witness

} "Bryan Slusarchuk"

**BRYAN SLUSARCHUK**

**SIGNED, SEALED & DELIVERED**

In the presence of:

\_\_\_\_\_  
Witness

} "Rex Motton"

**REX MOTTON**

**SIGNED, SEALED & DELIVERED**  
In the presence of:

\_\_\_\_\_  
Witness

}  
\_\_\_\_\_  
*“Liza Gazis”*

**LIZA GAZIS**

**SIGNED, SEALED & DELIVERED**  
In the presence of:

\_\_\_\_\_  
Witness

}  
\_\_\_\_\_  
*“Charles Hethey”*

**CHARLES HETHEY**

**SIGNED, SEALED & DELIVERED**  
In the presence of:

\_\_\_\_\_  
Witness

}  
\_\_\_\_\_  
*“Jonathan Richards”*

**JONATHAN RICHARDS**

**SIGNED, SEALED & DELIVERED**  
In the presence of:

\_\_\_\_\_  
Witness

}  
\_\_\_\_\_  
*“Christopher Wilson”*

**Christopher Wilson**

**SIGNED, SEALED & DELIVERED**  
In the presence of:

\_\_\_\_\_  
Witness

}  
\_\_\_\_\_  
*“Dorian Leslie”*

**DORIAN LESLIE**

**SIGNED, SEALED & DELIVERED**  
In the presence of:

\_\_\_\_\_  
Witness

}  
\_\_\_\_\_  
*“Christopher Jackson”*

**Christopher Jackson**

**SIGNED, SEALED & DELIVERED**

In the presence of:

\_\_\_\_\_  
Witness



\_\_\_\_\_  
*“Liam Trigger”*

**PCF CAPITAL GROUP**

**SCHEDULE "A" - THE PROPERTY**

<b>Tenement Application No.</b>	<b>Owner</b>	<b>Hectares</b>
4505738	Swan Gold (Australia) Pty Ltd.	10,260
4505739	Swan Gold (Australia) Pty Ltd.	12,160
4601364	Swan Gold (Australia) Pty Ltd.	10,190

**SCHEDULE "B" – LIST OF VENDORS**

<b>Beneficial Shareholder's Name</b>	<b>Subscriber Name, Address &amp; Phone No.</b>	<b>Registration Instructions</b>	<b>Common Shares Subscribed For</b>
Hutton Capital Corp.	Hutton Capital Corp. 2860 Bellevue Avenue West Vancouver, British Columbia V7V 1E8	Hutton Capital Corporation 2860 Bellevue Avenue West Vancouver, British Columbia V7V 1E8	1,433,334
Suma Men	Suma Men 2859 Bellevue Avenue West Vancouver, British Columbia V7V 1E7	Suma Men 2859 Bellevue Avenue West Vancouver, British Columbia V7V 1E7	1,433,333
Bryan Slusarchuk	Bryan Slusarchuk Suite 488 – 1090 West Georgia Street Vancouver, British Columbia V6E 3V7	Bryan Slusarchuk Suite 488 – 1090 West Georgia Street Vancouver, British Columbia V6E 3V7	1,433,333
Rex Motton	Rex Motton 9 Redleaf Close, Heathcote Victoria, Australia 3523	Rex Motton 9 Redleaf Close, Heathcote Victoria, Australia 3523	1,000,000
Liza Gazis	Liza Gazis 12 Craven Crescent Heathcote, Victoria, Australia 3523	Liza Gazis 12 Craven Crescent Heathcote, Victoria, Australia 3523	250,000
Charles Hethey	Charles Hethey. #704 – 595 Howe Street, Vancouver, British Columbia V6C 2T5	Charles Hethey. #704 – 595 Howe Street, Vancouver, British Columbia V6C 2T5	250,000
Jonathan Richards	Jonathan Richards 3075 Dryden Way North Vancouver, BC V7K 2A3	Jonathan Richards 3075 Dryden Way North Vancouver, BC V7K 2A3	250,000
O B Consulting LLC			250,000
Dorian Leslie	Dorian Leslie 380 Newport Ave Victoria, BC V8S 5C5	Dorian Leslie 380 Newport Ave Victoria, BC V8S 5C5	100,000

Sidis Holdings Ltd.	Sidis Holdings Ltd. #100 Andrea Viami 34 Apt B205 Paphos, Cyprus	Sidis Holdings Ltd. #100 Andrea Viami 34 Apt B205 Paphos, Cyprus	1,000,000
PCF Capital Group Pty Ltd.	PCF Capital Group Pty Ltd. Level 3, 8 Colin Street, West Perth, Australia 6005	PCF Capital Group Pty Ltd. Level 3, 8 Colin Street, West Perth, Australia 6005	100,000
			<b>7,500,000</b>