

**UNITED LITHIUM CORP.**

- and -

**LEADING EDGE MATERIALS CORP.**

- and -

**TASMAN METALS LTD.**

- and -

**TASMAN METALS AB.**

- and -

**BERGBY LITHIUM AB.**

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**SHARE PURCHASE AGREEMENT**

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**February 11, 2021**

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## SHARE PURCHASE AGREEMENT

This Share Purchase Agreement (this “Agreement”), dated as of February 11, 2021.

AMONG:

**TASMAN METALS AB**, a corporation existing under the laws of Sweden (“Vendor”);

- and -

**LEADING EDGE MATERIALS CORP.**, a corporation existing under the laws of the province of British Columbia, Canada (“Vendor Parent”);

- and -

**TASMAN METALS LTD.**, a corporation existing under the laws of the province of British Columbia, Canada (“Vendor Holdco”);

- and -

**BERGBY LITHIUM AB**, a corporation existing under the laws of Sweden (the “Corporation”);

- and -

**UNITED LITHIUM CORP.**, a corporation existing under the laws of the province of British Columbia, Canada (“Purchaser”).

**WHEREAS** the Purchaser entered into a letter of intent dated as of December 4, 2020, and accepted by the Purchaser on December 6, 2020, with the Vendor Parent and Vendor (the “Letter of Intent”), pursuant to which subject to the satisfaction of the conditions described in the Letter of Intent (and, for greater certainty, the satisfaction of any conditions described in this Agreement), on the Closing Date (as defined herein), the Purchaser agreed to acquire 100% of the issued and outstanding shares in the capital of the Corporation from the Vendor, free and clear of all encumbrances, in consideration for payment of the purchase price set forth herein at section 2.02;

**AND WHEREAS** the Purchaser, the Vendor Parent, the Vendor, the Vendor Holdco and the Corporation wish to enter into this Agreement in respect of the purchase by the Purchaser and the sale by the Vendor of all of the issued and outstanding shares in the capital of the Corporation;

**NOW THEREFORE**, in consideration of the premises and the mutual agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by the Parties), the Parties agree as follows:

## ARTICLE 1 INTERPRETATION

### 1.01 Defined Terms

As used in this Agreement, the following terms have the following meanings:

**“Acquisition”** means the acquisition of the Purchased Shares in exchange for the consideration described in Section 2.02;

**“affiliate”** means, when used with reference to a Party, the Corporation or any other person, any other person directly or indirectly controlling, controlled by or under common control with such Party, the Corporation or such person, and, for such purpose, **“control”** shall mean the possession, directly or indirectly, of the power to direct or influence the direction of the management or policies of a legal person, whether through ownership or otherwise, and the term **“controlling”** shall have a corresponding meaning;

**“Agreement”** means this share purchase agreement and all schedules and instruments in amendment or confirmation of it; **“hereof”**, **“hereto”** and **“hereunder”** and similar expressions mean and refer to this Agreement and not to any particular Article, Section, Subsection or other subdivision; **“Article”**, **“Section”**, **“Subsection”** or other subdivision of this Agreement followed by a number means and refers to the specified Article, Section, Subsection or other subdivision of this Agreement;

**“Authorization”** means, with respect to any person, any authorization, order, permit, approval, grant, licence, consent, right, franchise, privilege, certificate, judgment, writ, injunction, award, determination, direction, decree, or by-law, rule or regulation of any Governmental Entity, whether or not having the force of law, having jurisdiction over such person;

**“Bergby Property”** means the exploration projects located in the localities Bergby and Axmar in the municipality of Gävle, Gävleborg län, Sweden, consisting of the Licenses;

**“Bonus Date”** has the meaning ascribed thereto in Section 2.04;

**“Bonus Price”** has the meaning ascribed thereto in Section 2.04;

**“Bonus Warrants”** has the meaning ascribed thereto in Section 2.04;

**“Books and Records”** means all technical, business and financial records, financial books and records of account, books, data, reports, files, lists, drawings, plans, logs, briefs, customer and supplier lists, deeds, certificates, contracts, surveys, title opinions or any other documentation and information in any form whatsoever (including written, printed, electronic or computer printout form) relating to a corporation and its business;

**“Business Day”** means any day, other than a Saturday, Sunday or any day statutory holiday in Vancouver, British Columbia or Stockholm, Sweden;

**“Cash Consideration”** has the meaning ascribed thereto in Section 2.02(b);

**“Claim”** includes claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions, informations or other similar processes, assessments or reassessments, judgments, debts, Liabilities, penalties, fines, expenses, costs, damages or losses,

contingent, inchoate or otherwise, whether disputed or undisputed, contractual, legal or equitable, and including loss or diminution of value, loss of revenue and loss of profits, professional fees, including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;

**"Closing"** means the completion of the transaction of purchase and sale contemplated in this Agreement;

**"Closing Date"** means the date of Closing, being the third Business Day following satisfaction or waiver of each of the conditions precedent to Closing set forth in Article 7, or such later date as is mutually agreed to by the Purchaser and the Vendor Parent;

**"Consents"** means the consents of contracting parties to any Contract to which the Corporation, the Vendor, the Vendor Holdco or the Vendor Parent is a party to the change in control of the Corporation contemplated in this Agreement (or as may otherwise be required in order to complete the transactions contemplated by this Agreement), and **"Consent"** means any one of such Consents;

**"Consideration Shares"** has the meaning ascribed thereto in Section 2.02;

**"Consideration Warrants"** has the meaning ascribed thereto in Section 2.02;

**"Contracts"** (individually, a **"Contract"**) means all written or verbal outstanding contracts and agreements (including quotations, orders and rebates), work in progress, leases (including the real property leases), third-party licences, insurance policies, deeds, indentures, instruments, entitlements, commitments, undertakings and orders made by or to which a corporation is a party or by which a corporation is bound or under which a corporation has, or will have, any rights or obligations and includes rights to use, franchises, licence and sub-licences agreements and agreements for the purchase and sale of assets or shares;

**"Corporate Records"** means the corporate records of a corporation, including (i) all articles, by-laws or other constating documents, any unanimous shareholders agreement and any amendments thereto; (ii) all minutes of meetings and resolutions of shareholders, directors and any committee thereof; (iii) the share certificate books, register of shareholders, register of transfers and register of directors; and (iv) all accounting records;

**"CSE"** means the Canadian Securities Exchange;

**"Direct Claim"** has the meaning ascribed thereto in Section 9.04(c);

**"Environmental Laws"** means all applicable federal, provincial, state, local and foreign Laws, imposing liability or standards of conduct for, or relating to, the regulation of activities, materials, substances or wastes in connection with, or for, or to, the protection of human health, safety, the environment or natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation);

**"Environmental Liabilities"** means, with respect to any person, all liabilities, remedial and removal costs, investigation costs, capital costs, operation and maintenance costs, losses, damages, (including punitive damages, property damages, consequential damages and treble damages), costs and expenses, fines, penalties and sanctions incurred as a result of, or related to, any claim, suit, action, administrative order, investigation, proceeding or demand by any person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law arising under, or related to, any



Environmental Laws, Environmental Permits, or in connection with any Release or threatened Release whether on, at, in, under, from or about or in the vicinity of any real or personal property;

**“Environmental Permits”** means all permits, licenses, written authorizations, certificates, approvals, program participation requirements, notifications, sign-offs or registrations required by or available with or from any Governmental Entity under any Environmental Laws;

**“Escrow Agent”** means Computershare Trust Company of Canada, or such other escrow agent to be agreed upon by the Purchaser and the Vendor Parent;

**“Escrow Agreement”** means the agreement to be entered into upon Closing among the Purchaser, the Vendor and the Escrow Agent;

**“Expenditure Amount”** has the meaning ascribed in Section 10.03;

**“Expenditure Period”** has the meaning ascribed in Section 10.03;

**“Expenditures”** means all direct and indirect costs and expenses incurred in the conduct of Exploration on or in relation to the Bergby Property, including, without limitation expenditures incurred:

- (a) in doing geochemical, geophysical and geological surveys, and metallurgical testing, including costs of assays, metallurgical tests and other tests and analyses to determine the quantity and quality of minerals, water and other materials or substances;
- (b) in searching for, digging, drilling, trenching, sampling, assaying, testing, working, developing, mining or extracting minerals;
- (c) in the preparation of work programs and the presentation and reporting of data and the other results thereof, including any program for the preparation of a technical report, feasibility, engineering or other studies, evaluations or reports on or with respect to the Bergby Property;
- (d) in acquiring equipment or machinery or in constructing facilities, or the transportation and use thereof, and for all parts, supplies and consumables for use in connection with the Bergby Property; and
- (e) for environmental remediation and rehabilitation of the Bergby Property area.;

**“Exploration”** means all activities directed toward ascertaining the existence, location, quantity, quality or commercial value of mineral deposits on the Bergby Property.

**“Force Majeure”** has the meaning ascribed in Section 10.05;

**“Governmental Entity”** means (i) any multi-national, federal, provincial, state, municipal, local or other governmental or public department, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any subdivision, agent, commission, board, or authority of any of the foregoing; or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

**“Hazardous Substance”** means any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous or deleterious substance, waste or material, including

petroleum, polychlorinated biphenyls, asbestos and urea-formaldehyde insulation, and any other material or contaminant regulated or defined under any Environmental Law;

**"IFRS"** means, unless otherwise provided, at any time, International Financial Reporting Standards in Canada at such time;

**"Indemnified Party"** has the meaning ascribed thereto in Section 9.04;

**"Indemnifying Party"** has the meaning ascribed thereto in Section 9.04;

**"Laws"** means all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, or any provisions of the foregoing, including general principles of common and civil law and equity, binding on or affecting the person referred to in the context in which such word is used; and **"Law"** means any one of them;

**"Liabilities"** means all costs, expenses (including wages, vacation pay and overtime pay), charges, debts, liabilities, claims, losses, damages, adverse claims, fines, penalties, demands and obligations, assessments or reassessments of any kind or nature (including any deferred or future liability for Taxes), whether primary or secondary, direct or indirect, known or unknown, asserted or unasserted, fixed, contingent or absolute, accrued or unaccrued, matured or unmatured, determined or determinable, liquidated or unliquidated, or due or to become due, and whether in contract, tort, strict liability or otherwise, voluntarily incurred or otherwise, whenever asserted, and including all costs and expenses relating thereto including all fees, disbursements and expenses of legal counsel, experts, engineers and consultants and costs of investigation;

**"Licenses"** means the exploration licenses comprising the Bergby Property granted by the Mining Inspectorate of Sweden under the Swedish Minerals Act as more particularly described in Schedule 4.03 hereto;

**"Lien"** shall mean: (a) any encumbrance, mortgage, pledge, hypothec, lien, charge or other security interest of any kind upon any property or assets of any character, or upon the income or profits therefrom, of any nature whatsoever or howsoever arising and any rights or privileges capable of becoming any of the foregoing, (b) any acquisition of or agreement to have an option to acquire any property or assets upon conditional sale or other title retention agreement, device or arrangement (including a capitalized lease), or (c) any sale, assignment, pledge or other transfer for security of any accounts, general intangibles or chattel paper, with or without recourse;

**"Losses"** means losses, damages, penalties, fines, costs or expenses of whatever kind, including reasonable legal fees and cost of enforcing any right to indemnification hereunder and of pursuing any insurance providers;

**"Material Adverse Effect"** means with respect to any person any change (including a decision to implement such a change made by the board of directors or by senior management who believe that confirmation of the decision by the board of directors is probable), event, violation, inaccuracy, circumstance or effect that is materially adverse to the business, assets (including intangible assets), liabilities, capitalization, ownership, financial condition or results of operations of such person whether or not arising in the ordinary course of business;

**"Material Contracts"** means the contracts to which a person is a party, including all contracts, leases of personal property, licences, undertakings, engagements or commitments of any nature, written or oral,

which are material to such person, including any contract: (i) the termination of which would have a Material Adverse Effect on such person; (ii) any contract which would result in payments to or from such person or its subsidiaries (if any); (iii) any agreement or commitment relating to the borrowing of money or to capital expenditures; and (iv) any agreement or commitment not entered into in the ordinary course of business;

**“material fact”** shall have the meaning ascribed to it in the *Securities Act* (British Columbia);

**“Milestone Properties”** has the meaning ascribed thereto in Schedule 2.04;

**“misrepresentation”** shall have the meaning ascribed to it in the *Securities Act* (British Columbia);

**“NSR Royalty”** has the meaning ascribed thereto in Section 2.05;

**“NSR Royalty Agreement”** means the net smelter returns royalty agreement to be entered upon Closing into between the Purchaser and the Vendor Parent;

**“Orders”** means orders, injunctions, judgments, administrative complaints, decrees, rulings, awards, assessments, directions, instructions, penalties or sanctions issued, filed or imposed by any Governmental Entity or arbitrator;

**“Parties”** means, collectively, the Vendor, the Vendor Parent, the Vendor Holdco, the Purchaser, the Corporation and any other person who may become a party to this Agreement; and **“Party”** means any one of them;

**“Permitted Lien”** means (i) Liens for Taxes, assessments or governmental charges or levies on property not yet due and delinquent; and (ii) easements, encroachments and other minor imperfections of title which do not, individually or in the aggregate detract from the value of, or impair the use or marketability of any real property;

**“person”** means an individual, partnership, corporation, trust, unincorporated association, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning;

**“Provision of Services”** has the meaning ascribed thereto in Section 10.02;

**“Purchased Shares”** has the meaning ascribed thereto in Section 2.01;

**“Purchaser Common Shares”** means the common shares in the capital of the Purchaser;

**“Purchaser Financial Statements”** has the meaning ascribed thereto in Section 5.11;

**“Purchaser Indemnitees”** has the meaning ascribed thereto in Section 9.02;

**“Release”** means any release, spill, emission, leaking, pumping, pouring, emitting, emptying, escape, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Substance in the indoor or outdoor environment, including the movement of Hazardous Substance through or in the air, soil, surface water, ground water or property;

**“Representative”** means, with respect to any person, any, and all, directors, officers, employees, consultants, financial advisors, lawyers, accountants and other agents of such person;

**"Securities Commissions"** means, collectively, the securities commission or other securities regulatory authority in each of British Columbia, Alberta and Ontario;

**"SEDAR"** means the System for Electronic Document Analysis and Retrieval;

**"Taxes"** means: (a) any and all taxes, imposts, levies, withholdings, duties, fees, premiums, assessments and other charges of any kind, however denominated and instalments in respect thereof, imposed by any Governmental Entity, including for greater certainty all income or profits taxes (including Canadian federal, provincial and territorial income taxes), payroll and employee withholding taxes, employment taxes, unemployment insurance, disability taxes, social insurance taxes, sales and use taxes, ad valorem taxes, excise taxes, goods and services taxes, harmonized sales taxes, franchise taxes, gross receipts taxes, capital taxes, business license taxes, mining royalties, alternative minimum taxes, estimated taxes, abandoned or unclaimed (escheat) taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, severance taxes, workers' compensation, Canada and other government pension plan premiums or contributions and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which a Party or any of its subsidiaries is required to pay, withhold or collect, together with any interest, penalties, fines or other additions to tax that may become payable in respect of such taxes, and any interest in respect of such interest, penalties, fines and additions whether disputed or not; and (b) any liability for the payment of any amount described in clause (a) of this definition as a result of being a member of an affiliated, consolidated, combined or unitary group for any period, as a result of any Tax sharing or Tax allocation agreement, arrangement or understanding, or as a result of being liable for or in respect of another person's Taxes as a transferee or successor, by contract or otherwise;

**"Termination Date"** means December 31, 2021;

**"Third Party Claim"** has the meaning ascribed thereto in Section 9.04(a);

**"Time of Closing"** means 5:00 p.m. (Vancouver time) on the Closing Date or such other time as the Closing may occur;

**"VWAP"** means the volume weighted average trading price.

## **1.02 Gender and Number**

Unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

## **1.03 Headings, Etc.**

The division of this Agreement into Articles, Sections, Subsections and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect or be utilized in the construction or interpretation of this Agreement.

## **1.04 Currency**

All references in this Agreement to dollars, unless otherwise specifically indicated, are expressed in Canadian currency.

### **1.05 Inclusion**

Where the word “including” or “includes” is used in this Agreement, it shall mean “including (or includes) without limitation”.

### **1.06 Accounting Terms**

All accounting terms not specifically defined in this Agreement shall be construed in accordance with IFRS.

### **1.07 Knowledge**

Any reference to the knowledge or awareness of a Party means:

- (a) in the case of the knowledge or awareness of the Purchaser, to the best of the knowledge, information and belief of the Purchaser after reviewing all relevant records and making due inquiries regarding the relevant matter, including of all relevant directors, officers and employees of the Purchaser; and
- (b) in the case of the knowledge or awareness of the Vendor, the Vendor Holdco and Vendor Parent, to the best of the knowledge, information and belief of the Vendor, the Vendor Holdco and Vendor Parent after reviewing all relevant records and making due inquiries regarding the relevant matter, including of all relevant directors, officers and employees of the Vendor, the Vendor Holdco and Vendor Parent.

### **1.08 Entire Agreement**

This Agreement and the agreements and other documents required to be delivered pursuant to this Agreement, constitute the entire agreement between the Parties and set out all the covenants, promises, warranties, representations, conditions and agreements between the Parties in connection with the subject matter of this Agreement and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, pre-contractual or otherwise, including the Letter of Intent. There are no covenants, promises, warranties, representations, conditions, understandings or other agreements, whether oral or written, pre-contractual or otherwise, express, implied or collateral between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement.

### **1.09 Incorporation of Schedules and Exhibits**

The following are the schedules and exhibits attached to and incorporated in this Agreement:

#### **Schedules**

Schedule 2.04	-	Milestone Properties
Schedule 4.03	-	Bergby Property
Schedule 10.02		Provision of Services

## ARTICLE 2 PURCHASED SHARES AND PURCHASE PRICE

### 2.01 Purchase and Sale

Subject to the terms and conditions hereof, the Vendor hereby agrees, and the Vendor Parent and the Vendor Holdco hereby agree, to cause the Vendor, to sell, assign and transfer to the Purchaser, and the Purchaser agrees to purchase from the Vendor at the Time of Closing, all of the shares of the Corporation held by the Vendor, which represent, collectively, all (and not less than all) of the issued and outstanding securities (the "Purchased Shares") of the capital of the Corporation, and the Vendor confirms it waives all rights of pre-emption and post-sale purchase rights stated in the articles of the Corporation.

### 2.02 Purchase Price

The consideration payable by the Purchaser for the Purchased Shares shall be:

- (a) on the Closing Date:
  - (i) \$250,000 in cash;
  - (ii) 1,031,864 Purchaser Common Shares (the "Consideration Shares");
  - (iii) 400,000 transferable common share purchase warrants (the "Consideration Warrants"), with each Consideration Warrant exercisable to acquire, for a period of 36 months, one Purchaser Common Share at an exercise price equal to \$0.48456; and
- (b) on the date that is six (6) months after the Closing Date, an additional \$250,000 in cash (together with the cash payment set out in Section 2.02(a), the "Cash Consideration").

The Purchaser shall pay the Cash Consideration and issue the Consideration Shares and Consideration Warrants to the Vendor or as directed by the Vendor.

### 2.03 Escrow

The Vendor (or other recipients of the Consideration Shares, if applicable) and Purchaser shall, upon and as a condition to Closing, enter into the Escrow Agreement with the Purchaser regarding the Consideration Shares.

### 2.04 Additional Payment

In the event that the Vendor Parent, the Vendor or the Corporation acquires one or multiple of the exploration licenses described at Schedule 2.04 (the "Milestone Properties") by March 21, 2021 (such acquisition date being the "Bonus Date"), the Purchaser shall deliver to the Vendor or as directed by the Vendor such additional number of transferable common share purchase warrants (the "Bonus Warrants") as is equal to \$250,000 divided by the 10-day VWAP of the Purchaser Common Shares on the CSE as of the date immediately preceding the Bonus Date (the "Bonus Price") rounded up to the nearest figure, with each Bonus Warrant exercisable to acquire, for a period of 36 months, one Purchaser Common Share at an exercise price equal to the Bonus Price.

### **2.05 NSR Royalty**

On the Closing Date, the Purchaser and Vendor Parent shall have entered into the NSR Royalty Agreement, pursuant to which the Vendor Parent or an affiliate of the Vendor Parent shall be entitled to a 2% net smelter returns royalty on the Bergby Property and the Milestone Properties acquired pursuant to Section 2.04 (the "NSR Royalty"), and which NSR Royalty shall be subject to a buyback right in favour of the Purchaser pursuant to which the Purchaser may purchase on or before the date that is seven (7) years from the Closing Date the whole of the NSR Royalty in exchange for payment of \$1,000,000.

### **2.06 The Closing**

The Closing shall take place at the Time of Closing by way of an electronic closing in which the closing documentation will be delivered by electronic mail with exchange of signature pages in pdf or functionally equivalent electronic format, except for the delivery of original share certificates (if any issued) and any applicable signed transfer documents on Closing. Notwithstanding any other provision of this Agreement, the transactions contemplated hereby shall be effective as of the Closing Date.

## **ARTICLE 3 REPRESENTATIONS AND WARRANTIES REGARDING THE CORPORATION**

The Vendor Parent, the Vendor Holdco and the Vendor jointly and severally represent and warrant as follows to the Purchaser and acknowledge and confirm that the Purchaser is relying upon such representations and warranties in connection with the purchase by the Purchaser of the Purchased Shares:

### **3.01 Due Incorporation, Existence and Corporate Power of the Corporation**

The Corporation is a corporation duly incorporated, validly existing and in good standing under the Laws of Sweden. The Corporation has all necessary corporate power and authority to own or lease its properties, to carry on its business as presently being conducted by it, to enter into this Agreement and the other agreements or instruments to which it is or is to become a party pursuant to the terms hereof and to perform its obligations hereunder and thereunder. The Corporation is not a reporting issuer or equivalent under applicable securities legislation and there is not a published market for any securities of the Corporation.

### **3.02 Qualification**

The Corporation is duly qualified, licensed or registered to carry on its business as presently being conducted in all jurisdictions in which the nature of the business conducted by it or the property owned or leased by it makes such qualification, licensing or registration necessary.

### **3.03 Authorized Capital of the Corporation**

The Corporation has 250 common shares, all of which are, and will be at the Time of Closing, duly issued and outstanding as fully paid and non-assessable and registered in the name of the Vendor. The Purchased Shares constitute all of the issued and outstanding securities in the capital of the Corporation.

### **3.04 Options, etc.**

Except for the Purchaser's right hereunder, no person has any option, warrant, right, call, commitment, conversion right, right of exchange or other agreement or any right or privilege issued or granted by the Corporation (whether by Law, pre-emptive or contractual) capable of becoming an option, warrant, right, call, commitment, conversion right, right of exchange or other agreement: (i) for the purchase from the Vendor of any of the Purchased Shares; or (ii) for the purchase, subscription, allotment or issuance of any of the unissued shares in the capital of the Corporation or of any other securities of the Corporation.

### **3.05 Valid Issuance of Purchased Shares**

The Purchased Shares are validly issued, fully paid and non-assessable, were not issued in violation of the terms of any agreement or other understanding to which the Corporation is or was a party, and were issued in compliance with all applicable Laws.

### **3.06 Validity of Agreement**

- (a) The execution, delivery and performance by the Corporation of this Agreement and the execution, delivery and performance by the Corporation of or under any other agreements or instruments to which it is or is to become a party pursuant to the terms hereof, and the consummation of the transactions contemplated hereunder and thereunder:
  - (i) have been duly authorized by all necessary corporate action on the part of the Corporation; and
  - (ii) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a violation or a breach of, or a default under or give rise to a right of termination, amendment or cancellation or the acceleration of any obligation under: (A) any charter, by-law or trust deed instruments of the Corporation, as applicable, (B) any mortgage, note, indenture contract, instrument, lease, licence or permit to which the Corporation is a party or under which the Corporation is bound or to which any property or material assets of the Corporation is subject, (C) any Laws applicable to the Corporation, or (D) any Order binding the Corporation or the Bergby Property.
- (b) This Agreement has been, and each additional agreement or instrument required to be delivered pursuant to this Agreement will be at the Time of Closing, duly authorized, executed and delivered by the Corporation and each is or will be at the Time of Closing, a legal, valid and binding obligation of the Corporation enforceable against the Corporation in accordance with its terms.

### **3.07 Restrictive Documents**

The Corporation is not subject to, or a party to, any charter, by-law or trust deed restriction, any applicable Swedish Law, any contract or instrument, any shareholders' or similar agreement or any Lien which would prevent the consummation of the transactions contemplated by this Agreement or compliance by the Corporation with the terms, conditions and provisions thereof or the continued operation of its business after the date hereof or the Closing Date on substantially the same basis as heretofore operated or which would restrict the ability of the Purchaser to acquire any of the Purchased Shares.



### **3.08 Compliance with Laws**

The Corporation is conducting, and has conducted since incorporation, its business in compliance with applicable Laws of each jurisdiction in which its business is carried on, except for acts of non-compliance which in the aggregate would not have a Material Adverse Effect on the Corporation. The Corporation has not been notified by any Governmental Entity of any investigation with respect to it that is pending or threatened, nor has any Governmental Entity notified the Corporation of such Governmental Entity's intention to commence or to conduct any investigation that would be reasonably likely to have a Material Adverse Effect on the Corporation.

### **3.09 Authorizations**

The Corporation owns, holds, possesses or lawfully uses in the operation of its business, all Authorizations which are necessary for the conduct of its business as presently conducted or for the ownership and use of its assets and property as presently used, free and clear of all Liens, except for Permitted Liens, and in compliance in all material respects with all Laws applicable thereto. The Corporation is not in default, nor has it received any notice of any default, with respect to any such Authorizations. All such Authorizations are renewable by their terms or in the ordinary course of business without the need for the Corporation to comply with any special qualification or procedures or to pay any amounts other than routine filing fees. None of such Authorizations will be adversely affected by the consummation of the transactions contemplated herein.

### **3.10 Consents, etc.**

No Consent, approval, Order or authorization of, or registration or declaration with, any person (including any applicable Governmental Entity with jurisdiction over the Corporation), is required to be obtained by the Corporation in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated herein, except for those Consents, Orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those Consents, Orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the completion of the Acquisition or otherwise prevent the Corporation or the Vendor from performing their obligations under this Agreement and could not reasonably be expected to have a Material Adverse Effect on the Corporation.

### **3.11 Taxes**

All Taxes due and payable by the Corporation have been paid. All tax returns, declarations, remittances and filings required to be filed by the Corporation have been filed with all appropriate Governmental Entities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the best of the knowledge of the Vendor Parent, the Vendor Holdco and the Vendor no examination of any tax return of the Corporation is currently in progress and there are no issues or disputes outstanding with any Governmental Entity respecting any taxes that have been paid, or may be payable, by the Corporation.

### **3.12 No Options Regarding the Property**

Other than as contemplated herein, no person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming an agreement, option, understanding or commitment to purchase or otherwise acquire, directly or indirectly, any of the Corporation's assets or property and there are no actual or alleged or, to the knowledge of each of the

Vendor Parent, the Vendor Holdco and the Vendor, circumstances existing that could reasonably be expected to result in any future, adverse claims, challenges, suits, actions, prosecutions, investigations or proceedings against or to, the ownership of, or title to, the Corporation's assets or property, nor, to the knowledge of the Vendor Parent, the Vendor Holdco and the Vendor, is there any current basis for any of the foregoing; and there are no Claims in progress, pending, or to the knowledge of the Vendor Parent, the Vendor Holdco or the Vendor, threatened, that could reasonably be expected to result in the variation, revocation, cancellation or suspension of (including, without limitation, ownership of, or title to) any of the Corporation's assets or property.

### **3.13 Employees and Management and Consulting Agreements**

The Corporation has no employees and the Corporation is not a party to any employment, management or consulting agreement of any kind whatsoever.

### **3.14 Material Contracts**

Other than has contemplated herein, the Corporation is not a party to any Material Contracts.

### **3.15 Subsidiaries and Investments**

The Corporation has, and at the Time of the Closing will have, no subsidiaries.

### **3.16 Financial Statements**

The Corporation was recently incorporated and its first financial year in respect of which it is required under applicable Laws to prepare an annual financial statement has not yet completed.

### **3.17 Litigation**

There is no action, suit or proceeding, at law or in equity, by any person, nor any arbitration, administrative or other proceeding by or before (or to the knowledge of the Vendor Parent, the Vendor Holdco or the Vendor, any investigation by) any Governmental Entity pending, or, to the knowledge of the Vendor Parent, the Vendor Holdco and the Vendor, threatened against or affecting the Corporation or any of their respective properties, rights or assets (including the Licences). The Corporation is not subject to any Order entered in any lawsuit or proceeding.

### **3.18 Corporate Records**

The Corporate Records of the Corporation are complete and accurate in all material respects and all corporate proceedings and actions reflected therein have been conducted or taken in compliance with all applicable Laws and with the constating documents of the Corporation, and without limiting the generality of the foregoing, (i) the Corporate Records contain complete and accurate minutes of all meetings of the directors and shareholders of the Corporation held since the incorporation thereof, and all such meetings were duly called and held; (ii) the Corporate Records contain all written resolutions passed by the directors and shareholders of the Corporation and all such resolutions were duly passed; (iii) the share certificate books, register of shareholders and register of transfers of the Corporation are complete and accurate, and all such transfers have been duly completed and approved; and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers of the Corporation were duly elected or appointed as the case may be.

### **3.19 Books and Records**

All Books and Records of the Corporation have been fully, properly, accurately kept and, where required, completed in accordance with applicable Laws, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein.

### **3.20 Liabilities**

The Corporation has not guaranteed or is not otherwise liable for the indemnification, assumption, endorsement or like commitment with respect to the Liabilities (contingent or otherwise) of any other person. The Corporation has no Liabilities whether absolute, accrued, contingent or otherwise, and, except in connection with Liabilities incurred in connection with the Licenses in the ordinary course of business or in connection with the acquisition of any Milestone Properties, the Corporation will not incur any additional Liabilities whether absolute, accrued, contingent or otherwise, without the prior written approval of the Purchaser and will not, on the Closing Date, other than as noted in this Section 3.20, have any Liabilities whether absolute, accrued, contingent or otherwise, owing to the Vendor, the Vendor Parent, the Vendor Holdco, nor to any other person.

### **3.21 Broker's or Finder's Fee**

None of the Vendor Parent, the Vendor Holdco, the Vendor or the Corporation have authorized any person to act as broker or finder or in any other similar capacity in connection with the transactions contemplated by this Agreement in any manner that may or will impose liability on the Purchaser or the Corporation.

## **ARTICLE 4 ADDITIONAL REPRESENTATIONS AND WARRANTIES REGARDING THE VENDOR PARENT, THE VENDOR HOLDCO AND THE VENDOR**

The Vendor Parent, the Vendor Holdco and the Vendor jointly and severally represent and warrant to the Purchaser as follows and acknowledge and confirm that the Purchaser is relying upon such representations and warranties in connection with the purchase by the Purchaser of the Purchased Shares:

### **4.01 Title to Purchased Shares**

The Purchased Shares are, and immediately prior to the Time of Closing will be, owned by the Vendor as the registered and beneficial owner thereof with a good title thereto, free and clear of all Liens. The Vendor has the right, power, capacity and authority to enter into this Agreement and to sell the Purchased Shares contemplated herein. All rights and powers to vote the Purchased Shares are held exclusively by the Vendor. The Purchased Shares held by the Vendor are validly issued, fully paid and non-assessable, were not issued in violation of the terms of any agreement or other understanding and were issued in compliance with all applicable Laws. The delivery of the Purchased Shares by the Vendor to the Purchaser pursuant to the provisions hereof will transfer to the Purchaser valid title thereto of such Purchased Shares, free and clear of all Liens.

### **4.02 Due Incorporation, Existence and Corporate Power**

Each of the Vendor Parent, the Vendor Holdco and the Vendor is duly organized and validly existing and in good standing under the Laws of its jurisdiction of organization and has all necessary corporate power and authority to enter into this Agreement and any other agreement to which it is or is to become a party pursuant to the terms hereof and to perform its obligations hereunder and thereunder.

#### **4.03 Ownership of Licenses**

- (a) Schedule 4.03 sets forth a full and complete list of the Licenses comprising the Bergby Property.
- (b) Except for the Permitted Liens, the Vendor and its affiliate Woxna Graphite AB are the legal and beneficial owner of the Licenses free and clear of all Liens.
- (c) The Licenses permit exploration of, subject to applicable Law, the existence of lithium relating thereto and the Vendor and its affiliate Woxna Graphite AB have made all filings and paid all rentals, assessments, payments and other fees necessary to maintain the good standing of the Licenses.
- (d) Prior to the Closing the Vendor and its affiliate Woxna Graphite AB shall transfer all of their right, title and interest in and to the Licenses, free and clear of all Liens, except for the Permitted Liens, to the Corporation, and thereafter, subject to the Chief Mining Inspector of the Mining Inspectorate of Sweden having approved such transfer, such Licenses shall permit the Corporation to explore, subject to applicable Laws, for the existence of lithium relating thereto.

#### **4.04 Environmental Compliance**

There is no Environmental Liability, nor to the knowledge of the Vendor Parent, the Vendor Holdco, the Vendor and the Corporation, factors likely to give rise to any Environmental Liability, affecting the Bergby Property that individually or in the aggregate could reasonably be expected to have a Material Adverse Effect on the Corporation and the Corporation has not violated or infringed any Environmental Law now in effect or any then current Environmental Law as applied at that time.

#### **4.05 No Options Regarding Licenses**

Other than as contemplated herein, no person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming an agreement, option, understanding or commitment to purchase or otherwise acquire, directly or indirectly, any of the Licenses and there are no actual or alleged or, to the knowledge of each of the Vendor Parent, the Vendor Holdco and the Vendor, circumstances existing that could reasonably be expected to result in any future, adverse claims, challenges, suits, actions, prosecutions, investigations or proceedings against or to, the ownership of, or title to, the Licenses or, nor, to the knowledge of the Vendor Parent, the Vendor Holdco and the Vendor, is there any current basis for any of the foregoing; and there are no Claims in progress, pending, or to the knowledge of the Vendor Parent, the Vendor Holdco or the Vendor, threatened, that could reasonably be expected to result in the variation, revocation, cancellation or suspension of (including, without limitation, ownership of, or title to) any of the Licenses.

#### **4.06 Validity of Agreement**

- (a) The execution, delivery and performance by each of the Vendor Parent, the Vendor Holdco and the Vendor of this Agreement and the execution, delivery and performance by the Vendor Parent, the Vendor Holdco and the Vendor, respectively, of or under any other agreements or instruments to which it is or is to become a party pursuant to the terms hereof, and the consummation of the transactions contemplated hereunder and thereunder:

- (i) has been duly authorized by all necessary corporate action on the part of Vendor Parent, the Vendor Holdco and the Vendor, respectively; and
  - (ii) does not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a violation or a breach of, or a default under or give rise to a right of termination, amendment or cancellation or the acceleration of any obligation under: (A) any charter, by-law or trust deed instruments of the Vendor Parent, the Vendor Holdco or the Vendor, respectively, (B) any mortgage, note, indenture contract, instrument, lease, licence or permit to which the Vendor Parent, the Vendor Holdco or the Vendor, respectively, is a party or by which the Vendor Parent, the Vendor Holdco or the Vendor, respectively, is bound or to which any property or material assets of the Vendor Parent, the Vendor Holdco or the Vendor, respectively, is subject, (C) any Laws applicable to the Vendor Parent, the Vendor Holdco or the Vendor, respectively, or (D) any Order binding the Vendor Parent, the Vendor Holdco or the Vendor, respectively, or its respective property or material assets.
- (b) This Agreement has been, and each additional agreement or instrument required to be delivered pursuant to this Agreement will be at the Time of Closing, duly authorized, executed and delivered by the Vendor Parent, the Vendor Holdco and the Vendor and each is or will be at the Time of Closing, a legal, valid and binding obligation of the Vendor Parent, the Vendor Holdco and the Vendor enforceable against each of the Vendor Parent, the Vendor Holdco and the Vendor in accordance with its terms.

#### **4.07 Restrictive Documents**

None of the Vendor Parent, the Vendor Holdco nor the Vendor is subject to, or a party to, any charter, by-law or trust deed restriction, any shareholders' or similar agreement, any applicable Swedish Law, any contract or instrument or any Lien which would prevent the consummation of the transactions contemplated by this Agreement or compliance by the Vendor Parent, the Vendor Holdco or the Vendor with the terms, conditions and provisions hereof or the continued operation of the Corporation's business after the date hereof or the Closing Date on substantially the same basis as heretofore operated or which would restrict the ability of the Purchaser to acquire any of the Purchased Shares from the Vendor.

#### **4.08 Consents, etc.**

Other than the approval of the Chief Mining Inspector of the Mining Inspectorate of Sweden to the transfer of the Licenses as contemplated in Section 4.03(d), no Consent, approval, order or authorization of, or registration or declaration with, any person (including any applicable Governmental Entity with jurisdiction over either the Vendor Parent, the Vendor Holdco or the Vendor), is required to be obtained by the Vendor Parent, the Vendor Holdco or the Vendor in connection with the execution and delivery of this Agreement or the completion of the Acquisition, except for those Consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those Consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the completion of the Acquisition or otherwise prevent the Vendor from performing its obligations under this Agreement.

#### **4.09 Litigation**

There is no action, suit or proceeding, at law or in equity, by any person, nor any arbitration, administrative or other proceeding by or before (or to the best knowledge of the Vendor Parent, the

Vendor Holdco or the Vendor, any investigation by) any Governmental Entity pending, or, to the best of the knowledge of the Vendor Parent or the Vendor, threatened against or affecting the Vendor Parent, the Vendor Holdco or the Vendor that may affect or prevent the consummation of the transactions contemplated hereunder.

## **ARTICLE 5 REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

The Purchaser represents and warrants as follows to the Vendor Parent, the Vendor Holdco and the Vendor and acknowledges and confirms that the Vendor Parent, the Vendor Holdco and the Vendor are relying on such representations and warranties in connection with the sale by the Vendor of the Purchased Shares:

### **5.01 Due Incorporation, Existence and Corporate Power**

The Purchaser is a corporation duly organized and validly existing and in good standing under the Laws of the Province of British Columbia. The Purchaser has all necessary corporate power and authority to own or lease its properties, to carry on its business as presently being conducted by it and as proposed to be conducted by it upon completion of the Acquisition, to enter into this Agreement and any other agreement to which it is or is to become a party pursuant to the terms hereof and to perform its obligations hereunder and thereunder.

### **5.02 Qualification**

The Purchaser is duly qualified, licensed or registered to carry on its business as now being conducted in all jurisdictions in which the nature of the business conducted by it or the property owned or leased by it makes such qualification, licensing or registration necessary.

### **5.03 Authorized Capital of the Purchaser**

The authorized capital of the Purchaser consists of an unlimited number of Purchaser Common Shares of which, as at the date hereof, there are Purchaser Common Shares issued and outstanding as fully paid and non-assessable.

### **5.04 Valid Issue of Securities**

- (a) All necessary corporate action has been taken or will be taken by the Purchaser prior to the Closing Date to duly authorize all issuances of the Consideration Shares, Consideration Warrants and the Bonus Warrants.
- (b) All necessary corporate action has been taken or will have been taken by the Purchaser prior to the Closing Date to conditionally allot for issuance, and, if applicable, create, the Consideration Shares, Consideration Warrants and the Bonus Warrants to be issued as herein provided and the Consideration Shares when issued in accordance with the terms of this Agreement will be validly issued as fully paid and non-assessable Purchaser Common Shares. The underlying Purchaser Common Shares issuable upon exercise of the Consideration Warrants and Bonus Warrants will, if applicable, upon issue, delivery and payment therefor, be validly issued as fully paid and non-assessable Purchaser Common Shares. All Consents, approvals, permits, authorizations or filings as may be required under applicable securities Laws necessary for the execution and delivery of,

and the performance by the Purchaser of its obligations hereunder have been made or obtained, or will be made or obtained, prior to the Time of Closing.

#### **5.05 Validity of Agreement**

- (a) The execution, delivery and performance by the Purchaser of this Agreement and the execution, delivery and performance by the Purchaser of or under any other agreements or instruments to which it is or is to become a party pursuant to the terms hereof, and the consummation of the transactions contemplated hereunder and thereunder:
  - (i) have been duly authorized by all necessary corporate action on the part of the Purchaser; and
  - (ii) do not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition) result in a violation or a breach of, or a default under or give rise to a right of termination, amendment or cancellation or the acceleration of any obligation under: (A) any charter, by-law or trust deed instruments of the Purchaser, as applicable, (B) any mortgage, note, indenture contract, instrument, lease, licence or permit to which the Purchaser is a party or under which the Purchaser is bound or to which any property or material assets of the Purchaser is subject, (C) any Laws applicable to the Purchaser, or (D) any Order binding the Purchaser or its property or material assets.
- (b) This Agreement has been, and each additional agreement or instrument required to be delivered pursuant to this Agreement will be at the Time of Closing, duly authorized, executed and delivered by the Purchaser and each is or will be at the Time of Closing, a legal, valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance its terms.

#### **5.06 Restrictive Documents**

The Purchaser is not subject to, or a party to, any charter, by-law or trust deed restriction, any shareholders' or similar agreement, any Law, any contract or instrument, any Lien or any other restriction of any kind or character which would prevent the consummation of the transactions contemplated by this Agreement or compliance by the Purchaser with the terms, conditions and provisions hereof.

#### **5.07 Reporting Status and Securities Laws Matters**

The Purchaser is a "reporting issuer" or the equivalent and not on the list of reporting issuers in default under applicable securities laws in each of the Provinces of British Columbia, Alberta and Ontario. The Purchaser is in compliance, in all material respects, with all applicable securities Laws and there are no current, pending or, to the knowledge of the Purchaser, threatened proceedings before any Governmental Authority relating to any alleged non-compliance with any securities Laws. The Purchaser Common Shares are listed on, and the Purchaser is in compliance in all material respects with the rules and policies of, the CSE. No delisting, suspension of trading in or cease trading order with respect to any securities of the Purchaser, and to the knowledge of the Purchaser, no inquiry or investigation (formal or informal) of any Governmental Entity or the CSE is in effect or ongoing or expected to be implemented or undertaken.

#### 5.08 Authorizations

There are no material Authorizations necessary for the conduct of the Purchaser's business as at the date of this Agreement.

#### 5.09 Consents, etc.

No Consent, approval, order or authorization of, or registration or declaration with, any person (including any applicable Governmental Entity with jurisdiction over the Purchaser) is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement or the consummation of the transactions contemplated herein, except for those Consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement, including the approval of the CSE, or those Consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the completion of the Acquisition or otherwise prevent the Purchaser from performing its obligations under this Agreement.

#### 5.10 Taxes

All Taxes due and payable by the Purchaser have been paid except for where the failure to pay such taxes would not constitute a Material Adverse Effect on the Purchaser or result in an adverse material change to the Purchaser. All tax returns, declarations, remittances and filings required to be filed by the Purchaser have been filed with all appropriate Governmental Entities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading except where the failure to file such documents would not result in a Material Adverse Effect on the Purchaser or result in an adverse material change to the Purchaser. **To the best of the Purchaser's knowledge, no examination of any tax return of the Purchaser is currently in progress and there are no issues or disputes outstanding with any Governmental Entity respecting any taxes that have been paid, or may be payable, by the Purchaser except where such examinations, issues or disputes would not result in a Material Adverse Effect on the Purchaser or result in an adverse material change to the Purchaser.**

#### 5.11 Financial Statements

The audited financial statements of the Purchaser for the year ended July 31, 2020 and the unaudited interim financial statements of the Purchaser for the three (3) months ended October 31, 2020 (collectively, the "**Purchaser Financial Statements**") are true, correct and complete and present fairly, in all material respects, the assets, liabilities (whether accrued, absolute or otherwise), financial position revenues, earnings and results of operations of the Purchaser as at such date and changes in financial position for the periods indicated in the Purchaser Financial Statements, and have been prepared in accordance with IFRS. There has been no change in the condition (financial or otherwise), assets, liabilities, operations, earnings or business of the Purchaser since the date of the Purchaser Financial Statements that would have a Material Adverse Effect on the Purchaser.

#### 5.12 Litigation

There is no action, suit or proceeding, at law or in equity, by any person, nor any arbitration, administrative or other proceeding by or before (or to the best knowledge of the Purchaser any investigation by) any Governmental Entity pending, or, to the best of the knowledge of the Purchaser, threatened against or affecting the Purchaser or any of its properties, rights or assets. The Purchaser is not subject to any Order entered in any lawsuit or proceeding.



**5.13 Books and Records**

All Books and Records of the Purchaser have been fully, properly and accurately kept and, where required, completed in accordance with IFRS and there are no material inaccuracies or discrepancies of any kind contained or reflected therein.

**5.14 Corporate Records**

The Corporate Records of the Purchaser are complete and accurate in all material respects and all corporate proceedings and actions reflected therein have been conducted or taken in compliance with all applicable Laws and with the constituting documents of the Purchaser, and without limiting the generality of the foregoing, (i) the minute books contain complete and accurate minutes of all meetings of the directors and shareholders of the Purchaser held since the incorporation thereof, and all such meetings were duly called and held; (ii) the minute books contain all written resolutions passed by the directors and shareholders of the Purchaser and all such resolutions were duly passed; and (iii) the registers of directors and officers are complete and accurate and all former and present directors and officers of the Purchaser were duly elected or appointed as the case may be.

**ARTICLE 6  
COVENANTS OF THE PARTIES**

**6.01 Restrictive Covenants of the Corporation, the Vendor Parent, the Vendor Holdco and the Vendor**

The Corporation covenants and agrees that it will not, and each of the Vendor Parent, the Vendor Holdco and the Vendor covenants and agrees that it will not permit or cause the Corporation to, from the date hereof to and including the Closing Date, except as contemplated by this Agreement or with the prior written consent of the Purchaser, such consent not to be unreasonably withheld or delayed:

- (a) declare, pay or set aside any dividends or provide for any distribution of its properties or assets, or make any payment by way of return of capital, to its shareholders;
- (b) split, combine or reclassify any outstanding shares;
- (c) enter into any Material Contract;
- (d) redeem, purchase or offer to purchase any of its shares or other securities;
- (e) reorganize, amalgamate or merge with any other person in any manner whatsoever;
- (f) acquire or agree to acquire (by merger, amalgamation, acquisition of securities or assets or otherwise) any person or any assets or properties other than in the ordinary course of its business;
- (g) incur or commit to incur any indebtedness for borrowed money or issue any debt securities;
- (h) issue or commit to issue any shares, rights, warrants or options to purchase such shares, or any securities convertible into such shares, warrants or options;

- (i) alter or amend in any way its constating documents as the same exist at the date of this Agreement;
- (j) take any action which would be outside the ordinary course of business or which may result in a Material Adverse Effect in its affairs;
- (k) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber any of its assets;
- (l) engage in any business enterprise or other activity materially different from that carried on or intended to be carried on as at the date hereof;
- (m) enter into any transaction with or make payments to a party with which it does not deal at arm's length, other than in the ordinary course of business consistent with past practice;
- (n) grant any director, officer or employee who has a policy-making function any increase in compensation or in severance or termination pay (whether or not such compensation or pay is payable in cash), or enter into or modify any employment or consulting agreement with any such director, officer or employee, or hire or promote any such person; or
- (o) perform any act or enter into any transaction or negotiation which might materially adversely interfere or be materially inconsistent with the consummation of the transactions contemplated under this Agreement.

**6.02 Positive Covenants of the Corporation, the Vendor Parent, the Vendor Holdco and the Vendor**

The Corporation covenants and agrees that it will, and each of the Vendor Parent, the Vendor Holdco and the Vendor covenants and agrees that it will cause the Corporation to, from the date hereof to and including the Closing Date:

- (a) use all commercially reasonable efforts to obtain, before the Closing Date, all necessary consents, authorizations, exemptions, assignments, waivers, orders or other approvals from domestic or foreign courts, Governmental Entities, shareholders and any third parties and obtain any amendments or terminations to any instrument or agreement and take such other measures as may be necessary to fulfill its obligations under and to carry out the transactions contemplated by this Agreement;
- (b) provide the Purchaser, on a timely basis, with all required information concerning the Corporation and its business, property and operations and financial statements for inclusion in any disclosure document required to be provided to the CSE, in support of the Acquisition;
- (c) co-operate with each of the other Parties in connection with the performance by the other Parties of their obligations under this Article 6;
- (d) promptly notify the Purchaser if at any time before the Time of Closing it becomes aware that a filing made or a document provided by it to any Governmental Entity contains any misrepresentation or any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise

requires an amendment or supplement to such filing or application; and in any such event, shall cooperate in the preparation of a supplement or amendment to such other document, as required and as the case may be;

- (e) make all necessary registrations, filings, applications and submissions for information under applicable Laws, or as requested by any Governmental Entity, required on its part in connection with the transactions contemplated herein, and take all reasonable action necessary to be in compliance with such Laws;
- (f) conduct and operate its business and affairs only in the ordinary course consistent with past practices and use all commercially reasonable efforts to preserve its business organization, goodwill and material business relationships with other persons;
- (g) use all commercially reasonable efforts to conduct its affairs so that all of the representations and warranties regarding the Vendor Parent, the Vendor Holdco and the Vendor contained herein shall be true and correct on and as of the Closing Date as if made on the Closing Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;
- (h) use all commercially reasonable efforts to cause each of the conditions precedent set forth in Sections 7.01 and 7.02 applicable to the Corporation to be complied with;
- (i) notify the Purchaser immediately: (A) upon becoming aware that any of the representations and warranties regarding the Vendor Parent, the Vendor Holdco or the Vendor contained herein are no longer true and correct in any material respect, or (B) of any event or state of facts which occurrence or failure would or would be likely to result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by the Vendor Parent, the Vendor Holdco, the Vendor or the Corporation hereunder prior to the Closing Date; and
- (j) subject to the terms hereof, deliver or cause to be delivered all closing deliveries required to be delivered by the Corporation pursuant to this Agreement.

### **6.03 Positive Covenants of the Purchaser**

The Purchaser covenants and agrees that it will from the date hereof to and including the Closing Date:

- (a) use all commercially reasonable efforts to obtain, before the Closing Date, all necessary consents, authorizations, exemptions, assignments, waivers, orders or other approvals from domestic or foreign courts, Governmental Entities, shareholders and any third parties and obtain any amendments or terminations to any instrument or agreement and take such other measures as may be necessary to fulfill its obligations under and to carry out the transactions contemplated by this Agreement;
- (b) promptly notify the Vendor Parent if at any time before the Time of Closing it becomes aware that a filing made or a document provided by it to any Governmental Entity contains any misrepresentation or any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to such filing or application; and in any

such event, shall cooperate in the preparation of a supplement or amendment to such other document, as required and as the case may be;

- (c) use all commercially reasonable efforts to conduct its affairs so that all of the representations and warranties regarding the Purchaser contained herein shall be true and correct on and as of the Closing Date as if made on the Closing Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;
- (d) use all commercially reasonable efforts to cause each of the conditions precedent set forth in Sections 7.01 and 7.03 to be complied with;
- (e) notify the Vendor Parent immediately: (A) upon becoming aware that any of the representations and warranties regarding the Purchaser contained herein are no longer true and correct in any material respect, or (B) of any event or state of facts which occurrence or failure would or would be likely to result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by the Purchaser hereunder prior to the Closing Date; and
- (f) subject to the terms hereof, deliver or cause to be delivered all closing deliveries required to be delivered by the Purchaser pursuant to this Agreement.

## ARTICLE 7 CONDITIONS OF CLOSING

### 7.01 Mutual Conditions Precedent

The respective obligations of the Parties to consummate the transactions contemplated herein are subject to the satisfaction, on or before the Closing Date, of the following conditions any of which may be waived by the mutual consent of the Parties without prejudice to their rights to rely on any other of such conditions:

- (a) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement, including, without limitation the Acquisition;
- (b) all Consents and Authorizations, orders and approvals, including, without limitation, regulatory approvals, required or necessary or desirable for the completion of the transactions provided for in this Agreement shall have been obtained or received from the persons having jurisdiction in the circumstances, all on terms satisfactory to each of the Parties, acting reasonably;
- (c) since the date hereof to the Closing Date, no Law, proposed Law, any change in any Law, or the interpretation or enforcement of any Law shall have been introduced, enacted or announced (including the introduction, enactment or announcement of any Law respecting taxes or environmental matters or any change therein or in the interpretation or enforcement thereof), the effect of which will be to prevent the completion of the transactions contemplated herein; and
- (d) this Agreement shall not have been terminated in accordance with Section 11.01.

## 7.02 Conditions for the Benefit of the Purchaser

The purchase and sale of the Purchased Shares on the terms and conditions set out in this Agreement is subject to the following conditions to be fulfilled or performed at or prior to the Time of Closing, which conditions are for the exclusive benefit of the Purchaser and may be waived in whole or in part by the Purchaser in its sole discretion:

- (a) the representations and warranties regarding the Vendor Parent, the Vendor Holdco, the Vendor and the Corporation contained in this Agreement shall be true and correct in all material respect as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date, and the Vendor Parent, the Vendor Holdco and the Vendor shall also have executed and delivered a certificate to that effect. The receipt of such evidence and the Closing shall not be a waiver of the representations and warranties of the Vendor Parent, the Vendor Holdco or the Vendor which are contained in this Agreement. Upon the delivery of such certificates, the representations and warranties of the Vendor Parent, the Vendor Holdco, and the Vendor in Articles 3 and 4 shall be deemed to have been made on and as of the Closing Date with the same force and effect as if made on and as of such date;
- (b) the Vendor Parent, the Vendor Holdco, the Vendor and the Corporation, as applicable, shall have fulfilled or complied in all material respect with all covenants herein contained to be performed or caused to be performed by them at or prior to the Time of Closing, and Vendor Parent, the Vendor Holdco, the Vendor and the Corporation shall each have delivered a certificate to that effect. The receipt of such certificates and the Closing shall not be a waiver of the covenants of the Vendor Parent, the Vendor Holdco, the Vendor and the Corporation which are contained in this Agreement;
- (c) the Vendor and its affiliate Woxna Graphite AB shall have completed the transfer of the Licenses to the Corporation prior to the Closing Date, and the Chief Mining Inspector of the Mining Inspectorate of Sweden shall have approved such transfer such that the Corporation is the legal and beneficial owner of the Licenses, free and clear of all Liens, except for Permitted Liens;
- (d) the purchase of the Purchased Shares shall not be prohibited by any Law or governmental order or regulation or by any order, decree or judgment of any court of competent jurisdiction nor shall any person have initiated any action or proceeding before any court or Governmental Entity seeking damages or other remedies against the Corporation, the Vendor, the Vendor Holdco or the Vendor Parent for having entered into this Agreement and/or seeking to enjoin the Purchaser from consummating the transactions contemplated by this Agreement; and
- (e) all deliveries contemplated in Section 8.02 shall have been completed.

### **7.03 Conditions for the Benefit of the Vendor, the Vendor Holdco and Vendor Parent**

The purchase and sale of the Purchased Shares on the terms and conditions set out in this Agreement is subject to the following conditions to be fulfilled or performed at or prior to the Time of Closing, which conditions are for the exclusive benefit of the Vendor, the Vendor Holdco and Vendor Parent and may be waived by the Vendor, the Vendor Holdco and Vendor Parent in their sole discretion:

- (a) the representations and warranties of the Purchaser contained in this Agreement shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and as of such date, and the Purchaser shall also have executed and delivered a certificate to that effect. The receipt of such evidence and the Closing shall not be a waiver of the representations and warranties of the Purchaser which are contained in this Agreement. Upon the delivery of such certificates, the representations and warranties of the Purchaser in Article 5 shall be deemed to have been made on and as of the Closing Date with the same force and effect as if made on and as of such date;
- (b) the Purchaser shall have fulfilled or complied with all covenants herein contained to be performed or caused to be performed by it at or prior to the Time of Closing, and the Purchaser shall have delivered a certificate to that effect. The receipt of such certificate and the Closing shall not be a waiver of the covenants of the Purchaser which are contained in this Agreement; and
- (c) all deliveries contemplated in Section 8.03 shall have been completed.

## **ARTICLE 8 CLOSING**

### **8.01 Closing Procedures**

Subject to satisfaction or waiver by the relevant Party of the conditions of Closing set forth herein, at the Time of Closing, the Vendor shall deliver to the Purchaser actual possession of the Purchased Shares and the requisite instruments of conveyance in the manner required by Sections 8.02(a) and 8.02(b), and upon such delivery the Purchaser shall pay or satisfy the consideration payable to the Vendor in the manner required by Sections 8.03(a), 8.03(b) and 8.03(c). Subject to receipt of such deliveries, the transfer of possession of the Purchased Shares shall be deemed to take effect as at the Time of Closing. Immediately thereafter, and as an integral part of the Closing procedures, the Purchaser shall cause the Corporation to hold a shareholders' meeting at which Purchaser shall vote the Purchased Shares for the removal of the Vendor Parent's representatives from the board of the directors of the Corporation and shall cause the Corporation to file such removal for registration with the Swedish Companies Registration Office.

### **8.02 Closing Deliverables of the Corporation, Vendor, the Vendor Holdco and the Vendor Parent**

On the Closing Date, the Vendor Parent, the Vendor Holdco and the Vendor shall deliver or caused to be delivered to the Purchaser the following in form and substance satisfactory to the Purchaser, acting reasonably:

- (a) to the offices of its designated representative in Stockholm, Sweden, share certificates (if any issued) representing the Purchased Shares duly endorsed in blank for transfer, or

accompanied by irrevocable security transfer powers of attorney duly executed in blank, in either case by the holders of record thereof;

- (b) the shareholders' ledger in which the Purchaser shall have been entered as the holder of the Purchased Shares;
- (c) the books and records of the Corporation;
- (d) a copy of the duly executed transfer and assignment agreement among the Vendor, Woxna Graphite AB and the Corporation providing for the transfer of the Licenses;
- (e) a certificate of status (or the equivalent) with respect to the Corporation issued by appropriate government officials of the jurisdiction of its incorporation;
- (f) a certificate of the Vendor Parent, the Vendor Holdco and the Vendor as contemplated in Section 7.02(a) of this Agreement;
- (g) certificates of each of the Vendor Parent, the Vendor Holdco, the Vendor and of the Corporation as contemplated in Section 7.02(b) of this Agreement;
- (h) deliver to the Purchaser letters of resignation from the directors of the Corporation, whereby the directors resign from their offices, each such director acknowledging in writing that he or she has resigned as a director of the Corporation, and that he or she has no claims against the Purchaser or the Corporation for compensation as a result of such directorship or otherwise;
- (i) cause the Corporation to issue a power of attorney enabling the persons appointed by the Purchaser to sign for and on behalf of the Corporation until new signatories have been duly registered;
- (j) the Escrow Agreement as set out in Section 2.03;
- (k) the NSR Royalty Agreement as set out in Section 2.05;
- (l) an agreement between the Vendor Parent and the Purchaser providing for the Provision of Services; and
- (m) such other documents as the Purchaser may reasonably require from Woxna Graphite AB in relation to its ownership interest in the Licenses and the transfer of the same to the Corporation, including, but not limited to, a certificate duly executed by an officer of Woxna Graphite AB on its behalf which substantially contains similar representations and warranties as provided for in Section 4.03.

### **8.03 Closing Deliverables of the Purchaser**

On the Closing Date, the Purchaser shall deliver or caused to be delivered to the Vendor, or as the Vendor may otherwise direct, the following in form and substance satisfactory to the Vendor, acting reasonably:

- (a) the Consideration Cash contemplated in Section 2.02(a) in immediately available funds by wire transfer to the Vendor's bank account as specified by the Vendor on Closing;

- (b) certificates representing the Consideration Shares duly registered in the name of the Vendor Parent or as the Vendor Parent may otherwise direct;
- (c) certificates representing the Consideration Warrants duly registered in the name of the Vendor Parent or as the Vendor Parent may otherwise direct;
- (d) certified copies of (i) the constating documents of the Purchaser; (ii) all resolutions of the board of directors and shareholders of the Purchaser, as applicable, approving the entering into of this Agreement and the completion of all transactions contemplated herein; (iii) all other instruments evidencing necessary corporate action of the Purchaser with respect to such matters; and (iv) specimen signatures of the officers of the Purchaser;
- (e) a certificate of status (or the equivalent) with respect to the Purchaser issued by appropriate government officials of the jurisdiction of its incorporation;
- (f) a certificate of the Purchaser as contemplated in Section 7.03(a) of this Agreement;
- (g) a certificate of the Purchaser as contemplated in Section 7.03(b) of this Agreement;
- (h) the Escrow Agreement as set out in Section 2.03;
- (i) the NSR Royalty Agreement as set out in Section 2.05; and
- (j) an agreement between the Vendor Parent and the Purchaser providing for the Provision of Services.

**ARTICLE 9  
SURVIVAL AND INDEMNIFICATION**

**9.01 Survival**

- (a) The representations and warranties of the Vendor Parent, the Vendor Holdco and the Vendor contained in this Agreement shall survive the Closing and shall continue in full force and effect for the benefit of the Purchaser for a period of 12 months from the Closing Date and any claim in respect thereof shall be made in writing within such time period.
- (b) The representations and warranties of the Purchaser contained in this Agreement shall survive the Closing and, notwithstanding such Closing, shall continue in full force and effect for the benefit of the Vendor, the Vendor Holdco and the Vendor Parent for a period of 12 months from the Closing Date and any claim in respect thereof shall be made in writing within such time period.
- (c) All covenants and agreements of the Parties set out herein shall survive the Closing indefinitely or for the period explicitly specified therein. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party before the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until



finally resolved or the expiry of the limitation period under applicable Law, whichever is sooner.

- (d) Any representation and warranty involving fraud or fraudulent misrepresentation by the Party giving that representation and warranty will, in each case, survive and continue in full force and effect without limitation of time.

#### **9.02 Indemnification by Vendor, Vendor Holdco and Vendor Parent**

Subject to the other terms and conditions of this Article 9, the Vendor, the Vendor Holdco and Vendor Parent shall indemnify and defend the Purchaser and, without duplication, their affiliates (collectively, the "**Purchaser Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses directly incurred or sustained by, the Purchaser Indemnitees based upon, arising out of or resulting from:

- (a) any breach of any of the representations or warranties of the Vendor, the Vendor Holdco or Vendor Parent set out in this Agreement or in any certificate or instrument delivered by or on behalf of the Vendor, the Vendor Holdco or Vendor Parent under this Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the breach of which will be determined with reference to such specified date), provided that (x) the Vendor, the Vendor Holdco and Vendor Parent shall not be liable unless (i) an individual Loss exceeds \$100,000 and (ii) the aggregate amount of Losses with respect to such inaccuracies or breaches exceeds \$250,000 and then only to the extent of such excess, and (y) the Vendor's, the Vendor Holdco's and Vendor Parent's aggregate maximum liability for all such inaccuracies and breaches shall not exceed \$500,000; or
- (b) any breach of any covenant, agreement or obligation to be performed by the Vendor, the Vendor Holdco or Vendor Parent under this Agreement.

Notwithstanding the foregoing indemnities for breach of any representation or warranty, the Corporation, the Vendor, the Vendor Parent and the Vendor Holdco shall not be liable to any Purchaser Indemnitee for any Losses based upon or arising out of any breach of any of the representations or warranties of the Corporation, the Vendor, the Vendor Parent or the Vendor Holdco contained in this Agreement if the Purchaser or any of its directors or officers had actual knowledge of such breach prior to or at the Closing Time.

#### **9.03 Indemnification by Purchaser**

Subject to the other terms and conditions of this Article 9, the Purchaser shall indemnify and defend each of the Vendor, the Vendor Holdco, Vendor Parent and their affiliates and their respective Representatives (collectively, the "**Vendor Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, the Vendor Indemnitees based upon, arising out of, or resulting from:

- (a) any breach of any of the representations or warranties of the Purchaser contained in this Agreement or in any certificate or instrument delivered by or on behalf of the Purchaser under this Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for

representations and warranties that expressly relate to a specified date, the breach of which will be determined with reference to such specified date); or

- (b) any breach of any covenant, agreement or obligation to be performed by the Purchaser under this Agreement.

#### 9.04 Indemnification Procedures

The party making a claim under this Article 9 is referred to as the “**Indemnified Party**”, and the party against whom such claims are asserted under this Article 9 is referred to as the “**Indemnifying Party**”.

- (a) **Third Party Claims.** If any Indemnified Party receives notice of the assertion or commencement of any action made or brought by any person who is not a party to this Agreement or an affiliate of a party to this Agreement or a Representative of the foregoing (a “**Third Party Claim**”) against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) calendar days after receipt of such notice of such Third Party Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defences by reason of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail, include copies of all material written evidence thereof and indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defence of any Third Party Claim at the Indemnifying Party’s expense and by the Indemnifying Party’s own counsel, and the Indemnified Party shall cooperate in good faith in such defence; provided that, if the Indemnifying Party is the Vendor, such Indemnifying Party shall not have the right to defend or direct the defence of any such Third Party Claim that: (i) is asserted directly by or on behalf of a person that is a supplier or customer of the Corporation; or (ii) seeks an injunction or other equitable relief against the Indemnified Party. If the Indemnifying Party assumes the defence of any Third Party Claim, subject to Section 9.04(b), it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counter-claims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defence of any Third Party Claim with counsel selected by it subject to the Indemnifying Party’s right to control the defence thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnified Party; provided that, if in the reasonable opinion of counsel to the Indemnified Party, (A) there are legal defences available to an Indemnified Party that are different from or additional to those available to the Indemnifying Party, or (B) there exists a conflict of interest between the Indemnifying Party and the Indemnified Party that cannot be waived, the Indemnifying Party shall be liable for the reasonable fees and expenses of counsel to the Indemnified Party in each jurisdiction for which the Indemnified Party determines counsel is required. If the Indemnifying Party elects not to compromise or defend such Third Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement or fails to diligently prosecute the defence of such Third Party Claim, the Indemnified Party may, subject to Section 9.04(b), pay, compromise or defend such Third Party Claim and seek

indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. The Vendor and Purchaser shall cooperate with each other in all reasonable respects in connection with the defence of any Third Party Claim, including making available (subject to the provisions of Section 12.05) records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defence of such Third Party Claim.

- (b) **Settlement of Third-Party Claims.** Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party, except as provided in this Section 9.04(b). If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within ten (10) days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third Party Claim and, in such event, the maximum liability of the Indemnifying Party as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume the defence of such Third Party Claim, the Indemnifying Party may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim. If the Indemnified Party has assumed the defence under Section 9.04(a), it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).
- (c) **Direct Claims.** Any action by an Indemnified Party on account of a Loss which does not result from a Third Party Claim (each, a "Direct Claim") shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than thirty (30) days after the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defences by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have thirty (30) days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim, and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Corporation's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such thirty (30) day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the

Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

- (d) **Third party recoveries.** Each Indemnified Party shall use reasonable efforts to collect any amounts available under insurance coverage, or from any other person alleged to be responsible, for any Losses indemnifiable pursuant hereto.
- (e) **Assignment of claims.** If an Indemnified Party receives any payment from an Indemnifying Party in respect of any Losses and the Indemnified Party could have recovered all or a part of such Losses from a third party based on the underlying claim asserted against the Indemnifying Party, the Indemnified Party shall assign such of its rights to proceed against the third party as are necessary to permit the Indemnifying Party to recover from the third party the amount of such payment; provided that the Indemnified Party shall not be required to assign any right to proceed against a third party if the Indemnified Party determines in its reasonable discretion that such assignment would be materially detrimental to its relationship with a supplier or customer of the Corporation.

#### **9.05 Payments**

Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to an arbitration award rendered pursuant to Section 12.12, the Indemnifying Party shall satisfy its obligations within fifteen (15) Business Days of such final, non-appealable adjudication by wire transfer of immediately available funds. The Parties agree that, if the Indemnifying Party does not make full payment of any such obligations within such 15-Business Day period, any amount payable shall accrue interest from and including the date of agreement of the Indemnifying Party or final, non-appealable adjudication to including the date such payment has been made at a rate per annum equal to 10%. Such interest shall be calculated daily on the basis of a 365 day year and the actual number of days elapsed.

#### **9.06 Tax Treatment of Indemnification Payments**

All indemnification payments made under this Agreement shall be treated by the Parties as an adjustment to the Purchase Price for tax purposes, unless otherwise required by Law.

#### **9.07 Calculation of Losses**

The amount of any Losses payable by an Indemnifying Party shall be net of any amounts recovered by the Indemnified Party under applicable insurance policies or from any other person alleged to be responsible therefor. If the Indemnified Party receives any amounts under applicable insurance policies, or from any other person alleged to be responsible for any Losses, subsequent to an indemnification payment by the Indemnifying Party, then such Indemnified Party shall promptly reimburse the Indemnifying Party for any payment made or expense incurred by such Indemnifying Party in connection with providing such indemnification payment up to the amount received by the Indemnified Party, net of any expenses incurred by such Indemnified Party in collecting such amount.

#### **9.08 Exclusions**

The Vendor, the Vendor Holdco and Vendor Parent shall not be liable to a Purchaser Indemnified Party (i) for any indirect or consequential loss or damage, including lost profits or lost revenue, or for any loss or damage calculated or determined with reference to diminution in value or multiples on sales or revenue or any measurement of earnings (ii) for a Loss incurred or suffered by reason of breach of

representation or warranty if the Indemnified Party has failed to use reasonable efforts to mitigate the consequences resulting or arising therefrom, or (iii) for a Loss, or to the extent of a Loss, incurred or suffered directly and solely as a result of the passing of any statute or statutory instrument or any rule, regulation order or decree not in force at the date hereof, or which takes effect retrospectively, or occurs as a result of any change in the tax rate in force on the date hereof or in generally established practices of a Governmental Entity.

#### **9.09 Exclusive Remedies**

Except as otherwise provided for herein, the Parties acknowledge and agree that no representations, warranties or covenants other than the representations, warranties and covenants expressly set forth herein are made by or relied upon by any of the Parties, and the Parties' sole and exclusive remedy with respect to any and all claims (other than claims arising from fraud, criminal activity or wilful misconduct on the part of a party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be under the indemnification provisions set forth in this Article 9. In furtherance of the foregoing, each party hereby waives, to the fullest extent permitted under Law, any and all representations, warranties and covenants implied by applicable Laws and any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other Parties hereto and their affiliates and each of their respective Representatives arising under or based upon any Law, except under the indemnification provisions set forth in this Article 9. Nothing in this Section 9.07 shall limit any person's right to seek and obtain any equitable relief to which any person shall be entitled or to seek any remedy on account of any party's fraudulent, criminal or wilful misconduct.

### **ARTICLE 10 POST-CLOSING COVENANTS**

#### **10.01 Further Assurances**

From time to time subsequent to the Closing Date, each Party shall at the request of any other Party execute and deliver such additional conveyances, transfers and other assurances as may be reasonably required effectively to carry out the intent of this Agreement and to transfer the Purchased Shares to the Purchaser.

#### **10.02 Availability of Services**

Subject to Mr. Magnus Leijd remaining engaged as a consultant to the Vendor Parent or one of its affiliates, at the sole cost and expense of the Vendor, the Vendor Holdco or Vendor Parent, but at the sole risk of the Purchaser, the Vendor, the Vendor Holdco or Vendor Parent shall make available to the Purchaser the services of Mr. Magnus Leijd, the Chief Geologist of the Vendor Parent, to provide geological consulting services set out on Schedule 10.02 for a period of twelve (12) months following the Closing Date, up to a maximum of one-hundred (100) hours per calendar month and at a minimum fifty (50) hours per calendar month (the "Provision of Services").

The Purchaser shall not in any capacity or manner, directly or indirectly (including, without limitation, individually or in partnership with or otherwise jointly or in conjunction or in concert with any person as principal or agent), until the date that is two years after the Closing Date:

- (a) induce, endeavour to induce or deliberately encourage Mr. Magnus Leijd or other service provider to leave his employment or engagement with the Vendor Parent; or
- (b) employ or engage, or attempt to employ or engage, or assist any person to employ or engage Mr. Magnus Leijd.

None of the Vendor Parent, the Vendor, the Vendor Holdco, the Corporation nor Mr. Magnus Leijd shall be liable, directly or indirectly, to the Purchaser or any of its affiliates for any Losses in connection with the Provision of Services or any errors or omissions therein and the indemnification set forth in Section 9.02 shall not apply in connection with the Provision of Services.

#### **10.03 Post-Closing Expenditures**

The Purchaser shall commit to exercise reasonable commercial efforts to incur Expenditures equal to \$1,000,000 on Exploration work (the "Expenditure Amount") on the Bergby Property within 18 months from the Closing Date (the "Expenditure Period"). Subject to Section 10.05, if the Purchaser fails to incur the Expenditure Amount within the Expenditure Period, then within thirty (30) Business Days after the end of the Expenditure Period, the Purchaser shall pay to the Vendor an amount that is equal to the Expenditure Amount minus the aggregate dollar amount spent by the Purchaser on exploration on the Bergby Property during the Expenditure Period, payable either in cash or common shares in the capital of the Purchaser at the Purchaser's sole election.

#### **10.04 Director discharge**

The Purchaser shall procure that, at the Corporation's first annual shareholders' meeting to be held after Closing, each of those representatives of the Vendor Parent that are removed from the board of directors of the Corporation at Closing are discharged from liability for their participation in the Corporation's affairs up to the Time of Closing, provided that the auditor of the Corporation has not recommended against such discharge in its auditor's report for the relevant period.

#### **10.05 Force Majeure**

- (a) No Party will be liable to another Party and no Party will be deemed in default under this Agreement for any failure or delay to perform any of its covenants and agreements when such performance is directly prevented as a consequence of an event of Force Majeure. For the purposes of this Agreement, "Force Majeure" means any event or circumstance, or a combination of events and/or circumstances:
  - (i) that causes or results in the prevention or delay of a party from performing any of its obligations in this Agreement;
  - (ii) which is beyond the reasonable control of that party; and
  - (iii) could not, or the effects of that event or circumstance, could not have been prevented or delayed, overcome or remedied by the relevant party acting reasonably,

and, provided the event or circumstance meets the foregoing criteria, includes, but not limited to, the following:

- (A) acts of war (whether war be declared or not); public disorders, insurrection, rebellion, revolution, terrorist acts, sabotage, riots or violent demonstrations;
  - (B) civil disobedience, caused by indigenous peoples, environmental lobbyists, non-governmental organizations or local community groups or other persons;
  - (C) injunctions imposed by any governmental authority except if caused by a breach of the law or a court resolution;
  - (D) explosions, fires or floods not caused by or attributable to a Party;
  - (E) floods, earthquakes, hurricanes or other natural disasters or pandemics (including COVID-19) or acts of God;
  - (F) shortages in workforce or supplies, travel and access restrictions imposed by government or other third parties, or other delays caused by endemics, epidemics or pandemics;
  - (G) strike or lockout or other industrial labour action or disruption (including unlawful but excluding lawful strikes or lockouts or other industrial labour action) which
    - (1) has national, regional, provincial or state-wide application,
    - (2) directly affects the performance of the obligations under this Agreement, and
    - (3) lasts for more than seven consecutive calendar days;
  - (H) any action or failure to act within a reasonable time without justifiable cause by any governmental authority, its employees or agents including the denial of or delay in granting any land tenure, concession, authorization, licence, permit, lease, consent, approval or right which denial or delay will imply a material adverse effect;
  - (I) discovery of artifacts or archaeological ruins or any historic heritage;
  - (J) denial of access to the Licenses by any surface-landowner or occupant in the area where the Licenses are located; and
  - (K) injunctions not caused by any breach of this Agreement by any Party whether of the kind enumerated above or whether foreseen, foreseeable or otherwise unforeseeable.
- (b) A lack of funds will not be considered an event of Force Majeure, and the payment of monies from one Party to the other Party will be deemed to be within the reasonable control of the Party who is to pay and the lack of funds for any such payment will not be considered an event of Force Majeure.

- (c) If a Party notifies the other Party of a Force Majeure, the performance of its obligations will be suspended and the time for performance of such obligations will be extended for a period equivalent to the total period from the time the notice of Force Majeure is delivered until the Force Majeure is remedied or completed.

## ARTICLE 11 TERMINATION

### 11.01 Termination

This Agreement may be terminated by written notice given by the terminating Party to the other Parties hereto, at any time prior to the Time of Closing:

- (a) by mutual written consent of the Vendor and the Purchaser;
- (b) by either the Vendor or the Purchaser in the event the other Party is in breach in any material respect of any representation, warranty, covenant or agreement contained in this Agreement such that the conditions to the terminating Party's obligation to consummate the transactions contemplated by this Agreement would not be satisfied, the terminating Party has notified the other party of the breach, and such breach has continued without cure for a period of ten (10) Business Days after the notice of breach; or
- (c) by either the Vendor or the Purchaser if the Closing has not occurred on or before the Termination Date provided that the terminating Party has not wilfully been the cause of the delay.

### 11.02 Effect of Termination

In the event of the termination of this Agreement as provided in Section 11.01, this Agreement shall forthwith have no further force or effect and there shall be no obligation on the part of the Parties hereunder, provided that if such termination shall result from the failure of a Party to perform a covenant set forth in Section 8.02 or 8.03, then such Party shall be fully liable for any and all direct (but not indirect or consequential) damages and losses incurred or suffered by the other Parties hereto as a result of such failure or breach.

## ARTICLE 12 MISCELLANEOUS

### 12.01 Notices

Any notice, direction or other instrument required or permitted to be given hereunder shall be in writing and given by delivering or sending it by telecopy, email or other similar form of communication addressed:

- (a) to the Purchaser at:

Contact information redacted.



with a copy to:

Contact information redacted.

(b) to the Vendor Parent, the Vendor Holdco, the Vendor or the Corporation at:

Contact information redacted.

with a copy to:

Contact information redacted.

Any such notice, direction or other instrument given as aforesaid shall be deemed to have been effectively given, if sent by telecopier, email or other similar form of telecommunications on the next Business Day following such transmission or, if delivered, to have been received on the date of such delivery. Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the Party at its changed address.

#### **12.02 Stand Still Agreement**

As long as this Agreement is in effect and except as contemplated herein, none of the Purchaser, the Corporation, the Vendor Parent, the Vendor Holdco or the Vendor (including their respective directors, officers and agents, as applicable) will solicit any discussions, expressions of interest, proposals or accept any offers from any person relating to a possible merger, amalgamation, arrangement or relating to the sale of substantially all of the shares or assets, or any controlling equity interest of the Purchaser or the Corporation (other than as contemplated under this Agreement), as applicable; provided, however, that the board of directors of the Purchaser, the Corporation, the Vendor Parent, the Vendor Holdco or the Vendor, as applicable, may take action or refrain from taking action as is appropriate to satisfy applicable fiduciary duties.

### 12.03 Publicity

Save as required by Law or by any stock exchange, including without limitation the CSE, NASDAQ First North and the TSX Venture Exchange, none of the Parties shall issue any press release or make any other public statement or announcement relating to or connected with or arising out of this Agreement or the matters contained herein, without obtaining the prior written approval of the other Parties to the contents and the manner of presentation and publication thereof, which approval shall not be unreasonably withheld or delayed. If disclosure is required by Law or by any stock exchange, including without limitation the CSE, NASDAQ First North and the TSX Venture Exchange, the disclosing Party shall consult in advance with the other Parties and attempt in good faith to reflect such other Parties' reasonable comments provided such comments are received within a reasonable period of time to allow the disclosing Party to comply with its disclosure obligations.

### 12.04 Confidentiality

Each of the Purchaser, the Vendor Parent, the Vendor Holdco, the Vendor and the Corporation will provide such information as to its financial condition, business, properties, title, assets and affairs (including any material contracts) as may reasonably be requested by the other Party. Such information which:

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

will be kept confidential by each Party and shall constitute confidential information (the "Confidential Information"). No Confidential Information may be released to third parties without the consent of the provider thereof, except that the Parties agree that they will not unreasonably withhold such consent to the extent that such Confidential Information is compelled to be released by legal process or must be released to regulatory bodies and/or included in public documents.

### 12.05 No Personal Liability

- (a) No director, officer, shareholder, employee or agent of the Purchaser shall have any personal liability whatsoever to the Corporation, the Vendor Parent, the Vendor Holdco or the Vendor under this Agreement or any other document delivered in connection with the Acquisition on behalf of the Corporation, the Vendor Parent, the Vendor Holdco or the Vendor, as the case may be.
- (b) No director, officer, shareholder, employee or agent of the Corporation, the Vendor Parent, the Vendor Holdco or the Vendor shall have any personal liability whatsoever to the Purchaser under this Agreement or any other document delivered in connection with the Acquisition on behalf of the Purchaser.

**12.06 Expenses**

The Purchaser, the Vendor Parent and the Vendor shall pay each of their respective costs and expenses, including legal and accounting costs and the costs of all brokers, investment bankers, regulatory submissions, fees and fees of other consultants and agents employed in connection with the Acquisition.

**12.07 Time of the Essence**

Time shall be of the essence of this Agreement.

**12.08 Third Party Beneficiaries**

Each Party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person, other than the Parties hereto, and no person, other than the Parties hereto, shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.

**12.09 Enurement**

This Agreement shall enure to the benefit of and be binding upon each of the Parties, their executors, administrators and other legal representatives, heirs, successors and any permitted assigns.

**12.10 Waiver**

Any waiver or release of any of the provisions of this Agreement, to be effective, must be in writing executed by the Party granting the same.

**12.11 Governing Law**

This Agreement shall be governed by and construed in accordance with the Laws of Sweden, without regard to conflicts of law rules.

**12.12 Dispute Resolution**

Any dispute, controversy or claim arising out of, or in connection with, this Agreement, or the breach, termination or invalidity of the Agreement, shall be settled by arbitration in accordance with the Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The place of arbitration shall be Stockholm, Sweden. The language to be used in the arbitral proceedings shall be English. The Parties undertake and agree that all arbitral proceedings conducted with reference to this arbitration clause will be kept strictly confidential. This confidentiality undertaking shall cover all information disclosed in the course of such arbitral proceedings, as well as any decision or award that is made or declared during the proceedings. Information covered by this confidentiality undertaking may not, in any form, be disclosed by a Party to a third party without the other Party's written consent. Notwithstanding the foregoing, a Party shall not be prevented from disclosing such information in order to secure its interests against the other Party in connection with a dispute, or if required to do so by judicial or administrative process or requirements of applicable law or the rules and regulations of (including any listing agreement with) any securities exchange, but then only after first having consulted with the other Party (if such prior consultation is legally permitted or reasonably practicable). In case this Agreement or any part of it is, as expressly permitted hereby, assigned or transferred to a third party, such third party shall automatically be bound by the provisions of this arbitration clause.

**12.13 Severability**

If any provisions contained in this Agreement shall be declared invalid, illegal or unenforceable by a court or other lawful authority of competent jurisdiction, this Agreement shall continue in force with respect to the enforceable provisions and all rights and remedies accrued under the enforceable provisions shall survive any such declaration, and any non-enforceable provision shall to the extent permitted by law be replaced by a provision which, being valid, comes closest to the intention underlying the invalid, illegal and unenforceable provision.

**12.14 Assignment**

None of the rights or obligations hereunder shall be assignable or transferable by any Party without the prior written consent of the other Parties.

**12.15 Further Assurances**

Each Party shall, from time to time, and at all times hereafter, at the request of the other Parties, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

**12.16 Counterparts and Facsimile Signatures**

This Agreement and any amendment, supplement or restatement of this Agreement may be executed and delivered in one or more counterparts and may be executed and delivered by facsimile and each of which when executed and delivered shall be deemed an original and all of which counterparts and facsimiles together shall be deemed to constitute one and the same instrument.

**[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]**

**IN WITNESS WHEREOF** this Agreement has been executed by the Parties as of the date first above written.

Signature page redacted.