

**AGENCY AGREEMENT**

Effective as of December 23, 2020

Cross River Ventures Corp.  
Suite 1430, 800 West Pender Street,  
Vancouver, British Columbia V6C 2V6

Attention: Alex Klenman, Chief Executive Officer

Dear Sir:

**Re: Private Placement of Flow-Through Units of Cross River Ventures Corp.**

Mackie Research Capital Corporation (the “**Agent**”), understands that Cross River Ventures Corp. (the “**Corporation**”) proposes to issue and sell, by way of private placement (the “**Offering**”), flow-through units (each a “**FT Unit**”) of the Corporation at a price of \$0.37 per FT Unit (the “**Offering Price**”) for aggregate gross proceeds of up to \$2,000,000.00. Each FT Unit consists of one common share (each, a “**FT Share**”) of the Corporation that will be issued as a “flow through share” within the meaning of subsection 66(15) of the *Income Tax Act* (Canada) (the “**Tax Act**”) and one-half of one common share purchase warrant (each whole warrant, a “**Warrant**”) that will be issued as a “flow through share” within the meaning of subsection 66(15) of the Tax Act. The proceeds from the issue and sale of the FT Units will be used for Canadian Exploration Expenses (as defined herein). Each Warrant will be exercisable to acquire one Common Share (as defined herein) (each, a “**Warrant Share**”) for a period of 36 months following the Closing Date (as defined herein) at an exercise price of \$0.46 per Warrant Share. Warrant Shares will not be issued on a flow-through basis.

Subject to the terms and conditions hereof, the Agent hereby agrees to act, and the Corporation hereby agrees to appoint the Agent, as the sole and exclusive agent of the Corporation to arrange for and offer the Offered Securities (as defined herein) for sale in the Offering Jurisdictions (as defined herein) on a private placement basis at the Offering Price and to use its best efforts to secure subscriptions therefor. The Corporation acknowledges and agrees that the Agent is not obligated to purchase any of the Offered Securities as principal. The Offered Securities will be offered and sold pursuant to exemptions under Applicable Securities Laws (as defined herein) in the Offering Jurisdictions.

In connection with the Offering, the Agent shall be entitled to retain as sub-agents other registered securities dealers and may receive subscriptions for the Offered Securities from other registered securities dealers. The fee payable to such sub-agents shall be for the account of the Agent and such remuneration will not in any way increase the aggregate remuneration payable to the Agent by the Corporation under this Agreement.

The Corporation hereby grants the Agent an option (the “**Agent’s Option**”), exercisable, in whole or in part in the sole discretion of the Agent, at any time up to 48 hours prior to the Closing Date (as defined herein), to increase the size of the Offering by up to 15% by giving written notice of the exercise of the Agent’s Option, or a part thereof, to the Corporation at any time up to 48 hours prior to Closing (as defined herein), provided that such increase remains in compliance with applicable Exchange (as defined herein) rules. Unless the context otherwise requires, in this Agreement all references to the “**Offering**” shall include the Agent’s Option and all references to

the “**Offered Securities**” shall include any securities distributed by the Corporation pursuant to the Agent’s Option.

In consideration for its services hereunder, the Agent shall receive: (i) the Cash Commission (as defined herein) provided for in Section 9, which commission shall be payable at the time or times specified herein and otherwise in accordance with Section 9 and Section 10; (ii) subject to Section 9, compensation options (“**Compensation Options**”), exercisable at any time up to 36 months following Closing, to purchase Compensation Units (as defined herein) in an amount equal to 8.0% of the number of FT Units sold pursuant to the Offering (including any FT Units distributed by the Corporation pursuant to the Agent’s Option), and (iii) the Advisory Fee (as defined herein) provided for in Section 9, which fee shall be payable at the time specified herein and otherwise in accordance with Section 9. Each Compensation Option shall entitle the holder thereof to acquire one Compensation Unit at an exercise price equal to the Offering Price.

The Corporation and the Agent hereby acknowledge that the Offered Securities have not been and will not be registered under the *U.S. Securities Act* (as defined herein) or any U.S. state securities laws and the Offered Securities may not be offered or sold in the United States.

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

In this Agreement, the following terms shall have the following meanings:

“**Advisory Fee**” has the meaning ascribed thereto in Section 9 of this Agreement.

“**Agency Fee**” has the meaning ascribed thereto in Section 9 of this Agreement.

“**Agent**” has the meaning ascribed thereto in the first paragraph of this Agreement.

“**Agent’s counsel**” means McCarthy Tétrault LLP, or such other legal counsel as the Agent may appoint.

“**Agent’s Option**” has the meaning ascribed thereto in the fourth paragraph of this Agreement.

“**Agreement**” means this agency agreement, as it may be amended from time to time, and not any particular Section or portion except as may be specified, and words such as “**hereto**”, “**herein**” and “**hereby**” refer to this Agreement as the context requires.

“**Alternative Transaction**” means any equity or debt financing, merger, amalgamation, arrangement, business combination, take-over bid, insider bid, issuer bid, reorganization, joint venture, sale or exchange of a part of, all of, or substantially all of the assets or securities of the Corporation or any similar transaction involving the Corporation with any arm’s length party.

“**Anti-Corruption Rules**” means all applicable laws, regulations, decrees, government orders, and administrative or other requirements in any jurisdiction in which the Corporation operates relating to the prevention and/or sanction of bribery and other forms of corrupt behaviour or practices (including without limitation the *Corruption of Foreign Public Officials Act* (Canada) and the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), each as amended).

“**Anti-Money Laundering Laws**” has the meaning ascribed thereto in subsection 6(ggg) of this Agreement.

**“Applicable Law”** means: (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty; and (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a governmental authority having the force of law, including but not limited to the Applicable Securities Laws, the Environmental Laws, Anti-Corruption Rules and the Anti-Money Laundering Laws.

**“Applicable Securities Laws”** means all applicable Canadian securities and corporate laws, rules, regulations, notices and policies in the Offering Jurisdictions.

**“Business Day”** means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Vancouver, British Columbia or Toronto, Ontario, are not open for business.

**“Canadian Exploration Expense(s)”** or **“CEE”** means expenses referred to in paragraph (f) of the definition of “Canadian exploration expense” in subsection 66.1(6) of the Tax Act or which would be included in paragraph (h) of such definition if the reference therein to “paragraph (a) to (d) and (f) to (g.4)” were read as “paragraph (f)”, other than amounts which are prescribed to be Canadian exploration and development overhead expenses for the purposes of paragraph 66(12.6)(b) of the Tax Act, Canadian exploration expenses to the extent of the amount of any assistance described in paragraph 66(12.6)(a) of the Tax Act, the cost of acquiring or obtaining the use of seismic data described in paragraph 66(12.6)(b.1) of the Tax Act and any expense for prepaid services or rent that do not qualify as outlays and expenses for the period as described in the definition “expense” in subsection 66(15) of the Tax Act.

**“Cash Commission”** shall have the meaning ascribed thereto in Section 9 hereof

**“CDS”** shall have the meaning ascribed thereto in subsection 14(b) hereof.

**“Closing”** means the closing of the Offering.

**“Closing Date”** means December 23, 2020 or such other date as the Corporation and the Agent may mutually agree upon.

**“Closing Time”** means 10:00 a.m. (Toronto time) on the Closing Date or such other time as mutually agreed to by the Corporation and the Agent.

**“Common Share”** means a common share in the capital of the Corporation.

**“Compensation Options”** has the meaning ascribed thereto in the fifth paragraph of this Agreement.

**“Compensation Securities”** means, collectively, the Compensation Shares and the Compensation Warrants underlying the Compensation Units.

**“Compensation Shares”** means the Common Shares underlying the Compensation Units.

**“Compensation Units”** means the units issued upon exercise of the Compensation Options, being comprised of one Compensation Share and one half of one Compensation Warrant,

**“Compensation Warrants”** means one Common Share purchase warrant comprising part of a Compensation Unit, with each Compensation Warrant entitling the holder thereof for a period of

36 months following the Closing Date to purchase one Warrant Share at an exercise price of \$0.46 per Warrant Share.

**“Contract”** means any contract, commitment, agreement (written or oral), instrument, lease or other document to which the Corporation or any of its subsidiaries is a party or to which any of their property or assets are otherwise bound.

**“Corporation”** has the meaning ascribed to such term in the first paragraph of this Agreement, and, for greater certainty, includes any successor corporation to or of the Corporation.

**“Corporation’s auditor”** means Crowe MacKay LLP.

**“Corporation’s counsel”** means Cassels Brock & Blackwell LLP, or such other legal counsel as the Corporation may appoint.

**“distribution”** means **“distribution”** or **“distribution to the public”**, as the case may be, as defined under Applicable Securities Laws and **“distribute”** has a corresponding meaning.

**“Due Diligence Responses”** means the written responses provided by the Corporation together with all materials provided to the Agent’s counsel in connection with the Agent’s due diligence of the Corporation, as given by or on behalf of any director or senior officer of the Corporation.

**“Environmental Laws”** has the meaning ascribed thereto in subsection 6(aaa)(i) of this Agreement.

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

**“Flow-Through Mining Expenditures”** means expenditures that will, once renounced to the FT Subscriber, qualify as a “flow-through mining expenditure” (as defined in subsection 127(9) of the Tax Act) of the FT Subscriber, or where the FT Subscriber is a partnership, of the members of the FT Subscriber to the extent of their respective shares of the expenses so renounced.

**“Forward-looking Statements”** has the meaning ascribed thereto in subsection 6(z) of this Agreement.

**“FT Commitment Amount”** means \$0.37 multiplied by the number of FT Units subscribed and paid for pursuant to the Offering.

**“FT Expenditure Period”** means the period commencing on the Closing Date and ending on the earlier of (i) the date on which the FT Commitment Amount has been fully incurred in accordance with the terms of the Subscription Agreements, and (ii) Termination Date.

**“FT Shares”** has the meaning ascribed to such term in the first paragraph of this Agreement.

**“FT Subscriber”** means a Subscriber of FT Units.

**“FT Unit”** has the meaning ascribed thereto in the first paragraph of this Agreement.

**“Fuchsite Lake Property”** means the Corporation’s prospective Fuchsite Lake gold project interest located in Ontario.

**“IFRS”** means International Financial Reporting Standards, as adopted by the Canadian Accounting Standards Board, for publicly accountable enterprises.

**“Indemnified Parties”** has the meaning ascribed thereto in Section 7 hereof.

**“Indemnitor”** has the meaning ascribed thereto in Section 7 hereof.

**“Individual Commitment Amount”** means, for each FT Subscriber, in respect of FT Units, an amount equal to the Offering Price multiplied by the number of FT Units subscribed and paid for by such FT Subscriber.

**“Lien”** means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation.

**“Lock-Up Agreements”** has the meaning ascribed thereto in subsection 4(i).

**“Lock-Up Period”** has the meaning ascribed thereto in subsection 2(e).

**“Material Adverse Effect”** means any change, effect, event, occurrence or circumstances which:

- (a) is or could reasonably be expected to be material and adverse to the business, operations, revenues, capital, properties, results of operations, affairs, assets, capitalization, condition (financial or otherwise), prospects, rights or liabilities (contingent or otherwise) of the Corporation or any of its subsidiaries;
- (b) would or could reasonably be expected to impair the ability of the Corporation to consummate the transactions contemplated hereby or to duly observe and perform its obligations contained in this Agreement; or
- (c) would or could reasonably be expected to result in this Agreement or the Subscription Agreements containing a misrepresentation.

**“material change”, “material fact”** and **“misrepresentation”** have the meanings ascribed thereto under the Applicable Securities Laws.

**“Mineral Property Agreements”** means, collectively, the mineral property acquisition agreement dated November 10, 2020 between the Corporation and Argo Gold Corp. and the mineral property acquisition agreement dated November 10, 2020 between the Corporation and Robert Carpenter.

**“Mining Claims”** has the meaning ascribed thereto in subsection 6(ss).

**“NI 43-101”** means National Instrument 43-101 – Standards of Disclosure for Mineral Projects, as amended.

**“NI 51-102”** means National Instrument 51-102 - Continuous Disclosure Obligations, as amended.

**“NI 52-109”** means National Instrument 52-109 - Certification of Disclosure in Issuers’ Annual and Interim Filings, as amended.

**“Offered Securities”** means the FT Shares and Warrants underlying the FT Units, including the FT Shares and Warrants underlying the FT Units issued pursuant to the Agent’s Option.

**“Offering”** has the meaning ascribed thereto in the first paragraph of this Agreement.

**“Offering Jurisdictions”** means each of the provinces of Canada.

**“Offering Price”** has the meaning ascribed thereto in the first paragraph of this Agreement.

**“Option Agreements”** means, collectively, the option agreement dated December 6, 2017 between the Corporation and Qualitas Holdings Corp., as amended, and the property option agreement dated September 3, 2020 between the Corporation and Ethos Gold Corp.

**“Permitted Encumbrances”** includes:

- (a) any royalty or other payment in the nature of rent or royalty on any ore or concentrates, precipitates and products produced from ore disclosed in the Public Record; and
- (b) those encumbrances that are standard in the mining industry in the jurisdictions in which the Mining Claims are situated or which do not and will not have a Material Adverse Effect.

**“Public Record”** has the meaning ascribed thereto in subsection 6(gg).

**“Qualifying Expenditures”** means expenditures that are (a) CEE that are incurred on or after the issuance of the FT Units to the FT Subscribers and on or before the Termination Date which may be renounced pursuant to subsections 66(12.6) or 66(12.66) of the Tax Act with an effective date not later than December 31, 2020, and (b) Flow-Through Mining Expenditures.

**“Reporting Provinces”** has the meaning ascribed thereto in subsection 6(h).

**“Securities Commissions”** means, collectively, the securities commissions or similar regulatory authorities in the Offering Jurisdictions and **“Securities Commission”** means any of them.

**“Selling Dealer Group”** means the dealers and brokers, other than the Agent, who may participate in the offer and sale of the Offered Securities pursuant to this Agreement.

**“Share Purchase Agreement”** has the meaning ascribed thereto in subsection 6(d).

**“Subscriber”** means the persons (which may include the Agent) who, as principals, acquire FT Units pursuant to Subscription Agreements which are accepted by the Corporation and any other required documentation, in form and substance satisfactory to the Corporation and the Agent, acting reasonably.

**“Subscription Agreements”** means the subscription and renunciation agreements to be executed by the Agent as agent for and on behalf of the purchasers of FT Units and accepted by the Corporation at or prior to the Closing Time setting forth, among other things, the contractual relationship between the Corporation and such purchasers relating to the FT Shares and Warrants, as applicable, which agreements shall be in a form satisfactory to the Corporation and the Agent, acting reasonably.

**“Subscription Funds”** means all funds received with respect to all Subscription Agreements in accordance with the terms and provisions of this Agreement.

**“Tahsis Property”** means the Corporation’s Tahsis property located in British Columbia.

**“Tahsis Technical Report”** has the meaning ascribed thereto in subsection 6(uu).

**“Tax Act”** has the meaning ascribed thereto in the first paragraph of this Agreement.

**“Termination Date”** means December 31, 2021 or December 31, 2022 if the proposals released on July 10, 2020 by the Department of Finance relating to “flow-through shares” are enacted into law and which would allow the Corporation to incur Qualifying Expenditures to be incurred during 2022 and still be renounced back to FT Subscribers effective December 31, 2020.

**“Transfer Agent”** means Odyssey Trust Company.

**“United States”** means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

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

**“Warrant Agent”** means Odyssey Trust Company, in its capacity as warrant agent in respect of the Warrants, at its principal office in Vancouver, British Columbia;

**“Warrant Indenture”** means the warrant indenture dated the Closing Date between the Warrant Agent and the Corporation pursuant to which the Warrants and the Compensation Warrants will be issued and providing for the definitive terms of the Warrants and Compensation Warrants.

**“Warrant”** has the meaning ascribed thereto in the first paragraph of this Agreement.

**“Warrant Share”** has the meaning ascribed thereto in the first paragraph of this Agreement.

In this Agreement, “to the best of the Corporation’s knowledge, information and belief”, or an equivalent statement, means a statement as to the knowledge of each of the senior officers of the Corporation about the facts or circumstances to which such phrase relates, after having made reasonable inquiries and investigations in connection with such facts and circumstances that would ordinarily be made by senior officers of junior mineral exploration and development companies in similar circumstances in the discharge of their duties, without special inquiry for the purpose of the Offering. In this Agreement, “to the knowledge of the Corporation”, or an equivalent statement, means a statement as to the actual knowledge of each of the senior officers of the Corporation about the facts or circumstances to which such phrase relates.

## 2. Corporation’s Covenants as to Issuance

The Corporation agrees:

- (a) that the Offered Securities, Compensation Options, Compensation Securities, and Warrant Shares issuable on the exercise of the Warrants and the Compensation Warrants will be duly and validly authorized, allotted and reserved for issuance and, upon receiving full consideration in money therefor, will, as applicable, be issued as fully paid and non-assessable;

- (b) to duly, punctually and faithfully perform all the obligations to be performed by it and all of its covenants and agreements, under and pursuant to the Subscription Agreements, to deliver to the Agent copies of the Subscription Agreements and such delivery shall constitute the Corporation's authorization of the Agent to use the Subscription Agreements in connection with the offering of the Offered Securities for sale in the Offering Jurisdictions;
- (c) as soon as reasonably possible, and in any event by the Closing Date, to take all such steps as may reasonably be necessary to enable the Offered Securities to be offered for sale and sold on a private placement basis in the Offering Jurisdictions through the Agent or any other investment dealers registered, as applicable, in the Offering Jurisdictions by way of the exemptions under Applicable Securities Laws, subject to the filing of required documents and the payment of applicable fees, if any, after the Closing Date;
- (d) the Corporation will obtain, prior to the Closing Time, all necessary approvals of the Exchange for the issuance and listing on the Exchange of the FT Shares, Warrant Shares and Compensation Shares, respectively, subject only to filing of required documents and will comply with all requirements of the Exchange in connection with the issuance and listing of the FT Shares, Warrant Shares and Compensation Shares on the Exchange including filing of all necessary documentation in accordance with the requirements of the Exchange; and
- (e) during the period commencing on the date of this Agreement and ending on the day which is 120 days following the Closing Date (the "**Lock-Up Period**"), the Corporation will not, and will cause its subsidiaries not to, directly or indirectly, without the prior written consent of the Agent, which consent will not be unreasonably withheld, directly or indirectly issue, sell, grant an option or right in respect of, or otherwise dispose or announce the offering of any equity or debt securities of the Corporation or any securities convertible into or exercisable or exchangeable for any equity or debt securities of the Corporation, other than in conjunction with: (i) the grant or exercise of stock options issued pursuant to the stock option plan approved by the Corporation's shareholders, in accordance with the terms of such plan; (ii) securities issued to third parties that are not affiliated with the Corporation or any of its directors or officers as consideration for the purchase of assets or securities; (iii) the exercise of outstanding warrants; (iv) obligations of the Corporation in respect of existing mineral property agreements and (v) the Compensation Options.

### 3. **Corporation's Covenants as to Changes**

The Corporation agrees that:

- (a) during the period commencing on the date hereof and ending on the earlier of the termination of this Agreement and the Closing Date, the Corporation will promptly inform the Agent in writing of the full particulars of:
  - (i) any material change (actual, anticipated or threatened) in relation to the Corporation;



- (ii) any change in any material fact in relation to any securities issued or proposed to be issued by the Corporation; or
- (iii) the discovery by the Corporation of any misrepresentation in the Subscription Agreements or in any information regarding the Corporation previously provided to the Agent by the Corporation in writing,

provided that if there may be any reasonable doubt as to whether a material change, change in any material fact, occurrence or event of the nature referred to in this subsection has occurred, the Corporation shall promptly inform the Agent of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Agent as to whether the occurrence is of such nature;

- (b) during the period commencing on the date hereof and ending on the earlier of the termination of this Agreement and the Closing Date, the Corporation will promptly inform the Agent in writing of the full particulars of:
  - (i) any request of any Securities Commission or other securities commission or similar regulatory authority for any amendment to any of the Subscription Agreements or for additional information;
  - (ii) the issuance by any Securities Commission or other securities commission or similar regulatory authority of any order to cease or suspend trading of any securities of the Corporation or of the institution or threat of institution of any proceedings for that purpose; and
  - (iii) the receipt by the Corporation of any communication from any Securities Commission or other securities commission or similar regulatory authority or any other competent authority relating to the Subscription Agreements or the distribution of the FT Units,

and except as otherwise agreed to by the Agent, the Corporation will use its best efforts to prevent the issuance of any such cease trade order or suspension order and, if issued, to obtain the withdrawal thereof as soon as possible;

- (c) during the period commencing on the date hereof and ending on the earlier of the termination of this Agreement and the Closing Date, the Corporation will provide to the Agent, for review by the Agent and the Agent's counsel, prior to filing or issuance thereof, any proposed disclosure document, including without limitation any financial statements, annual information forms, information circular or press release (if any);
- (d) the Corporation will promptly comply, to the reasonable satisfaction of the Agent and the Agent's counsel, with Applicable Securities Laws with respect to any material change, change in any material fact, occurrence or event of the nature referred to in subsection 3(a) or subsection 3(b) during the period commencing on the date hereof and ending the earlier of the termination of this Agreement and the Closing Date; and
- (e) subject to the duties of the directors of the Corporation to act in the best interests of the Corporation, for a period of two years following the Closing Date, the

Corporation will use best efforts to maintain its listing on the Exchange, provided that the foregoing shall not restrict or prevent the Corporation from completing a plan of arrangement, takeover bid or other business combination which could or may result in the delisting of the FT Shares, Warrant Shares and Compensation Shares, respectively, from the Exchange or prevent the Corporation from graduating to another recognized stock exchange in Canada.

#### 4. Corporation's Other Covenants

The Corporation agrees:

- (a) to use the net proceeds from the sale of the FT Units to fund its exploration expenses on the Corporation's mining projects as permitted under the Tax Act to qualify as CEE eligible for renunciation to Subscribers;
- (b) to keep proper books, records and accounts of all Qualifying Expenditures and all transactions affecting the FT Commitment Amount and the Qualifying Expenditures, and provide reasonable access to such books, records and accounts for review by or on behalf of the Subscribers for the sole purpose of responding to the demand or proposal of the Canada Revenue Agency;
- (c) that the Corporation shall not take any action that would prevent the Corporation and the Agent from relying on the exemptions from the prospectus requirements of Applicable Securities Laws as contemplated by the Subscription Agreements;
- (d) that it will file all necessary forms and reports in connection with the issuance of the Offered Securities and the issuance of the Compensation Securities, as applicable, with the appropriate Securities Commissions and other regulatory authorities in the Offering Jurisdictions;
- (e) to allow the Agent, prior to the Closing, to conduct all due diligence which the Agent may reasonably require in order to: (i) confirm that the information contained in the Subscription Agreements is accurate, complete and current in all material respects; and (ii) fulfill the Agent's obligations as a registrant under Applicable Securities Laws. Without limiting the generality of the foregoing, the Corporation shall make available its senior management and any third party experts, including the Corporation's auditors and legal counsel, to answer any questions which the Agent may have, and to participate in one or more due diligence sessions to be held prior to the Closing Time. The Agent shall distribute a list of written questions to be answered and the Corporation shall provide and shall use its reasonable commercial efforts to have its third party experts, including its auditors and legal counsel, provide written responses to such questions;
- (f) that the Corporation shall use commercially reasonable efforts to remain, for a period of a least 18 months after the Closing Date, a corporation validly subsisting under the laws of its jurisdiction of incorporation, licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and shall carry on its business in the ordinary course and in compliance in all material respects with all Applicable Laws, rules and regulations of each such jurisdiction, provided that the

foregoing shall not restrict or prevent the Corporation from completing a plan of arrangement, takeover bid or other business combination which could or may result in the Corporation amalgamating or winding-up and dissolving;

- (g) the Corporation shall use commercially reasonable efforts to maintain its status as a “reporting issuer” in, and not in default of any requirement of the Applicable Securities Laws of, the Reporting Provinces for a period of at least 18 months after the Closing Date, provided that the foregoing shall not restrict or prevent the Corporation from completing a plan of arrangement, takeover bid or other business combination which could or may result in the Corporation ceasing to be a “reporting issuer”;
- (h) that the purchase price allocation between the FT Shares and the Warrants comprising the FT Units shall be \$0.36 per FT Share and \$0.01 per Warrant; and
- (i) the Corporation will cause each of the directors, senior officers and insiders of the Corporation listed on Schedule A to enter into a lock-up agreement in a form satisfactory to the Agent, acting reasonably, pursuant to which, each such person covenants and agrees, subject to customary exceptions set out herein and therein, that they will not, during the Lock-Up Period, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, securities of the Corporation held by them, directly or indirectly, without prior consent of the Agent, which consent will not be unreasonably withheld or delayed, provided that the Agent’s consent shall not be required in connection with (i) the exercise of previously issued options or other convertible securities, (ii) transfers among a shareholder’s affiliates for tax or other planning purposes, or (iii) a tender or sale by a shareholder of securities of the Corporation in or pursuant to a take-over bid or similar transaction involving a change of control of the Corporation (collectively, the “**Lock-Up Agreements**”).

## 5. **Agent’s Covenants**

The Agent covenants and agrees with the Corporation that it will:

- (a) conduct its activities in connection with the proposed Offering in compliance with this Agreement and all Applicable Securities Laws and cause a similar covenant to be contained in any agreement entered into with any Selling Dealer Group established in connection with the distribution of the Offered Securities;
- (b) not solicit subscriptions for FT Units, trade in the FT Shares and Warrants comprising the FT Units or otherwise do any act in furtherance of a trade of the FT Shares and Warrants comprising the FT Units outside of the Offering Jurisdictions, except as the Agent and the Corporation may mutually agree and provided that the Agent may so solicit, trade or act within such jurisdiction only if such solicitation, trade or act is in compliance with Applicable Laws in such jurisdiction and does

- not: (i) obligate the Corporation to take any action to qualify any of its securities or any trade of any of its securities; (ii) obligate the Corporation to establish or maintain any office, director or officer in such jurisdiction; or (iii) subject the Corporation to any reporting or other requirement in such jurisdiction;
- (c) obtain from each Subscriber a duly completed and executed Subscription Agreement in the appropriate form and all applicable representation letters and other forms required under Applicable Securities Laws and supplied to the Agent by the Corporation for completion in connection with the distribution of the Offered Securities;
  - (d) not advertise the proposed offering or sale of any Offered Securities in printed media of general and regular paid circulation, radio, television or the internet nor provide or make available to prospective purchasers of Offered Securities any document or material which would constitute an offering memorandum as defined under Applicable Securities Laws; and
  - (e) provide to the Corporation all necessary information in respect of the Agent and the Subscribers to allow the Corporation to file with the Securities Commissions, if required and within the time frames required, reports of the trades of the Offered Securities in accordance with the Applicable Securities Laws.

#### 6. **Representations and Warranties of the Corporation**

The Corporation represents and warrants to, and covenants with, the Agent, and acknowledges that the Agent is relying upon such representations, warranties and covenants in entering into this Agreement, that:

- (a) the Corporation and each of its subsidiaries is duly incorporated, continued or amalgamated and validly existing and in good standing under the laws of the jurisdiction in which it was incorporated, continued or amalgamated, as the case may be, has all requisite corporate power, authority and capacity to carry on its business, as now conducted and as presently proposed to be conducted by it, to own its properties and assets and no steps or proceedings have been taken by any person, voluntary or otherwise, requiring or authorizing its dissolution or winding up, and the Corporation has all requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder;
- (b) the Corporation and each of its subsidiaries is duly registered and qualified to carry on business and is validly existing under the laws of each jurisdiction in which it carries on business;
- (c) other than Northern Dominion Metals Corporation ("**NDMC**"), the Corporation does not have any subsidiaries and the Corporation has no shareholdings in any other corporation or business organization;
- (d) to the best of the Corporation's knowledge, information and belief, there are no defects, failures or impairments in the title of any of the assets or properties acquired pursuant to the share purchase agreement dated October 30, 2020 among the Corporation, NDMC and the shareholders of NDMC (the "**Share Purchase Agreement**");

- (e) the Corporation has no reason to believe that any of the representations and warranties of NDMC or any of the representations and warranties of the shareholders of NDMC in Share Purchase Agreement were not true and correct as of the date of the closing of the purchase and sale under the Share Purchase Agreement;
- (f) the Corporation and each of its subsidiaries has conducted and is conducting its business in compliance, in all material respects, with all Applicable Laws, rules and regulations and, in particular, all applicable licensing and environmental legislation, regulations or by-laws or other lawful requirement of any governmental or regulatory bodies, applicable to the Corporation and its subsidiaries, of each jurisdiction in which the Corporation and/or its subsidiaries carry on business, and the Corporation and its subsidiaries hold all material licences, registrations and qualifications in all jurisdictions in which the Corporation and/or its subsidiaries carry on business which are necessary or desirable to carry on the business of the Corporation and its subsidiaries, except where the failure to so conduct its business or to hold such licences, registrations or qualifications would not have a Material Adverse Effect and all such licences, registrations and qualifications are valid and existing and in good standing and none of such licences, registrations or qualifications contains any burdensome term, provision, condition or limitation which has or is likely to have any Material Adverse Effect;
- (g) the Corporation is not in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of this Agreement, the Warrant Indenture and the Subscription Agreements or any of the transactions contemplated hereby or thereby, does not and will not result in any breach of, or be in conflict with or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would result in a breach of or constitute a default under: (i) any term or provision of the articles, by laws or resolutions of the directors (or any committee thereof) or shareholders of the Corporation; (ii) any mortgage, note, indenture or Contract to which the Corporation is a party or by which it is bound; or (iii) any law, judgment, decree, order, statute, rule or regulation applicable to the Corporation or its properties or assets; which default or breach might reasonably be expected to materially adversely affect the business, operations, capital or condition (financial or otherwise) of the Corporation or would impair the ability of the Corporation to consummate the transactions contemplated hereby or thereby or to duly observe and perform any of its covenants or obligations contained in this Agreement, the Warrant Indenture and the Subscription Agreements;
- (h) the Corporation is a “reporting issuer” in each of the provinces of British Columbia, Alberta and Ontario (the “**Reporting Provinces**”) and not on the list of reporting issuers in default under Applicable Securities Laws in each of the Reporting Provinces, and is in compliance with all applicable Securities Laws in all material respects;
- (i) neither the Corporation nor any of its subsidiaries has committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any legislation, proposed a compromise or arrangement to the creditors thereof generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to be declared bankrupt or wound up, taken

any proceeding to have a receiver appointed of any of the assets thereof, had any person holding any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement or other security interest or receiver take possession of any of the property thereof, had an execution or distress become enforceable or levied upon any portion of the property thereof or had any petition for a receiving order in bankruptcy filed against it;

- (j) the financial statements of the Corporation contained in the Public Record: (i) complied as to form in all material respects with the published rules and regulations under the Applicable Securities Laws; (ii) were reported in accordance with the Canadian generally accepted accounting principles or IFRS, as the case may be; and (iii) present fairly the consolidated financial position of the Corporation and its subsidiaries, if any, as of the respective dates thereof and the consolidated results of operations of the Corporation and its subsidiaries, if any, for the periods covered thereby;
- (k) there is no material fact or material change in the affairs of the Corporation that has not been generally disclosed to the public;
- (l) the minute books of the Corporation and each of its subsidiaries, including NDMC, contain full, true and correct copies of the constating documents of the Corporation (which constating documents do not contain any restrictions on the transfer of shares of the Corporation) or its subsidiaries, as applicable, and contain copies of all minutes of all meetings and all consent resolutions of the directors, committees of directors and shareholders of the Corporation or its subsidiaries, as applicable, and all such meetings were duly called and properly held and all consent resolutions were properly adopted;
- (m) the books of account and other records of the Corporation, whether of a financial or accounting nature or otherwise, have been maintained in accordance with prudent business practices;
- (n) the Corporation has full corporate capacity, power and authority to issue: (i) the FT Shares and Warrants comprising the FT Units, and the Compensation Options, all as of the Closing Date, respectively; (ii) the Compensation Shares and Compensation Warrants issuable upon the exercise of the Compensation Options; and (iii) the Warrant Shares issuable on the exercise of the Warrants and Compensation Warrants, and all of the above will be duly and validly authorized and reserved for issuance, and upon receipt of the purchase or exercise price therefor, as applicable, all Common Shares will be duly and validly authorized and issued as fully paid and non-assessable shares in the capital of the Corporation;
- (o) the form and terms of the definitive certificates representing the Common Shares and Warrants, if any, have been approved and adopted by the Corporation, and comply with all corporate and legal requirements relating thereto;
- (p) the Corporation has full corporate capacity, power and authority to enter into this Agreement, the Warrant Indenture and the Subscription Agreements and to perform its obligations set out herein and therein (including, without limitation, to issue the Offered Securities), and this Agreement has been, and the Subscription Agreements will, on the Closing Date, be, duly authorized, executed and delivered

by the Corporation and this Agreement is, and the Subscription Agreements will, on the Closing Date, be, legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their terms, except that the validity, binding effect and enforceability are subject to the qualification that such validity, binding effect and enforceability may be limited by:

- (i) bankruptcy, insolvency, moratorium, reorganization or other similar laws of general application affecting creditors' rights;
  - (ii) equitable remedies, including the remedies of specific performance and injunctive relief, which are available only in the discretion of the applicable court;
  - (iii) the equitable or statutory powers of the courts in Canada to stay proceedings before them and the execution of judgments;
  - (iv) rights to indemnity, contribution and waiver hereunder which may be limited or unavailable under Applicable Law;
  - (v) the Applicable Laws regarding limitations of actions;
  - (vi) the enforceability of provisions which purport to sever any provision which is prohibited or unenforceable under Applicable Law without affecting the enforceability or validity of the remainder of such document which would be determined only in the discretion of the court;
  - (vii) the enforceability of the provisions exculpating a party from liability or duty otherwise owed by it to another and certain remedial terms and waivers of equitable defences provided for in such agreement or other document which may be limited under Applicable Law;
  - (viii) the requirement of a court that the discretionary powers expressed to be conferred on any party to such agreement, indenture or other document be exercised reasonably and in good faith notwithstanding any provisions to the contrary and the possibility that such court may decline to accept as conclusive factual or legal determinations described as conclusive therein; or
  - (ix) the fact that costs of and incidental to all proceedings authorized to be taken in court are in the discretion of the court and that the court has full power to determine by whom and to what extent such costs shall be paid;
- (q) all agreements with third parties in connection with the Corporation's business have been entered into and are being performed by the Corporation and, to the knowledge of the Corporation, by all other third parties thereto, in compliance, in all material respects, with their terms. There exists no actual or, to the knowledge of the Corporation, threatened termination, cancellation or limitation of, or any material modification or material change in, the business relationship of the Corporation, with any supplier or contractor, or any group of suppliers or contractors whose business with or whose purchases or inventories/components provided to the business of the Corporation that is material to the assets, business,

properties, operations or financial condition of the Corporation. All such business relationships are intact and mutually cooperative, and there exists no condition or state of fact or circumstances that would prevent the Corporation from conducting such business with any such third parties in the same manner in all material respects as currently conducted or proposed to be conducted;

- (r) there are no actions, suits, proceedings or inquiries pending or, to the Corporation's knowledge, threatened against or affecting the Corporation or its subsidiaries at law or in equity, or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau, agency or instrumentality which in any way materially adversely affects, or may be reasonably expected to in any way materially adversely affect, the capital, assets, liabilities (absolute, accrued, contingent or otherwise), business, operations or condition (financial or otherwise) or results of the operations of the Corporation, its subsidiaries or any of their respective properties or assets or which affects or may be reasonably expected to affect the distribution of the Offered Securities and the Corporation is not aware of any existing ground on which such action, suit, proceeding or inquiry might be commenced with any reasonable likelihood of success;
- (s) except for this Agreement, the Corporation and its subsidiaries are not a party to or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with Applicable Laws and the by-laws of the Corporation) or any other like commitment of the obligations or liabilities (contingent or otherwise) of indebtedness of any other person;
- (t) neither the Corporation nor any of its subsidiaries are, and to the Corporation's knowledge, no other party is, in default in the observance or performance of any term or obligation to be performed by it under any Contract to which the Corporation or any of its subsidiaries is a party or by which it is bound which is material to the business of the Corporation or any of its subsidiaries and no event has occurred which with notice or lapse of time or both would directly or indirectly constitute such a default, in any such case which default or event would reasonably be expected to have a Material Adverse Effect;
- (u) the Corporation does not have any loans or other indebtedness outstanding which have been made to or from any of its shareholders, officers, directors or employees or any other person not dealing at arm's length with the Corporation that are currently outstanding and it is not indebted to any third party (other than accounts payable in the ordinary course of business);
- (v) no current or proposed officer or director of the Corporation or any of its subsidiaries, nor to the Corporation's knowledge, any employee or shareholder of the Corporation or any of its subsidiaries, is subject to any limitations or restrictions on their activities or investments, including any non-competition provisions, that would in any way limit or restrict their involvement with the Corporation, any of its subsidiaries or the business of the Corporation or any of its subsidiaries;
- (w) the information and statements in respect of the Corporation set forth in the Subscription Agreements are true and correct in all material respects, and will not



contain any misrepresentation as of the date of delivery of such Subscription Agreements to the Agent and as of the applicable Closing Time;

- (x) the authorized capital of the Corporation consists of an unlimited number of Common Shares without nominal or par value, of which, as at the date hereof, **[22,265,754]** Common Shares are outstanding as validly issued and fully paid and non-assessable shares of the Corporation;
- (y) no Securities Commission, other securities commission or similar regulatory authority or stock exchange in Canada or the United States has issued any order which is currently outstanding preventing or suspending trading in any securities of the Corporation, and no such proceeding is, to the Corporation's knowledge, pending, contemplated or threatened and the Corporation is not in default of any requirement of Applicable Securities Laws;
- (z) the Due Diligence Responses will be true and correct where they relate to matters of fact and such responses taken as a whole shall not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given, and the Corporation and its directors and officers will have responded in a thorough and complete fashion. Where the Due Diligence Responses reflect the opinion or view of the Corporation or its directors or officers (including, Due Diligence Responses or portions of such Due Diligence Responses that are forward looking or otherwise relate to projections, forecasts or estimates of future performance or results (operating, financial or otherwise)) ("**Forward-looking Statements**"), such opinions or views are subject to the qualifications and provisions set forth in the Due Diligence Responses and will be honestly held and believed to be reasonable at the time they are given; provided, however, it shall not constitute a breach of this paragraph solely if the actual results vary or differ from those contained in Forward-looking Statements;
- (aa) neither the Corporation nor, to the Corporation's knowledge, any of its shareholders are a party to any unanimous shareholder agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of the Corporation;
- (bb) except for any post-closing notice filings required under Applicable Securities Laws, no consent, approval, authorization, order, filing, registration or qualification of or with any court, governmental authority or body or regulatory authority in Canada or the United States is required except such as shall have been made or obtained at or before the Closing, for the execution, delivery and performance by the Corporation of its obligations under this Agreement or the Subscription Agreements and the consummation by the Corporation of the transactions contemplated herein and therein, other than filings required to be made under Applicable Securities Laws following the closing of the applicable portion of the Offering;
- (cc) the Corporation has not incurred any obligation or liability, contingent or otherwise, for brokerage fees, finder's fees, agents' commission or other forms of compensation with respect to the transactions contemplated herein for which it will

have any liability or obligation except as provided herein or as agreed to in writing by the Agent;

- (dd) other than restrictions imposed by Applicable Securities Law, there are no restrictions on transfers of the Offered Securities contained in any agreement or instrument to which the Corporation or any of its subsidiaries is a party or by which it is bound;
- (ee) none of the Corporation's directors or officers are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;
- (ff) neither the Corporation nor any of its subsidiaries is a party to or bound by or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Corporation or any of its subsidiaries to compete in any line of business, transfer or move any of their respective assets or operations or which materially or adversely affects the business, operations or financial condition of the Corporation or any of its subsidiaries;
- (gg) the Corporation has filed all forms, reports, documents and information required to be filed by it, whether pursuant to Applicable Securities Laws or otherwise, with the Exchange (or one of its predecessors), the Securities Commissions or other applicable securities regulatory authorities (the "**Public Record**"). The information and statements set forth in the Public Record, as such relate to the Corporation and its subsidiaries were true, correct and complete in all material respects and did not contain any misrepresentation (as defined under Applicable Securities Laws), as of the respective dates of such information or statements, the Public Record complies with Applicable Securities Laws in all material respects and the Corporation has not filed any confidential material change reports which continue to be confidential;
- (hh) as at the date hereof, other than **[846,000]** stock options granted to certain officers, directors, employees and consultants of the Corporation, **[1,750,000]** warrants to purchase Common Shares, and other than pursuant to the provisions of this Agreement and the Subscription Agreements, no person, firm, corporation or other entity holds any securities convertible or exchangeable into securities of the Corporation or now has any agreement, warrant, option, right or privilege (whether pre-emptive or contractual) being or capable of becoming an agreement for the purchase, subscription or issuance of any unissued shares, securities (including convertible securities) or warrants of the Corporation or any of its subsidiaries;
- (ii) the Corporation and each of its subsidiaries has duly and timely filed, in proper form, returns in respect of taxes for all periods in respect of which such filings have heretofore been required, and all taxes shown thereon and all taxes owing have been paid or accrued on the books of the Corporation and its subsidiaries and there are no outstanding agreements or waivers extending the statutory period of limitations applicable to any federal, provincial or other return in respect of taxes for any period, and all payments by the Corporation or any of its subsidiaries to any non-resident of Canada have been made in accordance with applicable legislation in respect of withholding tax; there are no assessments or

reassessments respecting the Corporation or any of its subsidiaries pursuant to which there are amounts owing or discussions in respect thereof with any taxing authority, and the Corporation and each of its subsidiaries has withheld from each payment made to any of its officers, directors, former directors and employees the amount of all taxes (including, without limitation, income tax) and other deductions required to be withheld therefrom and has paid the same to the proper tax or other authority within the time required under any applicable tax legislation;

- (jj) the Corporation and each of its subsidiaries has established reserves that are adequate for the payment of all taxes not yet due and payable and there are no Liens for taxes on the assets or properties of the Corporation or any of its subsidiaries, except for taxes not yet due;
- (kk) all filings made by the Corporation and its subsidiaries, as the case may be, under which the Corporation or any of its subsidiaries has received or are entitled to government incentives have been made in accordance, in all material respects, with all applicable legislation and contain no misrepresentations of material fact or omit to state any material fact which could cause any amount previously paid to the Corporation or any of its subsidiaries or previously accrued on the accounts thereof to be recovered or disallowed;
- (ll) as at the date hereof, the Corporation is not aware of any material contingent tax liability of the Corporation or any of its subsidiaries or any grounds which will prompt a reassessment for which provision has not been made in accordance with IFRS;
- (mm) the issued and outstanding Common Shares are listed and posted for trading on the Exchange, and the Corporation is in compliance with the by-laws, rules and regulations of the Exchange in all material respects;
- (nn) Odyssey Trust Company, at its principal office in Vancouver, British Columbia is the duly appointed registrar and transfer agent of the Corporation with respect to the Common Shares;
- (oo) any and all operations of the Corporation and its subsidiaries, and to the best of the Corporation's knowledge, information and belief, any and all operations by third parties on or in respect of the assets and properties of the Corporation and its subsidiaries, have in all material respects been conducted in accordance with good mining industry practice and in material compliance with Applicable Laws, rules, regulations, orders and directions of government and other competent authorities except where the failure to so conduct the operations would not have a Material Adverse Effect;
- (pp) in respect of the assets and properties of the Corporation and its subsidiaries that are operated by them, the Corporation and its subsidiaries hold all valid licences, permits and similar rights and privileges that are material and required and necessary under Applicable Law to operate such assets and properties as presently operated or as proposed to be operated except where the failure to so hold such licences and permits would not have a Material Adverse Effect;

- (qq) except for the Permitted Encumbrances, no officer, director, employee or any other person not dealing at arm's length with the Corporation or, to the knowledge of the Corporation, any "associate" or "affiliate" (as such terms are used in the *Securities Act, RSBC 1996* (British Columbia)) of any such person, owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever which are based on production from the properties or assets of the Corporation or any revenue or rights attributed thereto;
- (rr) the Corporation and each of its subsidiaries is insured by insurers of recognized financial responsibility against such losses and risks and in such amounts that are customary in the business in which they are engaged; all policies of insurance and fidelity or surety bonds insuring the Corporation, its subsidiaries and their respective business, assets, employees, officers and directors are in full force and effect, the Corporation and each of its subsidiaries is in compliance with the terms of such policies and instruments in all material respects and there are no material claims by the Corporation or any of its subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause; the Corporation has no reason to believe that it or any of its subsidiaries will not be able to renew their existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue their business at a cost that would not have a Material Adverse Effect;
- (ss) the material mining licences, claims, leases and other mineral property rights, including, but not limited to, those in respect of the Tahsis Property (collectively, the "**Mining Claims**"), and all other material properties and assets of the Corporation and its subsidiaries, are validly held by the Corporation. Except for the Permitted Encumbrances, the Mining Claims are free and clear of any Liens and royalties. No other mineral or property rights are necessary for the conduct of the Corporation's or any of its subsidiaries' business as presently conducted and there are no material restrictions on the ability of the Corporation or its subsidiaries, as applicable, to use, access, transfer or otherwise explore or exploit any such mineral or property rights except as required by Applicable Law. Except in respect of permits to be obtained in the ordinary course, the Corporation and its subsidiaries beneficially and legally owns 100% of the Mining Claims necessary to carry on their current and proposed exploration and exploitation activities. In respect of all such Mining Claims:
- (i) neither the Corporation nor any of its subsidiaries have received or been issued any notice of default with respect to any of the terms or provisions of the Mining Claims;
  - (ii) the execution, delivery and performance of this Agreement and the Subscription Agreements by the Corporation, and the consummation of the transactions contemplated herein and therein, will not cause a default or termination, or give rise to the right of termination, or rights of first refusal or other pre-emptive rights under any of the Mining Claims;
  - (iii) all exploration permits, leases, concessions, licences and mining claim payments, rentals, taxes, rates, assessments, renewal fees and other governmental charges owing in respect of the Mining Claims have been

paid in full up to the date of this Agreement except as would not have a Material Adverse Effect;

- (iv) the Mining Claims are in good standing in all material respects with respect to the performance of all material obligations required under Applicable Law (including the performance of all required exploration and exploitation work, the performance of all minimum assessment work and the timely filing of any reports, applications and further documents) and the condition of any related surface rights is in compliance with all Applicable Laws and all orders of all governmental authorities having jurisdiction, including in respect of any material Environmental Laws; and
- (v) there is no actual or, to the knowledge of the Corporation, threatened adverse claim against, or challenge to, the ownership of, or title to, the Mining Claims;
- (tt) the Corporation and each of its subsidiaries is, directly or indirectly, the legal and beneficial owner of, and has good and marketable right, title and interest in and to the assets of the Corporation and its subsidiaries, as applicable, free and clear of all Liens (other than Permitted Encumbrances). Any and all Contracts pursuant to which the Corporation or any of its subsidiaries holds material assets or is entitled to the use of, or to acquire the ownership of, material assets (whether directly or indirectly), including in respect of the Tahsis Property and the Fuchsite Lake Property, are valid and subsisting Contracts in full force and effect, enforceable in accordance with their respective terms, and there is currently no material default of any of the provisions of any such Contracts nor has any such default been alleged, and the Corporation, after making due enquiries, is not aware of any disputes with respect thereto and such assets are in good standing under the Applicable Laws of the jurisdictions in which they are situate, and all leases, licences, concessions, mineral rights and claims pursuant to which the Corporation or an of its subsidiaries, as applicable, derives its interests (whether legal or beneficial) in such material assets are in good standing and there has been no material default under any such leases, licences, concessions, and claims of the Corporation or any of its subsidiaries and all taxes required to be paid by the Corporation or any of its subsidiaries, as applicable, with respect to such assets to the date hereof have been paid;
- (uu) the Corporation has filed all technical reports as required by NI 43-101 for each mineral project on a property material to the Corporation, and any such technical reports have been prepared in material compliance with the requirements thereof. The technical information set forth in the documents filed by the Corporation on the System for Electronic Document Analysis and Retrieval (SEDAR), including relating to any estimates by the Corporation of mineral resources and mineral reserves, has been reviewed and approved by qualified persons (as defined in NI 43-101) and, in all cases, the resource information has been prepared in accordance with Canadian industry standards set forth in NI 43-101, and the information upon which any estimates of resources and reserves were based was, at the time of delivery thereof, complete and accurate in all material respects and there have been no material changes to such information since the date of delivery or preparation thereof. The Tahsis technical report dated November 25, 2019 (the "**Tahsis Technical Report**") is the sole "current" technical report of the

Corporation for the purposes of NI 43-101 and, to the knowledge of the Corporation, no material information was withheld from the authors thereof for the purposes of preparing the Tahsis Technical Report and, to the knowledge of the Corporation, all information provided to such authors for such purposes was true and accurate and not misleading and was given in good faith. All statements of fact relating to the Corporation and its activities contained in the Tahsis Technical Report are true and accurate in all material respects as of the date thereof and no such fact has been omitted therefrom (or information withheld) the omission of which would make any statement of fact therein misleading. To the knowledge of the Corporation, there have been no material changes to such information since the date of delivery or preparation thereof;

- (vv) the Corporation is in material compliance with the filing and certification requirements of each of NI 51-102 and NI 52-109;
- (ww) to the knowledge of the Corporation, all assessments or other work required to be performed within the areas covered by the Mining Claims in order to maintain the Corporation's or any of its subsidiaries' interests therein have been performed to date and the Corporation and its subsidiaries have complied in all material respects with all Applicable Laws in this regard, as well as with regard to legal, contractual obligations to third parties in this regard except for any non-compliance that would not, either individually or in the aggregate, have a Material Adverse Effect;
- (xx) other than Permitted Encumbrances, no part of the properties, assets or Mining Claims of the Corporation and its subsidiaries have been taken, revoked, condemned or expropriated by any governmental authority nor has any written notice or proceedings in respect thereof been given or commenced, or to the knowledge of the Corporation, been threatened or is pending, nor does the Corporation or any of its subsidiaries have any knowledge of the intent or proposal to give such notice or commence any such proceedings;
- (yy) all exploration and development activities conducted on premises in which the Corporation or any of its subsidiaries has a direct or indirect economic interest have been conducted in all respects in accordance with good mining and engineering practices and all Applicable Laws have been duly complied with, except where the failure to so conduct operations would not reasonably be expected to have a Material Adverse Effect;
- (zz) there are no claims or actions with respect to indigenous rights currently outstanding, or to the knowledge of the Corporation, threatened or pending, with respect to the properties, assets or mining interests of the Corporation or any of its subsidiaries. There are no land entitlement claims having been asserted or any legal actions relating to indigenous issues having been instituted with respect to the properties, assets or mining interests of the Corporation or any of its subsidiaries, and no dispute in respect of the properties, assets or mining interests of the Corporation or any of its subsidiaries with any local or indigenous group exists or, to the knowledge of the Corporation, is threatened or imminent;
- (aaa) except to the extent that any violation or other matter referred to in this subsection does not have a Material Adverse Effect (and in respect of non-operated properties, to the knowledge of the Corporation):

- (i) neither the Corporation nor any of its subsidiaries is in violation of any applicable federal, provincial, municipal or local laws, regulations, orders, government decrees or ordinances with respect to environmental, health or safety matters (collectively, “**Environmental Laws**”);
- (ii) the Corporation and each of its subsidiaries has operated their respective business at all times and has received, handled, used, stored, treated, shipped and disposed of all contaminants without violation of Environmental Laws;
- (iii) there have been no spills, releases, deposits or discharges of hazardous or toxic substances, contaminants or wastes into the earth, air or into any body of water or any municipal or other sewer or drain water systems by the Corporation or any of its subsidiaries that have not been remedied;
- (iv) no orders, directions or notices have been issued and remain outstanding pursuant to any Environmental Laws relating to the business or assets of the Corporation or any of its subsidiaries;
- (v) neither the Corporation nor any of its subsidiaries has failed to report to the proper federal, provincial, municipal or other political subdivision, government, department, commission, board, bureau, agency or instrumentality, domestic or foreign, the occurrence of any event which is required to be so reported by any Environmental Law;
- (vi) the Corporation and each of its subsidiaries holds all licences, permits and approvals required under any Environmental Laws in connection with the operation of their businesses and the ownership and use of their assets, all such licences, permits and approvals are in full force and effect, neither the Corporation nor any of its subsidiaries have received any notification pursuant to any Environmental Laws that any work, repairs, constructions or capital expenditures are required to be made by them as a condition of continued compliance with any Environmental Laws, or any licence, permit or approval issued pursuant thereto, or that any licence, permit or approval referred to above is about to be reviewed, made subject to limitations or conditions, revoked, withdrawn or terminated;
- (vii) neither the Corporation nor any of its subsidiaries has received any notice of, or been prosecuted for an offence alleging, material non-compliance with any Environmental Laws, and neither the Corporation nor any of its subsidiaries has (including, if applicable, any predecessor companies) settled any allegation of material non-compliance short of prosecution;
- (viii) the Mining Claims are not located in any environmental conservation unit, whether ‘full protection units’ or ‘sustainable use units’, nor in their buffer zones, or in Aboriginal protection areas; and
- (ix) there is no tailings dam (or water dam) within, or within a radius of 100 km outside of, the areas covered by the Mining Claims. The Mining Claims are not located within any tailings (or water) dam rescue zones;

- (bbb) other than the Share Purchase Agreement, the Mineral Property Agreements and the Option Agreements, there are no material Contracts to which the Corporation or any of its subsidiaries is a party, or by which it is bound. For the purposes of this subsection, any Contract pursuant to which the Corporation or any of its subsidiaries will, or may reasonably be expected to, result in a requirement to expend more than an aggregate of \$100,000 or receive or be entitled to receive revenue of more than \$100,000, in either case in the next 12 months and is outside of the ordinary course of business of the Corporation or its subsidiaries, as applicable, shall be considered to be material;
- (ccc) neither the Corporation nor any of its subsidiaries is a party to any written Contracts of employment which may not be terminated on one month's notice or less without requiring the Corporation to pay severance (other than amounts payable at common law) or which provide for payments occurring on a change of control of the Corporation;
- (ddd) the Corporation does not have in place a shareholder rights plan;
- (eee) to the best of the Corporation's knowledge, information and belief, the Corporation and each of its subsidiaries, and any of their respective officers, directors, supervisors, managers, agents, or employees, and any persons acting on behalf of any such persons, have conducted at all times and are conducting the business of the Corporation and its subsidiaries in material compliance with all Applicable Laws, rules and regulations of each jurisdiction in which the Corporation and its subsidiaries carry on a material portion of their business and neither the Corporation nor its subsidiaries have received any notice of any alleged violation of any such laws, rules and regulations;
- (fff) to the best of the Corporation's knowledge, information and belief, the Corporation and each of its subsidiaries, and any of their respective directors, officers, supervisors, managers, agents, and employees, and any persons acting on behalf of any such persons, have conducted at all times, and are conducting, the operations of the Corporation and its subsidiaries in full compliance with the Anti-Corruption Rules of all applicable jurisdictions and no action, suit, investigation or proceeding by or before any governmental authority or any arbitrator involving the Corporation, any of its subsidiaries or any of their respective directors, officers, supervisors, managers, Agent, employees, or affiliates, or any persons acting on behalf of any such persons, with respect to a violation or potential violation of Anti-Corruption Rules, is pending or, to the best of the knowledge, information and belief of the Corporation, threatened;
- (ggg) to the best of the Corporation's knowledge, information and belief, the Corporation and each of its subsidiaries, the activities and operations of the Corporation and each of its subsidiaries and all of their respective directors, officers, agents, employees, affiliates or persons acting on behalf of any such persons, are and have been conducted at all times in compliance with the anti-money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency to which they are subject (collectively, the "**Anti-Money Laundering Laws**") and no action, suit or proceeding by or before any governmental authority or any arbitrator involving the Corporation or any of its



subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the best of the knowledge, information and belief of the Corporation, threatened;

- (hhh) the Corporation has not breached any flow-through share agreement to which it is or was a party and, in particular, the Corporation has not failed to incur or renounce expenses which it covenanted to incur or renounce nor has the Minister of National Revenue or the Corporation reduced pursuant to subsection 66(12.73) of the Tax Act any amount renounced by the Corporation;
- (iii) if the Corporation does not renounce to a FT Subscriber, effective on or before December 31, 2020, Qualifying Expenditures incurred during the FT Expenditure Period equal to their Individual Commitment Amount, the Corporation shall indemnify such FT Subscriber as to, and pay to such FT Subscriber as a result of such failure on or before the 20<sup>th</sup> Business Day following the date the amount is definitively determined, an amount equal to any tax payable or that may become payable under the Tax Act (and under any corresponding provincial legislation) by such FT Subscriber (in the event such FT Subscriber is a partnership, the members thereof) as a result of such failure to make such payment on a timely basis; provided that this indemnity shall have no force or effect to the extent that such indemnity would otherwise cause the FT Shares or Warrants comprising the FT Units to be “prescribed shares” or “prescribed rights”, as applicable, for the purposes of Regulation 6202.1 of the Tax Act; and further provided that in the event and to the extent that the Corporation is required to indemnify a FT Subscriber in accordance with this subsection, all obligations to renounce to such FT Subscriber such Qualifying Expenditures shall cease;
- (jjj) the Corporation will deliver to each FT Subscriber at the FT Subscriber’s address set forth in the applicable Subscription Agreement, not later than March 1, 2021 in respect of FT Shares and Warrants comprising the FT Units, Form T101 setting forth the aggregate amounts of Qualifying Expenditures renounced to the FT Subscriber pursuant to the applicable Subscription Agreement for filing with the FT Subscriber’s tax return;
- (kkk) Unless required to do so pursuant to subsection 66(12.73) of the Tax Act, the Corporation will not reduce the amount to be renounced to a FT Subscriber under the respective Subscription Agreements and, in the event the amount renounced to a FT Subscriber under the respective Subscription Agreements is reduced pursuant to the Tax Act, the Corporation shall indemnify a FT Subscriber as to, and pay to the FT Subscriber on or before the 20<sup>th</sup> Business Day following the date the amount is definitively determined, an amount equal to the amount of any tax payable or may become payable under the Tax Act (and under any corresponding provincial legislation) by a FT Subscriber (in the event a FT Subscriber is a partnership, the members thereof) as a consequence of such reduction;
- (III) the Corporation has not and will not enter into transactions or take deductions which would otherwise reduce its “cumulative Canadian exploration expenses” as such term is defined in the Tax Act, to an extent which would preclude a renunciation of Qualifying Expenditures hereunder in an amount equal to the FT Commitment Amount effective on or before December 31, 2020, or unless required to do so pursuant to subsection 66(12.73) of the Tax Act, which could result in the

Corporation or the Canada Revenue Agency reducing the Qualifying Expenditures renounced to the FT Subscribers;

- (mmm) the Corporation will file all forms required under the Tax Act with respect to the issuance of the FT Shares and Warrants comprising the FT Units as “flow-through shares” as defined in subsection 66(15) of the Tax Act or that are necessary to effectively renounce Qualifying Expenditures equal to the FT Commitment Amount of the FT Subscribers effective on or before December 31, 2020 in respect of the applicable Subscription Agreements, and, to provide the FT Subscribers with a copy of all such forms on a timely basis and, in particular, to file with the Canada Revenue Agency, if requested: (i) the form prescribed by subsection 66(12.68) of the Tax Act together with a copy of the applicable Subscription Agreement and any “selling instruments” contemplated by such subsection within the time prescribed by the Tax Act; and (ii) the form prescribed by subsection 66(12.7) of the Tax Act on or before the last day of the first month following each month in which any renunciation is made pursuant to the terms of the applicable Subscription Agreement;
- (nnn) no consents, approvals, authorizations or orders are required under the laws of any jurisdiction or of any court or governmental agency or body or any stock exchange applicable to the Corporation other than approval by the Exchange (except those contemplated herein or in the Subscription Agreements and those that have been obtained) to ensure that the FT Shares and Warrants comprising the FT Units, when issued, will constitute “flow through shares” to the FT Subscribers within the meaning of subsection 66(15) of the Tax Act;
- (ooo) in respect of all amounts of Qualifying Expenditures which are to be renounced by the Corporation in favour of the FT Subscribers for FT Shares and Warrants comprising the FT Units, the Corporation would, but for the renunciation, be entitled to claim a deduction in respect of such Qualifying Expenditures in computing its income for the purposes of Part I of the Tax Act if it had sufficient income;
- (ppp) the Corporation is a “principal-business corporation” as defined in subsection 66(15) of the Tax Act and at all times relevant to the incurring and renouncing of Qualifying Expenditures, will maintain its status as a “principal-business corporation” until such time as all of the Qualifying Expenditures required to be renounced under this Agreement and the Qualifying Expenditures have been incurred or have been deemed to be incurred and validly renounced pursuant to the Tax Act;
- (qqq) except as a result of any agreement, arrangement, understanding or undertaking to which the Corporation is not a party and of which it has no knowledge, upon issuance, the FT Shares and Warrants comprising the FT Units will be “flow-through shares” as defined in subsection 66(15) of the Tax Act and will not constitute “prescribed shares” or “prescribed rights” as applicable, for the purpose of Regulation 6202.1 of the Tax Act;
- (rrr) as at the date hereof, the Corporation has no reason to: (i) believe that it will be unable to incur Qualifying Expenditures during the FT Expenditure Period in an amount equal to the FT Commitment Amount, (ii) believe that it will be unable to

renounce to the FT Subscribers effective on or before December 31, 2020 Qualifying Expenditures in an amount equal to the FT Commitment Amount; or (iii) expect any reduction of such amount by virtue of subsection 66(12.73) of the Tax Act;

- (sss) the Corporation will not be subject to the provisions of subsection 66(12.67) of the Tax Act in a manner which impairs its ability to renounce Qualifying Expenditures to the FT Subscribers in an amount equal to the FT Commitment Amount;
- (ttt) the Corporation shall renounce, to FT Subscribers, Qualifying Expenditures with respect to the applicable Subscription Agreements *pro rata* by the number of FT Units issued or to be issued pursuant thereto prior to or concurrently with renouncing Qualifying Expenditures pursuant to any subscriptions for FT Units dated after the Closing Date;
- (uuu) the Corporation will incur, during the FT Expenditure Period, Qualifying Expenditures in such amount as enables the Corporation to renounce to each of the FT Subscribers, Qualifying Expenditures in an amount equal to their respective Individual Commitment Amount;
- (vvv) the Corporation will renounce to each FT Subscriber, effective on or before December 31, 2020, Qualifying Expenditures incurred during the FT Expenditure Period in an amount equal to their respective Individual Commitment Amount;
- (www) the Qualifying Expenditures will qualify, on the effective date of the renunciation, as “flow-through mining expenditures” of the FT Subscribers, as defined in subsection 127(9) of the Tax Act;
- (xxx) if the Corporation is required under the Tax Act to reduce Qualifying Expenditures previously renounced to the FT Subscribers, the Corporation shall make such reduction *pro rata* by the number of FT Units issued or to be issued pursuant to the Subscription Agreements, provided that the Corporation shall not reduce Qualifying Expenditures renounced under the Subscription Agreements until it has first reduced to the extent possible expenditures renounced pursuant to the Subscription Agreements entered into after the Closing Time;
- (yyy) the Corporation will renounce all Qualifying Expenditures up to the aggregate FT Commitment Amount in favour of the FT Subscribers before it renounces any Qualifying Expenditures in favour of any other person who purchases FT Units of the Corporation following the Closing Date;
- (zzz) upon the Corporation becoming aware of the fact that an amount purportedly renounced pursuant to the Subscription Agreements exceeds the amount that it is entitled to renounce under the Tax Act, the Corporation will notify the FT Subscriber and comply with subsection 66(12.73) of the Tax Act;
- (aaaa) the Corporation shall not enter into any other agreement which would prevent or restrict its ability to renounce Qualified Expenditures to the FT Subscribers in the amount of the FT Commitment Amount; and

(bbbb) the Corporation shall maintain proper, complete and accurate accounting books and records relating to the FT Commitment Amount, the Qualified Expenditures, the amounts renounced to the FT Subscribers under this Agreement and the Subscription Agreements and all transactions relating to the Qualified Expenditures. The Corporation shall retain all such books and records as may be required to support the renunciation of Qualified Expenditures contemplated by this Agreement and the Subscription Agreements and, upon reasonable notice, shall make such books and records available for inspection and audit by or on behalf of the FT Subscribers, at the FT Subscribers sole expense.

## 7. Indemnity

The Corporation (the “**Indemnitor**”) shall indemnify and save harmless the Agent and its affiliates, shareholders, directors, officers, employees, shareholders and agents (collectively the “**Indemnified Parties**” and each an “**Indemnified Party**”) from and against all actual or threatened claims, actions, suits, investigations and proceedings (collectively “**Proceedings**”) and all losses (other than loss of profits), expenses, fees, damages, obligations, payments and liabilities (collectively “**Liabilities**”) (including without limitation all statutory duties and obligations, all amounts paid to settle any action or to satisfy any judgment or award, and all reasonable legal fees and disbursements actually incurred), whether joint or several, which now or any time hereafter are suffered or incurred by any of the Indemnified Parties by reason of any event, act or omission in any way connected, directly or indirectly, with:

- (a) any information or statement contained in any part of the Public Record or any of the Subscription Agreements (other than any information or statement relating solely to the Agent and furnished to the Indemnitor by the Agent in writing expressly for inclusion in any part of the Public Record or the Subscription Agreements) which is or is alleged to be untrue, or any omission or alleged omission to provide any information or state any fact the omission of which makes, or is alleged to make, any such information or statement untrue or misleading in light of the circumstances in which it was made;
- (b) any misrepresentation or alleged misrepresentation (except a misrepresentation which is based upon information relating solely to the Agent, and furnished to the Indemnitor by the Agent in writing, expressly for inclusion in any of the Public Record or the Subscription Agreements) contained in the Public Record or any of the Subscription Agreements;
- (c) any prohibition or restriction of trading in the securities of the Indemnitor or any prohibition or restriction affecting the distribution of the Offered Securities (not based upon the activities or the alleged activities of the Agent or the Selling Dealer Group members, if any) imposed by any competent authority if such prohibition or restriction is based on any misrepresentation or alleged misrepresentation of a kind referred to in subsection 7(a) and 7(b);
- (d) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by any one or more competent authorities (not based upon the activities or the alleged activities of the Agent or the Selling Dealer Group members, if any) relating to or materially affecting the trading or distribution of the Offered Securities;

- (e) any breach of, default under or non-compliance by the Indemnitor with any representation, warranty, term or condition of this Agreement, the Subscription Agreements or any requirement of Applicable Securities Laws; or
- (f) any misrepresentation contained in the Due Diligence Responses,

provided that if and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made or regulatory authority in a final ruling from which no appeal can be made shall determine that such Proceedings or Liabilities directly resulted from the negligence, fraudulent acts, or wilful misconduct of the Indemnified Party, this indemnity shall cease to apply to such Indemnified Party with respect to such Proceedings or Liabilities.

The Indemnitor hereby waives its right to recover contribution from the Agent with respect to any liability of the Indemnitor by reason of or arising out of any misrepresentation in the Public Record or the Subscription Agreements provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of or arising out of any misrepresentation which is based upon information relating solely to the Agent contained in such document and furnished to the Indemnitor by the Agent in writing expressly for inclusion in such document.

The Indemnitor agrees that in case any legal proceedings or investigation shall be brought or initiated against the Indemnitor by any governmental commission, regulatory authority, exchange, court or other authority and an Indemnified Party or other representative of the Agent shall be required to testify or respond to procedures designed to discover information regarding, in connection with or relating to the performance of professional services rendered to the Indemnitor by the Agent, the Agent shall have the right to employ its own counsel in connection therewith and the Indemnitor shall pay the Agent's reasonable costs (including an amount to reimburse the Agent for the time spent by its personnel in connection therewith on a *per diem* basis and out of pocket expenses) and the reasonable fees and expenses of counsel in connection therewith unless a court of competent jurisdiction in a final judgment from which no appeal can be made or regulatory authority in a final ruling from which no appeal can be made shall determine that such Proceedings or Liabilities resulted solely from the negligence, fraudulent acts, or wilful misconduct of the Indemnified Party.

## 8. Contribution

In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Agreement is due in accordance with its terms but is, for any reason, held by a court to be unavailable from the Indemnitor on grounds of policy or otherwise, the Indemnitor and the party or parties seeking indemnification shall contribute to the aggregate liabilities, claims, demands, losses (other than losses of profit), costs (including, without limitation, legal fees and disbursements on a full indemnity basis), damages and expenses (or claims, actions, suits or proceedings in respect thereof) to which they may be subject or which they may suffer or incur:

- (a) in such proportion as is appropriate to reflect the relative benefit received by the Corporation on the one hand, and by the Agent on the other hand, from the offering of the Offered Securities; or
- (b) if the allocation provided by paragraph (a) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in paragraph (a) above but also to reflect the relative fault of the Agent

on the one hand, and the Corporation, on the other hand, in connection with the statements, commissions or omissions or other matters which resulted in such liabilities, claims, demands, losses, costs, damages or expenses, as well as any other relevant equitable considerations.

The relative benefits received by the Indemnitor, on the one hand, and the Agent, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the Offering received by the Indemnitor (net of fees but before deducting expenses) bear to the fees received by the Agent.

The amount paid or payable by the Indemnitor as a result of any Proceedings or Liabilities shall, without limitation, include any legal and other expenses reasonably incurred by the Indemnified Party in connection with investigating or defending such liabilities, claims, demands, losses, costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof), whether or not resulting in any action, suit, proceeding or claim.

The Indemnitor agrees that it would not be just and equitable if contributions pursuant to this Agreement were determined by *pro rata* allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding subsections.

The rights to indemnity and right of contribution provided in Section 7 and Section 8 shall be in addition to and not in derogation of any other right to contribution which the Indemnified Parties may have by statute or otherwise at law or in equity.

It is the intention of the Indemnitor to constitute the Agent as trustees for the Indemnified Parties for the purposes of Section 7 and Section 8 inclusive and the Agent, shall be entitled, as trustees, to enforce such covenants on behalf of any other Indemnified Party.

Any liability of the Agent under this Section 8 shall be limited to the amount actually received by the Agent under Section 9.

## 9. Agency Fee

At the Closing Time, in consideration for their services hereunder, the Corporation agrees to pay and issue, as applicable, to the Agent: (i) a fee equal to 8.0% of the aggregate gross proceeds received by the Corporation from the sale of the FT Units sold pursuant to the Offering, including from the exercise of the Agent's Option (the "**Cash Commission**"), (ii) Compensation Options exercisable at any time up to 36 months following Closing to purchase Compensation Units at a price of \$0.37 per Compensation Unit, on the same terms and conditions as the Offering, in an amount equal to 8.0% of the number of FT Units sold in connection with the Offering, including the amount subscribed for pursuant to the exercise of the Agent's Option, where any such exercise occurs, and (iii) a general capital markets advisory fee for strategic advising and support services in an amount equal to: (A) \$30,000, payable in cash, plus all applicable taxes thereon, if the Closing results in gross proceeds of less than or equal to \$1,000,000; and (B) \$60,000, payable in cash, plus all applicable taxes thereon, if the Closing results in gross proceeds of greater than \$1,000,000 (the "**Advisory Fee**" and collectively with the Cash Commission and the Compensation Options, the "**Agency Fee**"). The Agency Fee may, at the sole option of the Agent, be deducted from the aggregate gross proceeds of the sale of the Offered Securities and withheld for the account of the Agent at the Closing Time. If the Agency

Fee is withheld as aforesaid, the Agency Fee will be deemed to have been paid in full at such Closing Time.

For greater certainty, the services provided by the Agent in connection herewith, (not including the Advisory Fee and the Agent's expenses) will not be subject to the *Goods and Services Tax* ("GST") or *Harmonized Sales Tax* ("HST") provided for in the *Excise Tax Act* (Canada) and taxable supplies provided will be incidental to the exempt financial services provided. However, in the event that the Canada Revenue Agency determines that GST or HST provided for in the *Excise Tax Act* (Canada) is exigible on the Agency Fee, the Corporation agrees to pay the amount of GST or HST forthwith upon the request of the Agent. The Corporation also agrees to pay the Agent's expenses as set forth in Section 10 hereof.

## 10. Expenses

Whether or not the transactions contemplated herein shall be completed, all costs and expenses (including applicable GST and HST) of or incidental to the transactions contemplated hereby including, without limitation, those relating to the distribution of the Offered Securities, if applicable, shall be borne by the Corporation including, without limitation, all costs and expenses of or incidental to the Offering, the fees and expenses of the Corporation's counsel, agent counsel retained by the Corporation's counsel and the Corporation's auditors, and the reasonable documented out-of-pocket expenses incurred by the Agent in connection with the Offering and their services to the Corporation hereunder (including, without limitation, travel expenses, news release dissemination costs, and the fees, disbursements and expense of Agent's counsel) in an amount as agreed between the Corporation, the Agent and Agent's counsel, excluding disbursements and GST/HST which shall be in addition to the agreed upon amount. All fees, costs and expenses incurred by the Agent which are reimbursable hereunder shall be payable by the Corporation immediately upon receiving an invoice therefor from the Agent.

Notwithstanding any other provision of this Agreement, and for greater certainty, if the Corporation does not proceed with the Offering for any reason(s) within the scope of its control and, during the period of six months after the termination of this Agreement, enters into a binding agreement in respect of an Alternative Transaction, the Corporation agrees to pay all expenses in accordance with this Section 10 and the Cash Commission in accordance with Section 9 to the extent such expenses and Cash Commission have not already been paid by the Corporation. The Cash Commission that would otherwise be payable shall be payable immediately following the completion of the Alternative Transaction.

## 11. Right of First Refusal

Provided that Closing occurs and to the extent that within 12 months from the Closing Date the Corporation requires any of the following additional services:

- (a) a lead manager, lead underwriter or lead agent and sole book-runner for any equity or equity-linked debt financing undertaken by the Corporation;
- (b) the provision of a formal valuation or fairness opinion; or
- (c) any financial advisory assistance, whether in respect of any acquisition, divestiture or business combination proposal, or otherwise,

the Agent is hereby granted a right of first refusal to provide such services, the terms and conditions relating to such services and the fees for such services to be outlined in a separate agreement between the parties.

## 12. Termination

- (a) In addition to any other rights or remedies available to the Agent, the Agent may, without liability, terminate its obligations hereunder, by written notice to the Corporation in the event that after the date hereof and at or prior to the Closing Time:
- (i) any order to cease or suspend trading in any securities of the Corporation or prohibiting or restricting the distribution of any of the Offered Securities or Compensation Securities is made, or proceedings are announced, commenced or threatened for the making of any such order, by any securities commission or similar regulatory authority, the Exchange or any other competent authority, and such order or proceeding has not been rescinded, revoked or withdrawn or such announced, commenced or threatened proceeding has not been terminated or withdrawn;
  - (ii) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) in relation to the Corporation or any of its directors or officers is announced, commenced or threatened by any federal, provincial, state, municipal, other governmental agency or any securities commission or similar regulatory authority, the Exchange or any other competent authority, or there is a change in law, regulation or policy or the interpretation or administration thereof, if, in the sole opinion of the Agent, acting reasonably, the change, announcement, commencement or threatening thereof, as the case may be, operates or could operate to prevent, suspend or restrict the trading, or distribution of the Offered Securities or Compensation Securities or any other securities of the Corporation or otherwise materially adversely affects, or may materially adversely affect the Corporation or the market price, value, investment quality or the marketability of the Offered Securities or Compensation Securities or any other securities of the Corporation, including without limitation, any changes in laws or regulations that would in any way adversely alter the tax treatment of the Offered Securities or Compensation Securities to the Subscribers or otherwise;
  - (iii) if there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, including, without limitation, any military conflict, civil insurrection, act of terrorism, war or like event, or a governmental action, law, regulation, inquiry or any occurrence of any nature whatsoever, which, in the sole opinion of the Agent, acting reasonably, seriously adversely affects or involves, or may seriously adversely affect or involve, the financial markets generally or the business, operations, affairs or profitability of the Corporation, or the distribution, trading, market price, value, investment quality or the marketability of the Offered Securities or Compensation Securities or any other securities of the Corporation;



- (iv) the state of the financial markets is such that the Offered Securities, cannot, in the sole opinion of the Agent, be successfully or profitably marketed;
  - (v) there should occur any material change, change of a material fact, occurrence, event, fact or circumstance (whether actual, anticipated, proposed, contemplated or threatened) or any development that could result in a material change or change of a material fact, any of which, in the sole opinion of the Agent, as determined by the Agent in its sole discretion, could reasonably be expected to have a Material Adverse Effect on the business, operations, affairs or profitability of the Corporation, or the distribution, trading, market price, value, investment quality or the marketability of the Offered Securities or Compensation Securities or any other securities of the Corporation;
  - (vi) the Agent determines, in its sole discretion that, the Corporation shall be in breach of, default under or non-compliance with any covenant, term or condition of this Agreement, in any material respect, or any representation or warranty given by the Corporation in this Agreement become or are false in any material respect; or
  - (vii) the Agent becomes aware, as a result of its due diligence review or otherwise, of any adverse material information, fact or change with respect to the Corporation (in the sole opinion of the Agent acting reasonably) which had not been publicly disclosed or disclosed to the Agent prior to the date hereof or which occurred after the effective date hereof but prior to the Closing and which would have a Material Adverse Effect on the distribution, trading, market price, value, investment quality or the marketability of the Offered Securities or Compensation Securities or any other securities of the Corporation.
- (b) The Agent may exercise any or all of the rights provided for in subsection 12(a) or Sections 14 or 17 notwithstanding any material change, change, event or state of facts and (except where the Agent purporting to exercise any of such rights is in material breach of its obligations under this Agreement) notwithstanding any act or thing taken or done by the Agent or any inaction by the Agent, whether before or after the occurrence of any material change, change, event or state of facts including, without limitation, any act of the Agent related to the offering or continued offering of the Offered Securities for sale and the Agent shall only be considered to have waived or be estopped from exercising or relying upon any of their rights under or pursuant to subsection 12(a) or Sections 14 or 17 if such waiver or estoppel is in writing and specifically waives or estops such exercise or reliance.
- (c) Any termination pursuant to the terms of this Agreement shall be effected by notice in writing delivered to the Corporation provided that no termination shall discharge or otherwise affect any obligation of the Corporation under Sections 6, 7, 8 or 17. The rights of the Agent to terminate their obligations hereunder are in addition to, and without prejudice to, any other rights or remedies they may have.
- (d) If the Agent elects to terminate its obligations hereunder as aforesaid, whether the reason for such termination is within or beyond the control of the Corporation, the liability of the Corporation hereunder with respect to the Agent shall be limited to

the indemnity referred to in Section 7, the contribution rights referred to in Section 8 and the payment of expenses referred to in Section 10.

### 13. Closing Documents

The obligations of the Agent hereunder shall be conditional upon all representations and warranties and other statements of the Corporation herein being, at and as of the Closing Time, true and correct in all material respects, the Corporation having performed in all material respects, at the Closing Time, all of its obligations hereunder theretofore to be performed and the Agent receiving at the Closing Time and the delivery by the Corporation to the Agent of:

- (a) legal opinions of the Corporation's counsel addressed to the Agent, the Subscribers and the Agent's counsel in form and substance satisfactory to the Agent, acting reasonably, relating to the offering, issuance and sale of the Offered Securities, including, without limitation, as to all legal matters, including compliance with Applicable Securities Laws, in any way connected with the offering, issuance, sale and delivery of the Offered Securities as the Agent may reasonably request (it being understood that the Corporation's counsel may rely on the opinions of local counsel acceptable to them as to matters governed by the laws of jurisdictions other than the jurisdiction of residence of such counsel and on certificates of officers of the Corporation and the auditors of the Corporation as to relevant matters of fact);
- (b) executed Lock-Up Agreements from each of the directors, senior officers and insiders of the Corporation listed on Schedule A in favour of the Agent as required pursuant to subsection 4(i).
- (c) a certificate of the Corporation dated the Closing Date addressed to the Agent and signed on behalf of the Corporation by the Chief Executive Officer, the Chief Financial Officer or such other officer of the Corporation satisfactory to the Agent, acting reasonably, certifying, on behalf of the Corporation and without personal liability, that:
  - (i) the Corporation has, in all material respects, complied with and satisfied all terms and conditions of this Agreement on its part to be complied with or satisfied at or prior to the Closing Time;
  - (ii) the representations and warranties of the Corporation set forth in this Agreement are true and correct in all material respects at the Closing Time (except for those representations and warranties that are subject to a materiality qualification, which are to be true and correct as of the Closing Time in all respects), as if made at such time;
  - (iii) no event of a nature referred to in subsection 3(a), 3(b), 12(a)(i), 12(a)(ii) or 12(a)(iii) has occurred or to the knowledge of such officer is pending, contemplated or threatened (excluding any requirement to make any determination as to any Agent's opinion);
  - (iv) there have been no material changes to the Due Diligence Responses not disclosed to the Agent, in writing; and

- (v) such other matters as may be reasonably requested by the Agent or the Agent's counsel,

and the Agent shall have no knowledge to the contrary; and

- (d) such other certificates and documents as the Agent may request, acting reasonably.

The foregoing conditions are for the sole benefit of the Agent and may be waived in whole or in part by the Agent at any time and without limitation. If any of the foregoing conditions are not met, the Agent may terminate its obligations under this Agreement without prejudice to any other remedies they may have.

#### 14. Deliveries

- (a) The sale of the Offered Securities hereunder shall be completed remotely at the Closing Time via the exchange of documents and signatures by the electronic transfer of documents or at such other place as the Corporation and the Agent may agree. Subject to the conditions set forth in Section 13, the Agent, on the Closing Date, shall deliver to the Corporation, by wire transfer, the gross proceeds from the sale of the Offered Securities sold on the Closing Date against delivery by the Corporation of:
  - (i) opinions, certificates and documents referred to in Section 13;
  - (ii) the Agent's Fee and expenses set forth in Sections 9 and 10 in respect of the Offered Securities (or effect payment in such other manner as the Corporation and the Agent may agree);
  - (iii) definitive certificates or evidence of non-certificated registration as set out in subsection 14(b) representing, in the aggregate, all of the FT Units registered in the name of CDS & Co. or in such name or names as the Agent shall notify the Corporation in writing not less than 24 hours prior to the Closing Time; and
  - (iv) such further documentation as may be contemplated by this Agreement or that may reasonably be requested by Agent's counsel.
- (b) If the Corporation determines to issue the Offered Securities on a non-certificated basis in accordance with the rules and procedures of CDS Clearing and Depository Services Inc. ("**CDS**"), then, as an alternative to the Corporation delivering to the Agent definitive certificates representing the Offered Securities in the manner and at the times set forth in this Section 14:
  - (i) the Agent will provide a direction to CDS with respect to the crediting of the Offered Securities to the accounts of the participants of CDS as shall be designated by the Agent in writing in sufficient time prior to the Closing Date to permit such crediting; and
  - (ii) the Corporation shall cause the Transfer Agent to electronically deposit to CDS, on behalf of the Agents, the Offered Securities to be purchased

hereunder (or such portion of the FT Units that are to be issued as a non-certificated security), in the name of "CDS & Co." as the nominee of CDS, in accordance with the rules and procedures of CDS.

- (c) As soon as possible after the Closing, the Corporation shall take all necessary steps to file with the Exchange the customary post-closing documents set out in the conditional approval for the listing and posting for trading of the FT Shares and Warrant Shares issuable upon exercise of the Warrants and the Compensation Warrants on the Exchange.
- (d) The Corporation may not reject any properly completed Subscription Agreement from a qualified subscriber resident in the Offering Jurisdictions, unless the number of Offered Securities subscribed for pursuant to all Subscription Agreements tendered by the Agent exceeds the maximum number of Offered Securities to be sold under this Agreement, in which case Subscription Agreements representing the over-subscription may, in consultation with the Agent, be rejected or unless the acceptance of such Subscription Agreement would breach or violate any Applicable Securities Laws.

## 15. Notices

Any notice or other communication to be given hereunder shall, in the case of notice to be given to the Corporation be addressed to the Corporation, at the above address with a copy to:

Cassels Brock & Blackwell LLP  
885 W Georgia St, 2200  
Vancouver, BC V6C 3E8

Attention: Sam Cole  
Email: scole@cassels.com

and, in the case of notice to be given to the Agent, be addressed to:

Mackie Research Capital Corporation  
199 Bay St., Suite 4500  
Toronto, ON M5L 1G2

Attention: Kevin Shaw  
Email: kshaw@mackieresearch.com

with a copy to:

McCarthy Tetrault LLP  
4000, 421 7<sup>th</sup> Avenue SW  
Calgary, Alberta T2P 4K9

Attention: Gordon Cameron  
Email: gcameron@mccarthy.ca

or to such other address as the party may designate by notice given to the other. Each communication shall be personally delivered to the addressee or sent by electronic transmission to the addressee, and:

- (a) a communication which is personally delivered shall, if delivered before 4:00 p.m. (local time at the place of delivery) on a Business Day, be deemed to be given and received on that day; and
- (b) a communication which is sent by electronic transmission shall, if sent on a Business Day before 5:00 p.m. (local time at the place of receipt), be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is sent.

#### **16. Conditions**

All terms, covenants and conditions of this Agreement to be performed by the Corporation shall be construed as conditions, and any breach or failure to comply with any material terms and conditions which are for the benefit of the Agent shall entitle the Agent to terminate its obligations with respect to the Offered Securities by written notice to that effect given to the Corporation prior to the Closing Time. The Agent may waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, term or condition hereof, or extend the time for compliance therewith, without prejudice to any of their rights in respect of any other representation, warranty, term or condition hereof or any other breach of, default under or non-compliance with any other representation, warranty, term or condition hereof, provided that any such waiver or extension shall be binding on an Agent only if the same is in writing and signed by such Agent.

#### **17. Survival of Representations and Warranties**

It is understood that all representations, warranties, terms and conditions herein or contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated herein shall survive the payment by the Agent for the Offered Securities or termination of this Agreement in accordance with Section 12, and shall continue in full force and effect for the benefit of the Agent and the Subscribers regardless of any investigation by or on behalf of the Agent or the Subscribers with respect thereto.

#### **18. Severance**

If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

#### **19. Relationship Between the Corporation and the Agent**

The Corporation: (a) acknowledges and agrees that the Agent has certain statutory obligations as a registrant under the Applicable Securities Laws and has relationships with its clients; (b) acknowledges and agrees that the Agent is neither an agent of the Corporation or a fiduciary of the Corporation; and (c) consents to the Agent acting hereunder while continuing to act for its clients. To the extent that the Agent's statutory obligations as registrants under the Applicable Securities Laws or relationships with its clients conflicts with its obligations hereunder,

the Agent shall be entitled to fulfill its statutory obligations as a registrant under the Applicable Securities Laws and its duties to its clients. Nothing in this Agreement shall be interpreted to prevent the Agent from fulfilling its statutory obligations as a registrant under the Applicable Securities Laws or duties to its clients.

**20. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. Each of the Corporation and the Agent hereby attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

**21. Time of the Essence**

Time shall be of the essence of this Agreement.

**22. Counterpart Execution**

This Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by electronic transmission.

**23. Further Assurances**

Each party to this Agreement covenants and agrees that from time to time, it will, at the request of the requesting party, execute and deliver all such documents and do all such other acts and things as any party hereto, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

**24. Entire Agreement**

It is understood that this Agreement represents the entire agreement between the parties with respect to the subject matter hereof and the terms and conditions of this Agreement supersede any previous verbal or written agreement between the Agent and the Corporation.

**[Remainder of page intentionally left blank.]**

If the foregoing is in accordance with your understanding and is agreed to by you, please confirm your acceptance by signing the enclosed copies of this letter at the place indicated and by returning the same to the Agent.

**MACKIE RESEARCH CAPITAL  
CORPORATION**

Per: "Kevin Shaw"

Name: Kevin Shaw

Title: Managing Director

ACCEPTED AND AGREED to as of the date of this Agreement.

**CROSS RIVER VENTURES CORP.**

Per: "Alex Klenman"

Name: Alex Klenman

Title: Chief Executive Officer

**SCHEDULE A**

**Directors, Senior Officers and Insiders of the Corporation**

- Alex Klenman (CEO and Director)
- John Fraser (President and Director)
- Alex Tong (CFO)
- Kosta Tsoutsis (Director)
- Dan Placzek (Corporate Secretary, Director)
- Michael Sieb (Director)