

## AMENDED AGENCY AGREEMENT

THIS AGREEMENT is made as of the 3rd day of October, 2018.

### BETWEEN:

**DELREY METALS CORP.** a corporation incorporated under the laws of British Columbia, with an office in the City of Vancouver, in the Province of British Columbia (the "**Corporation**"),

- and -

**LEEDE JONES GABLE INC.**, a corporation incorporated under the laws of Canada, with an office in the City of Vancouver, in the Province of British Columbia

(the "**Agent**")

### WHEREAS:

- A. The Corporation wishes to raise funds for the purposes set out in the Prospectus by the sale of Offered Shares in the Designated Provinces.
- B. The Corporation has agreed to retain the Agent to act as the sole and exclusive agent of the Corporation to solicit subscriptions for the Offered Shares on a commercially reasonable efforts basis, and the Agent has agreed to act in such capacity and has agreed to assist the Corporation in listing its Common Shares on the Exchange.

**NOW THEREFORE THIS AGREEMENT WITNESSES THAT** in consideration of the mutual covenants herein contained, the parties hereto hereby agree as follows:

### 1. INTERPRETATION

- 1.1 For the purposes of this Agreement and any amendment or supplement hereto, unless the context specifically requires otherwise, the following words and phrases shall have the following meanings:
  - (a) "**Agent's Options**" means the non-assignable Agent's Options entitling the Agent to purchase that number of Common Shares equivalent to 9% of the number of Offered Shares sold under the Offering on terms as more particularly described in Section 3.5;
  - (b) "**Agent's Option Shares**" means the Common Shares issuable upon the exercise of the Agent's Options;
  - (c) "**Available Funds**" means all funds available to the Corporation after conducting the Offering, as set forth in the "Use of Proceeds" section of the Prospectus;
  - (d) "**Closing**" means the closing of the issue and sale of the Offered Shares as herein contemplated;

- (e) "**Closing Date**" means the date on which the Closing occurs, which date shall be determined by the Agent and the Corporation, provided that the Closing Date shall fall within the Offering Period;
- (f) "**Common Shares**" means the common shares in the capital of the Corporation;
- (g) "**Corporation's Business**" means the business presently carried on or presently proposed to be carried on by the Corporation, as described in the Prospectus;
- (h) "**Designated Provinces**" means collectively, the Provinces of British Columbia and Alberta;
- (i) "**Designated Securities Laws**" means collectively, the applicable securities laws of each of the Designated Provinces which shall include, without limitation, the *Securities Act* of each such Province and the respective rules and regulations thereunder;
- (j) "**Effective Date**" means the date on which the Final Receipt is issued by the Principal Regulator;
- (k) "**Exchange**" means the Canadian Securities Exchange;
- (l) "**Executive Directors**" means collectively, the Executive Director of the British Columbia Securities Commission and the Executive Director of the Alberta Securities Commission;
- (m) "**Final Receipt**" means the receipt issued for the final Prospectus by the Principal Regulator pursuant to National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions*, representing a final receipt for the Prospectus in each of the Designated Provinces;
- (n) "**Financial Statements**" means the financial statements of the Corporation that are included with and form part of the Prospectus;
- (o) "**Offering**" means the offering to persons resident in the Designated Provinces of the Offered Shares pursuant to the Prospectus;
- (p) "**Offering Period**" means the period of 90 days from the issuance of the Final Receipt by the Principal Regulator or such later date as may be authorized by the Executive Directors and may be agreed to by the Corporation and the Agent;
- (q) "**Offering Price**" means the price at which the Offered Shares are offered for sale under the Prospectus, such price being set at \$0.20 as at the date hereof;
- (r) "**Offered Shares**" means a minimum of 7,500,000 previously unissued shares offered for sale by the Corporation at the Offering Price as contemplated by the Prospectus;
- (s) "**Preliminary Prospectus**" means the preliminary prospectus of the Corporation dated July 6, 2018, relating to the Offering that was filed with the Securities Commissions on July 9, 2018;
- (t) "**Principal Regulator**" means the British Columbia Securities Commission;

- (u) "**Prospectus**" means the Preliminary Prospectus until such time that the (final) prospectus of the Corporation relating to the Offering, as the same may be amended from time to time, is filed with the Securities Commissions in accordance with the requirements of the Designated Securities Laws, at which time the term "Prospectus" shall mean such (final) prospectus, and any amendments or supplements thereto;
- (v) "**Securities Commissions**" means collectively the British Columbia Securities Commission and the Alberta Securities Commission;
- (w) "**Time of Closing**" means 10:00 AM (Vancouver Time) on the Closing Date, or such other time as the Agent and the Corporation may agree upon;

## **2. APPOINTMENT OF AGENT AND CONDUCT OF OFFERING**

- 2.1 Subject to the conditions hereof, the Corporation hereby appoints the Agent as its exclusive agent, and the Agent accepts the appointment and agrees to act as the exclusive agent of the Corporation to offer the Offered Shares for sale to the public in the Designated Provinces at the Offering Price and on the terms set forth in the Prospectus. The Agent shall use its commercially reasonable efforts to obtain subscriptions to purchase the Offered Shares. It is understood and agreed by the Corporation and the Agent that the Agent shall act as agent only and is under no obligation to purchase any of the Offered Shares.
- 2.2 The services to be performed by the Agent in respect of the Offering shall include, without limitation (collectively, the "**Services**"):
  - (a) acting as the Corporation's agent to solicit offers to purchase the Offered Shares;
  - (b) advising the Corporation with respect to the Offering; and
  - (c) reviewing and assisting in the completion of documentation involved in the Offering.

## **3. AGENT'S COMPENSATION**

- 3.1 In consideration for the Services, the Corporation shall pay to the Agent at the Time of Closing a cash commission (the "**Agent's Commission**") equal to 9% (nine percent) of the aggregate gross proceeds of the Offering (the "**Gross Proceeds**") (being the product of the Offering Price and the aggregate number of Offered Shares sold by the Agent pursuant to the Offering). The Agent's Commission shall be paid to the Agent by the Corporation at the Time of Closing by certified cheque or in such other manner as is satisfactory to the Agent.
- 3.2 As additional consideration for the Services, the Corporation shall pay to the Agent a corporate finance fee of \$30,000 plus GST (the "**Corporate Finance Fee**"). The Agent acknowledges receipt of \$15,750 (\$15,000 plus GST) of the Corporate Finance Fee and the Corporation agrees that this amount is non-refundable. The balance of the Corporate Finance Fee in the amount of \$15,750 (\$15,000 plus GST) shall be paid to the Agent at the Time of Closing.
- 3.3 The Agent shall be entitled in connection with the sale of the Offered Shares to retain as sub-agents a selling group consisting of other registered dealers registered to sell securities in jurisdictions where the Offered Shares may be lawfully offered for sale by such registrants. If the Agent retains such sub-agents, the Agent may pay them such Agent's Options and such

commissions as the Agent in its discretion sees fit, provided that any such commission does not exceed the Agent's Commission.

- 3.4 In further consideration for the Services, the Corporation shall issue to the Agent, on the Closing Date, the Agent's Options. The Corporation and the Agent intend that the distribution of the Agent's Options be qualified under the Prospectus to the maximum extent allowed by the Principal Regulator.
- 3.5 The terms and conditions of the Agent's Options shall be governed by one or more certificates representing the Agent's Options (collectively, the "**Agent's Option Certificates**"), which shall be mutually acceptable to the Corporation and the Agent, and which shall include, among other things, anti-dilution provisions and provision for the appropriate adjustment in the class, number and price of the Agent's Options upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the share capital of the Corporation, the payment of stock dividends, or the amalgamation of the Corporation. The following principal terms attached to the Agent's Options shall be set forth in the Agent's Option Certificates:
- (a) the Agent's Options shall be non-assignable;
  - (b) the Agent's Options shall have a term of twenty-four (24) months, commencing from the Closing Date; and
  - (c) the Agent's Options may be exercised at a price of \$0.20 per Agent's Option Share.
- 3.6 The Agent acknowledges that the issue of the Agent's Options shall not restrict or prevent the Corporation from obtaining any other financing, nor from issuing additional securities or rights during the term of the Agent's Options.
- 3.7 The Agent's Options shall be issuable to the Agent only in the event that the sale of all of the Offered Shares is completed on the Closing Date.

#### **4. LISTING APPLICATION AND CONDUCT OF PUBLIC OFFERING**

- 4.1 It is understood that the Agent intends to make a public offering of the Offered Shares in all of the Designated Provinces, on the terms set out in the Prospectus, in accordance with the terms and conditions of this Agreement.
- 4.2 The Corporation covenants and agrees with the Agent to execute or procure the execution of all documents and to use its best efforts to take or cause to be taken all steps as may be necessary or desirable to fulfil to the satisfaction of Salley Bowes Harwardt Law Corp., counsel for the Agent, and Macdonald Tuskey, counsel for the Corporation, acting reasonably, all legal requirements to enable the Agent to offer the Offered Shares for sale to the public in all of the Designated Provinces through qualified registrants in accordance with the Designated Securities Laws.
- 4.3 Prior to the Effective Date, the Corporation will apply to the Exchange for a conditional listing of the Common Shares.
- 4.4 The Corporation shall take all necessary action to complete its application for listing of the Common Shares on the Exchange with all reasonable diligence after the Closing, but in any event, the Corporation shall submit all required documents for listing on the Exchange within 30 days of the Closing Date.

## **5. PREPARATION OF FINAL FORM OF PROSPECTUS**

- 5.1 The Corporation shall cause the (final) Prospectus to be filed with the Securities Commissions forthwith upon execution of this Agreement and will use its best efforts to have the Prospectus accepted by the Securities Commissions in the Designated Provinces as soon as practicable thereafter and prepare the final form of the Prospectus for delivery to prospective investors, in accordance with the provisions of the Designated Securities Laws.
- 5.2 The Corporation shall use its best efforts to ensure that the form and substance of the Preliminary Prospectus and the Prospectus shall be satisfactory to the Agent and its solicitors, acting reasonably.
- 5.3 The Corporation shall permit the Agent and its solicitors to participate in the preparation and finalization of the Preliminary Prospectus and the Prospectus and to undertake such reasonable due diligence as the Agent and its solicitors, acting reasonably, deem necessary.

## **6. DELIVERY OF PROSPECTUS AND OTHER MATERIALS**

- 6.1 The Corporation shall deliver to the Agent as many copies of the Preliminary Prospectus and the Prospectus as the Agent may reasonably request, without charge to the Agent, and such delivery shall constitute:
- (a) the consent of the Corporation for the Agent to use the Preliminary Prospectus and the Prospectus in connection with the Offering in compliance with the Designated Securities Laws and the provisions of this Agreement; and
  - (b) a representation and warranty from the Corporation to the Agent that, at the time of delivery, the information and statements contained in the Preliminary Prospectus and the Prospectus except for information or statements supplied by and relating solely to the Agent, constitute full, true and plain disclosure of all material facts relating to the Corporation and the Offered Shares.

## **7. REPRESENTATIONS AND WARRANTIES**

- 7.1 The Corporation represents and warrants to the Agent, and acknowledges that the Agent is relying on such representations and warranties in entering this Agreement, that:
- (a) the Corporation has been duly incorporated and is validly existing and in good standing under the laws of the Province of British Columbia and is duly qualified to carry on its business and is in good standing in each jurisdiction in which it conducts its business or in which the ownership, leasing or operation of its property and assets requires such qualification and has all requisite corporate power and authority to carry on the Corporation's Business and to own, lease and operate its properties and assets and to carry out the provisions hereof;
  - (b) the Corporation does not own or have an interest in any assets material to the Corporation other than as disclosed in the Prospectus;
  - (c) the Corporation has no subsidiaries other than as disclosed in the Prospectus;

- (d) the authorized and issued capital of the Corporation is as disclosed in the Prospectus and the issued Common Shares of the Corporation are all duly authorized, issued and outstanding as fully paid and non-assessable;
- (e) this Agreement has been duly authorized by all necessary corporate action on the part of the Corporation and the Corporation has full corporate power and authority to undertake the Offering, prepare and execute the Prospectus, issue the Offered Shares and the Agent's Options and pay the Agent's Commission and the Corporate Finance Fee;
- (f) the Corporation is the beneficial owner of or has the right to acquire the interests in the properties, business and assets disclosed in the Prospectus in the manner referred to in the Prospectus and any and all material contracts pursuant to which the Corporation holds or will hold any such interest in property, business or assets are in good standing in all material respects according to their terms, and the properties are in good standing in all material respects under the applicable statutes and regulations of the jurisdictions in which they are situated and each of the material contracts has been duly authorized, executed and delivered by the parties thereto and is a legal, valid and binding obligation of the parties thereto enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law, and the Corporation is not in default thereunder;
- (g) the Corporation has conducted and is conducting the Corporation's Business in compliance with all applicable laws, rules and regulations of each jurisdiction in which its operations are carried on and, where required, is duly licensed, registered or qualified as an extra-provincial or foreign company in all jurisdictions in which it owns, leases or operates its properties and assets or carries on the Corporation's Business and holds all other requisite licenses, permits and consents in order to enable the Corporation's Business to be carried on and its property and assets to be owned, leased and operated and all such licenses, registrations, qualifications, permits and consents are valid and subsisting and in good standing and none of the same contains any burdensome term, provision, condition or limitation which has a material adverse effect on the operation of the Corporation's Business, and the Corporation has not received notice of proceedings relating to the revocation or modification of any such license, registration, qualification, permit or consent which, if the subject of an unfavourable decision, ruling or finding, would materially adversely affect the conduct of the business, operations, condition (financial or otherwise) or income of the Corporation;
- (h) since incorporation, the Corporation has not entered into a transaction of a nature material to the Corporation, other than as disclosed in the Prospectus;
- (i) the Financial Statements are complete and correct in all material respects and have been prepared in accordance with generally accepted accounting principles in consistently applied throughout the periods covered thereby unless otherwise disclosed in the Financial Statements;
- (j) the Financial Statements accurately and fairly present the financial position and condition of the Corporation as at the respective dates thereof and reflect all liabilities (absolute, accrued, contingent or otherwise) of the Corporation as at the respective dates thereof

and, except for changes which have occurred as a result of the Corporation carrying on its business in the ordinary course and which have been fully disclosed to the Agent, there has not been any material adverse change in such position or condition since the most recent of the Financial Statements;

- (k) except as referred to in and contemplated by the Prospectus, subsequent to the respective dates as of which information is given in the Prospectus:
  - (i) there has not been any material change in the assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Corporation;
  - (ii) there has not been any material change in long-term debt of the Corporation; and
  - (iii) there has not been any material change in the Corporation's Business, operations, condition (financial or otherwise) or results of the operations of the Corporation, which would have any material effect upon the ability of the Corporation to conduct the Corporation's Business or perform its obligations hereunder;
- (l) to the knowledge of the Corporation, all statements, facts, data, information and material made, furnished or provided from time to time by the Corporation in writing to the Agent or its counsel relating to the Corporation are true and correct and all material facts relating to the Corporation have been fully disclosed to the Agent and its counsel and such statements, facts, data, information and material, to the knowledge of the Corporation, did not and do not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make any statement or fact contained therein not misleading in light of the circumstances in which it was made;
- (m) the minute books of the Corporation are true, complete and correct and contain the minutes of all meeting and all resolutions of the directors and shareholders thereof;
- (n) there is no action, suit, proceeding or investigation (whether or not purportedly on behalf of the Corporation), pending or, to the knowledge of the Corporation or any of its directors and officers, contemplated or threatened against or affecting the Corporation, any of the directors or senior officers, at law or in equity, or before or by any federal, provincial, municipal or other governmental department, commission, board or agency, domestic or foreign, which in any way materially adversely affects the Corporation or which questions the validity of any action taken or to be taken by the Corporation pursuant to or contemplated by this Agreement or the Prospectus;
- (o) the Corporation is not in default under or in breach of, and the execution and delivery of this Agreement, and the performance by the Corporation of its obligations under this Agreement 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 constitute a default under, any term or provision of the constating documents or resolutions of the Corporation, or any mortgage, note, indenture, contract, joint venture or partnership arrangement or agreement, instrument, lease or other document or agreement to which the Corporation is a party, or by which it is bound, or any judgment, decree, order, statute, rule or regulation applicable to the Corporation which in any way materially adversely affects the Corporation or the condition (financial or otherwise) of the Corporation or which would have any material effect upon the ability of the Corporation to perform its obligations arising under this Agreement;

- (p) except as provided herein, there is no person, firm or corporation acting or purporting to act for the Corporation entitled to any brokerage or finder's fee in connection with this Agreement or any of the transactions contemplated hereunder, and in the event that any person, firm or corporation acting or purporting to act for the Corporation establishes a claim for any fee from the Agent, other than the Agent's appointment of sub-agents or a selling group, the Corporation covenants to indemnify and hold harmless the Agent with respect thereto and with respect to all costs reasonably incurred in the defence thereof;
- (q) to the knowledge of the Corporation, after due enquiry, none of the directors, officers or shareholders of the Corporation or any associate or affiliate of any of the foregoing persons or companies (as such terms are defined in the *Securities Act* (British Columbia)) and none of the advisors of the Corporation (as disclosed in the Prospectus) has had any material interest, direct or indirect, in any continuing or existing material transaction or has any material interest, direct or indirect, in any proposed material transaction which, as the case may be, materially affected, is material to or will materially affect the Corporation except as referred to in the Prospectus;
- (r) this Agreement and all agreements to which the Corporation is party that are disclosed in the Prospectus have been duly authorized, executed and delivered by and on behalf of the Corporation and are valid and legally binding obligations of the Corporation and enforceable in accordance with their respective terms, except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by applicable law;
- (s) the Corporation has complied with and will comply fully with the requirements of all applicable corporate and securities laws, including without limitation, the Designated Securities Laws, in relation to the issue and trading of its securities and all matters relating to the Offering;
- (t) no Securities Commission has issued any order preventing or suspending the use of the Preliminary Prospectus or the Prospectus, and the Preliminary Prospectus and the Prospectus (excluding information and statements supplied and relating solely to the Agent, upon which the Corporation hereby makes no representation in respect of), as of their respective dates, do not contain any misrepresentation (as such term is defined in the *Securities Act* (British Columbia)), do not contain any untrue, false or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not false or misleading, and the Preliminary Prospectus and the Prospectus provide full, true and plain disclosure of all material facts relating to the Corporation and the Offered Shares in accordance with the Designated Securities Laws and do not contain any misrepresentation or untrue, false or misleading statement or omission, as aforesaid;
- (u) the Corporation has filed all federal, provincial, local and foreign tax returns which are required to be filed, or has requested extensions thereof, and has paid all taxes required to be paid by it and any other assessment, fine or penalty levied against it, to the extent that any of the foregoing is due and payable, except for such assessments, fines and penalties which are currently being contested in good faith;



- (v) the Corporation has established on its books and records reserves which are adequate for the payment of all taxes not yet due and payable and there are no liens for taxes on the assets of the Corporation except for taxes not yet due, and there are no audits of any of the tax returns of the Corporation which are known by the Corporation's management to be pending, and there are no claims which have been or may be asserted relating to any such tax returns which, if determined adversely, would result in the assertion by any governmental agency of any deficiency which would have a material adverse effect on the properties, business or assets of the Corporation;
- (w) at the Time of Closing, the Offered Shares and the Agent's Options will be duly and validly created, authorized and issued and the Agent's Option Shares will be duly and validly authorized, allotted and reserved for issuance, and the Agent's Option Shares, will upon exercise in accordance with the certificates representing the Agent's Options, be issued as fully paid and non-assessable securities;
- (x) the Corporation has not granted any agreement, warrant, option or right, or any privilege capable of becoming an agreement, warrant, option or right for the purchase, subscription or issuance of any of the Common Shares or securities convertible into or exchangeable for Common Shares except as disclosed in the Prospectus;
- (y) no order ceasing or suspending trading in securities of the Corporation or prohibiting the sale of securities by the Corporation has been issued and is continuing in effect and no proceedings for this purpose have been instituted or threatened or to the best of the knowledge of the Corporation are pending or contemplated;
- (z) except as is disclosed in the Financial Statements, the Corporation has not, directly or indirectly, declared or paid any dividend or declared or made any other distribution on any of the Common Shares or its securities of any class, or, directly or indirectly, redeemed, purchased or otherwise acquired any of the Common Shares or its securities or agreed to do any of the foregoing;
- (aa) there is not, in the constating documents or articles of the Corporation or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which the Corporation is a party, any restriction upon or impediment to the declaration or payment of dividends by the directors of the Corporation or the payment of dividends by the Corporation to the holders of the Common Shares;
- (bb) the Corporation has taken or will take all steps as may be necessary to comply with the requirements of the Securities Commissions and such other jurisdictions in which the Offered Shares are sold;
- (cc) the auditors of the Corporation who audited the Financial Statements are members in good standing of the Public Company Accounting Oversight Board;
- (dd) neither the Canada Revenue Agency, the Internal Revenue Service of the United States or any other taxation authority has asserted or, to the best of the Corporation's knowledge, threatened to assert any assessment, claim or liability for taxes due or to become due in connection with any review or examination of the tax returns of the Corporation filed for any year which would have a material adverse effect on the assets, properties, business, results of operations, prospects or condition (financial or otherwise) of the Corporation;

- (ee) except for contracts entered into in the ordinary course of business, all of the material contracts that the Corporation has entered into in the two years immediately preceding the date of the Prospectus are disclosed in the Prospectus;
- (ff) the Corporation owns all right, title and benefit to all licences, leases, and interests in the properties of the Corporation as set out in the Prospectus;
- (gg) the directors and senior officers of the Corporation will have reviewed the Preliminary Prospectus and the Prospectus and the directors will have duly approved the Preliminary Prospectus and the Prospectus at the respective times they are filed with the Securities Commissions and the Exchange and will have authorized its distribution by the Agent in connection with the Offering; and
- (hh) the proceeds received by the Corporation from the sale of the Offered Shares will be materially used by the Corporation as described in the Prospectus under the heading "Use of Proceeds".

7.2 The Agent represents and warrants to the Corporation and acknowledges that the Corporation will be relying upon such representations and warranties in entering into this Agreement, that:

- (a) it holds all licenses and permits that are required for carrying on its business in the manner in which such business is being carried on and as contemplated hereby;
- (b) it has good and sufficient right and authority to enter into this Agreement and complete its transactions contemplated under this Agreement on the terms and conditions set forth herein; and
- (c) it is appropriately registered under the Designated Securities Laws of the jurisdictions where it will offer and sell the Offered Shares so as to permit it to lawfully fulfill its obligations hereunder.

## **8. COVENANTS**

8.1 The Corporation covenants and agrees with the Agent that it shall:

- (a) allow the Agent and its counsel to conduct all due diligence in connection with the Prospectus, the Offering and the Corporation's Business which the Agent may reasonably require;
- (b) use its best efforts to obtain any necessary regulatory consents to the Offering on such terms as are mutually acceptable to the Agent and the Corporation, acting reasonably;
- (c) ensure that the offer, sale and distribution of the Offered Shares and the distribution of the Agent's Options will fully comply with the requirements of the Designated Securities Laws;
- (d) duly and punctually perform all the obligations to be performed by it under this Agreement and the Prospectus;
- (e) with the exception of matters of fact relating solely to the Agent, ensure that, now and at all times subsequent hereto during the distribution of the Offered Shares to the public, the

Prospectus does and will fully comply with the requirements of the Designated Securities Laws and the respective regulations thereunder, and the Prospectus does not and will not during such period contain any misrepresentation (as such term is defined in the *Securities Act* (British Columbia)) or any untrue, false or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not false or misleading, and does and will during such period provide full, true and plain disclosure of all material facts relating to the Corporation and the Offering;

- (f) during the period commencing on the date hereof and ending on the Closing Date, promptly inform the Agent in writing, of the full particulars of any material change (actual, anticipated or threatened) in any material fact contained or referred to in the Prospectus or any amendment thereto which is, or may be, of such a nature as to make any statements of such fact untrue, false or misleading or a misrepresentation (defined as aforesaid) at the time and in the light of the circumstances under which it was made;
- (g) ensure that at the Closing Date, the Offered Shares and the Agent's Options are duly and validly created, authorized and issued, and the Agent's Option Shares shall be duly and validly authorized, allotted and reserved for issuance, and the Agent's Option Shares when issued, shall be issued as fully paid and non-assessable securities and will be issued free and clear of all liens, charges and encumbrances of any kind whatsoever;
- (h) ensure that the proceeds to the Corporation from the issuance and sale of the Offered Shares will be applied to pay the Agent's Commission, the Corporate Finance Fee and as indicated under the heading "Use of Proceeds" in the Prospectus;
- (i) duly, punctually and faithfully fulfil all legal requirements to permit the creation, issuance, offering and sale of the Offered Shares and the creation, issuance and distribution of the Agent's Options including, without limitation, compliance with the Designated Securities Laws, to enable the Offered Shares to be offered for sale and sold and the Agent's Options to be distributed in accordance with this Agreement;
- (j) maintain the listing of the Common Shares on the Exchange (or such other stock exchange acceptable to the Agent) for a period of twenty-four (24) months after the Closing Date;
- (k) maintain its status as a reporting issuer and under the securities legislation in the Provinces of British Columbia and Alberta from the date hereof for a period of twenty-four (24) months after the Closing Date;
- (l) during the period commencing on the date hereof and ending on the conclusion of the distribution of the Offered Shares, give the Agent prompt written notice of:
  - (i) any material change (actual, proposed, anticipated, or threatened) in or affecting the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or control of the Corporation;
  - (ii) any material change in or misrepresentation of a material fact contained or referred to in the Prospectus or in any material supplemental thereto supplied by the Corporation, which is of such a nature as to render the Preliminary Prospectus or the Prospectus or material supplemental thereto, misleading or untrue;

- (iii) the occurrence of a material fact, which, in any such case, is, or may be, of such nature as to result in a misrepresentation in the Prospectus or result in the Prospectus not complying with applicable securities laws; and
- (iv) a material change actual, proposed, anticipated or threatened in any of the representations and warranties contained in Section 7.1;

provided that if the Corporation is uncertain as to whether a material change, change, occurrence or event of the nature referred to in this subparagraph 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. The Corporation shall file under applicable securities laws with all possible dispatch, and in any event within the statutory limitation therefor, such new or correcting information or amendments and other documents as the circumstances may require. The Corporation shall further provide the Agent with copies of such information, amendments or other documents as the Agent may reasonably require.

In this Agreement, the terms "material change", "material fact", "misrepresentation" and "distribution" have the meanings ascribed thereto in the Designated Securities Laws;

- (m) during the period commencing on the date hereof and ending on the conclusion of the distribution of all Offered Shares, promptly inform the Agent of:
  - (i) any request of any securities commission, stock exchange, or similar regulatory authority for any amendment to the Prospectus, or any part of the public record or for any additional information;
  - (ii) the issuance by a securities commission, stock exchange or similar regulatory authority or by any other competent 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, stock exchange, or similar regulatory authority relating to the Prospectus, any part of the public record or the distribution of the Offered Shares; and
- (n) prepare and file promptly at the Agent's request any amendment to the Prospectus which in the reasonable opinion of the Agent and the Corporation may be necessary or advisable.

8.2 The Agent covenants to and with the Corporation that it shall:

- (a) comply with the Designated Securities Laws in connection with the Offering and require the selling group to agree to so comply;
- (b) not solicit offers to purchase or sell the Offered Shares under the laws of any jurisdiction other than the Designated Provinces, and will require the selling group to agree with the Agent not to so solicit or sell;

- (c) use all reasonable efforts to complete and to cause the selling group to complete the distribution of the Offered Shares as soon as practicable;
- (d) notify the Corporation in writing as soon as possible after the Time of Closing when, in its opinion, the Agent and the other selling group have ceased distribution of the Offered Shares;
- (e) not make any representations or warranties with respect to the Corporation or the Offered Shares other than as set forth in the Prospectus; and
- (f) upon the Corporation obtaining the Final Receipt, deliver one copy of the (final) Prospectus (together with any amendments thereto) to persons resident in the Designated Provinces who received a copy of the (preliminary) Prospectus or who are to acquire the Offered Shares (as defined in the Prospectus), as the case may be.

## **9. EXPENSES**

- 9.1 All costs and expenses of or incidental to the transactions herein contemplated and the offering, issuance or sale of the Offered Shares hereunder are to be assumed and paid by the Corporation.
- 9.2 The Corporation will pay all of the reasonable costs and expenses of or incidental to the performance of the obligations under this Agreement incurred by the Agent including, without limitation, the fees and expenses of the solicitors for the Agent. The Agent acknowledges receipt from the Corporation of a \$25,000 retainer to be applied against such anticipated costs and expenses.
- 9.3 The Corporation will pay the expenses referred to in Section 9.2 even if the transactions contemplated by this Agreement are not completed, or this Agreement is terminated, unless the failure of acceptance or completion, or the termination, is the result of a breach of this Agreement by the Agent.
- 9.4 The Agent may, from time to time, render accounts to the Corporation for its expenses for payment on or before the dates set out in the accounts.
- 9.5 The Corporation authorizes the Agent to deduct its expenses incurred in connection with this Agreement from the proceeds of the Offering (to the extent they exceed the retainer described in Section 9.2), including expenses for which an account has not yet been rendered to the Corporation.

## **10. OPINIONS AND CERTIFICATES**

- 10.1 Prior to the Effective Date, the Corporation will deliver the following documents to the Agent and its counsel in a form acceptable to them:
  - (a) a long form comfort letter of the auditor of the Corporation, dated as of the date of the Prospectus (final) and addressed to the Agent and its counsel, relating to the accuracy of the Financial Statements and the accuracy of the financial, numerical and certain other information disclosed in the Prospectus (the "**Auditors' Comfort Letter**").
- 10.2 On the Closing Date, the Corporation will deliver the following documents to the Agent and its counsel in a form acceptable to them:

- (a) an opinion of counsel for the Corporation, dated as of the Closing Date and addressed to the Agent and its counsel, relating to any legal matter in connection with the creation, issuance and sale of the Offered Shares and the distribution of the Agent's Options and other matters contemplated by the Offering and the Prospectus for which the Agent may reasonably request an opinion (the "**Legal Opinion**");
  - (b) a certificate of the Corporation, dated as of the Closing Date, addressed to the Agent and its counsel and signed by the chief executive officer and the chief financial officer of the Corporation or by such other officers approved by the Agent, certifying certain facts relating to the Corporation and its affairs (the "**Officers' Certificate**");
  - (c) a bring-down comfort letter of the auditor of the Corporation, dated as of the Closing Date, addressed to the Agent and its counsel, updating the information contained in the Auditor's Comfort Letter (the "**Auditor's Bring-Down Comfort Letter**"); and
  - (d) any other certificates, comfort letters or opinions in connection with any matter related to the Prospectus which are reasonably requested by the Agent or its counsel.
- 10.3 No later than the day prior to the Closing Date the Corporation will provide the Agent and its counsel with evidence of the necessary approval of the Securities Commissions for the Offering.

## 11. CLOSING AND CONDITIONS OF CLOSING

11.1 Subject to the terms and conditions hereof, the Closing shall take place at the Time of Closing at the offices of the solicitors to the Corporation, or such other location as the parties may agree.

11.2 In this Section 11:

- (a) "**Certificates**" means the certificates or direct registration statements representing the Offered Shares being sold pursuant to the Offering and qualified by the Prospectus in the names and denominations reasonably requested by the Agent and the Agent's Option Certificates in the name of the Agent or in the names of the members of its selling group as directed by the Agent; and
- (b) "**Proceeds**" means the Gross Proceeds less:
  - (i) the Agent's Commission;
  - (ii) the expenses of the Agent in connection with the Offering which have not been paid by the Corporation, and any other amounts owing to the Agent under this Agreement; and
  - (iii) any amount which has been attached by garnishing order or other form of attachment.

11.3 At the Closing:

- (a) the Agent shall deliver to the Corporation one or more certified cheques which in the aggregate represent the Proceeds; and
- (b) the Corporation shall deliver to the Agent:

- (i) the Certificates;
- (ii) the requisite Officers' Certificate, Legal Opinion, and Auditors' Bring-Down Comfort Letter and other applicable documents as contemplated in Section 10;
- (iii) copies of approvals and other documents as may have been reasonably requested by the Agent in connection with the Offering; and
- (iv) such further documentation as may be contemplated herein or as counsel to the Agent or the Securities Commissions may reasonably require.

11.4 It is a condition precedent to the Agent's obligations to be performed on the Closing Date, as set forth in Section 11.3, that the following conditions be satisfied at or prior to the Time of Closing, as the case may be:

- (a) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Corporation at or before the Time of Closing shall have been complied with or performed in all material respects;
- (b) the Agent having received orders for all of the Offered Shares;
- (c) all of the representations and warranties of the Corporation contained in this Agreement shall be true and correct in all material respects as of the Closing Date, except as may be qualified in the Prospectus;
- (d) the Corporation having complied fully with all relevant statutory and regulatory requirements required to be complied with in connection with the Offering;
- (e) the Corporation having taken all necessary corporate action to authorize and approve:
  - (i) this Agreement;
  - (ii) the issuance of the Offered Shares and the Agent's Options, and all other matters relating thereto; and
  - (iii) the allotment and reservation for issuance of the Agent's Option Shares, and all other matters relating thereto.

11.5 It is a condition precedent to the Corporation's obligations to be performed on the Closing Date, as set forth in Section 11.3, that the following conditions be satisfied at or prior to the Closing Date, as the case may be:

- (a) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Agent at or before the Closing Date shall have been complied with or performed in all material respects; and
- (b) all of the representations and warranties of the Agent contained in this Agreement shall be true and correct in all material respects as of the Closing Date.

## 12. TERMINATION OF THE AGREEMENT

12.1 The obligations of the Agent contained in this Agreement may be terminated by the Agent in the event that at or prior to the Time of Closing:

- (a) there should develop, occur or come into effect any catastrophe of national or international consequence or any state of facts, event, development, accident, governmental law or regulation or other occurrence of any nature whatsoever which, in the sole opinion of the Agent, makes it inexpedient or inadvisable to offer or to continue to offer the Offered Shares to the public, or seriously affects or will seriously affect the financial markets generally or the business, operations, affairs or financial condition of the Corporation or the marketability of the Common Shares;
- (b) the state of the financial markets becomes such that in the reasonable opinion of the Agent:
  - (i) the Offered Shares cannot be profitably marketed; or
  - (ii) the advantages or risks of investing in the Offered Shares have been materially adversely altered;
- (c) there shall occur any changes (actual, anticipated, contemplated or threatened) in the assets, liabilities, business or operations of the Corporation which, in the sole opinion of the Agent, could reasonably be expected to have a material adverse effect on the value of the Offered Shares or materially adversely affects or may materially adversely affect the marketability of the Offered Shares;
- (d) any new or amended Prospectus discloses information which, in the sole opinion of the Agent, acting reasonably, may result in the subscribers of a material number of the Offered Shares exercising their rights under applicable legislation to withdraw from or rescind their purchase thereof at any time prior to the Time of Closing;
- (e) the Agent, in its sole discretion, is not satisfied with the results of its due diligence investigations in respect of the Corporation;
- (f) the Agent is of the sole opinion that the Offered Shares cannot be profitably marketed;
- (g) any order operating to restrict, prevent or cease trading in securities of the Corporation is made pursuant to any of the Designated Securities Laws or any other legislation and is not rescinded within three days of the making of such order;
- (h) the Corporation is in breach of any term of this Agreement or the Agent determines that any of the representations or warranties made by the Corporation in this Agreement is false or has become false in any material respect which will or may materially adversely affect the marketability of the Offered Shares;
- (i) any inquiry or investigation (whether formal or informal) in relation to the Corporation or any of the Corporation's directors or officers is commenced or threatened by any officer or official of any of the Securities Commissions under the provisions of any of the Designated Securities Laws or by any other officer or official under any other legislation



or pursuant to any regulatory authority, which, in the reasonable opinion of the Agent, operates to prevent or restrict the distribution of the Offered Shares; or

- (j) there is any amendment to the Designated Securities Laws which, in the sole opinion of the Agent, will impose any limitation or restriction on the exercise of the Agent's Options or on the subsequent trading of the Agent's Option Shares which are acquired, or which may be acquired, by the Agent under the Agent's Options.

12.2 Any termination by the Agent pursuant to the provisions hereof shall be effected by notice in writing delivered to the Corporation at its address as herein set out. Notwithstanding the giving of any notice of termination hereunder, the provisions of Section 14 and all rights of action in connection therewith shall survive for a period of two (2) years following such termination and the expenses agreed to be paid by the Corporation, referred to in Section 9, incurred up to the time of the giving of such notice shall be paid by the Corporation. The rights of the Agent to terminate this Agreement are in addition to such other remedies as it may have in respect of any default, misrepresentation, act or failure to act of the Corporation in respect of any of the transactions contemplated by this Agreement.

### **13. GARNISHING ORDERS**

13.1 If at any time, up to and including the Closing Date, the Agent receives a garnishing order or other form of attachment purporting to attach or garnish a part or all of the sale price or of any of the Offered Shares, the Agent will be free to pay the amount purportedly attached or garnished into court.

13.2 Any payment by the Agent into court contemplated in this Agreement will be deemed to have been received by the Corporation as payment by the Agent against the sale price of the Offered Shares to the extent of the amount paid, and the Corporation will be bound to issue and deliver the applicable Offered Shares sold under the Offering to the Agent.

13.3 The Agent will not be bound to ascertain the validity of any garnishing order or attachment, or whether in fact it attaches to any monies held by the Agent, and the Agent will be free to act with impunity in replying to any garnishing order or attachment.

13.4 The Corporation will release, indemnify and save harmless the Agent in respect of all damages, costs, expenses or liability arising from any acts of the Agent under this Section 13.

### **14. INDEMNIFICATION**

14.1 The Corporation covenants and agrees to protect, indemnify and hold harmless the Agent and each director, officer and employee of the Agent (collectively the "**Indemnified Parties**") from and against any and all losses, claims, damages, liabilities, costs or expenses, including any legal or other expenses incurred in connection with and any amount paid in settlement of any action, suit or proceeding or claim asserted, caused, sustained or incurred by reason of or arising out of:

- (a) any statement contained in the Preliminary Prospectus, in the Prospectus, or in any amended Preliminary Prospectus or Prospectus, or in any supplemental, additional or ancillary material, information, evidence, return, report, application, statement, table or document that may be filed by or on behalf of the Corporation under the Designated Securities Laws prior to the completion of the Offering which at the time and in the light of the circumstances under which it was made is or is alleged to be untrue, false or

misleading with respect to any material fact or which omits, or which is alleged to omit, to state any material fact the omission of which makes or is alleged to make the statement untrue, false or misleading;

- (b) the omission or alleged omission to state in the Preliminary Prospectus, or in the Prospectus, or in any amended Preliminary Prospectus or Prospectus or in any supplemental, additional or ancillary material or other document referred to above, any material fact or material information, except for information or statements supplied by and relating solely to the Agent, required to be stated under the Designated Securities Laws prior to the completion of the Offering or necessary to make any statement therein complete, informative and not misleading in the light of the circumstances in which it was made;
- (c) any formal order, inquiry or investigation, whether prior to or subsequent to the Time of Closing, into the affairs, records or accounts of the Corporation, which is commenced by any regulatory authority;
- (d) any prohibition affecting the distribution of the Offered Shares which may be ordered by any one or more competent authorities if such prohibition is based on any statement or omission made by the Corporation in the Prospectus; or
- (e) any breach by the Corporation of any of its representations, warranties or agreements contained in this Agreement or in any certificate given pursuant hereto.

14.2 If any matter or thing contemplated by Section 14.1 shall be asserted against an Indemnified Party, the Indemnified Party shall notify the Corporation as soon as possible of the nature of such claim and the Corporation shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim; provided however, that the defence shall be through legal counsel acceptable to the Indemnified Party, acting reasonably, and that no settlement may be made by the Corporation or the Indemnified Party without the prior written consent of the other. If the Corporation assumes the defence of any such suit, the Indemnified Party shall continue to have the right to employ its own counsel, which shall be acceptable to the Corporation in any proceeding relating to the claim contemplated by Section 14.1 and the reasonable fees and expenses of such counsel shall be recoverable by the Indemnified Party from the Corporation to the extent that the same shall be covered by the indemnity in Section 14.1 if:

- (a) the Indemnified Party has been advised by such counsel that there may be legal defences available to it which are different from or additional to defences available to the Corporation (in which case the Corporation shall not have the right to assume the defence of such proceedings on the Indemnified Party's behalf);
- (b) the Corporation shall not have undertaken the defence of such proceedings and employed counsel within fifteen (15) days after notice of commencement of such proceedings; or
- (c) the employment of such counsel has been authorized by the Corporation in connection with the defence of such proceedings.

14.3 To the extent that any Indemnified Party is not a party to this Agreement the Agent shall obtain and hold the right and benefit of this Section 14 in trust for and on behalf of such Indemnified Party.

- 14.4 In the event that, for any reason, the indemnity provided for in this Section 14 is illegal or unenforceable, the Agent and the Corporation shall contribute to the aggregate of all losses, claims, costs, damages, expenses or liabilities of the nature provided in this Section 14 such that the Agent shall be responsible for that portion represented by the percentage that the Agent's Commission herein bears to the Gross Proceeds and the Corporation shall be responsible for the balance. Notwithstanding the foregoing, a person guilty of fraudulent misrepresentation shall not be entitled to contribution from any other party. Any party entitled to contribution will, promptly after receiving notice of commencement of any claim, action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this subsection, notify such party or parties from whom contribution may be sought. In no case shall such party from whom contribution may be sought be liable under this subsection unless such notice shall have been provided, but the omission to so notify such party shall not relieve the party from whom contribution may be sought from any other obligation it may have otherwise than under this subsection. The right to contribution provided in this subsection shall be in addition to and not in derogation of any other right to contribution which the Agent may have by statute or otherwise by law.
- 14.5 The Corporation hereby consents to personal service, jurisdiction and venue in any court in which any claim which is subject to indemnification hereunder is brought against any Indemnified Party and to the assignment of the benefit of this Section 14 to any Indemnified Party for the purpose of enforcement provided that nothing herein shall limit the Corporation's rights or ability to contest the appropriate jurisdiction or forum for the determination of any such claim.
- 14.6 The rights of indemnity contained in this Section 14 in respect of a claim based on a misrepresentation or an alleged misrepresentation or omission in the Prospectus or any supplementary material shall not apply if the Corporation has complied with the delivery obligations set forth in Section 6 and the person asserting such claim was not provided with a copy of the Prospectus or any supplementary material (which is required under securities laws of any Designated Province to be delivered to such person by the Agent) which corrects the misrepresentation or alleged misrepresentation or omission.

## 15. NOTICE

- 15.1 Any notice under this Agreement shall be given in writing and whether delivered or telecopied to the party receiving such notice at the address or telecopy numbers indicated below:

- (a) to the Corporation:

Delrey Metals Corp.  
Suite 4302 – 1151 West Georgia Street  
Vancouver, BC V6E 0B3  
Attention: Morgan Good

with a copy to the Corporation's counsel:

Clark Wilson LLP  
900-885 West Georgia Street  
Vancouver, B.C. V6C 3H1

Attention: Cam McTavish  
Fax: 604-687-6314

(b) to the Agent:

Leede Jones Gable Inc.  
Suite 1800 – 1140 West Pender Street  
Vancouver, BC V6E 4G1

Attention: Richard H. Carter  
Fax: 604-658-3099

with a copy to the Agent's counsel:

Salley Bowes Harwardt Law Corp.  
Suite 1750 – 1185 West Georgia Street  
Vancouver, BC V6E 4E6

Attention: Victor P. Harwardt  
Fax: 604-688-0778

or such other address or telecopy number as such party may hereafter designate by notice in writing to the other party. If a notice is delivered, it shall be effective from the date of delivery; if such notice is telecopied (with receipt confirmed), it shall be effective on the date such notice is telecopied.

**16. TIME**

16.1 Time is of the essence of this Agreement and will be calculated in accordance with the provisions of the *Interpretation Act* (British Columbia).

**17. SURVIVAL OF REPRESENTATIONS AND WARRANTIES**

17.1 The representations, warranties and covenants of the parties contained in this Agreement will survive for a period of two (2) years after the Closing Date.

**18. HEADINGS**

18.1 The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

**19. SINGULAR AND PLURAL, ETC.**

19.1 Where the context so requires, words importing the singular number include plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

**20. SEVERABILITY**

20.1 The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

**21. SUCCESSORS AND ASSIGNS**

21.1 The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation, the Agent and their respective successors and permitted assigns, provided that, except as herein provided, this Agreement shall not be assignable by any party without the written consent of the others.

**22. FURTHER ASSURANCES**

22.1 Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

**23. ENTIRE AGREEMENT**

23.1 The provisions herein contained constitute the entire agreement between the parties hereto and supersede all previous communications, representations, understandings and agreements between the parties with respect to the subject matter hereof, whether verbal or written.

**24. GOVERNING LAW**

24.1 This Agreement and the rights and obligations of the parties hereunder shall be governed by and interpreted exclusively in accordance with the laws of the Province of British Columbia, without regard to principles of conflicts of law, and the parties hereunder shall, subject to anything to the contrary in the Indemnification provisions herein (Section 14), attorn to the exclusive jurisdiction of the courts of the Province of British Columbia.

**25. COUNTERPARTS**

25.1 This Agreement may be executed in two or more counterparts and by facsimile, each of which will be deemed to be an original and all of which will constitute one agreement, effective as of the reference date given above.

[THE REST OF THIS PAGE INTENTIONALLY LEFT BLANK]

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

**DELREY METALS CORP.**

**LEEDE JONES GABLE INC.**

Per: "Morgan Good"

Morgan Good  
Chief Executive Officer

Per: "Richard H. Carter"

Richard H. Carter,  
Sr. Vice President, General Counsel & Secretary