

AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT made as of the 4th day of March, 2020,

AMONG:

AMERICAN BATTERY METALS CORP.

("American Battery")

AND:

FENIX GOLD INC.

("Fenix")

AND:

2745551 ONTARIO INC.

("Subco")

WHEREAS Fenix and Subco wish to amalgamate pursuant to Section 174 of the OBCA upon the terms and conditions hereinafter described and for such purpose American Battery has agreed to issue American Battery Common Shares as hereinafter provided.

AND WHEREAS as of the date hereof, there are 31,013,371 American Battery Common Shares issued and outstanding;

AND WHEREAS as of the date hereof, there are 27,846,785 Fenix Common Shares issued outstanding;

AND WHEREAS, as of the date hereof, there are 100 Subco Common Shares issued and outstanding;

NOW THEREFORE for good and valuable consideration the parties agree as follows:

Section 1.1. In this Agreement:

- (a) "Agreement" means this Amalgamation Agreement;
- (b) "Amalco" means the continuing corporation constituted upon the Amalgamation becoming effective;
- (c) "Amalco Common Shares" has the meaning set forth in Section 1.5(d);

- (d) “**Amalgamating Corporations**” means Fenix and Subco;
- (e) “**Amalgamation**” means the amalgamation of the Amalgamating Corporations as contemplated in this Agreement;
- (f) “**American Battery Common Shares**” means the common shares in the capital of American Battery;
- (g) “**Articles of Amalgamation**” means the articles of amalgamation entered into as a result of this Agreement;
- (h) “**Certificate of Amalgamation**” means the certificate of amalgamation to be issued pursuant to the OBCA giving effect to the Articles of Amalgamation;
- (i) “**Definitive Agreement**” means the agreement entered into between Fenix, American Battery and Subco of even date herewith and which further governs the details of the Amalgamation;
- (j) “**Fenix Common Shares**” means the common shares in the capital of Fenix as the same are constituted on the date hereof;
- (k) “**Fenix Warrants**” means the Fenix Warrants exercisable for Fenix Common Shares;
- (l) “**Definitive Agreement**” means the agreement entered into between Fenix, American Battery and Subco dated as of March 4, 2020;
- (m) “**Effective Date**” means the effective date of the Amalgamation as set forth in the Certificate of Amalgamation issued to Amalco;
- (n) “**ITA**” has the meaning set forth in Section 1.6(g);
- (o) “**OBCA**” means the *Business Corporations Act* (Ontario);
- (p) “**Replacement Warrants**” means the common share purchase warrants to be issued by American Battery in exchange for the Fenix Warrants;
- (q) “**Transaction Shares**” has the meaning ascribed thereto in the Definitive Agreement; and
- (r) “**Subco Common Shares**” means the common shares in the capital of Subco; and
- (s) “**Voluntary Escrow**” has the meaning ascribed thereto in the Definitive Agreement.

Capitalized terms used, but not otherwise defined herein will have the meanings ascribed to them in the Definitive Agreement.

Section 1.2. Amalgamation

Subject to Section 1.6 hereof, the Amalgamating Corporations hereby agree to amalgamate pursuant to the provisions of the OBCA and to continue as one corporation on the terms and conditions herein set forth.

Section 1.3. Conditions Precedent to the Amalgamation

The Amalgamation is subject to the satisfaction or waiver by the party entitled to make such waiver, of the conditions precedent set forth in Article 7 of the Definitive Agreement. The signing and delivery of the Articles of Amalgamation by Fenix and Subco will be conclusive evidence that such conditions have been satisfied to the satisfaction of Fenix and American Battery, or waived by the party entitled to make such waiver, and that Fenix and Subco may amalgamate in accordance with the provisions of this Agreement.

Section 1.4. On the Effective Date:

- (a) the Amalgamating Corporations are amalgamated and continue as Amalco under the terms and conditions prescribed in this Agreement;
- (b) each issued and outstanding Fenix Common Share held by each Dissenting Shareholder will become an entitlement to be paid the fair value of such share;
- (c) all liabilities and amounts receivable owed by each Amalgamating Corporation to each other, and any related security, will be cancelled;
- (d) subject to Subsection 1.3(b), Amalco will possess all the property, rights, assets, privileges and franchises and will be subject to all of the contracts, liabilities, debts and obligations of each of the Amalgamating Corporations;
- (e) subject to Subsection 1.3(b), all rights of creditors against the properties, rights, assets, privileges and franchises of each Amalgamating Corporation and all liens upon their respective properties, rights, assets, privileges and franchises, will be unimpaired by the Amalgamation and all debts, contracts, liabilities and duties of each Amalgamating Corporation will, from and after the date upon which the Amalgamation becomes effective, attach to Amalco and may be enforced against it;
- (f) no action or proceeding by or against any of the Amalgamating Corporations will abate or be affected by the Amalgamation, and any conviction against, or ruling under, a judgment in favour of or against, an Amalgamating Corporation may be enforced by or against Amalco;
- (g) the Amalgamation Application attached hereto as Exhibit "A" will be the articles of Amalgamation Application; and
- (h) the Articles attached hereto as Exhibit "B" will be the articles of Amalco.

Section 1.5. Amalgamated Corporations

- (a) The name of Amalco will be "Fenix Gold Inc.";
- (b) there will be no restrictions on the business that Amalco may carry on or on the powers it may exercise;
- (c) the head office of Amalco will be located at 409 – 221 West Esplanade, North Vancouver, BC V7M 3J3;
- (d) the capital of Amalco will be an unlimited number of common shares (each, an "**Amalco Common Share**") and an unlimited number of special shares, issuable in series;
- (e) no securities of Amalco, other than non-convertible debt securities, will be transferred without either:
 - a. the consent of the directors of Amalco expressed by a resolution passed by the board of directors; or
 - b. the consent of the holders of a majority of the voting shares of Amalco for the time being outstanding expressed by a resolution passed by the shareholders;
- (f) the board of directors of Amalco will, until otherwise changed in accordance with the OBCA, consist of not less than one and not more than 10 directors;
- (g) the first director of Amalco the person whose names and residential addresses appear below:

<u>Name</u>	<u>Address</u>	<u>Resident of Canada</u>
Jeremy Poirier	409 – 221 West Esplanade, North Vancouver, BC V7M 3J3	Yes

- (h) such directors will hold office until the first annual meeting of Amalco or until their successors are duly elected or appointed;
- (i) the by-laws of Amalco until repealed, amended or altered will be the by-laws of Fenix; and
- (j) the fiscal year-end of Amalco will be December 31.

Section 1.6. Issuance of American Battery Common Shares Upon Amalgamation

On the Effective Date:

- (a) each shareholder of Fenix (other than those held by Dissenting Shareholders) will receive, instead of Amalco Common Shares, such number of American Battery Common Shares equal to the Exchange Ratio multiplied by the number of Fenix Common Shares held by such shareholder and the Fenix Common Shares thus exchanged will be cancelled without reimbursement of the capital represented by such shares;
- (b) The Transaction Shares received by the Fenix Shareholders will become subject to the Voluntary Escrow pursuant to the Escrow Agreement;
- (c) American Battery will receive one (1) fully paid and non-assessable Amalco Common Share in exchange for each issued and outstanding Subco Common Share held by American Battery and the Subco Common Shares thus exchanged will be cancelled without reimbursement of the capital represented by such shares;
- (d) each Fenix Warrant which is outstanding and has not been duly exercised prior to the Effective Date will be exchanged for a Replacement Warrant to purchase from American Battery the number of American Battery Shares equal to (i) the Exchange Ratio multiplied by (ii) the number of Fenix Shares subject to such Fenix Warrant immediately prior to the Effective Date and thereafter all of the outstanding Fenix Warrants will be cancelled. Each such Replacement Warrant will provide for an exercise price per American Battery Share of \$0.20.
- (e) in consideration of the issuance of American Battery Common Shares pursuant to Section 2.2(b)(i), Amalco will issue to American Battery, one Amalco Common Share for each American Battery Common Share so issued;
- (f) no certificates representing fractional shares of Amalco or American Battery will be issued pursuant to the Amalgamation, but rather each fractional interest in a American Battery Common Share or in an Amalco Common Share will be rounded down to the nearest whole number of American Battery Common Shares or Amalco Common Shares, as the case may be;
- (g) American Battery will add to the stated capital maintained in respect of the American Battery Common Shares an amount equal to the aggregate paid-up capital for purposes of the *Income Tax Act* (Canada) (the "ITA") of the Fenix Common Shares immediately prior to the Amalgamation; and
- (h) Amalco will add an amount to the stated capital maintained in respect of the Amalco Common Shares an amount equal to the aggregate paid-up capital for purposes of the ITA of the Subco Common Shares and Fenix Common Shares immediately prior to the Amalgamation.

Section 1.7. Modification or Termination of Amalgamation

- (a) The Amalgamating Corporations may, by resolution of their respective boards of directors, assent to any modification of this Agreement that the Director under the OBCA may require and this Agreement will be deemed to include such modification.
- (b) This Agreement may, prior to the issuance of a Certificate of Amalgamation, be terminated by either of the Amalgamating Corporations by resolution of their respective board of directors, notwithstanding the approval of the shareholders of the Amalgamating Corporations on the terms and conditions hereof.

Section 1.8. Articles of Amalgamation

Upon each of the Amalgamating Corporations approving this Agreement in accordance with the OBCA, the Amalgamating Corporations will execute and deliver to the Director under the OBCA, the Articles of Amalgamation, in duplicate, and apply for a Certificate of Amalgamation for the purpose of bringing this Amalgamation into effect.

Section 1.9. Covenants of Fenix

Fenix covenants and agrees with American Battery and Subco that it will:

- (a) use its commercially reasonable efforts to cause each of the conditions precedent set forth in Section 1.16 to be complied with; and
- (b) subject to the approval of American Battery as the sole shareholder of Subco being obtained for the completion of the Amalgamation, thereafter jointly with American Battery and Subco file with the Director under the OBCA the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.

Section 1.10. Covenants of American Battery

American Battery covenants and agrees with Fenix and Subco that it will:

- (a) sign a resolution as sole shareholder of Subco in favour of the approval of the Amalgamation, this Agreement, and the transactions contemplated hereby in accordance with the OBCA;
- (b) use its commercially reasonable efforts to cause each of the conditions precedent set forth in Section 1.16 hereof to be complied with; and
- (c) issue that number of American Battery Common Shares as required by Section 1.6 hereof.

Section 1.11. Covenants of Subco

Subco covenants and agrees with Fenix and American Battery that it will not, from the date of execution hereof to the Effective Date, except with the prior written consent of American Battery and Fenix, conduct any business which would prevent Fenix or American Battery from performing any of their respective obligations hereunder.

Section 1.12. Further Covenants of Subco

Subco further covenants and agrees with Fenix and American Battery that it will:

- (a) use its commercially reasonable efforts to cause each of the conditions precedent set forth in Section 1.16 hereof to be complied with; and
- (b) jointly with Fenix file the Articles of Amalgamation and such other documents as may be required to give effect to the Amalgamation upon and subject to the terms and conditions of this Agreement.

Section 1.13. Representation and Warranty of American Battery

American Battery represents and to and in favour of Fenix (and acknowledges that Fenix is relying upon such representation and warranty) that American Battery is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against American Battery in accordance with its terms.

Section 1.14. Representation and Warranty of Fenix

Fenix represents and warrants to and in favour of American Battery and Subco (and acknowledges that American Battery and Subco are relying upon such representation and warranty) that Fenix is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against Fenix in accordance with its terms.

Section 1.15. Representation and Warranty of Subco

Subco represents and warrants to and in favour of Fenix and American Battery (and acknowledges that Fenix and American Battery are relying upon such representation and warranty) that Subco is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against Subco in accordance with its terms.

Section 1.16. Conditions Precedent

The respective obligations of the parties hereto to consummate the transactions contemplated hereby, and in particular the Amalgamation, are subject to the satisfaction, on or before the Effective Date, of the following conditions, any of which may be waived (subject to applicable law) by the consent of each of the parties without prejudice to their rights to rely on any other or others of such conditions:

- (a) this Agreement and the transactions contemplated hereby, including, in particular, the Amalgamation, will be approved by the sole shareholder of Subco;
- (b) this Agreement and the transactions contemplated hereby, including, in particular, the Amalgamation, will be approved by the shareholders of Fenix; and
- (c) there will not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement including, without limitation, the Amalgamation.

Section 1.17. Governing Law

This Agreement is governed by, and is to be construed and interpreted in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 1.18. Amendment and Waiver

No supplement, modification, amendment, waiver, discharge or termination of this Agreement is binding unless the party to be bound executes it in writing. No waiver of, failure to exercise or delay in exercising, any provision of this Agreement constitutes a waiver of any other provision (whether or not similar) nor does such waiver constitute a continuing waiver unless otherwise expressly provided.

Section 1.19. Counterparts

This Agreement may be executed and delivered by the parties in one or more counterparts, each of which when so executed and delivered will be an original, and those counterparts will together constitute one and the same instrument.

Section 1.20. Delivery

Delivery of this Agreement by facsimile transmission or functionally equivalent electronic means constitutes valid and effective delivery.

Section 1.21. Further Assurances

Each party will execute and deliver any further agreements and documents and provide any further assurances as may be reasonably required by the other party to give effect to this Agreement and, without limiting the generality of the foregoing, will do or cause to be done all acts and things, execute and deliver or cause to be executed and delivered all agreements and documents and provide all assurances, undertakings and information as may be required from time to time by all regulatory or governmental bodies or stock exchanges having jurisdiction over the affairs of a party or as may be required from time to time under applicable securities legislation.

IN WITNESS WHEREOF this Amalgamation Agreement has been executed by the parties hereto as of the date first written above.

AMERICAN BATTERY METALS CORP.

Per: (signed) "Jeremy Poirier"
Name: Jeremy Poirier
Title: Chief Executive Officer

2745551 ONTARIO INC.

Per: (signed) "Jeremy Poirier"
Name: Jeremy Poirier
Title: Chief Executive Officer

FENIX GOLD INC.

Per: (signed) "John Carlesso"
Name: John Carlesso
Title: Chief Executive Officer