

## AGENCY AGREEMENT

May 15, 2019

Walcott Resources Ltd.  
1315 Moody Avenue  
North Vancouver, BC V7L 3T5

**Attention: Mr. Marshall Farris, Chief Executive Officer**

Dear Sirs:

The undersigned, PI Financial Corp. (the "**Agent**") hereby agrees to offer for purchase and sale on a 'commercially reasonable efforts' agency basis and Walcott Resources Ltd. (the "**Corporation**") upon and subject to the terms hereof, agrees to issue and sell through the Agent, 3,500,000 common shares of the Corporation (each an "**Offered Share**"), at a price of \$0.10 per Offered Share (the "**Offering Price**").

The offering of the Offered Shares by the Corporation described in this Agreement is hereinafter referred to as the "**Offering**". The net proceeds of the Offering to the Corporation shall be used by the Corporation substantially in accordance with the disclosure set out under "Use of Proceeds" in the Final Prospectus (as hereinafter defined).

The Agent understands that the Corporation has prepared and, concurrently with or immediately after the execution hereof, will file a final long form prospectus and all necessary documents relating thereto and will take all additional steps to qualify the Offered Shares (as hereinafter defined) for distribution in British Columbia, Alberta and Ontario (collectively, the "**Qualifying Jurisdictions**"). The Agent intends to make a public offering of the Offered Shares in the Qualifying Jurisdictions upon the terms set forth herein and in the Prospectus (as defined below). The Corporation acknowledges and agrees that the Agent may offer and sell the Offered Shares to or through any affiliate of the Agent and that any such affiliate may offer and sell the Offered Shares to or through the Agent. The Agent shall be entitled to appoint a soliciting dealer group consisting of other registered dealers acceptable to the Corporation for the purposes of arranging for purchasers of the Offered Shares.

In consideration of the Agent's services to be rendered in connection with the Offering, the Corporation shall: (a) pay to the Agent a corporate finance fee of \$20,000 plus GST of which \$10,500 has been paid as of the date hereof (the "**Corporate Finance Fee**"); (b) pay to the Agent at the Closing (as hereinafter defined) a cash commission (the "**Commission**") equal to 9% of the gross proceeds realized by the Corporation in respect of the sale of the Offered Shares; and (c) issue to the Agent at the Closing, that number of non-transferable compensation options ("**Compensation Options**") equal to 9% of the number of Offered Shares issued under the Offering. The obligation of the Corporation to pay the Commission shall arise at the Closing Time against payment for the Offered Shares and the Commission shall be fully earned by the Agent at that time. Each Compensation Option may be exercised by the holder to acquire one common share without par value of the Corporation (each a "**Compensation Option Share**") at a price of \$0.15 per Compensation Option Share at any time up to 4:30 p.m. (Vancouver time) on the date that is 24 months following the Listing Date.

## DEFINITIONS

In this Agreement, in addition to the terms defined above or elsewhere in this Agreement, the following terms shall have the following meanings:

**“Agreement”** means the agreement resulting from the acceptance by the Corporation of the offer made hereby;

**“Business Day”** means a day which is not a Saturday, Sunday or statutory or civic holiday in the City of Vancouver;

**“Canadian Securities Regulators”** means the applicable securities commission or securities regulatory authority in each of the Qualifying Jurisdictions;

**“Closing”** means the completion of the issue and sale by the Corporation on the Closing Date of the Offered Shares as contemplated by this Agreement;

**“Closing Date”** means the day of Closing as agreed upon by the Corporation and the Agent;

**“Closing Time”** means 9:00 a.m. (Vancouver time) on the Closing Date or such other time on the Closing Date as the Corporation and the Agent, may agree;

**“Cobalt Hill Property”** shall have the meaning ascribed to “Property” or “Cobalt Hill” in the Prospectus;

**“Common Shares”** means the common shares of the Corporation which the Corporation is authorized to issue, as constituted on the date hereof;

**“Corporation’s Auditors”** means such firm of chartered professional accountants as the Corporation may have appointed or may from time to time appoint as auditors of the Corporation;

**“CSE”** means the Canadian Securities Exchange;

**“Final Prospectus”** means the (final) long form prospectus prepared by the Corporation in accordance with NI 41-101 and relating to the distribution of the Offered Shares and for which a receipt has been issued by the British Columbia Securities Commission on its own behalf and, as principal regulator, on behalf of each of the other Canadian Securities Regulators;

**“Financial Statements”** means the financial statements of the Corporation included in the Prospectus, including the notes to such statements and the related auditors’ report on such statements, if any;

**“Governmental Authority”** means any (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, bureau or agency, domestic or foreign, (b) any subdivision, agent, commission, board, or authority of any of the foregoing, or (c) any quasi-governmental or private body exercising any regulatory,

expropriation or taxing authority under or for the account of any foregoing, and any stock exchange or self-regulatory authority and, for greater certainty, includes the Securities Regulators;

**“Letter Agreement”** means the letter agreement dated March 8, 2018 between the Agent and the Corporation relating to the Offering;

**“Listing Date”** means the date that the Common Shares of the Corporation are listed on the CSE;

**“Marketing Materials”** has the meaning ascribed to “marketing materials” in NI 41-101 (including any template version, revised template version or limited use version thereof) provided to a potential investor in connection with the Offering;

**“Material Adverse Effect”** or **“Material Adverse Change”** means any effect or change on the Corporation or its respective businesses that is or is reasonably likely to be materially adverse to the results of operations, financial condition, assets, properties, capital, liabilities (contingent or otherwise), cash flow, income or business operations of the Corporation and its respective businesses, taken as a whole, after giving effect to this Agreement and the transactions contemplated hereby or that is or is reasonably likely to be materially adverse to the completion of the transactions contemplated by this Agreement;

**“misrepresentation”**, **“material fact”**, **“material change”**, **“affiliate”**, **“associate”**, and **“distribution”** shall have the respective meanings ascribed thereto in the *Securities Act* (British Columbia);

**“MI 11-102”** means Multilateral Instrument 11-102 – *Passport System* and its companion policy;

**“NI 41-101”** means National Instrument 41-101 – *General Prospectus Requirements*;

**“NI 43-101”** means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

**“NI 51-102”** means National Instrument 51-102 – *Continuous Disclosure Obligations*;

**“NP 11-202”** means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*;

**“Offering”** means the issuance and sale of the Offered Shares pursuant to this Agreement;

**“Offering Documents”** has the meaning ascribed thereto in subparagraph 6(a)(iii);

**“Passport System”** means the system and process for prospectus reviews provided for under MI 11-102 and NP 11-202;

**“person”** shall be broadly interpreted and shall include any individual, corporation, partnership, limited liability company, joint venture, association, trust or other legal entity;

**“Preliminary Prospectus”** means the preliminary long form prospectus dated March 27, 2019 prepared by the Corporation relating to the distribution of the Offered Shares;

**“Prospectus”** means, collectively, the Preliminary Prospectus and the Final Prospectus and any amendments thereto;

**“Qualifying Jurisdictions”** means, collectively, British Columbia, Alberta and Ontario;

**“Securities”** means the Offered Shares and the Compensation Options;

**“Securities Laws”** means, unless the context otherwise requires, all applicable securities laws in each of the Qualifying Jurisdictions and the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, orders, blanket rulings and other regulatory instruments of the securities regulatory authorities in such jurisdictions;

**“Securities Regulators”** means, collectively, the CSE and the Canadian Securities Regulators;

**“Selling Firm”** has the meaning ascribed thereto in paragraph 3(a);

**“Standard Term Sheet”** has the meaning ascribed to "standard term sheet" in NI 41-101;

**“subsidiary”** shall have the meaning ascribed thereto in the *Business Corporations Act* (British Columbia);

**“Supplementary Material”** means, collectively, any amendment to the Final Prospectus, any amendment or supplemental prospectus or ancillary materials that may be filed by or on behalf of the Corporation under the Securities Laws relating to the distribution of the Securities hereunder;

**“Technical Report”** means the NI 43-101 technical report relating to the Cobalt Hill Property dated May 25, 2018 entitled “Technical Report on the Cobalt Hill Property, Castlegar Area, Southeastern British Columbia, Canada” by Linda Dandy, P.Geo.; and

**“Transfer Agent”** means the registrar and transfer agent of the Corporation, namely, National Securities Administrators Ltd.

## **TERMS AND CONDITIONS**

**1. Compliance With Securities Laws.** The Corporation will use its commercially reasonable efforts to resolve as soon as possible any comments of the Canadian Securities Regulators relating to the Preliminary Prospectus and will, as soon as possible thereafter, and in any event no later than 8:00 p.m. (Vancouver time) on May 15, 2019 (or, in any case, by such later date or dates as may be determined by the Agent and the Corporation acting reasonably), file the Final Prospectus and obtain, pursuant to the Passport System, a receipt from the British Columbia Securities Commission (as principal regulator) evidencing the issuance or deemed issuance by the

Canadian Securities Regulators of receipts for the Final Prospectus and other related documents in respect of the proposed distribution of the Offered Shares and the Compensation Options.

**2. Due Diligence.** Prior to the filing of the Preliminary Prospectus and the Final Prospectus and continuing until the Closing, the Corporation shall have permitted the Agent to review each of the Preliminary Prospectus and the Final Prospectus and shall allow the Agent to conduct any due diligence investigations which each of them reasonably requires in order to fulfill its obligations as an Agent under the Securities Laws and in order to enable it to responsibly execute the certificate in the Preliminary Prospectus and the Final Prospectus required to be executed by it.

**3. Distribution and Certain Obligations of the Agent.**

- (a) The Agent shall, and shall require any investment dealer or broker (other than the Agent) with which the Agent has a contractual relationship in respect of the distribution of the Offered Shares or who are otherwise offered selling group participation by the Agent (each, a “**Selling Firm**”) to agree to comply with the Securities Laws in connection with the distribution of the Offered Shares and shall offer the Offered Shares for sale to the public directly and through Selling Firms upon the terms and conditions set out in the Final Prospectus and this Agreement. The Agent shall, and shall require any Selling Firm to, offer for sale to the public and sell the Offered Shares only in those jurisdictions where they may be lawfully offered for sale or sold. The Agent shall: (i) use all reasonable efforts to complete and cause each Selling Firm to complete the distribution of the Offered Shares as soon as reasonably practicable; and (ii) promptly notify the Corporation when, in their opinion, the Agent and the Selling Firms have ceased distribution of the Offered Shares and provide a breakdown of the number of Offered Shares distributed in each of the Qualifying Jurisdictions where such breakdown is required for the purpose of calculating fees payable to the Securities Regulators.
- (b) The Agent shall, and shall require any Selling Firm to agree to, distribute the Offered Shares in a manner which complies with and observes all applicable laws and regulations in each jurisdiction into and from which they may offer to sell the Securities, or distribute the Prospectus or any Supplementary Material in connection with the distribution of the Offered Shares and will not, directly or indirectly, offer, sell or deliver any Offered Shares or deliver the Prospectus or any Supplementary Material to any person in any jurisdiction other than in the Qualifying Jurisdictions except in a manner which will not require the Corporation to comply with the registration, prospectus, filing, continuous disclosure or other similar requirements under the applicable securities laws of such other jurisdictions or pay any additional governmental filing fees which relate to such other jurisdictions. Subject to the foregoing, the Agent and any Selling Firm shall be entitled to offer and sell the Offered Shares in such other jurisdictions in accordance with any applicable securities and

other laws in such jurisdictions in which the Agent and/or Selling Firms offer the Offered Shares provided that the Corporation is not required to file a prospectus or other disclosure document or become subject to continuing obligations in such other jurisdictions, in accordance with the provisions of this Agreement.

- (c) For the purposes of this paragraph 3, the Agent shall be entitled to assume that the Offered Shares and Compensation Options are qualified for distribution in any Qualifying Jurisdiction where a receipt or similar document for the Final Prospectus shall have been obtained from the applicable Canadian Securities Regulators (including a receipt for the Final Prospectus issued under the Passport System) following the filing of the Final Prospectus unless otherwise notified in writing.

#### **4. Marketing Materials.**

- (a) During the distribution of the Offered Shares:
  - (i) the Corporation and the Agent, shall approve in writing, prior to the time Marketing Materials are provided to potential investors, a template version of any Marketing Materials reasonably requested to be provided by the Agent to any such potential investor, such Marketing Materials to comply with Securities Laws. The Corporation shall file a template version of such Marketing Materials with the Commissions as soon as reasonably practicable after such Marketing Materials are so approved in writing by the Corporation and the Agent, and in any event on or before the day the Marketing Materials are first provided to any potential investor of Offered Shares, and such filing shall constitute the Agent's authority to use such Marketing Materials in connection with the Offering. Any comparables shall be redacted from the template version in accordance with NI 41-101 prior to filing such template version with the Commissions and a complete template version containing such comparables and any disclosure relating to the comparables, if any, shall be delivered to the Commissions by the Corporation. The Corporation shall prepare and file with the Commissions a revised template version of any Marketing Materials provided to potential investors of Offered Shares where required under Securities Laws;
  - (ii) the Corporation, and the Agent, on a several basis (and not joint, nor joint and several), covenant and agree:
    - (A) not to provide any potential investor of Offered Shares with any Marketing Materials unless a template version of such Marketing Materials has been filed by the Corporation with the Commissions on or before the day such Marketing Materials are first provided to any potential investor of Offered Shares; and

- (B) not to provide any potential investor with any materials or information in relation to the distribution of the Offered Shares or the Corporation other than: (a) such Marketing Materials that have been approved and filed in accordance with subsection 4(a); (b) the Prospectus; and (c) any Standard Term Sheets approved in writing by the Corporation and the Agent.

## 5. Deliveries on Filing and Related Matters.

- (a) The Corporation shall deliver to the Agent:
  - (i) at the Closing Time, a copy of the Final Prospectus in the English language signed and certified by the Corporation as required by the Securities Laws;
  - (ii) prior to the filing of the Final Prospectus with the Canadian Securities Regulators, a “long form” comfort letter dated the date of the Final Prospectus, in form and substance satisfactory to the Agent, acting reasonably, addressed to the Agent, the Agent’s counsel, and the Corporation from the Corporation’s Auditors with respect to financial and accounting information relating to the Corporation contained in the Final Prospectus, which letter shall be based on a review by the Corporation’s Auditors within a cut-off date of not more than two Business Days prior to the date of the letter, which letter shall be in addition to any auditors’ consent letter or comfort letter addressed to the Canadian Securities Regulators;
  - (iii) prior to the filing of the Final Prospectus with the Canadian Securities Regulators, a legal opinion of Koffman Kalef LLP dated as of the date of the Final Prospectus with respect to the tax commentary included in the section of the Prospectus entitled "Eligibility for Investment" addressed to the Agent and its legal counsel, in form and content acceptable to the Agent, acting reasonably; and
  - (iv) prior to the filing of the Final Prospectus with the Canadian Securities Regulators, copies of correspondence indicating that the application for the listing and posting for trading on the CSE of the Offered Shares and Compensation Option Shares have been approved subject only to satisfaction by the Corporation of customary post-closing conditions imposed by the CSE (the “**Standard Listing Conditions**”).
- (b) The Corporation shall also prepare and deliver promptly to the Agent signed copies of all Supplementary Material required to be filed by the Corporation in compliance with the Securities Laws.
- (c) Delivery of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material by the Corporation shall constitute the

representation and warranty of the Corporation to the Agent that, as at their respective dates of filing:

- (i) all information and statements (except information and statements relating solely to the Agent and provided by the Agent in writing) contained in the Preliminary Prospectus or the Final Prospectus or any Supplementary Material, as the case may be, are true and correct, in all material respects, and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Corporation and the Offered Shares;
  - (ii) no material fact or information has been omitted therefrom (except facts or information relating solely to the Agent) which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances under which they were made; and
  - (iii) except with respect to any information relating solely to the Agent and provided by the Agent in writing, such documents comply in all material respects with the requirements of the Securities Laws.
- (d) The Corporation shall cause commercial copies of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material be delivered to the Agent without charge, in such numbers and in such cities as the Agent may reasonably request by written instructions to the Corporation's financial printer of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material given forthwith after the Agent has been advised that the Corporation has complied with the Securities Laws in the Qualifying Jurisdictions. Such delivery shall be effected as soon as possible and, in any event, on or before a date which is two Business Days after the Canadian Securities Regulators have issued a receipt for the Preliminary Prospectus and the Final Prospectus, and on or before a date which is two Business Days after the Canadian Securities Regulators issue receipts for or accept for filing, as the case may be, any Supplementary Material.

## **6. Material Changes.**

- (a) During the period prior to the Agent notifying the Corporation of the completion of the distribution of the Offered Shares, the Corporation shall promptly inform the Agent (and if requested by the Agent, confirm such notification in writing) of the full particulars of:
  - (i) any material change (actual, anticipated, contemplated, threatened, financial or otherwise) in the assets, liabilities (contingent or otherwise), business, affairs, operations or capital of the Corporation taken as a whole;



- (ii) any material fact which has arisen or has been discovered and would have been required to have been stated in the Preliminary Prospectus or the Final Prospectus had the fact arisen or been discovered on, or prior to, the date of such documents; and
  - (iii) any change in any material fact contained in the Preliminary Prospectus, the Final Prospectus and any Supplementary Material (collectively, the “**Offering Documents**”) or whether any event or state of facts has occurred after the date hereof, which, in any case, is, or may be, of such a nature as to render any of the Offering Documents untrue or misleading in any material respect or to result in any misrepresentation in any of the Offering Documents, or which would result in the Final Prospectus or any Supplementary Material not complying (to the extent that such compliance is required) with Securities Laws.
- (b) The Corporation will prepare and file promptly any Supplementary Material which may be necessary and will otherwise comply with all legal requirements necessary to continue to qualify the Offered Shares for distribution in each of the Qualifying Jurisdictions.
  - (c) In addition to the provisions of subparagraphs 6(a) and 6(b) hereof, the Corporation shall in good faith discuss with the Agent any change, event or fact contemplated in subparagraphs 6(a) and 6(b) which is of such a nature that there is or could be reasonable doubt as to whether notice should be given to the Agent under subparagraph 6(a) hereof and shall consult with the Agent with respect to the form and content of any amendment or other Supplementary Material proposed to be filed by the Corporation, it being understood and agreed that no such amendment or other Supplementary Material shall be filed with any Securities Regulator prior to the review thereof by the Agent and its counsel, acting reasonably and without undue delay.
  - (d) If during the period of distribution of the Offered Shares there shall be any change in Securities Laws which, in the opinion of the Agent, acting reasonably, requires the filing of any Supplementary Material, upon written notice from the Agent, the Corporation shall, to the satisfaction of the Agent, acting reasonably, promptly prepare and file any such Supplementary Material with the appropriate Securities Regulators where such filing is required.

**7. Covenants of the Corporation.** The Corporation hereby covenants to the Agent that the Corporation:

- (a) will advise the Agent, promptly after receiving notice thereof, of the time when the Final Prospectus and any Supplementary Material has been filed and receipts therefor have been obtained pursuant to the Passport System and will provide evidence reasonably

satisfactory to the Agent of each such filing and copies of such receipts;

- (b) will advise the Agent, promptly after receiving notice or obtaining knowledge thereof, of:
  - (i) the issuance by any Canadian Securities Regulators of any order suspending or preventing the use of the Preliminary Prospectus, the Final Prospectus or any Supplementary Material;
  - (ii) the institution, threatening or contemplation of any proceeding for any such purposes;
  - (iii) any order, ruling, or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation (including the Offered Shares) has been issued by any Securities Regulator or the institution, threatening or contemplation of any proceeding for any such purposes; or
  - (iv) any requests made by any Canadian Securities Regulators for amending or supplementing the Preliminary Prospectus or the Final Prospectus or for additional information, and will use its commercially reasonable efforts to prevent the issuance of any order referred to in (i) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible;
- (c) except to the extent the Corporation participates in a merger or business combination transaction which the Corporation's board of directors determines is in the best interest of the Corporation and following which the Corporation is not a "reporting issuer", will use its reasonable best efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Securities Laws of each of the Qualifying Jurisdictions to the date which is 24 months following the Listing Date;
- (d) except to the extent the Corporation participates in a merger or business combination transaction and following which the Corporation is not listed on the CSE, the Corporation will use its reasonable best efforts to maintain the listing of the Common Shares on the CSE or such other recognized stock exchange or quotation system as the Agent may approve, acting reasonably, to the date that is 24 months following the Closing Date so long as the Corporation meets the minimum listing requirements of the CSE or such other exchange or quotation system;
- (e) during the distribution of the Offered Shares, the Corporation will consult with the Agent and promptly provide to the Agent drafts of any press releases of the Corporation for review by the Agent and

the Agent's counsel prior to issuance, and any press release issued concerning the Offering shall include the following:

“This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered to sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.”

provided that any such review will be completed in a timely manner;

- (f) during the distribution of the Offered Shares, no press release will be issued in the United States by the Corporation concerning the Offering; and
- (g) will use the net proceeds of the Offering contemplated herein in the manner and subject to the qualifications described in the Prospectus under the heading “Use of Proceeds”.

**8. Representations and Warranties of the Corporation.** The Corporation represents and warrants to the Agent that each of the following representations and warranties is true and correct on the date of this Agreement:

- (a) Incorporation and Organization: The Corporation has been incorporated or formed, as the case may be, is organized and is a valid and subsisting corporation or partnership, as the case may be, under the laws of its jurisdiction of existence and has all requisite corporate power and capacity to carry on its business as now conducted or proposed to be conducted and to own or lease and operate the property and assets thereof.
- (b) Capacity: The Corporation has all requisite corporate power and capacity to carry on its business as now conducted and to own lease and operate its assets.
- (c) Registration: The Corporation duly registered and licensed to carry on business in the jurisdictions in which it carries on business or owns property where so required by the laws of that such jurisdiction.
- (d) Authorized Capital: The Corporation is authorized to issue an unlimited number of Common Shares of which, as of May 15, 2019, 8,420,000 Common Shares were issued and outstanding as fully paid and non-assessable shares.
- (e) No Subsidiary: The Corporation does not beneficially own or exercise control or direction over 10% or more of the outstanding

voting shares of any company that holds any assets or conducts any operations

- (f) Listing: The Corporation has made application so that at the time of issue of the Offered Shares and the Compensation Options, the Offered Shares and the Compensation Option Shares will have been conditionally approved for listing on the CSE, subject to the standard listing conditions.
- (g) Certain Securities Law Matters: The Corporation is not in default of any material requirement of the Securities Laws.
- (h) No Shareholders Agreement: No shareholders agreement or similar agreement affecting the business, affairs or governance of the Corporation or the rights of shareholders of the Corporation (including, without limitation, the ability of such shareholders to transfer or vote their shares) exists.
- (i) Rights to Acquire Securities: No person has any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for or issue of any of the unissued common shares or other securities of the Corporation, except under property agreements as disclosed by the Corporation in the Prospectus.
- (j) No Pre-emptive Rights: The issue of the Offered Shares will not be subject to any pre-emptive right or other contractual right to purchase securities granted by the Corporation or to which the Corporation is subject.
- (k) Prospectus: The Prospectus contains full, true and plain disclosure of all material facts in relation to the Corporation, the Corporation's business and its securities, will contain no misrepresentations, will be accurate in all material respects and will omit no fact, the omission of which will make such representations misleading or incorrect. There is no fact known to the Corporation which the Corporation has not disclosed in the Prospectus which results in a Material Adverse Effect, or so far as the Corporation can reasonably foresee, will have a Material Adverse Effect or materially adversely affect the ability of the Corporation to perform its obligations under this Agreement.
- (l) No Significant Acquisition. The Corporation has not completed a 'significant acquisition' (as such term is defined in NI 51-102) requiring disclosure in the Prospectus.
- (m) Transfer Agent: The Transfer Agent has been appointed by the Corporation as the registrar and transfer agent for the Common Shares.

- (n) Issue of Securities: All necessary corporate action has been taken, or will be taken before Closing, to authorize the issue and sale of, and the delivery of certificates representing, the Offered Shares and Compensation Options and, upon payment of the requisite consideration therefor, the Offered Shares and Compensation Option Shares will be validly issued as fully paid and non-assessable Common Shares.
- (o) Consents, Approvals and Conflicts: None of the offering and sale of the Offered Shares, the execution and delivery of this Agreement or the Prospectus, the compliance by the Corporation with the provisions of this Agreement or the consummation of the transactions contemplated herein and therein including, without limitation, the issue of the Offered Shares upon the terms and conditions as set forth herein, do or will (i) subject to compliance by the Agent with the provisions of this Agreement, require the consent, approval, authorization, order or agreement of, or registration or qualification with, any governmental agency, body or authority, court, stock exchange, securities regulatory authority or other person, except (A) such as have been, or will by the Closing Date, be obtained, or (B) such as may be required under the Securities Laws of any of the Qualifying Jurisdictions and the policies of the CSE and will be obtained by the Closing Date, or (ii) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other material agreement or instrument to which the Corporation is a party or by which it or any of its properties or assets thereof is bound, or the notice of articles or articles or any other constating document of the Corporation or any resolution passed by the directors (or any committee thereof) or shareholders of the Corporation, or any statute or any judgment, decree, order, rule, policy or regulation of any court, governmental authority, arbitrator, stock exchange or securities regulatory authority applicable to the Corporation or any of the properties or assets thereof which could have a Material Adverse Effect.
- (p) Authority and Authorization: The Corporation has all requisite corporate power and capacity to enter into this Agreement and to do all acts and things and execute and deliver all documents as are required hereunder and thereunder to be done, observed, performed or executed and delivered by it in accordance with the terms hereof and thereunder and the Corporation has taken, or will have taken before Closing, all necessary corporate action to authorize the execution, and delivery of, and performance of its obligations under, this Agreement and to observe and perform its obligations under this Agreement, including, without limitation, the issue of the Offered Shares and Compensation Options upon the terms and conditions set forth herein.
- (q) No Material Adverse Change: Subsequent to December 31, 2018 there has not been any Material Adverse Change and there has

been no event or occurrence that would reasonably be expected to result in a Material Adverse Change except as disclosed in the Prospectus.

- (r) Validity and Enforceability: This Agreement has been authorized, executed and delivered by the Corporation and constitutes a valid and legally binding obligation of the Corporation enforceable against the Corporation in accordance with the terms hereof.
- (s) No Cease Trade Order: No order preventing, ceasing or suspending trading in any securities of the Corporation or prohibiting the issue and sale of securities by the Corporation is issued and outstanding and no proceedings for either of such purposes have been instituted or, to the best of the knowledge of the Corporation, are pending, contemplated or threatened.
- (t) Accounting Controls: The Corporation's Auditors have not provided any material comments or recommendations to the Corporation regarding its accounting policies, internal control systems or other accounting or financial practices.
- (u) Financial Statements: The Corporation's audited financial statements for the period from the date of incorporation on December 11, 2017 to September 30, 2018 (the "**Audited Financial Statements**") and all notes thereto (i) comply as to form in all material respects with the requirements of the applicable Securities Laws, (ii) present fairly, in all material respects, the financial position, the results of operations and cash flows and the shareholders' equity and other information purported to be shown therein at the respective dates and for the respective periods to which they apply, (iii) have been prepared in conformity with International Financial Reporting Standards, consistently applied throughout the period covered thereby, and all adjustments necessary for a fair presentation of the results for such periods have been made in all material respects, and (iv) contain and reflect adequate provision or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation, and, except as disclosed in the Prospectus there has been no change in accounting policies or practices of the Corporation since September 30, 2018.
- (v) Auditors: The Corporation's Auditors who audited the Audited Financial Statements and who provided their audit report thereon are independent public accountants as required under applicable Securities Laws and there has not, during the last two financial years, been a reportable event (within the meaning of NI 51-102) between the Corporation and any such auditor.
- (w) Audit Committee: The audit committee of the Corporation is comprised and operates in accordance with the requirements of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators.

- (x) Changes in Financial Position: Other than as disclosed in the Prospectus, since December 31, 2018, the Corporation has not:
- (i) paid or declared any dividend or incurred any material capital expenditure or made any commitment therefor;
  - (ii) incurred any obligation or liability, direct or indirect, contingent or otherwise, except in the ordinary course of business; and
  - (iii) entered into any material transaction or made a significant acquisition.
- (y) Insolvency: The Corporation has not 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.
- (z) No Contemplated Changes: The Corporation has not approved or has entered into any agreement in respect of, or has any knowledge of:
- (i) the purchase of any material property or assets or any interest therein or, other than as disclosed in the Prospectus, the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Corporation whether by asset sale, transfer of shares or otherwise;
  - (ii) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of the Corporation or otherwise) of the Corporation; or
  - (iii) a proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the shares of the Corporation.
- (aa) Taxes and Tax Returns: The Corporation has filed in a timely manner all necessary tax returns and notices that are due and has paid all applicable taxes of whatsoever nature for all tax years prior to the date hereof to the extent that such taxes have become due or have been alleged to be due and the Corporation is not aware of any tax deficiencies or interest or penalties accrued or accruing, or

alleged to be accrued or accruing, thereon where, in any of the above cases, it might reasonably be expected to have a Material Adverse Effect and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by any of them or the payment of any material tax, governmental charge, penalty, interest or fine against any of them. There are no material actions, suits, proceedings, investigations or claims now threatened or, to the best knowledge of the Corporation, pending against the Corporation which could result in a material liability in respect of taxes, charges or levies of any governmental authority, penalties, interest, fines, assessments or reassessments or any matters under discussion with any governmental authority relating to taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority and the Corporation has withheld (where applicable) from each payment to each of the present and former officers, directors, employees and consultants thereof the amount of all taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefrom, and has paid the same or will pay the same when due to the proper tax or other receiving authority within the time required under applicable tax legislation.

- (bb) Compliance with Laws, Licenses and Permits: The Corporation has conducted and is conducting the business thereof in compliance in all material respects with all applicable laws, rules, regulations, tariffs, orders and directives of each jurisdiction in which it carries on business and possesses all material approvals, consents, certificates, registrations, authorizations, permits and licenses issued by the appropriate provincial, state, municipal, federal or other regulatory agency or body necessary to carry on the business currently carried on by it, is in compliance in all material respects with the terms and conditions of all such approvals, consents, certificates, authorizations, permits and licenses, and the Corporation has not received any notice of the modification, revocation or cancellation of, or any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such approval, consent, certificate, authorization, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, ruling or finding, would have a Material Adverse Effect.
- (cc) Agreements and Actions: The Corporation is not in violation of any term of any constating document thereof in any material respect. The Corporation is not in violation of any term or provision of any agreement, indenture or other instrument applicable to it which would, or could reasonably be expected to, result in any Material Adverse Effect, the Corporation is not in default in the payment of any material obligation owed which is now due, if any, and there is no action, suit, proceeding or investigation commenced, threatened or, to the knowledge of the Corporation after due inquiry, pending



which, either in any case or in the aggregate, might result in any Material Adverse Effect or which places, or could reasonably be expected to place, in question the validity or enforceability of this Agreement or any document or instrument delivered, or to be delivered, by the Corporation pursuant hereto.

- (dd) Property: The Cobalt Hill Property is the only property which the Corporation currently considers to be “material” in which the Corporation has an interest. Except as described in the Prospectus, the Corporation holds or has the sole and exclusive option to hold all mining rights that directly or indirectly constitute the Cobalt Hill Property, and such mining rights have been validly registered and recorded and in accordance in all material respects with all applicable laws and are valid and subsisting. The Corporation does not know of any claim or the basis for any claim that might or could materially adversely affect the right thereof to use, transfer or otherwise exploit such property rights, except as disclosed in the Prospectus.
  
- (ee) Property Agreements: Any and all of the agreements and other documents and instruments pursuant to which the Corporation holds the Cobalt Hill Property (including any interest in, or right to earn an interest in, any property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable against the Corporation in accordance with the terms thereof; the Corporation is not in default of any of the material provisions of any such agreements, documents or instruments nor has any such default been alleged and the Cobalt Hill Property is in good standing under the applicable statutes and regulations of the jurisdictions in which it is situated; all material leases, licences and claims pursuant to which the Corporation derives the interests in such property and assets are in good standing and, to the knowledge of the Corporation, there has been no material default under any such lease, licence or claim. The Cobalt Hill Property (or any interest in, or right to earn an interest in, the Cobalt Hill Property) is not subject to any right of first refusal or purchase or acquisition right which is not disclosed in the Prospectus.
  
- (ff) Property Rights: The Corporation holds interests to acquire interests in certain mining concessions in British Columbia (the “**Cobalt Hill Property Rights**”) in respect of the minerals located on the Cobalt Hill Property under valid, subsisting and enforceable documents sufficient to permit the Corporation to explore for and exploit the minerals relating thereto; to the knowledge of the Corporation, all concessions, leases or claims and permits relating to the Cobalt Hill Property in which the Corporation has an interest or right have been validly located and recorded in accordance with all applicable laws and are valid and subsisting; the Corporation has all surface rights, access rights and other necessary rights and interests relating to the Cobalt Hill Property as are appropriate in view of the rights and interest therein of the Corporation and

necessary for the Corporation's current activities thereon, with only such exceptions as do not materially interfere with the use made by the Corporation of the rights or interest so held, and each of the proprietary interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to above is currently in good standing in all material respects in the name of the Corporation or its or their contractual partners; the Corporation does not have any responsibility or obligation to pay any commission, royalty, licence, fee or similar payment to any person with respect to the property rights thereof other than as disclosed in the Prospectus. The description of the Cobalt Hill Property Rights, as disclosed generally in the Prospectus, constitutes an accurate and complete description of all material Cobalt Hill Property Rights held by the Corporation.

- (gg) Mining Works: All assessments or other work required to be performed in relation to the mining claims and the mining rights of the Corporation in order to maintain the Cobalt Hill Property Rights to date, if any, have been performed to date and the Corporation has complied in all material respects with all applicable governmental laws, regulations and policies in this regard as well as with regard to legal, contractual obligations to third parties in this regard except in respect of mining claims and mining rights that the Corporation intends to abandon or relinquish and except for any non-compliance which would not either individually or in the aggregate have a Material Adverse Effect; all such mining claims and mining rights are in good standing in all material respects as of the date of this Agreement.
- (hh) Operations: To the Corporation's knowledge, all operations on the Cobalt Hill Property have been conducted in all respects in accordance with good mining, exploration and engineering practices and all applicable workers' compensation and health and safety and workplace laws, regulations and policies have been duly complied with.
- (ii) Preparation of Technical Report: The Corporation made available to the author of the Technical Report prior to the issuance of thereof, for the purpose of preparing the Technical Report, all information requested, and to the knowledge and belief of the Corporation, no such information contained any material misrepresentation as at the relevant time the relevant information was made available, except as otherwise disclosed in the Prospectus.
- (jj) Content of Technical Report: To the best of the Corporation's knowledge, the Technical Report accurately and completely sets forth all material facts relating to the Cobalt Hill Property as at the date of such report; since the date of preparation of the Technical Report there has been no change, to the best of the Corporation's knowledge, except as otherwise disclosed in the Prospectus, that

would disaffirm or change any aspect of the Technical Report in any material respect.

- (kk) NI 43-101: The Corporation is in compliance with NI 43-101 in all material respects in connection with the Cobalt Hill Property and, other than the Cobalt Hill Property, the Corporation does not hold any interest in a mineral property that is material to the Corporation for the purposes of NI 43-101.
- (ll) Legislation: The Corporation is not aware of any proposed material changes to existing legislation, or proposed legislation published by a legislative body, which it anticipates will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) of the Corporation.
- (mm) No Defaults: The Corporation is not in default of any material term, covenant or condition under or in respect of any judgement, order, agreement or instrument to which it is a party or to which it or any of the property or assets thereof are or may be subject, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any commitment, agreement, document or other instrument to which the Corporation is a party or by which it is otherwise bound entitling any other party thereto to accelerate the maturity of any material amount owing thereunder or which could have a Material Adverse Effect.
- (nn) Compliance with Employment Laws: The Corporation has no employees.
- (oo) Environmental Compliance: Except as disclosed in the Prospectus:
  - (i) to the best of the knowledge of the Corporation, the property, assets and operations of the Corporation comply in all material respects with all applicable Environmental Laws (which term means and includes, without limitation, any and all applicable federal, provincial, municipal or local laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, or any Environmental Activity (which term means and includes, without limitation, any past or present activity, event or circumstance in respect of a Contaminant (which term means and includes, without limitation, any pollutants, dangerous substances, liquid wastes, hazardous wastes, hazardous materials, hazardous substances or contaminants or any other matter including any of the foregoing, as defined or described as such pursuant to any Environmental Law), including, without limitation, the storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation thereof, or the release,

escape, leaching, dispersal or migration thereof into the natural environment, including the movement through or in the air, soil, surface water or groundwater) of the jurisdictions in which the property, assets and operations of the Corporation is located);

- (ii) to the best of the knowledge of the Corporation, the Corporation has obtained all material licences, permits, approvals, consents, certificates, registrations and other authorizations under all applicable Environmental Laws (the “**Environmental Permits**”) necessary as at the date hereof for the operation of the businesses currently carried on by the Corporation, and each Environmental Permit is valid, subsisting and in good standing and, to the best knowledge of the Corporation, the Corporation is not in material default or breach of any Environmental Permit and, to the best of the knowledge of the Corporation, no proceeding is pending or threatened to revoke or limit any Environmental Permit;
- (iii) the Corporation does not have any knowledge of, and have not received any notice of, any material claim, judicial or administrative proceeding, pending or threatened against, or which may affect, either the Corporation or any of the property, assets or operations thereof, relating to, or alleging any violation of any Environmental Laws, the Corporation is not aware of any facts which could give rise to any such claim or judicial or administrative proceeding and neither the Corporation nor any of the property, assets or operations thereof is the subject of any investigation, evaluation, audit or review by any Governmental Authority to determine whether any violation of any Environmental Laws has occurred or is occurring or whether any remedial action is needed in connection with a release of any Contaminant into the environment, except for compliance investigations conducted in the normal course by any Governmental Authority;
- (iv) the Corporation has not given or filed any notice under any federal, provincial or local law with respect to any Environmental Activity, the Corporation does not have any material liability (whether contingent or otherwise) in connection with any Environmental Activity and, to the knowledge of the Corporation, no notice has been given under any federal, state, provincial or local law or of any material liability (whether contingent or otherwise) with respect to any Environmental Activity relating to or affecting the Corporation or the property, assets, business or operations thereof;
- (v) the Corporation does not store any hazardous or toxic waste or substance on the property thereof and have not disposed of any hazardous or toxic waste, in each case in a manner contrary to any Environmental Laws, and to the best of the

knowledge of the Corporation, there are no Contaminants on any of the premises at which the Corporation carries on business, in each case other than in compliance with Environmental Laws; and

- (vi) to the best of the knowledge of the Corporation, the Corporation is not subject to any contingent or other material liability relating to non-compliance with Environmental Law.
- (pp) Environmental Audits: There are no environmental audits, evaluations, assessments, studies or tests relating to the Corporation except for ongoing assessments conducted by or on behalf of the Corporation in the ordinary course.
- (qq) No Litigation: There are no actions, suits, proceedings, inquiries or investigations existing, pending or, to the knowledge of the Corporation after due inquiry, threatened against any of the property or assets thereof, at law or equity, or before or by any court, federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which may result in a Material Adverse Effect or materially adversely affects the ability of any of them to perform the obligations thereof the Corporation is not subject to any judgement, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, which, either separately or in the aggregate, may result in a Material Adverse Effect or materially adversely affects the ability of the Corporation to perform its obligations under this Agreement.
- (rr) Unlawful Payments: The Corporation has not nor, to the best knowledge of the Corporation, any director, officer, agent, employee or other person associated with or acting on behalf of the Corporation, has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity, (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds, (iii) violated or is in violation of any provision of the *Corruption of Foreign Officials Act* (Canada), or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.
- (ss) Anti-Money Laundering:
  - (i) the operations of the Corporation are and have been conducted, at all times, in material compliance with all applicable financial recordkeeping and reporting requirements of applicable anti-money laundering statutes of the jurisdictions in which the Corporation conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Anti-Money Laundering Laws**"), and

no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Corporation with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Corporation, threatened; and

- (ii) the Corporation has not, directly or indirectly: (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction; or (B) made any contribution to any candidate for public office, in either case where either the payment or the purpose of such contribution, payment or gift was, is or would be prohibited under the *Canada Corruption of Foreign Public Officials Act (Canada)* or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to the Corporation and its operations, and will not use any portion of the proceeds of the Offering, in contravention of such legislation.
  
- (tt) Intellectual Property: The Corporation owns or possesses adequate enforceable rights to use all trademarks, copyrights and trade secrets used or proposed to be used in the conduct of the business thereof and, to the knowledge of the Corporation, after due inquiry, the Corporation is not infringing upon the rights of any other person with respect to any such trademarks, copyrights or trade secrets and no other person has infringed any such trademarks, copyrights or trade secrets.
  
- (uu) Non-Arm's Length Transactions: Except as disclosed in the Prospectus and to the Agent, the Corporation does not owe any amount to, nor has the Corporation made any present loans to, or borrowed any amount from or is otherwise indebted to, any officer, director, employee or securityholder of the Corporation or any person not dealing at "arm's length" (as such term is defined in the *Income Tax Act (Canada)*) with the Corporation except for usual employee reimbursements and compensation paid or other advances of funds in the ordinary and normal course of the business of the Corporation. Except usual employee or consulting arrangements made in the ordinary and normal course of business, the Corporation is not a party to any contract, agreement or understanding with any officer, director, employee or securityholder of the Corporation or any other person not dealing at arm's length with the Corporation.
  
- (vv) Minute Books: The minute books of the Corporation, all of which have been or will be made available to the Agent or counsel to the Agent, are complete and accurate in all material respects, except for minutes of board meetings or resolutions of the board of directors that have not been formally approved by the board of directors or

items in the minute book that are not current, but which are not material in the context of the Corporation.

- (ww) Commission: Other than the Agent, there is no person acting or purporting to act at the request or on behalf of the Corporation that is entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement.
- (xx) No Withholding of Public Information: The Corporation has not withheld from the Agent any fact or information relating to the Corporation or to the Offering that would reasonably be expected to be material to the Agent.

**9. Representations and Warranties of the Agent.** The Agent represents, warrants and covenants to and with the Corporation that:

- (a) it is a valid and subsisting corporation, duly incorporated and in good standing under the law of the jurisdiction in which it was incorporated;
- (b) the Agent holds all registrations, licenses and Permits that are required for carrying on its business in the manner in which such business has been carried on to sell the Offering Shares in the Qualifying Jurisdictions, and the Agent has the corporate power and capacity to carry on the business carried on by it and the Agent is duly qualified to carry on business in the Qualifying Jurisdictions;
- (c) it has good and sufficient right and authority to enter into this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein;
- (d) it is a broker registered under the Securities Laws;
- (e) the Agent is, and will remain until the completion of the Offering, appropriately registered under Applicable Securities Laws so as to permit it to lawfully fulfil its obligations hereunder and the Agent is and will remain until the completion of the Offering, a participating organization of the Exchange in good standing; and
- (f) the Agent will fulfil all legal requirements (including, without limitation, compliance with Applicable Securities Laws) to be fulfilled by it to act as the Corporation's agent in undertaking the Offering in the Qualifying Jurisdictions.

**10. Closing Deliveries.** The purchase and sale of the Offered Shares shall be completed at the Closing Time at such place as the Agent and the Corporation may agree. At or prior to the Closing Time, the Corporation shall duly and validly deliver to the Agent:

- (a) one or more certificate(s) (whether in definitive form or electronic form) representing the Offered Shares, as the case may be,

registered in such name or names as the Agent may notify the Corporation in writing not less than 48 hours prior to Closing;

- (b) one or more certificate(s) representing the Compensation Options, registered in such name or names as the Agent may notify the Corporation in writing not less than 48 hours prior to closing;

against payment by the Agent to the Corporation, at the direction of the Corporation, in lawful money of Canada by certified cheque or wire transfer an amount equal to the aggregate purchase price for the Offered Shares, as the case may be, being issued and sold hereunder less the Commission, the Corporate Finance Fee and all of the estimated out-of-pocket expenses of the Agent payable by the Corporation to the Agent in accordance with paragraph 19 hereof.

**11. Agent's Conditions.** The obligation of the Agent to complete the transactions contemplated by this Agreement at the Closing Time shall be subject to the following conditions (it being understood that the Agent may waive in whole or in part or extend the time for compliance with any of such terms and conditions without prejudice to its rights in respect of any other of the following terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Agent any such waiver or extension must be in writing:

- (a) the Agent shall have received an opinion, dated the Closing Date and subject to customary qualifications, of the Corporation's British Columbia legal counsel, addressed to the Agent and their legal counsel as to all legal matters reasonably requested by the Agent relating to the Corporation and the creation, issuance and sale of the Offered Shares, or, instead of rendering opinions relating to the laws of the Qualifying Jurisdictions other than British Columbia or elsewhere, the Corporation's solicitors may engage one or more legal counsel in the Qualifying Provinces or elsewhere to provide such local counsel opinions as may be necessary;
- (b) the Agent shall have received an opinion dated the Closing Date in respect of the Corporation's title to the Cobalt Hill Property addressed to the Agent and its legal counsel, in form and content acceptable to the Agent, acting reasonably;
- (c) the Agent shall have received an incumbency certificate dated the Closing Date including specimen signatures of the Chief Executive Officer, the Chief Financial Officer and any other officer of the Corporation signing this Agreement or any document delivered hereunder;
- (d) the Agent shall have received a certificate, dated the Closing Date, of such two senior officers of the Corporation as are acceptable to the Agent, addressed to the Agent and its counsel to the effect that, to the best of their knowledge, information and belief, after due enquiry and without personal liability:



- (i) the representations and warranties of the Corporation in this Agreement are true and correct in all material respects as if made at and as of the Closing Time and the Corporation has performed all covenants and agreements and satisfied all conditions on its part to be performed or satisfied in all material respects at or prior to the Closing Time;
  - (ii) no order, ruling or determination having the effect of suspending the sale or ceasing, suspending or restricting the trading of Common Shares in the Qualifying Jurisdictions has been issued or made by any stock exchange, securities commission or regulatory authority and is continuing in effect and, to the knowledge of the officers, no proceedings, investigations or enquiries for that purpose have been instituted or are pending;
  - (iii) the notice of articles and articles of the Corporation delivered at Closing are full, true and correct copies, unamended, and in effect on the date thereof;
  - (iv) the minutes or other records of various proceedings and actions of the Corporation's Board of Directors relating to the Offering and delivered at Closing are full, true and correct copies thereof and have not been modified or rescinded as of the date thereof; and
  - (v) subsequent to the respective dates as at which information is given in the Prospectus, there has not been a Material Adverse Change other than as disclosed in the Prospectus or any Supplementary Material, as the case may be.
- (e) the Agent shall have received a letter dated as of the Closing Date, in form and substance satisfactory to the Agent, addressed to the Agent and the directors of the Corporation from the Corporation's Auditors confirming the continued accuracy of the comfort letter to be delivered to the Agent pursuant to subparagraph 5(a)(ii) hereof with such changes as may be necessary to bring the information in such letter forward to a date not more than two Business Days prior to the Closing Date, which changes shall be acceptable to the Agent;
  - (f) the Offered Shares and the Compensation Option Shares shall have been approved for listing on the CSE, subject only to the official notices of issuance and fulfilment of the Standard Listing Conditions;
  - (g) the Agent and its counsel shall have been provided with information and documentation, reasonably requested relating to their due diligence inquiries and investigations and shall not have identified any material adverse changes or misrepresentations or any items materially adversely affecting the Corporation's affairs which exist

as of the date hereof but which have not been disseminated to the public in accordance with applicable Securities Laws;

- (h) the Agent shall have received a certificate of good standing in respect of the Corporation;
- (i) the Agent shall have received certificates or lists, issued under the Securities Laws of the Reporting Provinces stating or evidencing that the Corporation is not in default under such Securities Laws; and
- (j) the Agent shall have received a certificate from the Transfer Agent as to the number of Common Shares issued and outstanding as at a date no more than two Business Days prior to the Closing Date.

**12. All Terms to be Conditions.** The Corporation agrees that the conditions contained in paragraph 11 will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Corporation and that it will use its commercially reasonable efforts to cause all such conditions to be complied with. Any breach or failure to comply with any of the conditions set out in paragraph 11 shall entitle the Agent to terminate its obligations under this Agreement, by written notice to that effect given to the Corporation at or prior to the Closing Time. It is understood that the Agent may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the rights of the Agent in respect of any such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Agent any such waiver or extension must be in writing.

**13. Termination Events.** In addition to any other remedies which may be available to the Agent, the Agent may terminate its obligations under this Agreement by delivering written notice to that effect to the Corporation at or prior to the Closing Time, if:

- (a) the Agent is not satisfied, in its sole discretion, acting, reasonably, with the results of its due diligence review and investigations;
- (b) there shall be any material change in the affairs of the Corporation or there should be discovered any previously undisclosed material fact which, in the reasonable opinion of the Agent, has or would be expected to have a significant adverse effect on the market price or value of the Common Shares of the Corporation, or a purchaser's decision to purchase the Offered Shares;
- (c) any order, inquiry, action, suit, investigation or other proceeding (whether formal or informal) is commenced, announced or threatened or made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including, without limitation, the CSE or any securities regulatory authority against the Corporation or any of its officers or directors or principal shareholders or any law or regulation is enacted or changed which in the opinion of the Agent acting reasonably, operates or threatens to prevent, cease or restrict the issuance or trading of the securities of the Corporation

by the Corporation or its officers or directors or materially and adversely affects or will materially and adversely affect the market price or value of the securities of the Corporation;

- (d) there should develop, occur or come into effect or existence any event, action, state, accident, condition, terrorist event or major financial occurrence of national or international consequence or any law or regulation which in the reasonable opinion of the Agent seriously adversely affects, or will, or would reasonably be expected to, seriously adversely affect, the financial markets or the business, operations or affairs of the Corporation;
- (e) the Offered Shares cannot, in the reasonable opinion of the Agent, be profitably marketed due to the state of the financial markets, or the market for the Offered Shares in particular;
- (f) the Agent determines that the Corporation is in breach of a material term, condition or covenant of this Agreement;
- (g) any order to cease, halt or suspend trading (including an order prohibiting communications with persons in order to obtain expressions of interest) in the securities of the Corporation prohibiting or restricting the Offering is made by a competent regulatory authority and that order is still in effect;
- (h) the Agent determines that any of the material representations or warranties made by the Corporation in this Agreement is false or has become false; or
- (i) the Agent and the Corporation agree in writing to terminate this Agreement.

**14. Exercise of Termination Right.** If this Agreement is terminated by the Agent pursuant to paragraph 13, there shall be no further liability to the Corporation on the part of the Agent or of the Corporation to the Agent, except in respect of any liability which may have arisen or may thereafter arise under paragraphs 16 and 19. The right of the Agent to terminate its respective obligations under this Agreement is in addition to such other remedies as it may have in respect of any default, act or failure to act of the Corporation in respect of any of the matters contemplated by this Agreement.

**15. Survival of Representations and Warranties.** The representations, warranties, covenants and indemnities of the Corporation and the Agent contained in this Agreement will survive the Closing.

**16. Indemnity.**

- (a) The Corporation (the “**Indemnitor**”) hereby agrees to indemnify and hold the Agent, and its subsidiaries or affiliates, and each of their directors, officers, employees and agents (hereinafter referred to as the “**Personnel**”) harmless from and against any and all expenses, losses (other than loss of profits), fees, claims, actions (including

shareholder actions, derivative actions or otherwise), damages, obligations, or liabilities, whether joint or several, and the reasonable fees and expenses of their counsel, that may be incurred in advising with respect to and/or defending any actual or threatened claims, actions, suits, investigations or proceedings to which the Agent and/or its Personnel may become subject or otherwise involved in any capacity under any statute or common law, or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Indemnitor by the Agent and its Personnel hereunder, or otherwise in connection with the matters referred to in this Agreement (including the aggregate amount paid in reasonable settlement of any such actions, suits, investigations, proceedings or claims that may be made against the Agent and/or its Personnel, provided that the Indemnitor has agreed to such settlement), provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

- (i) the Agent and/or its Personnel have been grossly negligent or have committed wilful misconduct or any fraudulent act in the course of such performance; and
- (ii) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the gross negligence, wilful misconduct or fraud referred to in (i).

Without limiting the generality of the foregoing, this indemnity shall apply to all reasonable expenses (including legal expenses), losses, claims and liabilities that the Agent may incur as a result of any action or litigation that may be threatened or brought against the Agent.

- (b) If for any reason (other than the occurrence of any of the events itemized in (a)(i) and (a)(ii) above), the foregoing indemnification is unavailable to the Agent or any Personnel or insufficient to hold the Agent or any Personnel harmless as a result of such expense, loss, claim, damage or liability, then the Indemnitor and the Agent and such Personnel will contribute to such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Agent or any Personnel on the other hand but also the relative fault of the Indemnitor and the Agent or any Personnel, as well as any relevant equitable considerations; provided that the Indemnitor shall in any event contribute to the amount paid or payable by the Agent or any Personnel as a result of such expense, loss, claim, damage or liability and any excess of such amount over the amount of the fees received by the Agent hereunder.

- (c) The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor and/or the Agent by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or shall investigate the Indemnitor and/or the Agent, and/or any Personnel of the Agent shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Indemnitor by the Agent or any Personnel, then the Agent and such Personnel shall have the right to employ its own counsel in connection therewith provided the Agent and such Personnel act reasonably in selecting such counsel, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agent for time spent by the Agent's Personnel in connection therewith) and out-of-pocket expenses incurred by their Personnel in connection therewith shall be paid by the Indemnitor as they occur.
- (d) Promptly after receipt of notice of the commencement of any legal proceeding against the Agent or any of the Agent's Personnel or after receipt of notice of the commencement or any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Agent will notify the Indemnitor in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed. However, the failure by the Agent to notify the Indemnitor will not relieve the Indemnitor of its obligations to indemnify the Agent and/or any Personnel. The Indemnitor shall, on behalf of itself and the Agent and/or any Personnel, as applicable, be entitled to (but not required) to assume the defence of any suit brought to enforce such legal proceeding; provided, however, that the defence shall be conducted through legal counsel acceptable to the Agent and/or any Personnel, as applicable, acting reasonably, that no settlement of any such legal proceeding may be made by the Indemnitor without the prior written consent of the Agent and/or any Personnel, as applicable, and none of the Agent and/or any Personnel, as applicable, shall be liable for any settlement of any such legal proceeding unless it has consented in writing to such settlement, such consent not to be unreasonably withheld. The Agent and its Personnel shall have the right to appoint its or their own separate counsel at the Indemnitor's cost provided the Agent acts reasonably in selecting such counsel.
- (e) The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Personnel of the Agent and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the

Indemnitor, the Agent and any of the Personnel of the Agent. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of this Agreement.

**17. Assignment and Selling Group Participation.**

- (a) The Agent will not assign this Agreement or any of their rights under this Agreement or, with respect to the Securities, enter into any agreement in the nature of an option or a sub-option unless and until, for each intended transaction, the Agent has obtained the consent of the Corporation and notice has been given to and accepted by the Regulatory Authorities.
- (b) The Agent may offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers and investments dealers, who may or who may not be offered part of the commissions or warrants to be received by the Agent pursuant to this Agreement.

**18. Right of First Refusal.**

- (a) The Corporation will notify the Agent of the terms of any further brokered equity or debt financing (or securities convertible into equity) that it requires or proposes to obtain during the 6 months following the Closing and the Agent will have the right of first refusal to provide any such financing.
- (b) The right of first refusal must be exercised by the Agent within 15 days following the receipt of the notice by notifying the Corporation that it will provide such financing on the terms set out in the notice.
- (c) If the Agent fails to give notice within the 15 days that it will provide such financing upon the terms set out in the notice, the Corporation will then be free to make other arrangements to obtain financing from another source on the same terms or on terms no less favourable to the Corporation, subject to obtaining the acceptance of the Regulatory Authorities.
- (d) The right of first refusal will not terminate if, on receipt of any notice from the Corporation under this Section, the Agent fails to exercise the right.

**19. Expenses.**

- (a) The Corporation shall pay all reasonable expenses and fees in connection with the Offering contemplated by this Agreement, including, without limitation, expenses of or incidental to the issue, sale or distribution of the Offered Shares and the filing of the Offering Documents and expenses of or incidental to all other

matters in connection with the transaction set out in this Agreement, including, without limitation, the fees and expenses payable in connection with the distribution of the Offered Shares, the fees and expenses of the Corporation's counsel and of local counsel to the Corporation, the fees and expenses of the auditors and the transfer agent for the Common Shares, all costs incurred in connection with the preparation and printing of the Offering Documents and certificates representing the Offered Shares and Compensation Options, the miscellaneous fees and expenses of the Agent and the reasonable fees and disbursements of the Agent's counsel, whether or not the Offering is completed, capped at a maximum of \$17,500 before taxes and disbursements. All fees and expenses incurred by the Agent or on its behalf shall be payable by the Corporation immediately upon receiving an invoice therefor from the Agent and shall be payable whether or not the Offering is completed against which the Corporation has paid a retainer of \$10,000 as of the date hereof. At the option of the Agent, such fees and expenses may be deducted from the gross proceeds of the Offering otherwise payable to the Corporation at Closing.

- (b) Notwithstanding Section 19(a), any single expense that exceeds \$5,000, other than fees and disbursements of the Agent's counsel, shall be pre-approved in writing by the Corporation to be reimbursable.

**20. Advertisements.** The Corporation acknowledges that the Agent shall have the right, subject always to subparagraphs 3(a) and (c) of this Agreement, at its own expense, subject to the prior consent of the Corporation, such consent not to be unreasonably withheld, to place such advertisement or advertisements relating to the sale of the Offered Shares contemplated herein as the Agent may consider desirable or appropriate and as may be permitted by applicable law. The Corporation and the Agent each agree that they will not make or publish any advertisement in any media whatsoever relating to, or otherwise publicize, the transaction provided for herein so as to result in any exemption from the prospectus and registration or other similar requirements under applicable securities legislation in any of the provinces of Canada or any other jurisdiction in which the Offered Shares shall be offered and sold being unavailable in respect of the sale of the Offered Shares to prospective purchasers.

**21. Notices.** Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "**notice**") shall be in writing addressed as follows:

- (a) If to the Corporation, to:

Walcott Resources Ltd.  
1315 Moody Avenue  
North Vancouver, BC V7L 3T5

E-mail:       marshall@ascentafinance.com  
Attention:    Marshall Farris

With a copy (for information purposes only and not constituting notice) to:

DuMoulin Black LLP  
10<sup>th</sup> Floor – 595 Howe Street  
Vancouver, British Columbia V6C 2T5

Fax: (604) 602-6812  
E-mail: dgunasekera@dumoulinblack.com  
Attention: David Gunasekera

(b) to the Agent, to:

PI Financial Corp.  
1900 – 666 Burrard Street  
Vancouver, British Columbia V6C 3N1

Fax: (604) 664-3660  
E-mail: jlocke@pifinancial.com  
Attention: Jim Locke

With a copy (for information purposes only and not constituting notice) to:

Miller Thomson LLP  
Suite 400- 725 Granville Street  
Vancouver, British Columbia V7Y 1G5

Fax: (604) 628-2922  
E-mail: adhesi@millerthomson.com  
Attention: Aman Dhesi

and if so given, shall be deemed to have been given and received upon receipt by the addressee or a responsible officer of the addressee if delivered, or one hour after being e-mailed or faxed and receipt confirmed during normal business hours, as the case may be. Any party may, at any time, give notice in writing to the others in the manner provided for above of any change of address, e-mail or fax number.

**22. Time of the Essence.** Time shall, in all respects, be of the essence hereof.

**23. Canadian Dollars.** All references herein to dollar amounts are to lawful money of Canada.

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

**25. Singular and Plural, etc.** Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.



**26. Entire Agreement.** This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings, including, without limitation, the Letter Agreement. This Agreement may be amended or modified in any respect by written instrument only signed by each of the parties hereto.

**27. Severability.** If one or more 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 hereof, but this Agreement shall be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

**28. Governing Law.** This Agreement is governed by the law of British Columbia, and the parties hereto irrevocably attorn and submit to the jurisdiction of the courts of British Columbia with respect to any dispute related to this Agreement.

**29. No Fiduciary Duty.** The Corporation hereby acknowledges that (i) the transactions contemplated hereunder are arm's-length commercial transactions between the Corporation, on the one hand, and the Agent and any affiliate through which it may be acting, on the other, (ii) the Agent is acting as agent but not as fiduciary of the Corporation and (iii) the Corporation's engagement of the Agent in connection with the Offering and the process leading up to the Offering is as agent and not in any other capacity. Furthermore, the Corporation agrees that it is solely responsible for making its own judgments in connection with the Offering (irrespective of whether the Agent has advised or is currently advising the Corporation on related or other matters). The Agent has not rendered advisory services beyond those, if any, required of an investment dealer by Securities Laws in respect of an offering of the nature contemplated by this Agreement and the Corporation agrees that it will not claim that the Agent has rendered advisory services beyond those, if any, required of an investment dealer by Securities Laws in respect of the Offering, or that the Agent owes a fiduciary or similar duty to the Corporation, in connection with such transaction or the process leading thereto.

**30. Successors and Assigns.** The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Corporation and the Agent and its respective successors and permitted assigns. This Agreement shall not be assignable by any party hereto without the prior written consent of the other party.

**31. Further Assurances.** 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.

**32. Effective Date.** This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

**33. Counterparts.** This Agreement may be executed in two or more counterparts and may be delivered by facsimile transmission or other means of electronic transmission, 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.

If the Corporation is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and delivering the same to the Agent.

Yours very truly,

**PI FINANCIAL CORP.**

Per: "Jim Locke"  
Authorized Signing Officer

The foregoing is hereby accepted on the terms and conditions therein set forth.

**DATED** as of the 15<sup>th</sup> day of May, 2019.

**WALCOTT RESOURCES LTD.**

Per: "Tracy Mabone"  
Authorized Signing Officer