
SHARE PURCHASE AGREEMENT

Made as of Marc 29, 2021

Between

1260945 B.C. LTD.

And

THE SHAREHOLDERS OF NEW AGE RESOURCES PTY LTD.

SHARE PURCHASE AGREEMENT

THIS AGREEMENT IS DATED March 29, 2021

Between

1260945 B.C. LTD., a company existing under the laws of the
Province of British Columbia

(the “**Purchaser**”)

And

**THE SHAREHOLDERS OF NEW AGE RESOURCES
PTY LTD LISTED ON SCHEDULE “A”**

(collectively, the “**Vendors**”)

RECITALS

A. The Vendors are the legal and beneficial owner of the Shares (as hereinafter defined), such Shares representing, 100% of the issued and outstanding shares of New Age Resources Pty Ltd (ACN 622 780 072), a company existing under the laws of Australia (the “**Company**”) and the holder of the NSW Project and the NT Projects (all capitalised terms as hereinafter defined).

B. The Vendors have agreed to sell, transfer and assign to the Purchaser and the Purchaser has agreed to purchase and acquire from the Vendors, all of the legal and beneficial interest of the Vendors in the Shares subject to and in accordance with the terms and conditions as hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises and the mutual agreements and covenants herein contained (the receipt and adequacy of which consideration is hereby mutually admitted by each party), the parties hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

Section 1.1 Definitions

In this Agreement the following words and phrases will have the meanings set forth after each:

- (a) “**Acquisition Agreement**” means the agreement between the Purchaser and MegaWatt pursuant to which MegaWatt agrees to purchase 100% of the issued and outstanding shares of the Purchaser;
- (b) “**Affiliate**” of any Person means, at the time such determination is being made, any other Person controlling, controlled by or under common control with such first Person, where “control” means the possession, directly or indirectly, of the

power to direct the management and policies of a Person whether through the ownership of voting securities or otherwise;

- (c) “**Agreement**” means this share purchase agreement and all attached Schedules, in each case as maybe supplemented, amended, restated or replaced from time to time;
- (d) “**Applicable Laws**” means any Canadian, Australian, or foreign federal, provincial, state, local or municipal statute, law (including common law), ordinance, rule having the force of law, regulation, by-law or order of any Governmental Authority or rule or policy of any stock exchange or securities commission that applies in whole or in part to a party;
- (e) “**Article**” means a numbered article of this Agreement, unless otherwise required under its context;
- (f) “**Business Day**” means a day other than Saturday or Sunday on which Canadian chartered banks are open for transactions of domestic business in Vancouver, British Columbia;
- (g) “**Commencement of Commercial Production**” means on the a Project:
 - (i) if a mill is located on the property, the last day of a period of 40 consecutive days in which, for not less than 30 days, the mill processed ore from the property at not less than 60% of its rated concentrating capacity, and
 - (ii) if a mill is not located on the property, the last day of a period of 30 consecutive days during which ore has been shipped from the property on a reasonably regular basis for the purpose of earning revenues,but any period of time during which ore or concentrate is shipped from the property for testing purposes or during which mill operations are undertaken as initial tune-up, will not be taken into account in determining the date of Commencement of Commercial Production
- (h) “**Company Financial Statements**” means the annual financial statements of the Company for the period ended June 30, 2020.
- (i) “**Closing**” means the completion of the sale to and purchase by the Purchaser of the Shares and the completion of all other transactions contemplated by this Agreement;
- (j) “**Closing Date**” means the date on which the Closing occurs, being 10 Business Days after satisfaction or waiver of the conditions set out in Articles 6, 7 and 8;
- (k) “**Closing Time**” means 2:00 p.m. (Vancouver time) on the Closing Date or such other time on the Closing Date as the parties may agree in writing that the Closing will take place;
- (l) “**Company**” has the meaning set out in Recital A;

- (m) “**Consideration Shares**” has the meaning set out in section 4.2(i);
- (n) “**Duty**” means any stamp, transaction or registration duty or similar charge imposed by any government agency and includes any interest, fine, penalty, charge or other amount imposed in respect of any of them, but excludes any Tax;
- (o) “**Encumbrances**” means any encumbrance of any kind whatever (registered or unregistered) and whether contingent or otherwise and includes a mortgage, easement, encroachment, adverse claim, restrictive covenant, royalty, title retention agreement, option or privilege, lien, hypothec, pledge, hypothecation, assignment, charge, security or security interest;
- (p) “**Environmental Laws**” means laws aimed at or relating to reclamation or restoration of properties; abatement of pollution; protection of the environment; protection of wildlife, including endangered species; ensuring public safety from environmental hazards; protection of cultural or historic resources; management, treatment, storage, disposal or control of, or exposure to, Hazardous Substances; releases or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or Hazardous Substances, including ambient air, surface water and groundwater; and all other laws relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, handling or transport of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes.
- (q) “**Event of Insolvency**” means:
 - (i) a receiver, manager, receiver and manager, trustee, administrator, controller or similar officer is appointed in respect of a person or any asset of a person;
 - (ii) a liquidator or provisional liquidator is appointed in respect of the corporation;
 - (iii) any application (not being an application withdrawn or dismissed within 14 days) is made to a court for an order, or an order is made, or a meeting is convened, or a resolution is passed, for the purposes of:
 - a) appointing a person referred to in paragraphs (i) or (ii);
 - b) winding up a corporation; or
 - c) proposing or implementing a scheme of arrangement;
 - d) any event or conduct occurs which would enable a court to grant a petition, or an order is made, for the bankruptcy of an individual or his estate under any Insolvency Provision;
 - (iv) a moratorium of any debts of a person, or an official assignment, or a composition, or an arrangement (formal or informal) with a person’s creditors, or any similar proceeding or arrangement by which the assets of a person are subjected conditionally or unconditionally to the control of

that person's creditors or a trustee, is ordered, declared, or agreed to, or is applied for and the application is not withdrawn or dismissed within 14 days;

- (v) a person becomes, or admits in writing that it is, is declared to be, or is deemed under any applicable law to be, insolvent or unable to pay its debts; or
- (vi) any writ of execution, garnishee order, mareva injunction or similar order, attachment, distress or other process is made, levied or issued against or in relation to any asset of a person;
- (r) **"FIRB Approval"** means the Treasurer of the Commonwealth of Australia consenting to the transactions described in this Agreement under the *Foreign Acquisitions and Takeovers Act 1975 (Cth) (FATA)*. A consent given subject to conditions does not fulfil this condition unless those conditions are acceptable to the Purchaser acting reasonably. For the purpose of this condition, the Treasurer is taken to have consented to the transfer of the Shares if the Treasurer:
 - (i) issues a notice under the FATA stating that the Commonwealth Government does not object; or
 - (ii) is, by reason of lapse of time, not able to make an order under the FATA;
- (s) **"Governmental Authority"** means any Canadian, Australian, or foreign governmental body, authority, office, department, or agency, whether federal, provincial, state, territorial, municipal or local governmental regulatory or administrative authority, tribunal, court, commission (including a securities commission) or any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or any court, tribunal, judicial or arbitral body, or any stock exchange or securities commission, having jurisdiction;
- (t) **"GST"** means goods and services tax or similar value added tax levied or imposed in Australia under the GST Law.
- (u) **"GST Law"** has the meaning given in the *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*.
- (v) **"Hazardous Substance"** means any waste or other substance that is prohibited, listed, defined, designated or classified as dangerous, hazardous, radioactive, corrosive, explosive, infectious, carcinogenic, mutation or toxic or a pollutant or a contaminant under or pursuant to, or that could result in liability under, any applicable Environment Laws including petroleum and all derivatives thereof or synthetic substitutes therefor, hydrogen sulphide, arsenic, cadmium, lead, mercury, polychlorinated biphenyls ("PCBs"), PCB-containing equipment and material, mold, asbestos, asbestos-containing material, urea-formaldehyde, urea-formaldehyde-containing material and any other material or substance that may

impair the natural environment, the health of any individual, property or plant or animal life;

- (w) “**IFRS**” means International Financial Reporting Standards as issued by the International Accounting Standards Board that are applicable to public issuers in Canada;
- (x) “**Income Tax Act**” means the *Income Tax Act* (Canada);
- (y) “**Insolvency Provision**” means any law relating to insolvency, sequestration, liquidation or bankruptcy (including any law relating to the avoidance of conveyances in fraud of creditors or of preferences, and any law under which a liquidator or trustee in bankruptcy may satisfy or avoid transactions), and any provision of any agreement, arrangement or scheme, formal or informal, relating to the administration of any of the assets of any person;
- (z) “**MegaWatt**” means MegaWatt Lithium and Battery Metals Corp.;
- (aa) “**Non-Precious Metal**” means all base metals and minerals, all non-metallic minerals including diamonds, all industrial minerals and all ores, concentrates, precipitates, beneficiated products, and solutions containing any of the previously mentioned metals or minerals, and all forms in which such metals or minerals may occur, be found, extracted or produced on, in or under the Projects;
- (bb) “**NSW Projects**” means the Kodiak, Caribou and Chinook nickel-cobalt-scandium HPA assets located in New South Wales, Australia, as further described at Schedule B;
- (cc) “**NT Projects**” means the Artic Fox and Isbjorn rare earth assets located in Northern Territory, Australia, as further described at Schedule B;
- (dd) “**Permits**” means any lease, license, permit, certificate, consent, order, grant, approval, classification, registration or other authorization of or from any Governmental Authority;
- (ee) “**Person**” includes an individual, Company, body corporate, partnership, joint venture, association, trust or unincorporated organization, Governmental Authority, or any trustee, executor, administrator or other legal representative thereof;
- (ff) “**Precious Metal**” means gold, silver, platinum, palladium, osmium, rhodium, ruthenium and iridium, all minerals containing such metals and all ores, concentrates, precipitates, beneficiated products, and solutions containing any of the previously mentioned metals and all forms in which such metals may occur, be found, extracted or produced on, in or under the Projects;
- (gg) “**Projects**” means the NSW Projects and the NT Projects.
- (hh) “**Purchase Price**” has the meaning as set out in Section 4.1;

- (ii) “**Purchaser’s Solicitors**” means McMillan LLP;
- (jj) “**Regulatory Approvals**” means any approvals or notices required pursuant to:
 - (i) FIRB Approval; and
 - (ii) the *Mining Act 1992* (NSW) and approval of the Minister for the transactions contemplated by this Agreement.
- (kk) “**Release**” means any sudden, intermittent or gradual release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, migration, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement or introduction of a Hazardous Substance, whether accidental or intentional, into the Environment;
- (ll) “**Remedial Action**” shall mean any investigation, feasibility study, monitoring, testing, sampling, removal (including removal of underground storage tanks), restoration, clean-up, remediation, closure, site restoration, remedial response or remedial work, in each case in relation to environmental matters;
- (mm) “**Schedule**” means a schedule attached to this Agreement, unless otherwise required under its context;
- (nn) “**Section**” means any section of this Agreement, unless otherwise required under its context;
- (oo) “**Shares**” means 32,629 ordinary shares in the capital of the Company, representing 100% of the issued and to be issued equity interests in the Company;
- (pp) “**Tax**” or “**Taxes**” includes all present and future taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other charges of any nature imposed by any Governmental Authority, including income, capital (including large corporations), withholding, consumption, sales, use, transfer, goods and services, harmonized sales or other value-added, excise, customs, anti-dumping, countervail, net worth, stamp, registration, franchise, payroll, employment, health, education, business, school, property, local improvement, development, education development and occupation taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and charges, and other assessments or similar charges in the nature of a tax including Canada Pension Plan and provincial pension plan contributions, employment insurance and unemployment insurance premiums and workers compensation premiums, together with all fines, interest, penalties on or in respect of, or in lieu of or for non-collection of, those taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings, dues and other charges, whether disputed or not;
- (qq) “**Tax Returns**” means returns, declarations, elections, filings, forms, reports, claims for refund, information returns or other documents (including any related or supporting schedules, statements or information), and including any amendment thereof, filed or required to be filed with any Governmental Authority

in connection with the determination, assessment, reassessment, or collection of Taxes of any party or the administration of any Applicable Law relating to any Taxes.

- (rr) “**Taxing Authority**” means the (i) the *Canada Revenue Agency*; (ii) the *Australian Tax office*; and (iii) any other Governmental Authority responsible for the administration of Tax in any jurisdiction.
- (ss) “**Termination Date**” has the meaning as set out in Section 11.2; and
- (tt) “**Vendor’s Solicitor’s**” means Mark Foster c/o Steinepreis Paganin, Level 4, the Read Buildings, 16 Milligan Street, Perth, Western Australia 6000.

Section 1.2 Currency

Unless otherwise specified, any reference to “\$” or “dollar” will refer to lawful currency of Canada (“**Canadian Dollars**”), and any amount advanced, paid or calculated is to be advanced, paid or calculated in Canadian Dollars.

Section 1.3 Headings

The headings used in this Agreement, and its division into articles, sections, schedules, and other subdivisions, do not affect its interpretation. All references in this Agreement to a designated “Section”, “paragraph”, “subparagraph” or other subdivision, or to a Schedule, is to the designated Section, paragraph, subparagraph or other subdivision of or Schedule to this Agreement, unless otherwise specifically stated.

Section 1.4 Including

Where the word “including” or “includes” is used in this Agreement, it means “including (or includes), without limitation”. The words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Section, paragraph, subparagraph or other subdivision or Schedule.

Section 1.5 Number and Gender

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

Section 1.6 References to Parties

Unless otherwise specified, every reference to a party to this Agreement will extend to and include (as the context requires) such party’s successors and permitted assigns, as if specifically named.

Section 1.7 References to this Agreement

Unless otherwise specified, the terms “hereof”, “hereunder” and similar expressions refer to this Agreement as a whole and not to any particular Article, Section, Schedule or other portion of this Agreement.

Section 1.8 Statutory References

Unless otherwise specified, any reference in this Agreement to a statute, statutory instrument or regulation includes all regulations, rules and policies made pursuant to such statute and, unless otherwise specified, the provisions of any statute or regulation which amends, supplements, supersedes or replaces any such statute, statutory instrument, regulation, rule or policy.

Section 1.9 Time

Time is of the essence of this Agreement and of every part of this Agreement, and no extension or variation of this Agreement will operate as a waiver of this provision.

Section 1.10 Time Periods

In this Agreement, a period of days begins on the first day after the event that began the period and ends at 5:00 p.m. Vancouver, British Columbia time on the last day of the period. If any period of time is to expire, or any action or event is to occur, on any day that is not a Business Day, the period expires, or the action or event is considered to occur, at 5:00 p.m. Vancouver, British Columbia time on the next Business Day.

Section 1.11 Knowledge

Any statement in this Agreement expressed to be made to “the Vendors’ knowledge” or similar statements, will be understood to be made on the basis of the actual knowledge of any of the Vendors, after due inquiry of the applicable employees, officers or directors of the Vendor (if applicable), of the relevant subject matter or on the basis of such knowledge of the relevant subject matter as such individual would have had if he or she had conducted such diligent inquiry (including inquiry of any other Person employed by, or serving as an officer or director of, the Company who has responsibility with respect to, or who could reasonably be expected to have knowledge of the matters in question).

Section 1.12 Interpretation of this Agreement

The parties acknowledge that they have each participated in settling the terms of this Agreement. The parties agree that any rule of legal interpretation to the effect that any ambiguity is to be resolved against the drafting party will not apply in interpreting this Agreement.

Section 1.13 Schedules

The following are the Schedules annexed to this Agreement:

Schedule A – List of Shareholders

Schedule B – Description of Properties

Schedule C – NSR Royalty

ARTICLE 2
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE VENDORS

Section 2.1 Representations and Warranties of the Vendors

In order to induce the Purchaser to enter into and to consummate the transactions contemplated by this Agreement, each Vendor severally hereby represents and warrants to the Purchaser as follows:

- (a) Organization and Good Standing. If the Vendor is a corporation, it is duly incorporated, organized and validly existing and is in good standing under the laws of its jurisdiction of incorporation and has the corporate power and capacity to carry on its business as presently conducted and to own the Shares;
- (b) Proceedings. No proceedings have been taken or authorized by each Vendor, or, to its knowledge, by any other Person, with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of the Company or the Vendor;
- (c) Authority. Each Vendor has due and sufficient right, authority and capacity to enter into this Agreement on the terms and conditions herein set forth and to transfer the legal and beneficial title and ownership of the Shares to the Purchaser, free and clear of all Encumbrances, and to perform its obligations hereunder. The execution and delivery of this Agreement has been duly authorized by all necessary corporate action on the part of each Vendor (if applicable);
- (d) Agreement Valid. This Agreement constitutes a valid and binding obligation of each Vendor enforceable against it in accordance with its terms. Each Vendor is not a party to, bound by or subject to any indenture, mortgage, lease, agreement, instrument, statute, regulation, order, judgment, decree or law which would be violated, contravened or breached by or under which any default would occur as a result of the execution and delivery by each Vendor of this Agreement or the performance by each Vendor of any of the terms hereof;
- (e) Party as a Trustee. If any party (**Trustee**) enters into this Agreement in the capacity as trustee of any trust (**Trust**) under any trust deed, deed of settlement or other instrument (**Trust Deed**), and whether or not any other party has notice of the Trust, then the Trustee enters into this Agreement both as trustee of the Trust and in its personal capacity. The Trustee represents and warrants that:
 - (i) it is the only trustee of the Trust and no action has been taken or is proposed to remove it as trustee of the Trust;
 - (ii) the Trustee has power under the Trust Deed and, in the case of a corporation, under its constitution, to enter into and execute this Agreement and to perform the obligations imposed under this Agreement as trustee;

- (iii) all necessary resolutions have been passed as required by the Trust Deed and, in the case of a corporate Trustee, by its constitution, in order to make this Agreement fully binding on the Trustee;
 - (iv) the execution of this Agreement is for the benefit of the beneficiaries of the Trust;
 - (v) the Trustee is not, and has never been, in default under the Trust Deed;
 - (vi) it has a right to be fully indemnified out of the Trust assets in respect of obligations incurred by it under this Agreement and the assets of the Trust are sufficient to satisfy that right of indemnity;
 - (vii) there is not now, and the Trustee will not do anything by virtue of which there will be in the future, any restriction or limitation on the right of the Trustee to be indemnified out of the assets of the Trust; and
 - (viii) there is no material fact or circumstance relating to the assets, matters or affairs of the Trust that might, if disclosed, be expected to affect the decision of the other parties, acting reasonably, to enter into this Agreement;
- (f) Residency of Vendor. Each Vendor is a “non-resident in Canada” for the purposes of the Income Tax Act;
- (g) Consents and Approvals. Other than the Regulatory Approvals, no consent, approval, order, authorization, registration or declaration of, or filing with, any Governmental Authority or other Person is required of the Vendors in connection with:
- (i) the Closing; or
 - (ii) the observance and performance by the Vendors of their obligations under this Agreement;
- (h) Litigation. The Vendor is not subject to any outstanding or, to the knowledge of the Vendor, threatened actions, suits or claims or any outstanding judgment, order, writ, injunction or decree that could reasonably be expected to materially impede the Closing;
- (i) Title. At Closing, the Vendors will own good and marketable title to the Shares as the legal and beneficial owners thereof;
- (j) Ownership Interest. The Vendors are the legal and beneficial owners of the Shares in the proportions set out in Schedule A and the Shares are not subject to any encumbrance or claim.

- (k) Absence of Options, etc. No Person other than the Purchaser has any oral or written agreement, option, right, privilege or any other right capable of becoming any of the foregoing (whether legal, equitable, contractual or otherwise) to acquire the Shares;
- (l) Indebtedness to Company. No Vendor is indebted to the Company;
- (m) Finder's Fees. No finder's fees, brokerage fees or advisory fees are payable in connection with the sale of the Shares;

and the Vendors covenant, represent and warrant with and in favour of the Purchaser that all of the representations and warranties set forth in this Section 2.1 will be true and correct at the Closing Time as if made on that date.

Section 2.2 Representations and Warranties Relating to the Company and the Projects

In order to induce the Purchaser to enter into and to consummate the transactions contemplated by this Agreement, the Vendors severally hereby represent and warrant to the Purchaser as follows:

- (a) Organization and Good Standing. The Company is duly incorporated, organized and validly existing and is in good standing under the laws of the State of Queensland, Australia and has the corporate power and capacity to carry on its business as presently exists;
- (b) Capitalization. The issued and outstanding capital of the Company consists of 32,629 ordinary and fully paid shares. There is no outstanding agreement, subscription, warrant, option, right or commitment or other right or privilege (whether by law, pre-emptive or contractual), not has it granted any right or privilege capable of becoming an agreement, subscription, warrant, option, right or commitment, obligation it to issue or sell any common shares or other securities, including any security or obligation or any kind convertible into or exchangeable or exercisable for Shares or any other security. The Company does not have any stock option, share or stock appreciation right, phantom equity, restricted share unit, deferred share unit, or other similar plan.
- (c) Shareholder and Similar Agreements. The Company is not party to any shareholder, pooling, voting trust or other similar agreement relating to the issued and outstanding share in the capital of the Company.
- (d) Proceedings. No proceedings have been taken or authorized by the Company, or, to the knowledge of the Vendors, by any other Person, with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of the Company;
- (e) Beneficial Ownership of Projects. The Company is the legal and beneficial owner of a one hundred percent (100%) interest in and to the NSW Projects and the NT Projects free and clear of all Encumbrances.

- (f) No Violation. The execution, delivery and performance of this Agreement by the Vendors, and the completion of the transactions contemplated herein, will not constitute or result in a violation, breach or default under:
- (i) any term or provision of any of the constating documents of the Company;
 - (ii) any Applicable Law;
 - (iii) the terms of any indenture, agreement (written or oral), instrument or understanding or other obligation or restriction to which the Company is a party or by which it is bound;
 - (iv) give rise to any rights of first refusal or rights of first offer in respect of the any of the Projects; or
 - (v) result in the imposition of a lien upon the any of the Projects.
- (g) Other Agreements. Neither the Vendors nor the Company, is currently in any discussions or negotiations with any other Person with respect to the sale or other disposition of its interest in and to any of the Projects the Company has not entered into any other agreement with respect to its interest in and to any of the Projects that is currently valid and outstanding. There is no other contract, option or any other right of another Person binding upon or at some future date, may become binding on the Company to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber the Projects other than pursuant to the provisions of this Agreement.
- (h) Outstanding Claims or Challenges. To the best of the knowledge of the Vendors, there are no claims or challenges against or to the ownership of or title to the Projects. Further, there are no outstanding obligations or any agreements or options to acquire or purchase any of the Projects or any portion thereof. The Vendors are not aware of any defects, failures or impairments in the title to the Projects. There is no action, suit, proceeding or inquiry pending or threatened by any Person. Neither the Vendors nor the Company has received any notice, whether written or oral, from any Governmental Authority of any revocation or intention to revoke any interest of the Company in the Projects.
- (i) Royalty Interests. There does not exist any royalty, earn-in, back-in or other interest whatsoever, in the Non-precious Metals or the Precious Metals contained in or any Mineral Products from any part of the Projects.
- (j) Event of Insolvency. No Event of Insolvency has occurred in relation to the Company, nor is there any act which has occurred or any omission made which may result in an Event of Insolvency occurring in relation to the Company.
- (k) Material Information. The Company has advised the Purchaser of all of the material information relating to, and has provided all material documentation and mining information that is in the possession of the Company in respect of the Company, its subsidiaries or the Projects.

- (l) Proceedings. There are no actions, suits, proceedings, inquiries or investigations existing, pending or, to the knowledge of each Vendor after due inquiry, threatened against or which adversely affect the Company or to which any of the Company's assets are subject, at law or equity, or before or by any Governmental Authority.
- (m) Payments. All taxes, assessments, rentals, levies or other payments related to the Projects to be made to any Governmental Authority have been made and the Projects are in good standing.
- (n) Mining Claims Comprising the Projects. The exploration licenses comprising the Projects are accurately described in Schedule "B" to this Agreement.
- (o) Assessment Work. All assessment work has been performed and filed, all taxes, royalties, rentals, fees, expenditures and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made to maintain the Projects in good standing until the applicable claim expiry dates as set out in Schedule "B" to this Agreement.
- (p) Outstanding Obligations and Liabilities. The Company is not aware of any outstanding obligations or liabilities, contingent or otherwise, under any applicable environmental laws, mining or other law, including reclamation or rehabilitation work, associated with the Projects or arising out of past exploration, development and/or mining activities carried out thereon other than ongoing obligations for claim maintenance fees.
- (q) Environmental Matters. (i) The Company has carried on its operations on its respective Projects in compliance with all applicable Environmental Laws and the Projects comply with all applicable Environmental Laws. (ii) The Projects are not subject to any contingent or other liability relating to (a) the restoration or rehabilitation of land, water or any other part of the environment, or (b) non-compliance with Environmental Laws. (iii) The Projects have not been used to generate, manufacture, refine, treat, recycle, transport, store, handle, dispose of, transfer, produce or process Hazardous Substances, except in compliance in all material respects with all Environmental Laws. Neither the Company nor any of its subsidiaries has caused or permitted the Release of any Hazardous Substances at, in, on, under or from the Projects, except in compliance, individually or in the aggregate, with all Environmental Laws. All Hazardous Substances handled, recycled, disposed of, treated or stored on or off site of the Projects by the Company or its subsidiaries have been handled, recycled, disposed of, treated and stored in material compliance with all Environmental Laws. There are no Hazardous Substances at, in, on, under or migrating from the Projects, except in material compliance with all Environmental Laws. (iv) Neither the Company nor its subsidiaries has treated or disposed of, or arranged for the treatment or disposal of, any Hazardous Substances at any location: (a) listed on any list of hazardous sites or sites requiring remedial action issued by any Governmental Authority; (b) to the knowledge of the Vendor, proposed for listing on any list issued by any Governmental Authority of hazardous sites or sites requiring Remedial Action, or any similar federal, state or provincial lists; or (c) which is the subject of

enforcement actions by any Governmental Authority that creates the reasonable potential for any proceeding, action, or other claim against The Company or its subsidiaries. The Projects are not proposed for listing on any list issued by any Governmental Authority of hazardous sites or sites requiring Remedial Action or is the subject of Remedial Action. (v) Neither the Company nor any of its subsidiaries has caused or permitted the Release of any Hazardous Substances on or to the Projects in such a manner as: (a) would reasonably be expected to impose liability for cleanup, natural resource damages, loss of life, personal injury, nuisance or damage to other property; or (b) would be reasonably expected to result in imposition of a lien, charge or other encumbrance or the expropriation of the Projects. (vi) The Company has not received from any Person or Governmental Authority any notice, formal or informal, of any proceeding, action or other claim, liability or potential liability arising under any Environmental Law that is pending as of the date of this Agreement.

- (t) Indigenous Claims. The Company has not received any notice from an indigenous group which affects the Projects, nor to the knowledge of each Vendor has any such claim been threatened which relates to the Projects. The Company and its subsidiaries have no outstanding agreements, memorandums of understanding or similar arrangements with any indigenous group. There are no ongoing or outstanding discussions, negotiations, or similar communications with or by any indigenous group concerning the Company or the Projects.
- (u) NGOs. No dispute between the Company or any of its subsidiaries and any non-governmental organization, community, or community group exists or, to the knowledge of the Vendor, is threatened or imminent with respect to the Projects.
- (r) Subsidiaries. The Company has no subsidiaries as at the date hereof.
- (s) Material Contracts. The Company is not party to any contract, which if terminated, would have a material impact on the Company or the Projects.
- (t) Access Rights. The Company has all rights of access that are required to access and perform work on the Projects.
- (u) Permits.
 - (i) The Company holds five (5) permits (the “**Permits**”). The Permits are in good standing and there has been no default under the Permits.
 - (ii) All fees and other amounts required to be paid with respect to the Kodiak, Caribou, Chinook, Artic Fox & Isbjorn Permits to the date hereof have been paid. There are no actions, proceedings or investigations, pending or, to the knowledge of the Vendors, threatened, against the Company or any of its Subsidiaries that could reasonably be expected to result in the suspension, loss or revocation of the Kodiak, Caribou, Chinook, Artic Fox & Isbjorn Permits.

- (iii) There are no other Permits necessary to conduct its current business at the Projects as it is now being conducted.
- (v) Real Property. The Company is not the legal or beneficial owner of any real property.
- (w) Taxes.
 - (i) All Tax Returns required to be filed by or on behalf of the Company have been duly and timely filed with the appropriate Taxing Authority in all jurisdictions in which such Tax Returns are required to be filed (after giving effect to any valid extensions of time in which to make such filings), and all such Tax Returns are true, complete and correct, including all transfer pricing reports required by applicable Law and (ii) all Taxes payable by or on behalf of the Company have been fully and timely paid. With respect to any period for which Tax Returns have not yet been filed or for which Taxes are not yet due or owing, the Company has made, due and sufficient accruals for such Taxes in the Company Financial Statements and its books and records. All required estimated Tax and Duty payments sufficient to avoid any underpayment penalties or interest have been made by or on behalf of the Company.
 - (ii) The Company has been in compliance with all Applicable Laws relating to the payment and withholding of Taxes or Duty, and has duly and timely withheld and paid over to the appropriate Taxing Authority all amounts required to be so withheld and paid under all Applicable Laws.
 - (iii) All deficiencies asserted or assessments made in writing as a result of any examinations by any Taxing Authority of the Tax Return of, or including, the Company have been fully paid and, to the knowledge of Vendor, there are no audits or investigations by any Taxing Authority in progress, nor has the Company received any written notice from any Taxing Authority that it intends to conduct such an audit or investigation.
 - (iv) The Company has up to and including Closing, kept and maintained proper and adequate records to enable it to comply with its obligations to any Taxing Authority and the Company has at all times appointed a public officer of in accordance with Applicable Laws.
 - (v) The Company is not a party to any tax or duty sharing, allocation, indemnity or similar agreement or arrangement (whether or not written) pursuant to which it will have any material obligation to make any payments after the Closing.
- (x) GST compliance

The Company:

 - (i) is registered for GST under the GST Law;

- (ii) has complied in all respects with the GST Law;
 - (iii) is not in default of any obligation to make or lodge any payment or GST Return or notification under the GST Law;
 - (iv) has adequate systems established for it to ensure it complies with the GST Law; and
 - (v) where it has the right to require another party to any such agreement or arrangement to pay to it an amount on account of, or in respect of, GST, has enforced that right; and
 - (vi) is not and has never been a member of a GST group.
- (y) Pension Plans and Benefits. The Company does not have, and is not subject to any present or future obligation or liability under, any written or oral pension plan, deferred compensation plan, incentive compensation plan, retirement income plan, stock option or stock purchase plan, stock appreciation plan, phantom stock option plan, retirement plan, salary continuation plan, severance plan, supplemental unemployment plan, profit sharing plan, commission plan, bonus plan or policy, employee group insurance plan, hospitalization plan, disability plan, health, welfare, medical or dental plan or other employee benefit plan, program, policy, arrangement or practice, formal or informal, with respect to any of its employees.
- (z) No Liabilities. There are no liabilities of the Company whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the Company Financial Statements.
- (aa) Applications. The applications for each of EL32488 and EL32499 were made by the Company in strict compliance with all applicable laws and the Vendors are not aware of any matter, fact or circumstance that could result in those applications not being granted.

Section 2.3 Survival

The representations and warranties of the Vendors contained in this Agreement will survive the Closing and the payment of the Purchase Price and, notwithstanding the Closing and the payment of the Purchase Price, will (except where otherwise specifically provided in this Agreement) survive the Closing and will continue in full force and effect for a period of one (1) year from the Closing Date.

Section 2.4 Covenants of the Vendors

The Vendors covenant and agree with Purchaser as follows:

- (a) **Operation of Business.** To cause the operations of the business of the Company in the ordinary course of business and to preserve intact its present business organization, and to take any and all such further actions reasonably requested by

the Purchaser to the end that the business shall not be impaired in any material respect at the Closing Date;

- (b) **Confidential Information.** To use commercially reasonable efforts to preserve confidential and proprietary information relating to the business as confidential;
- (c) **Conditions and Consents.** To use commercially reasonable efforts to obtain all consents and to satisfy all conditions required to close the transactions contemplated by this Agreement (including the Regulatory Approvals);
- (d) **Insurance.** To cause the Company to keep in full force its current insurance policies or without permitting any termination, cancellation or lapse thereof, to enter into replacement policies providing coverage equal to or greater than the coverage under those cancelled, terminated or lapsed for substantially similar premiums;
- (e) **Inconsistent Activities.** Not to allow the Company to solicit or encourage any inquiries or proposals or initiate discussions or negotiations with, or provide any information to any third party (other than the Purchaser) concerning, or enter into any transaction involving, the acquisition of all or any part of the shares, Assets or Business of the Corporation;
- (f) **Litigation.** Not to allow the Company to settle any litigation, proceeding or governmental or other regulatory investigation relating to the Company;
- (g) **Corporate Reorganization.** Not to allow the Company to purchase substantially all of the assets of, or otherwise acquire any business; and not to amend or approve any amendment to its constituting documents or capital structure, issue or sell, authorize for issuance or sale, or grant options, warrants or rights to subscribe for or purchase, any shares of the Corporation, or otherwise effect any corporate reorganization unless approved in writing by the Purchaser;
- (h) **Changes or Dividends.** Not to make any change in respect of any securities of the Corporation, declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of its securities, or redeem or otherwise acquire any securities of the Corporation;
- (i) **Employee Remuneration.** Not to permit the Company to (a) increase the compensation of any director, officer, employee, consultant, contractor or agent of the Company other than pursuant to existing contractual or legal obligations; (b) improve the Benefit Plans in any manner, (c) pay to or for the benefit of, or agree to pay to or for the benefit of, any director, officer, employee, consultant, contractor or agent of the Company any pension or retirement allowance or other benefit not required by the Benefit Plans or Contracts; or (d) commit to anything that would constitute a new or renewed Benefits Plan; nor will the Company amend any of the arrangements referred to in this Section 2.4(i) now in existence;
- (j) **Indebtedness.** Not to allow the Company to create, incur or assume any new indebtedness;

- (k) **Disposition of Assets.** Not to permit the Company to sell, transfer, mortgage or otherwise dispose of, or encumber, or agree to sell, transfer, mortgage or otherwise dispose of or encumber, any properties or assets, real, personal or mixed of the Company;
- (l) **Representations and Warranties of the Vendor.** Not to do anything or permit the Company to do anything that would cause any of the representations and warranties of each Vendor under this Agreement or under any other document delivered pursuant to this Agreement to be false or misleading;

ARTICLE 3

REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE PURCHASER

Section 3.1 Representations and Warranties

In order to induce the Vendors to enter into and to consummate the transactions contemplated by this Agreement, the Purchaser hereby represents and warrants to the Vendors and the Company as follows:

- (a) Organization and Good Standing. The Purchaser is a company duly incorporated, organized and validly existing and is in good standing under the laws of its jurisdiction of incorporation and the Company and has the corporate power and capacity to carry on its business as presently conducted and to own the Shares;
- (b) Proceedings. No proceedings have been taken or authorized by the Purchaser, or, to its knowledge, by any other Person, with respect to the bankruptcy, insolvency, liquidation, dissolution or winding up of the Purchaser;
- (c) Authority. The Purchaser has due and sufficient right, authority and capacity to enter into this Agreement on the terms and conditions herein set forth and to acquire legal and beneficial title and ownership of the Shares and to perform its obligations hereunder, as applicable. The execution and delivery of this Agreement has been duly authorized by all necessary corporate action on the part of the Purchaser;
- (d) Agreement Valid. This Agreement constitutes a valid and binding obligation of the Purchaser enforceable against it in accordance with its terms. Other than the Acquisition Agreement, the Purchaser is not a party to, bound by or subject to any indenture, mortgage, lease, agreement, instrument, statute, regulation, order, judgment, decree or law which would be violated, contravened or breached by or under which any default would occur as a result of the execution and delivery by the Purchaser of this Agreement or the performance by the Purchaser of any of the terms thereof;
- (e) Issuance of Securities: The Purchaser will reserve or set aside sufficient shares in its treasury to issue the Consideration Shares, and all such shares will be duly and validly issued as fully paid and non-assessable;

- (f) Bankruptcy: The Purchaser is not an insolvent Person under the Bankruptcy and Insolvency Act (Canada) and has not made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof, and no petition for a receiving order has been presented in respect of it. The Purchaser has not initiated proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution. No receiver or interim receiver has been appointed in respect of it or any of the Purchaser's undertakings, property or assets and no execution or distress has been levied on any of its undertakings, property or assets, nor have any proceedings been commenced in connection with any of the foregoing.

Section 3.2 Survival

The representations and warranties of the Purchaser contained in this Agreement will survive the Closing and the purchase of the Shares, and notwithstanding the Closing and the purchase of the Shares, the representations, warranties and covenants of the Purchasers will continue in full force and effect for the benefit of the Vendor for a period of one (1) year from the Closing Date.

ARTICLE 4 PURCHASE AND SALE

Section 4.1 Shares

Based and relying on the representations and warranties set forth in Article 2 and Section 2.4(a) hereof, the Purchaser hereby agrees to purchase and acquire, either directly or through an Affiliate of the Purchaser, the Shares from the Vendors and the Vendors hereby agree to sell and transfer the Shares to the Purchaser (or Affiliates of the Purchaser, as the Purchaser may direct), free and clear of all Encumbrances and the Purchaser hereby agrees to pay the purchase price (the "**Purchase Price**") at the Closing on the terms and conditions hereinafter set forth.

Section 4.2 Purchase Price

In consideration of the Purchase and Sale, the Purchaser's Parent (Megawatt) will issue to the Vendor:

- (1) 2,500,000 common shares in the capital of the Purchaser's parent (the "**Consideration Shares**"); and
- (2) Upon the Commencement of Commercial Production from the Projects, as applicable, Purchaser will pay to Vendors a royalty (the "**NSR Royalty**"), being equal to 1% of Net Smelter Returns, on the terms and conditions as set out in Schedule "C" hereto.

All Consideration Shares issued pursuant to this Agreement will contain all legends required to be affixed by Canadian Securities Laws or applicable stock exchange rules and shall rank equally with the common shares of the Purchaser.

ARTICLE 5 CLOSING

Section 5.1 Closing Date and Location

The Closing Date shall be no later than the tenth Business Day after the satisfaction or waiver of the conditions to Closing set forth in Articles 6, 7 and 8 hereof (other than the conditions which are to be satisfied on the Closing Date), or such other time or date as may be agreed upon in writing by the parties hereto, at the offices of the Purchaser's Solicitors, Suite 1500, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7, or at such other time or at such other location as may be mutually agreed upon in writing by the parties hereto.

ARTICLE 6 CONDITIONS PRECEDENT TO THE PERFORMANCE BY THE PURCHASER

Section 6.1 Purchaser's Conditions

The obligations of the Purchaser to complete the purchase of the Shares will be subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following conditions precedent:

- (a) Board Approval. The board of directors of the Purchaser shall have approved this Agreement and the transactions contemplated herein.
- (b) Truth and Accuracy of Representations of Vendors at Closing. The representations and warranties of the Vendors made in Article 2 hereof will be true, accurate, and correct in all material respects as at the Closing and with the same effect as if made at and as of the Closing.
- (c) Diligence. The Purchaser shall have completed its due diligence investigation of the Company and its operations in its sole satisfaction.
- (d) Regulatory Approvals. The Purchaser shall have received the Regulatory Approvals, including all necessary third-party approvals and consents to the transaction, including but not limited to FIRB Approval if required and any other necessary court, regulatory or other approvals.
- (e) No Material Adverse Change. There shall have been no material adverse change that will have occurred in the assets, liabilities, financial condition or affairs of the Company, financial or otherwise, between the date of this Agreement and the Closing Date.
- (f) Performance of Obligations. The Vendors will have performed and complied with all its obligations, covenants and agreements hereunder in all material respects.
- (g) Financial Statements. The Vendors shall cause the Company to deliver any financial statements requested by the Purchaser.
- (h) Closing Documentation. The Purchaser will have received from or on behalf of the Vendors the following closing documentation:

- (i) share certificates representing the Shares issued in the name of the Vendors, duly endorsed for transfer to the Purchaser (or, Affiliates of the Purchaser, as the Purchaser may direct);
- (ii) certified copy of a resolution of the directors of the Company approving this Agreement and the transfer of the Shares to the Purchasers (or, Affiliates of the Purchasers, as the Purchasers may direct);
- (iii) a bring-down certificate of an officer of the Company, acting in his capacity as an officer of the Company and not in his personal capacity, certifying, to the best of his knowledge that the representations and warranties of the Company, set forth in Section 2.1 hereof are true, accurate, and correct in all material respects as of the Closing Date, and certifying that the such party has fulfilled and/or performed in all material respects, when required, all of its obligations contained in this Agreement to be fulfilled and/or performed on or before the Closing Date;
- (iv) resignations, effective the Closing Date, of each director or officer of the Company; and
- (v) there is no material adverse effect or changes with respect to the Projects on or before the Closing Date.

Without derogating from the Purchaser's rights or obligations under this Agreement, it is agreed that the Purchaser will act in good faith to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law to satisfy, or cause to be satisfied, all of the conditions set forth in this Section 6.1, and to consummate the transactions contemplated under this Agreement as promptly as practicable.

Section 6.2 Waiver of Conditions

The conditions set forth in this Article 6 are for the exclusive benefit of the Purchaser and may only be waived by the Purchaser, in writing in whole or in part on or before the Closing Date.

ARTICLE 7 CONDITIONS PRECEDENT TO THE PERFORMANCE BY THE VENDORS

Section 7.1 Vendors' Conditions

The obligations of the Vendors to complete the sale of Shares hereunder will be subject to the satisfaction of or compliance with, at or before the Closing Time, each of the following conditions precedent:

- (a) Acquisition Agreement Conditionality. The Purchaser providing written confirmation and evidence that the Acquisition Agreement has become unconditional, save and except for the condition that the transactions contemplated by this Agreement have been completed;

- (b) Truth and Accuracy of Representations of Purchaser at Closing. The representations and warranties of the Purchaser made in Article 3 hereof will be true, accurate, and correct in all material respects as at the Closing and with the same effect as if made at and as of the Closing;
- (c) Diligence. The Vendors shall have completed its due diligence investigation of the Purchaser and its operations in its sole satisfaction;
- (d) Performance of Obligations. The Purchaser will have performed and complied with all its obligations, covenants and agreements hereunder in all material respects;
- (e) Regulatory Approvals. The Vendors shall have received the Regulatory Approvals, including all necessary third-party approvals and consents to the Transaction, including any necessary court, regulatory or other approvals;
- (f) No Material Adverse Change. There shall have been no material adverse change that will have occurred in the assets, liabilities, financial condition or affairs of the Purchaser, financial or otherwise, between the date of this Agreement and the Closing Date; and
- (g) Closing Documentation. The Vendors will have received from or on behalf of the Purchaser the following closing documentation:
 - (i) share certificates representing the Consideration Shares issued in the name of the Vendors;
 - (ii) a bring-down certificate of an officer of the Purchaser, acting in his capacity as an officer of the Purchaser and not in his personal capacity, certifying, to the best of his knowledge that the representations and warranties of the Purchaser, set forth in Section 3.1 hereof are true, accurate, and correct in all material respects as of the Closing Date, and certifying that the such party has fulfilled and/or performed in all material respects, when required, all of its obligations contained in this Agreement to be fulfilled and/or performed on or before the Closing Date;

Without derogating from the Vendors' rights or obligations under this Agreement, it is agreed that each Vendor will act in good faith to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary, proper or advisable under Applicable Law to satisfy, or cause to be satisfied, all of the conditions set forth in this Section 7.1, and to consummate the transactions contemplated under this Agreement as promptly as practicable.

Section 7.2 Waiver of Conditions

The conditions set forth in this Article 7 are for the exclusive benefit of the Vendors and may be waived by the Vendors in writing in whole or in part on or before the Closing Date.

ARTICLE 8
MUTUAL CONDITIONS PRECEDENT TO THE PERFORMANCE BY THE PARTIES
OF THEIR OBLIGATIONS UNDER THIS AGREEMENT

Section 8.1 Mutual Conditions

The obligations of the parties to complete the purchase and sale of the Shares will be subject to the satisfaction of, or compliance with, at or before the Closing Time, each of the following mutual conditions precedent:

- (a) Absence of Injunctions, etc. No injunction or restraining order of any court or administrative tribunal of competent jurisdiction will be in effect prohibiting the transactions contemplated hereby;
- (b) Absence of Statute, etc. No statute, rule, regulation or order shall have been enacted by any Governmental Authority in any jurisdiction, including Canada and any of its provinces or territories, that has the effect of making illegal or otherwise preventing or prohibiting completion of the transactions contemplated hereby;

Section 8.2 Waiver of Conditions

The conditions set forth in this Article 8 are for the mutual benefit of the parties to this Agreement and may be waived by the parties, acting jointly, in writing in whole or in part on or before the Closing Date.

ARTICLE 9
EXAMINATIONS, WAIVERS AND OTHER COVENANTS

Section 9.1 Further Action

Until the Closing, the parties will use their reasonable commercial efforts to cause and facilitate the prompt satisfaction of all conditions in Article 6, Article 7 and Article 8. From and after the Closing, all of the parties will execute and deliver such documents and other papers and take such further actions as may be reasonably required to carry out the provisions of this Agreement and give effect to the transactions contemplated hereby and thereby.

ARTICLE 10
INDEMNITIES

Section 10.1 Indemnification of Purchaser

For a period of one (1) year from the Closing, the Vendors covenant and agree with the Purchaser to severally indemnify the Purchaser against all liabilities, claims, demands, actions, causes of action, damages, losses, costs or expenses (including reasonable legal fees on a solicitor and his own client basis) suffered, or incurred by the Purchaser, directly or indirectly, by reason of or arising out of:

- (a) any warranties or representations on the part of the Vendors set forth in Article 2 of this Agreement being untrue; and

- (b) a breach of any agreement, term or covenant on the part of the Vendors made or to be observed or performed pursuant hereto;

which liabilities, claims, demands, actions, causes of action, damages, losses, costs and expenses are collectively referred to as the “Purchaser’s Losses”.

Section 10.2 Indemnification of the Vendors

For a period of one (1) year from the Closing, the Purchaser covenants and agrees with the Vendors to indemnify the Vendors against all liabilities, claims, demands, actions, causes of action, damages, losses, costs or expenses (including reasonable legal fees on a solicitor and his own client basis) suffered, or incurred by the Vendors, directly or indirectly, by reason of or arising out of:

- (a) any warranties or representations on the part of the Purchaser set forth in Article 3 of this Agreement being untrue; and
- (b) a breach of any agreement, term or covenant on the part of the Purchaser made or to be observed or performed pursuant hereto;

which liabilities, claims, demands, actions, causes of action, damages, losses, costs and expenses are collectively referred to as the “Vendors’ Losses”.

Section 10.3 Maximum indemnity amount by Vendors

No action or claim for indemnification shall be made or brought by the Purchaser hereunder unless the Purchaser’s Losses exceed ten thousand Dollars (\$ 10,000) in which case the maximum aggregate amount recoverable by the Purchaser against each of the Vendors in relation to all claims for breach of this Agreement by that Vendor (including, without limitation, a representation or warranty) shall be equal to 100% of the value of the Consideration Shares, Performance Shares and the pro rata cash consideration issued to that Vendor.

Section 10.4 Maximum indemnity amount by Purchaser

No action or claim for indemnification shall be made or brought by the Vendors hereunder unless the Vendors’ Losses exceed ten thousand Dollars (\$10,000) in which case the maximum aggregated amount recoverable by a Vendor against the Purchaser in relation to all claims for breach of this Agreement by the Purchaser (including, without limitation, a representation or warranty) shall be equal to 100% of the value of the Consideration Shares, Performance Shares and the pro rata cash consideration issued to that Vendor.

Section 10.5 Limitations on the Vendors’ liability

Notwithstanding anything to the contrary in this Agreement, the Vendors will not be liable for any claim:

- (a) where the claim arises or is in respect of matters against which the Purchaser is insured, or could reasonably be expected to be insured, for loss or damage suffered by it;

- (b) where the claim relates to a breach of warranty, the Purchaser is, before the date of this Agreement, aware of the matter giving rise to the claim and does not before the Closing Date give written notice to the Vendors of the matter, to the extent of the quantum of the claim of which the Purchaser has specific knowledge;
- (c) where the claim relates to a breach of warranty and the breach could have been identified by the appropriate investigations or enquiries prior to the Closing Date;
- (d) where the claim is as a result of or in consequence of any voluntary act, omission, transaction or arrangement of or on behalf of the Purchaser or done after the Closing Date in reckless disregard of the Purchaser's knowledge of the existence of the claim; or
- (e) where the claim arises from any act, matter, omission, transaction or circumstance which would not have occurred but for any legislation not in force at the date of this Agreement, or any change of any law of any governmental agency, including any legislation or change of law which takes effect retrospectively, or any increase in the rates of tax or any imposition of tax not in effect at the date of this Agreement.

ARTICLE 11 TERMINATION

Section 11.1 Termination by Vendors or Purchaser

This Agreement may be terminated at any time prior to the Termination Date:

- (a) by mutual written consent and agreement of the Vendors and the Purchaser;
- (b) by either party, upon written notice to the other party, if any Governmental Authority having jurisdiction has issued an order, decree or ruling permanently restraining or enjoining or otherwise prohibiting the transactions contemplated under this Agreement (unless such order, decree or ruling has been withdrawn, reversed or otherwise made inapplicable) which order, decree or ruling is final and non-appealable;
- (c) by the Purchaser, upon written notice to the Vendors:
 - (i) if any of the conditions set forth in Section 6.1 or Section 8.1 are not satisfied or waived by the Termination Date;
 - (ii) any representation or warranty of the Vendors under this Agreement is untrue or incorrect or will have become untrue or incorrect such that the condition contained in Section 6.1(b) would be incapable of satisfaction, provided that the Purchaser is not then in breach of this Agreement so as to cause any condition in favour of both parties or in favour of the Vendors not to be satisfied; or

- (iii) if there is a breach by the Vendors of any covenant or obligation provided in Article 2, prior to the Termination Date; or

Section 11.2 Automatic Termination

This Agreement will terminate and the obligations of the parties hereunder will terminate if the Closing Date does not occur by March 31, 2021 (the “**Termination Date**”).

Section 11.3 Effect of Termination

Except as otherwise set forth in this Section 11.3, in the event of the termination of this Agreement pursuant to Section 11.1 or Section 11.2, this Agreement shall forthwith become void and have no effect, without any liability on the part of any party hereto or its respective Affiliates, officers, directors, employees or stockholders, other than liability of the Vendors or the Purchaser, as the case may be, for any breach of this Agreement occurring prior to such termination. The provisions of this Section 11.3, and Article 12 shall survive any termination of this Agreement.

ARTICLE 12 GENERAL

Section 12.1 Public Notice

The parties hereto agree that all notices to third parties and all other publicity concerning the transactions contemplated by this Agreement will be jointly planned and co-ordinated and no party hereto will act unilaterally in this regard without the prior approval of the others, such approval not to be unreasonably withheld. Notwithstanding the foregoing, nothing contained herein will prevent a party at any time from disclosing information if required by Applicable Law.

Section 12.2 Expenses

All costs and expenses incurred in connection with this Agreement and the transactions contemplated hereby will be paid by the party incurring such expenses.

Section 12.3 Duty

- (a) All Duty which may be payable on or in connection with the sale and transfer of the Shares to the Purchaser is payable by the Purchaser.
- (b) All Duty which may be payable on or in connection with the issue of the Consideration Shares and the Performance Shares to the Vendor is payable by the Vendor.

Section 12.4 Time

Time will be of the essence hereof.

Section 12.5 Notices

Any notice required or authorized to be given under this Agreement will be in writing and will be delivered (a) in person, (b) by email, (c) by registered mail, return receipt requested, or (d) by reputable courier service. Notices will be effective upon the date of delivery, if delivered prior to 5:00 p.m. at the recipient's location, or on the next Business Day if delivered after such time. Notices will be addressed to the parties as follows:

If to the Purchaser at:

1260945 B.C. Ltd.
c/o McMillan LLP
1055 West Georgia Street, Suite 1500,
Royal Centre
Vancouver, British Columbia V6E 4N7
Attention: Karan Thakur
Email: [E-mail address redacted]

with a copy to Purchasers' Solicitors at:

McMillan LLP
1055 West Georgia Street, Suite 1500,
Royal Centre
Vancouver, British Columbia V6E 4N7
Attention: Jeff Wust
Email: [E-mail address redacted]

If to the Company and the Vendors at:

New Age Resources Pty Ltd
c/o Davis & Co Pty Ltd
Suite 6, 29 McDougall Street
Milton, Queensland 4064
Attention: Jason Osborne
Email: [E-mail address redacted]

with a copy to the Company's Solicitors at:

Steinepreis Paganin
Level 4, the Read Buildings
16 Milligan Street, Perth
Western Australia 6000
Attention: Mark Foster
Email: [E-mail address redacted]

Either party may change its address by notice to the other party given in the same in the manner as provided in this section.

Section 12.6 Governing Law

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the parties hereto submit and attorn to the jurisdiction of the Courts of the Province of British Columbia.

Section 12.7 Severability

If any one or more of the provisions contained in this Agreement should be invalid, illegal or unenforceable in any respect in any jurisdiction, the validity, legality and enforceability of such provision or provisions will not in any way be affected or impaired thereby in any other jurisdiction and the validity, legality and enforceability of the remaining provisions contained herein will not in any way be affected or impaired thereby, unless in either case as a result of such determination this Agreement would fail in its essential purpose.

Section 12.8 Entire Agreement

This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements, understandings, representations and warranties, oral or written, by and between any of the parties hereto with respect to the subject matter hereof.

Section 12.9 Amendment

This Agreement will not be varied in its terms or amended by oral agreement or by representations or otherwise other than by an instrument in writing dated subsequent to the date hereof, executed by a duly authorized representatives of each party.

Section 12.10 Further Assurances

The parties hereto will with reasonable diligence do all such deeds, acts and things and provide all such reasonable assurances as may be required in the reasonable opinion of the Purchaser's Solicitors and the Company's Solicitors to consummate the transactions contemplated hereby, and each party hereto will provide such further documents or instruments required by the other party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions whether before or after the Closing Date.

Section 12.11 Enforcement.

The parties hereto agree that irreparable damage would occur, and that the parties would not have any adequate remedy at law, in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the parties shall be entitled to an injunction or injunctions to prevent breaches of this Agreement and to specifically enforce the terms and provisions of this Agreement, without proof of actual damages or otherwise, in addition to any other remedy to which any party is entitled at law or in equity. Each party agrees to waive any requirement for the securing or posting of any bond in connection with such remedy. The parties further agree not to assert that a remedy of specific enforcement is unenforceable, invalid, contrary to law or inequitable for any reason, nor to assert that a remedy of monetary damages would provide an adequate remedy. To the extent any party hereto brings an action to enforce specifically the performance of the terms and provisions of this Agreement (other than an action to enforce

specifically any provision that by its terms requires performance after the Closing or expressly survives termination of this Agreement), the Termination Date shall automatically be extended to (i) the twentieth (20th) Business Day following the resolution of such action or (ii) such other time period established by the court presiding over such action.

Section 12.12 Enurement

No party hereto shall assign this Agreement or any part hereof without the prior written consent of the other parties. Subject to the foregoing, this Agreement and each of the terms and provisions hereof will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, personal representatives, and permitted successors and assigns. Notwithstanding the foregoing, the parties acknowledge and agree that following the closing of the transactions contemplated by the Acquisition Agreement, that First Energy Metals Limited may assume the obligations of the Purchaser under this Agreement.

Section 12.13 Counterparts

This Agreement may be executed in as many counterparts as may be necessary or by facsimile and each such agreement or facsimile so executed will be deemed to be an original and such counterparts together will constitute one and the same instrument.

The parties have executed this Agreement on the date and year first indicated above.

EXECUTED by 1260945 B.C. LTD.)
)
)
“Karan Thakur”)
Signature of Sole director

Karan Thakur
Name of Sole Director

EXCUTED by NEW AGE)
RESOURCES PTY LTD (ACN 622 780 072) in)
accordance with section 127 of the *Corporations Act*)
2001 (Cth):)

“Kim Wainwright”

Kim Julie Wainwright
Name of director/company secretary

EXCUTED by Kim Julia Wainwright)
(ATF The Wainwright Family Trust) in accordance)
with section 127 of the *Corporations Act 2001* (Cth):)
)

“Kim Wainwright”

Kim Julie Wainwright
Signature

“Fern Chung”
Signature of Witness

Fern Chung
Name of Witness

EXECUTED by **TAKA CONSTODIANS PTY LTD (ATF TAKA TRUST) (ACN 167 890 920)** in accordance with section 127 of the *Corporations Act 2001* (Cth):)
)
)
)

“Jason Osborne”

Jason Osborne
Signature

EXECUTED by **REID MACHINE PTY LTD (ATF REID MACHINE TRUST) (ACN 167 820 886)** in accordance with section 127 of the *Corporations Act 2001* (Cth):

Signature of Director

Name of Director

EXECUTED by **Digby Falkiner (ATF Jescibelle Investments Trust)** in accordance with section 127 of the *Corporations Act 2001* (Cth):)
)
)
)

“Digby Falkiner”

Signature

Digby Falkiner
Name in full

Signature of director/company secretary*

Name of director/company secretary*

“Troy Warrick”

Signature of director/company secretary*

Troy Warrick

Name of director/company secretary*

“Jennifer Falkiner”

Signature of director/company secretary*

Jennifer Falkiner

Name of director/company secretary*

EXECUTED by Jennifer Dacuya)
Falkiner (ATF Jescibelle Investments)
Trust) in accordance with section 127)
of the Corporations Act 2001 (Cth):)

“Jennifer Falkiner”
Signature

Jennifer Falkiner
Name in full

“Digby Falkiner”
Signature of director/company secretary*

Digby Falkiner
Name of director/company secretary*

EXECUTED by FOUCART PTY LTD)
(ATF CRB TRUST))
(ACN 008 980 676) in accordance)
with section 127 of the Corporations Act)
2001 (Cth):)

Signature of director

Name of director

“Steven Bodey”
Signature of director/company secretary*

Steven Bodey
Name of director/company secretary*

EXECUTED by MARSHAL)
CUSTODIANS PTY LTD (ATF)
MARSHAL TRUST (ACN 640 804)
459) in accordance with section 127)
of the Corporations Act 2001 (Cth):)

“Luke Osborne”
Signature

Luke Osborne
Name of director

Signature of director/company secretary*

Name of director/company secretary*

EXECUTED by **ELMORE LIMITED**)
(**ACN 057 140 922**) in accordance with section 127)
of the *Corporations*)
Act 2001 (Cth):)

“David Mendelawitz”
Signature of director

David Mendelawitz
Name of director

“Peter Richards”
Signature of director/company secretary*

Peter Richards
Name of director/company secretary*

EXECUTED by **MENAGE PTY LTD**)
(**ATF MENAGE FAMILY TRUST**))
(**ACN 622 873 107**) in accordance)
with section 127 of the *Corporations*)
Act 2001 (Cth):)

Signature of director

Name of director

“Edon M. Hodson”
Signature of director/company secretary*

Eden M. Hodson
Name of director/company secretary*

SCHEDULE “A”

LIST OF SHAREHOLDERS OF NEW AGE RESOURCES PTY LTD.

Name of Vendor	Number of Shares held	Percentage of Shares held	Number of Consideration Shares
KIM JULIA WAINWRIGHT (ATF THE WAINWRIGHT TRUST)	7,434	22.78%	569,586
TAKA CUSTODIANS PTY LTD (ATF TAKA TRUST)	7,383	22.63%	565,678
REID MACHINE PTY LTD (ATF REID MACHINE TRUST)	7,383	22.63%	565,678
ELMORE LTD	6,282	19.25%	481,320
DIGBY & JENNIFER DACUYA FALKINER (ATF JESCIBELLE INVESTMENTS TRUST)	1,220	3.74%	93,475
FOUCART PTY LTD (ATF CRB TRUST)	1,220	3.74%	93,475
MARSHALL CUSTODIANS PTY LTD (ATF MARSHALL TRUST)	1,220	3.74%	93,475
MENAGE PTY LTD (ATF MENAGE FAMILY TRUST)	487	1.49%	37,313
Total	32,629	100.00%	2,500,000

SCHEDULE "B"

PROJECTS

Item 1 - NSW Projects

Tenure Identifier	Project Name	State/Territory	Country	Application Date	Grant Date	Expiry Date
	Kodiak	New South Wales	Australia	8/12/17	18/4/18	18/4/24
EL 8788	Caribou	New South Wales	Australia	15/2/18	13/8/18	13/8/24
EL 8738	Chinook	New South Wales	Australia	15/2/18	16/4/18	16/4/24

Item 2 - NT Projects

Tenure Identifier	Project Name	State/Territory	Country	Application Date	Grant Date	Expiry Date
EL 32179	Artic Fox	Northern Territory	Australia	15/2/18	21/2/20	20/2/26
EL 32178	Isbjorn	Northern Territory	Australia	1/7/19	21/2/20	21/2/26

SCHEDULE C

CALCULATION OF NET SMELTER RETURNS

This is Schedule “C” to Share Purchase Agreement between NEW AGE RESOURCES PTY LTD and 1260945 B.C. Ltd., dated March 29, 2021 (the “**Agreement**”).

All capitalized words used in this Schedule “C” but not defined in this Schedule “C” have the meanings given to them in the Agreement. “Property” shall mean the either of the Projects, as applicable,.

Pursuant to the Agreement to which this Schedule is attached, the Vendor shareholders (the “**Royalty Holder**”) will be entitled, upon Commencement of Commercial Production, to a NSR Royalty payable by 1260945 or any successor permitted assignee (the “**Royalty Payor**”), which will be equal to 1% of Net Smelter Returns (as defined below), in the aggregate.

For the purposes of this Schedule the following words and phrases will have the following meanings, namely:

- (a) “**Net Smelter Returns**” means the net proceeds actually paid to the Royalty Payor from the sale by the Royalty Payor of Minerals mined and removed from the Property after deduction of the following:
 - (i) smelting costs, treatment charges and penalties including, but not being limited to, metal losses, penalties for impurities and charges for refining, selling and handling by the smelter, refinery or other purchaser; provided, however, in the case of leaching operations or other solution mining or beneficiation techniques, where the metal being treated is precipitated or otherwise directly derived from such leach solution, all processing and recovery costs incurred by the Royalty Payor, beyond the point at which the metal being treated is in solution, will be considered as treatment charges;
 - (ii) costs of handling, transporting and insuring ores, minerals and other materials or concentrates from the Property or from a concentrator, whether situated on or off the Property, to a smelter, refinery or other place of treatment; and
 - (iii) Duties and any other ad valorem taxes and taxes based upon production, but not income taxes.

The Royalty Payor will by notice inform the Royalty Holder of the quantum of such reasonable net sale price and, if the Royalty Holder does not object thereto, within 60 days after receipt of such notice, said quantum will be final and binding for the purposes of this Agreement.

Subject to the terms and conditions of the Agreement, the Royalty Payor may remove reasonable quantities of ore and rock from the Mineral Rights located on the Property for the purpose of bulk sampling and of testing, and there will be no NSR Royalty payable to the Royalty Holder with respect thereto unless revenues are derived therefrom.

The Royalty Payor will have the right to commingle with ore from the Mineral Rights located on the Property, with ore produced from other properties, provided that prior to such commingling, the Royalty Payor will adopt and employ reasonable practices and procedures for weighing, determination of moisture content, sampling and assaying, as well as utilize reasonable accurate recovery factors in order to determine the amounts of products derived from, or attributable to ore mined and produced from the Mineral Rights located on the Property. The Royalty Payor will maintain accurate records of the results of such sampling, weighing and analysis as pertaining to ore mined and produced from the Mineral Rights located on the Property.

Instalments of the NSR Royalty payable will be paid by the Royalty Payor to the Royalty Holder within 30 days upon the receipt by the Royalty Payor of the payment from the smelter, refinery or other place of treatment of the proceeds of sale of the minerals, ore, concentrates from the Mineral Rights located on the Property.

Within 120 days after the end of each fiscal year, commencing with the year in which Commencement of Commercial Production occurs, the accounts of the Royalty Payor relating to operations on the Mineral Rights located on the Property and the statement of operations, which will include the statement of calculation of Royalty for the year last completed, will be audited by the auditors of the Royalty Payor at its expense. The Royalty Holder will have 45 days after receipt of such statements to question the accuracy thereof in writing and, failing such objection, the statements will be deemed to be correct and unimpeachable thereafter.

If such audited financial statements disclose any overpayment of NSR Royalty by the Royalty Payor during the fiscal year, the amount of the overpayment will be deducted from future installments of NSR Royalty payable.

If such audited financial statements disclose any underpayment of NSR Royalty by the Royalty Payor during the year, the amount thereof will be paid to the Royalty Holder immediately after determination thereof.

The Royalty Payor agrees to maintain for each mining operation on the Mineral Rights located on the Property, up-to-date and complete records relating to the production and sale of minerals, ore and bullion from the Mineral Rights located on the Property, including accounts, records, statements and returns relating to treatment and smelting arrangements of such product, and the Royalty Holder or its agents will have the right at all reasonable times, including for a period of 12 months following the expiration or termination of this Agreement, to inspect such records, statements and returns and make copies thereof at its own expense for the purpose of verifying the amount of NSR Royalty payments to be made by the Royalty Payor to the Royalty Holder pursuant hereto. The Royalty Holder will have the right to have such accounts audited by independent auditors at its own expense once each fiscal year.

For the purposes of this Schedule “C”:

“**Minerals**” means all ores and concentrates or metals derived from them, containing precious, base, and/or industrial minerals (including gems and uranium) which are found in, on or under the Property and may lawfully be explored for, mined and sold under the Mineral Rights and other instruments of title under which the Property is held;

“**Mineral Rights**” means:

- (i) prospecting licences, exploration licences, mining leases, mining licences, mineral concessions and claims and other forms of mineral tenure or other rights to Minerals, or to work upon lands for the purpose of searching for, developing or extracting Minerals under any form of mineral title recognized under the laws applicable in the State of New South Wales and the country of Australia, whether contractual, statutory or otherwise; or
- (ii) any interest in any Mineral Right;