

## SHARE EXCHANGE AGREEMENT

**THIS SHARE EXCHANGE AGREEMENT** is made effective the 1st day of April, 2024.

### AMONG:

**MEGAWATT LITHIUM AND BATTERY METALS CORP.**,  
a corporation existing under the laws of British Columbia, having an  
office at Suite 1500, Royal Centre, 1055 West Georgia Street,  
Vancouver, British Columbia, V6E 4N7

(hereinafter referred to as the “**Purchaser**”)

- and -

**LABRADOR MINERAL RESOURCES INC.**,  
a corporation existing under the laws of the Province of British  
Columbia, having a registered office at Suite 200, 551 Howe Street,  
Vancouver, British Columbia, V6C 2C2

(hereinafter referred to as “**Labrador**”)

-and-

The common shareholders of Labrador listed in the attached Schedule  
“A” (which shareholders, together, if applicable, with any persons that  
become shareholders of Labrador prior to Closing, hereinafter  
collectively referred to as, the “**Shareholders**”, and individually as, a  
“**Shareholder**”)

### WHEREAS:

- A. The Shareholders are collectively the legal and beneficial owners of all of the issued and outstanding common shares (the “**Labrador Shares**”) in the capital of Labrador;
- B. The Purchaser has agreed to purchase 100% of the outstanding Labrador Shares in exchange for common shares of the Purchaser on the terms and conditions set forth in this Agreement (the “**Transaction**”); and
- C. The Shareholders who have executed this Agreement have agreed to the Transaction.

**NOW THEREFORE THIS AGREEMENT WITNESSES** that in consideration of the premises and the respective covenants and agreements herein contained, the parties hereto covenant and agree as follows:

## ARTICLE I INTERPRETATION

### 1.01 Definitions

In this Agreement, unless otherwise defined, capitalized words and terms shall have the following meanings:

- (a) “**Agreement**” means this share exchange agreement as the same may be supplemented or amended from time to time;
- (b) “**Alternative Transaction**” means any of the following (and excludes the transactions contemplated by this Agreement): (a) any merger, amalgamation, arrangement, share exchange, take-over bid, tender offer, recapitalization, consolidation or other business combination directly or indirectly involving Labrador, or any analogous transaction; (b) any acquisition of all or substantially all of the assets of Labrador (or any lease, long-term supply agreement, exchange, mortgage, pledge or other arrangement having a similar economic effect); (c) any acquisition of beneficial ownership of 50% or more of Labrador’s common shares in a single transaction or a series of related transactions; (d) any acquisition by Labrador of any assets or capital stock of another person (other than acquisitions of capital stock or assets of any other person that are not, individually or in the aggregate, material to Labrador); or (e) any bona fide proposal to, or public announcement of an intention to, do any of the foregoing on or before the Termination Date;
- (c) “**Applicable Laws**” means all applicable rules, policies, notices, orders and legislation of any kind whatsoever of any Governmental Authority having jurisdiction over the transactions contemplated hereby;
- (d) “**Benedict Mountains Acquisition**” means the purchase of the Property by Labrador pursuant to the Benedict Mountains Property Purchase Agreement;
- (e) “**Benedict Mountains Property Purchase Agreement**” means the Property Purchase Agreement dated February 8, 2024, among Labrador and Darrin Hicks, pursuant to which Labrador has the option to earn a 100% interest the Benedict Mountains Uranium Property (subject only to the NSR) located on the east coast of Labrador approximately 200km NE of Goose Bay, a copy of which is attached as Schedule “C” hereto;
- (f) “**Books and Records**” means all technical, business and financial records, financial books and records of account, books, data, reports, files, lists, drawings, plans, logs, briefs, customer and supplier lists, deeds, certificates, contracts, surveys, title opinions or any other documentation and information in any form whatsoever (including written, printed, electronic or computer printout form) relating to a corporation and its business;
- (g) “**Business Day**” means a day which is not a Saturday, Sunday or a statutory holiday in the Province of British Columbia;
- (h) “**Closing**” means the completion of the Transaction in accordance with the terms and conditions of this Agreement;

- (i) “**Closing Date**” means the date of Closing, which shall be the fifth Business Day following the satisfaction or waiver of all conditions to the obligations of the parties to consummate the Transaction (other than conditions that are satisfied with respect to actions the respective parties will take at the Closing itself), or earlier or later date as the Purchaser and Labrador may mutually determine;
- (j) “**Common Shares**” means common shares without par value in the capital of the Purchaser;
- (k) “**Contracts**” (individually, a “**Contract**”) means all written or oral outstanding contracts and agreements, leases (including the real property leases), third-party licenses, insurance policies, deeds, indentures, instruments, entitlements, commitments, undertakings and orders made by or to which a party is bound or under which a party has, or will have, any rights or obligations and includes rights to use, franchises, license and sub-licenses agreements and agreements for the purchase and sale of assets or shares;
- (l) “**Corporate Records**” means the corporate records of a corporation, including (i) its articles, notice of articles or other constating documents, any unanimous shareholders agreement and any amendments thereto; (ii) all minutes of meetings and resolutions of shareholders, directors and any committee thereof; (iii) the share certificate books, register of shareholders, register of transfers and registers of directors and officers; and (iv) all accounting records;
- (m) “**CSE**” means the Canadian Securities Exchange, operated by the CNSX Markets Inc.;
- (n) “**Disclosed**” means, in the case of the Shareholders and Labrador, fairly disclosed in writing to the Purchaser prior to the date of this Agreement (with sufficient details to identify the nature and scope of the matter disclosed), and, in the case of the Purchaser, fairly disclosed in writing to Labrador prior to the date of this Agreement (with sufficient details to identify the nature and scope of the matter disclosed);
- (o) “**GAAP**” means generally accepted accounting principles in Canada (and, if applicable, includes International Financial Reporting Standards);
- (p) “**Governmental Authority**” means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, commission, board or agency, domestic or foreign, or (b) regulatory authority, including any securities commission, or stock exchange, including the CSE;
- (q) “**IP**” means any and all intellectual property or proprietary rights arising at law or in equity, including, without limitation, (i) patents, all patent rights and all patent rights and all applications therefor and all reissues, re-examinations, continuations, continuations-in-part, divisions, and patent term extensions thereof, (ii) inventions (whether patentable or not), discoveries, improvements, concepts, innovations and industrial models, (iii) registered and unregistered copyrights, copyright registrations and applications, mask works and mask work registrations and applications therefor, author’s rights and works of authorship, (iv) URLs, web sites, web pages and any part thereof, (v) technical information, know-how, trade

secrets, drawings, designs, design protocols, specifications, proprietary data, customer lists, databases, proprietary and manufacturing processes, technology, formulae, and algorithms, (vi) trade names, trade dress, trademarks, domain names, service marks, logos, business names, and registrations and applications therefor, (vii) industrial designs or design patents, whether or not patentable or registrable, patented or registered or the subject of applications for registration or patent or registration and all rights of priority, applications, continuations, continuations-in-part, divisions, re-examinations, reissues and other derivative applications and patents therefor, (viii) licenses, contacts and agreements otherwise relating to the IP, and (ix) the goodwill symbolized or represented by the foregoing;

- (r) “**Labrador Shares**” has the meaning set forth in the recitals of this Agreement;
- (s) “**laws**” means all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, or any provisions of the foregoing, including general principles of common and civil law and equity, binding on or affecting the person referred to in the context in which such word is used; and “**law**” means any one of them;
- (t) “**Lien**” means any mortgage, encumbrance, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature or any other arrangement or condition, which, in substance, secures payment, or performance of an obligation;
- (u) “**Material Adverse Effect**” means (i) any change, effect, fact, circumstance or event which, individually or when taken together with any other changes, effects, facts, circumstances or events, could reasonably be expected to be materially adverse to the assets, liabilities, condition (financial or otherwise), business, properties or results of operation of the Purchaser or Labrador, as applicable, or (ii) a material impairment of or delay in the ability of the parties (or any one of them) to perform their obligations hereunder or consummate the Transaction, but does not include any change or development resulting from any act of terrorism or any outbreak of hostilities or war or any natural disaster, disease, epidemic or pandemic (including for greater certainty the COVID-19 pandemic), except to the extent the impact, effect or consequences arising out of or attributable to such events disproportionately affects the Labrador Share or the operation, assets, liabilities, financial condition or results of operation of the parties (or any one of them);
- (v) “**Material Contract**” means any Contract to which a person is a party and which is material to such person, including any Contract: (i) the termination of which would have a Material Adverse Effect on such person; (ii) any contract which would result in payments to or from such person or its subsidiaries (if any) in excess of \$10,000, whether payable in one payment or in successive payments; (iii) any agreement or commitment relating to the borrowing of money or to capital expenditures; and (iv) any agreement or commitment not entered into in the ordinary course of business;
- (w) “**material fact**” shall have the meaning ascribed to it in the *Securities Act* (British Columbia);

- (x) “**New Labrador Shareholder**” has the meaning set forth in Section 2.01;
- (y) “**Non-Resident Shareholders**” means those Shareholders identified in the attached Schedule “A” as being non-residents of Canada for the purposes of the Tax Act;
- (z) “**Payment Shares**” has the meaning set forth in Section 2.02;
- (aa) “**person**” includes an individual, sole proprietorship, partnership, limited partnership, unincorporated association or organization, unincorporated syndicate, body corporate, trust, trustee, executor, administrator, legal representative of the Crown or any agency or instrumentality thereof;
- (bb) “**Property**” has the meaning assigned thereto in the Benedict Mountains Property Purchase Agreement;
- (cc) “**Purchased Shares**” means all of the Labrador Shares purchased by the Purchaser pursuant to this Agreement;
- (dd) “**Purchaser Financial Statements**” has the meaning set forth in Section 5.01(l);
- (ee) “**Purchaser Material Contracts**” has the meaning set forth in Section 5.01(s);
- (ff) “**Regulation D**” means Regulation D under the U.S. Securities Act;
- (gg) “**Regulation S**” means Regulation S under the U.S. Securities Act;
- (hh) “**Securities Laws**” means the securities legislation having application, the regulations and rules thereunder and all administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted by the applicable securities regulatory authority, all as amended;
- (ii) “**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;
- (jj) “**Shareholder Consent Agreement**” means the consent agreement to be entered into between the Purchaser and each New Labrador Shareholder by the Time of Closing, substantially in the form attached hereto as Schedule “B”;
- (kk) “**Shareholders**” and “**Shareholder**” have the respective meanings set forth in the first page of this Agreement;
- (ll) “**Tax**” means any tax, impost, levy, withholding, duty, fee, premium, assessment and other charge of any kind, however denominated and any instalment or advance payment in respect thereof, including any interest, penalties, fines or other additions that have been, are or will become payable in respect thereof, imposed by any Governmental Authority, including for greater certainty any income, gain or profit tax (including federal, state, provincial and territorial income tax), payroll and employee withholding tax, employment or payroll tax, unemployment insurance, disability tax, social insurance tax, social security contribution, sales and use tax, consumption tax, customs tax, ad valorem tax, excise tax, goods and services tax, harmonized sales tax, franchise tax, gross receipts tax, capital tax, business license tax, alternative minimum tax, estimated tax, abandoned or

unclaimed (escheat) tax, occupation tax, real and personal property tax, stamp tax, environmental tax, transfer tax, severance tax, workers' compensation, Canada and other government pension plan premium or contribution and other governmental charge, and other obligations of the same or of a similar nature to any of the foregoing, together with any interest, penalties or other additions to tax that may become payable in respect of such tax, and any interest in respect of such interest, penalties and additions whether disputed or not, and "**Taxes**" has a corresponding meaning;

- (mm) "**Tax Act**" means the *Income Tax Act* (Canada);
- (nn) "**Tax Return**" means all returns, declarations, designations, forms, schedules, reports, elections, notices, filings, statements (including withholding tax returns and reports and information returns and reports) and other documents of every nature whatsoever filed or required to be filed with any Governmental Authority with respect to any Tax together with all amendments and supplements thereto;
- (oo) "**Termination Date**" means June 30, 2024 or such later date as may be agreed in writing between the Purchaser and Labrador;
- (pp) "**Time of Closing**" means 10:00 a.m. (Vancouver time) on the Closing Date, or such other time as the parties may mutually determine;
- (qq) "**Transaction**" has the meaning set forth in the recitals of this Agreement;
- (rr) "**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (ss) "**U.S. Person**" means a U.S. person as defined in Rule 902(k) of Regulation S under the U.S. Securities Act;
- (tt) "**U.S. Securities Act**" means the United States Securities Act of 1933, as amended; and
- (uu) "**U.S. Shareholder**" means (i) a U.S. Person, (ii) any person who receives or received an offer of the Payment Shares while in the United States; (iii) any person acquiring the Payment Shares on behalf of, or for the account or benefit of any U.S. Person or any person in the United States, or (iv) any person who is or was in the United States at the time when such person executed or delivered this Agreement.

## 1.02 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

## 1.03 Interpretation Not Affected by Headings, etc.

The division of this Agreement into articles, sections and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless otherwise indicated, any reference in this Agreement to an Article, Section or a Schedule or Exhibit refers to the specified Article or Section of, or Schedule or Exhibit to this Agreement.

**1.04 Number, etc.**

Unless the subject matter or context requires the contrary, words importing the singular number only shall include the plural and vice versa; words importing the use of any gender shall include all genders and words importing persons shall include natural persons, firms, trusts, partnerships and corporations.

**1.05 Date for Any Action**

In the event that any date on which any action is required or permitted to be taken hereunder by any person is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.

**1.06 Statutory References**

Any reference in this Agreement to a statute includes all regulations and rules made thereunder, all amendments to such statute in force from time to time and any statute, regulation or rule that supplements or supersedes such statute, regulation or rule.

**1.07 Accounting Principles**

Wherever in this Agreement reference is made to generally accepted accounting principles, such reference shall be deemed to be the International Financial Reporting Standards or the Canadian generally accepted accounting principles, as applicable, approved by the International Accounting Standards Board or the Canadian Institute of Chartered Accountants, as the case may be, or any successor thereto, applicable as at the date on which a calculation is made or required to be made in accordance with generally accepted accounting principles.

**1.08 Knowledge**

- (a) Any reference herein to “the knowledge of the Purchaser” (or similar expressions) will be deemed to mean the actual knowledge of any director or executive officer of the Purchaser, together with the knowledge such person would have had if they had conducted a diligent inquiry into the relevant subject matter.
- (b) Any reference herein to “the knowledge of Labrador” (or similar expressions) will be deemed to mean the actual knowledge of any director or executive officer of Labrador, together with the knowledge such person would have had if they had conducted a diligent inquiry into the relevant subject matter.
- (c) Any reference herein to “the knowledge of the Shareholder” (or similar expressions) will be deemed to mean the actual knowledge of the applicable Shareholder.

**1.09 Schedules**

The schedules to this Agreement, listed below, are an integral part of this Agreement, and must be completed and attached before the Closing Date for this Agreement to be fully-integrated and thereafter enforceable by or against either Party:

<u>Schedule</u>	<u>Description</u>
Schedule "A"	Shareholders of Labrador
Schedule "B"	Shareholder Consent Agreement
Schedule "C"	Benedict Mountains Property Purchase Agreement

## ARTICLE II PURCHASE AND SALE OF PURCHASED SHARES

### 2.01 Purchase and Sale

Subject to the terms and conditions hereof, each of the Shareholders covenants and agrees, on its own behalf, to sell, assign and transfer to the Purchaser and the Purchaser covenants and agrees to purchase from the Shareholders, the number of Purchased Shares which are beneficially owned by such Shareholder at the Time of Closing. As of the date of this Agreement, the number of Purchased Shares which are beneficially owned by each Shareholder is the number set forth opposite the name of such Shareholder as set out in Schedule "A" attached hereto.

It is acknowledged and agreed that, prior to Closing, the Shareholders may transfer some or all of their Labrador Shares to a trustee or nominee shareholder (the "**New Labrador Shareholder**") (while retaining beneficial ownership) as part of personal tax planning and the Purchaser shall be notified in writing of any such transfer not less than five (5) Business Days prior to Closing, on condition that such transferring Shareholder obtains the consent and agreement of the New Labrador Shareholder to the Transaction evidenced by the execution and delivery by such New Labrador Shareholder of a Shareholder Consent Agreement in the form attached as Schedule "B" hereto. The parties agree that the New Labrador Shareholder shall become a party to and be bound by this Agreement holding the Labrador Shares previously registered in the name of the transferor of those Purchased Shares.

In addition, for greater certainty, if any Shareholder, may acquire any additional Labrador Shares (for example, from another Shareholder that might not be a party to this Agreement, or with the consent of the Purchaser), such additional Labrador Shares so acquired shall form part of the Purchased Shares and the applicable Shareholder covenants and agrees to sell, assign and transfer to the Purchaser and the Purchaser covenants and agrees to purchase from such Shareholder 100% of the additional Labrador Shares held by such Shareholder so acquired, in addition to the Purchased Shares described in Schedule "A".

### 2.02 Purchase Price

In consideration for the acquisition of the Labrador Shares, the Purchaser shall issue from treasury to the Shareholders *pro rata* in proportion to their holdings of Purchased Shares at the Time of Closing, an aggregate of 16,275,001 Common Shares, free and clear of any encumbrances (the "**Payment Shares**") on the basis of one Payment Share issued in exchange for each Labrador Share. To the extent a Labrador Shareholder is to receive a fractional Payment Share, that entitlement shall be rounded down to the nearest whole number and no consideration shall be payable therefore. The Payment Shares are being issued at a deemed value of \$0.13 per Payment Share.



In addition, the Purchaser acknowledges and agrees that it will assume all of obligations of Labrador pursuant to the Benedict Mountains Property Purchase Agreement including paying any cash and issuing any shares contemplated thereunder.

### **2.03 Tax Election**

The Purchaser agrees that, at the request and expense of any Shareholder who is resident in Canada for the purposes of the Tax Act, the Purchaser shall jointly elect with the Shareholder for the provisions of subsection 85(1) or (2) of the Tax Act and any equivalent provision under provincial legislation (each a “**Tax Election Provision**”) to apply to the Purchased Shares acquired by the Purchaser from the Shareholder. In order to make any such election, the Shareholder shall prepare any prescribed election form (each a “**Tax Election Form**”) and deliver any such Tax Election Form to the Purchaser within 90 days of the Closing Date. Upon receipt, the Purchaser shall sign the Tax Election Form and deliver a copy of the Tax Election Form to the Shareholder by mail using the address that the Shareholder provided to the Purchaser in the Tax Election Form within 30 days of receipt thereof. It shall be the sole responsibility of the Shareholder making the request to file the Tax Election Form with the Canada Revenue Agency or relevant provincial Governmental Authority. The Purchaser shall not be liable for any damages arising to a Shareholder for a late filing of a Tax Election Form or any errors or omissions on a Tax Election Form.

Notwithstanding anything contained in this Agreement, the Purchaser does not assume and shall not be liable for any taxes under the Tax Act or under provincial legislation or any other amount whatsoever which may be or become payable by Shareholders including, without limiting the generality of the foregoing, any Tax resulting from or arising as a consequence of the sale by Shareholders to the Purchaser of the Purchased Shares herein contemplated, or the availability (or lack thereof) of any Tax Election Provision, or the content or impact of any election made under any Tax Election Provision.

### **2.04 Restrictions on Resale**

Each of the Shareholders acknowledges and agrees as follows:

- (a) the transfer of the Purchased Shares and the issuance of the Payment Shares, in exchange therefor, will be made pursuant to appropriate exemptions, including (but not limited to) the take-over bid prospectus exemption found in Section 2.16 of National Instrument 45-106 – *Prospectus Exemptions* (the “**Exemptions**”) from any applicable take-over bid and registration and prospectus (or equivalent) requirements of the Securities Laws;
- (b) that the CSE, in addition to any restrictions on transfer imposed by applicable securities laws, may require certain of the Payment Shares to be held in escrow in accordance with the policies of the CSE;
- (c) as a consequence of acquiring the Payment Shares pursuant to the Exemptions:
  - (i) the Shareholder will be restricted from using certain of the civil remedies available under the Securities Laws;
  - (ii) the Shareholder may not receive information that might otherwise be required to be provided to the Shareholder, and the Purchaser is relieved from certain obligations that would otherwise apply under Securities Laws if the Exemptions were not being relied upon by the Purchaser;

- (iii) no securities commission, stock exchange or similar regulatory authority has reviewed or passed on the merits of an investment in the Payment Shares;
- (iv) there is no government or other insurance covering the Payment Shares; and
- (v) an investment in the Payment Shares is speculative and of high risk;
- (d) although no statutory hold periods are currently expected to be applicable, the certificates representing the Payment Shares will bear such legends as required by Securities Laws and the policies of the CSE and it is the responsibility of the Shareholder to find out what those restrictions are and to comply with them before selling the Payment Shares;
- (e) the Shareholder is knowledgeable of, or has been independently advised as to, the Applicable Laws of that jurisdiction which apply to the sale of the Purchased Shares and the issuance of the Payment Shares and which may impose restrictions on the resale of such Payment Shares in that jurisdiction and it is the responsibility of the Shareholder to find out what those resale restrictions are, and to comply with them before selling the Payment Shares; and
- (f) in addition to any resale restrictions or any escrow imposed by the policies of any applicable stock exchange or by applicable law, 1,500,000 Payment Shares issued to Darren Hicks (or his designee(s)) pursuant to the Transaction will be subject to the following voluntary resale restrictions: 375,000 Payment Shares for a period of 3 months from the closing date of the Benedict Mountains Acquisition; 375,000 Payment Shares for a period of 6 months from the closing date of the Benedict Mountains Acquisition; and 375,000 Payment Shares for a period of 9 months from the closing date of the Benedict Mountains Acquisition. The certificates or direct registration statements representing the Payment Shares issued to Darren Hicks (or his designee(s)) will include a resale restriction legend reflecting the foregoing.

## **2.05 Restrictions on Resale Labrador Shares**

The Parties acknowledge that the Labrador Shares bear legends (the “**Labrador Legends**”) restricting resale. Labrador may, with the consent of the Purchaser, waive such restrictions in connection with the sale and transfer of the Labrador Shares pursuant to this Agreement.

## **ARTICLE III CONDITIONS OF CLOSING**

### **3.01 Mutual Conditions of Closing**

The obligations to complete the Transaction are subject to the fulfillment of the following conditions on or before the Time of Closing:

- (a) there shall be no action taken under any applicable law by any court or Governmental Authority that makes it illegal or restrains, enjoins or prohibits the Transaction, results in a judgment or assessment of damages relating to the Transaction that is materially adverse to the Purchaser or Labrador or that could

reasonably be expected to impose any condition or restriction upon the Purchaser or Labrador which, after giving effect to the Transaction, would so materially and adversely impact the economic or business benefits of the Transaction as to render inadvisable the consummation of the Transaction;

- (b) there shall be no legislation (whether by statute, regulation, order-in-council, notice of ways and means motion, by-law or otherwise) enacted, introduced or tabled which, in the opinion of the Purchaser, acting reasonably, materially adversely affects or is reasonable likely to materially adversely affect the Transaction;
- (c) receipt of all required regulatory, corporate and third party approvals, including CSE approval, if applicable, and compliance with all applicable regulatory requirements and conditions necessary to complete the Transaction;
- (d) neither party shall be subject to unresolved litigation or court proceedings;
- (e) there being no prohibition at law against the completion of the Transaction; and
- (f) the Closing Date shall be on or before the Termination Date.

The foregoing conditions precedent are for the benefit of all parties and may be waived by Labrador (on its own behalf and on behalf of the Shareholders) and the Purchaser, in whole or in part, without prejudice to any party's right to rely on any other condition in favour of any party.

### **3.02 Conditions of Closing in Favour of the Purchaser**

The obligations of the Purchaser to complete the Transaction are subject to the fulfillment of the following conditions on or before the Time of Closing:

- (a) the Shareholders and Labrador shall have tendered all closing deliveries set forth in Sections 4.03 and 4.04, respectively, including delivery of the Purchased Shares, duly endorsed in blank for transfer or accompanied by duly executed stock transfer powers or other evidence of authorizing transfer of the Purchased Shares to the Purchaser acceptable to the Purchaser, acting reasonably;
- (b) on or before the Time of Closing, Labrador shall have obtained the consent of each of the New Labrador Shareholders, if any, evidenced by the delivery of the Shareholder Consent Agreements;
- (c) the representations and warranties of Labrador set forth in this Agreement shall have been true and correct as of the date hereof and shall be true and correct at the Time of Closing in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier), except as affected by the transactions contemplated by this Agreement, and a certificate of the sole director of Labrador to this effect shall have been delivered to the Purchaser;
- (d) all of the terms, covenants and conditions of this Agreement to be complied with or performed by Labrador at or before the Time of Closing will have been complied with or performed and a certificate of the sole director of Labrador to this effect shall have been delivered to the Purchaser;

- (e) the representations and warranties of the Shareholders set forth in this Agreement shall have been true and correct in all material respects as of the date hereof and shall be true and correct in all material respects as of the Time of Closing and delivery by each Shareholders of the documents described in Section 4.04 required to be delivered by such Shareholders shall constitute a reaffirmation and confirmation by such Shareholders of such representations and warranties;
- (f) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Shareholders at or before the Time of Closing will have been complied with or performed and delivery of the documents described in Section 4.04 shall constitute confirmation of such compliance and performance;
- (g) all consents, assignments, waivers, permits, orders and approvals of all Governmental Authorities (including the CSE) or other persons, including, if applicable, all those party to Labrador Material Contracts necessary to permit the completion of the Transaction shall have been obtained;
- (h) there being no inquiry or investigation (whether formal or informal) in relation to Labrador or its respective directors or officers commenced or threatened by any securities commission or official of the CSE or regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on, Labrador, its business, assets or financial condition; and
- (i) there shall not have been after the date of this Agreement any Material Adverse Effect with respect to Labrador.

The foregoing conditions precedent are for the benefit of the Purchaser and may be waived by the Purchaser, in whole or in part, without prejudice to the Purchaser's right to rely on any other condition in favour of the Purchaser.

### **3.03 Conditions of Closing in Favour of Labrador and the Shareholders**

The obligations of Labrador and the Shareholders to complete the Transaction are subject to the fulfillment of the following conditions on or before the Time of Closing:

- (a) the Purchaser shall have tendered all closing deliveries set forth in Section 4.02 including delivery of the Payment Shares;
- (b) all consents, waivers, permits, orders and approvals of all Governmental Authorities (including the CSE) or other persons, including, if applicable, all those party to the Purchaser Material Contracts necessary to permit the completion of the Transaction shall have been obtained;
- (c) the representations and warranties of the Purchaser set forth in this Agreement shall have been true and correct as of the date hereof and shall be true and correct at the Time of Closing in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier), except as affected by the transactions contemplated by this Agreement, and a certificate of a senior officer of the Purchaser to this effect shall have been delivered to Labrador and the Shareholders;

- (d) all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Purchaser at or before the Time of Closing will have been complied with or performed and a certificate of a senior officer of the Purchaser to this effect shall have been delivered to Labrador and the Shareholders;
- (e) there shall not have been after the date of this Agreement any Material Adverse Effect with respect to the Purchaser;
- (f) the Payment Shares will have been approved for issuance by the directors of the Purchaser; and
- (g) there being no inquiry or investigation (whether formal or informal) in relation to the Purchaser or its respective directors or officers commenced or threatened by any securities commission or official of the CSE or regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a material adverse effect on, the Purchaser, its business, assets or financial condition.

The foregoing conditions precedent are for the benefit of Labrador and the Shareholders and may be waived by Labrador (on its own behalf and on behalf of the Shareholders) and the Shareholders, in whole or in part, without prejudice to Labrador's and the Shareholders' right to rely on any other condition in favour of Labrador and the Shareholders.

#### **3.04 Notice and Cure Provisions**

Each party will give prompt notice to the other parties hereto of the occurrence, or failure to occur, at any time from the date hereof until the Closing Date, of any event or state of facts which occurrence or failure would or would be likely to:

- (a) cause any of the representations or warranties of such party contained herein to be untrue or inaccurate on the date hereof or at the Closing Date; or
- (b) result in the failure by such party to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such party hereunder prior to the Closing Date.

Subject to Article VII, no party may elect not to complete the Transaction as contemplated herein as a result of the non-fulfillment of the conditions precedent contained in Sections 3.01, 3.02, or 3.03, as applicable, unless the party intending to rely thereon has delivered a written notice to the other parties hereto prior to the Time of Closing specifying, in reasonable detail, all breaches of representations and warranties or covenants or other matters which the party delivering such notice is asserting as the basis for the non-fulfillment of the applicable condition precedent.

## **ARTICLE IV CLOSING AND POST CLOSING ARRANGEMENTS**

#### **4.01 Time and Place of Closing**

Closing of the Transaction shall take place at the Time of Closing at the offices of McMillan LLP, Suite 1500, Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7.

#### **4.02 Closing Deliveries of the Purchaser**

At the Time of Closing, the Purchaser will deliver or cause to be delivered:

- (a) share certificates or direct registration system (DRS) statements evidencing the Payment Shares registered to the Shareholders as set forth in Schedule “A”;
- (b) a certificate of one of the Purchaser’s senior officers, dated as of the Closing Date, certifying: (i) that attached thereto are true and complete copies of the notice of articles and articles of the Purchaser (and all amendments thereto as in effect as on such date); and (ii) all resolutions of the board of directors of the Purchaser approving the entering into of this Agreement and all ancillary agreements contemplated herein and the completion of the Transaction, including the issuance of the Payment Shares;
- (c) the officer’s certificates referred to in Sections 3.03(c) and 3.03(d);
- (d) if applicable, duly executed copies of any Shareholder Consent Agreement referred to in Section 3.02(b) signed by the Purchaser; and
- (e) a certificate of good standing for the Purchaser.

#### **4.03 Closing Deliveries of Labrador**

At the Time of Closing, Labrador will deliver or cause to be delivered:

- (a) a certificate of one of Labrador’s senior officers, dated as of the Closing Date, certifying: (i) that attached thereto are true and complete copies of the constating documents of Labrador (and all amendments thereto as in effect as on such date); and (ii) all resolutions of the board of directors of Labrador approving the entering into of this Agreement and the completion of the Transaction;
- (b) the officer’s certificates referred to in Sections 3.02(c) and 3.02(d);
- (c) resignation of the directors of Labrador (including a statement certifying that said director does not have any claim in any respect against Labrador) and resolutions consented to in writing by the directors of Labrador (and if applicable, the shareholders of Labrador) appointing nominees of the Purchaser as directors of Labrador;
- (d) resignations of the officers of Labrador (including a statement certifying that said officers do not have any claim in any respect against Labrador) and resolutions consented to in writing by the directors of Labrador appointing nominees of the Purchaser as officers of Labrador;
- (e) if applicable, and if not previously delivered to the Purchaser, duly executed copies of the Shareholder Consent Agreements referred to in Section 3.02(b) signed by each New Labrador Shareholder and Labrador; and
- (f) a certificate of good standing for Labrador.

#### **4.04 Closing Deliveries of the Shareholders**

At the Time of Closing, each of the Shareholders will cause to be delivered:

- (a) with respect to each Shareholder, share certificates evidencing the Purchased Shares owned by such Shareholder, duly endorsed in blank for transfer or accompanied by duly executed stock transfer powers; and
- (b) if required by the CSE to be delivered by such Shareholder, an escrow agreement in a form satisfactory to the CSE, among the Purchaser, the escrow agent and such Shareholders as may be required by the CSE to be parties thereto, duly executed by such Shareholders.

### **ARTICLE V REPRESENTATIONS AND WARRANTIES**

#### **5.01 Representations and Warranties of the Purchaser**

The Purchaser represents and warrants to and in favour of each of the Shareholders and Labrador as follows, and acknowledges that such parties are relying upon such representations and warranties in connection with the transactions contemplated herein:

- (a) the Purchaser is a corporation validly existing and in good standing under the laws of the Province of British Columbia and is duly registered, licensed or qualified to carry on business under the laws of the jurisdictions in which the nature of its business makes such registration, licensing or qualification necessary;
- (b) the Purchaser is a “reporting issuer” in the provinces of British Columbia, Alberta and Ontario, and is not in material default of the Securities Laws;
- (c) the Purchaser has the corporate power and capacity to enter into this Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement, to perform its obligations hereunder and thereunder, to own and lease its property, and to carry on its businesses as now being conducted;
- (d) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by the Purchaser and each is, or will be at the Time of Closing, a legal, valid and binding obligation of the Purchaser, enforceable against the Purchaser in accordance with its terms;
- (e) the Common Shares are listed for trading on the CSE and the Purchaser is not in material default of any of the listing requirements of the CSE;
- (f) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not, (i) result in a breach or violation of the notice of articles or the articles of the Purchaser or of any resolutions of the directors or shareholders of the Purchaser, (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an encumbrance upon any material agreement

(including any Purchaser Material Contract), licence or permit to which the Purchaser is a party or by which the Purchaser is bound or to which any material assets or property of the Purchaser is subject, or (iii) violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to the Purchaser;

- (g) the authorized capital of the Purchaser consists of an unlimited number of Common Shares, of which, as of the date hereof, 20,208,732 Common Shares are issued and outstanding as fully paid and non-assessable; as of the date hereof, 620,000 stock options are outstanding and 501,600 common share purchase warrants are outstanding;
- (h) when issued in accordance with the terms hereof, the Payment Shares will be validly issued as fully paid and non-assessable Common Shares;
- (i) other than as set out in Section 5.01(g), there are no other Common Shares or securities convertible, exercisable or exchangeable into Common Shares or preferred shares issued or outstanding;
- (j) all disclosure documents of the Purchaser filed under the Securities Laws of the Province of British Columbia since the date of its incorporation, but not limited to, financial statements, prospectuses, offering memorandums, information circulars, news releases, material change reports and shareholder communications contain no untrue statement of a material fact as at the date thereof nor do they omit to state a material fact which, at the date thereof, was required to have been stated or was necessary to prevent a statement that was made from being false or misleading in the circumstances in which it was made;
- (k) except for the holders of the securities set out Section 5.01(g), and other than the Shareholders pursuant to this Agreement, no person has any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, options, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares or other securities of the Purchaser;
- (l) the audited financial statements of the Purchaser for the year ended September 30, 2023, and the unaudited interim financial statements for the three-month period ended December 31, 2023 (collectively, the “**Purchaser Financial Statements**”), copies of which have been filed publicly with the British Columbia Securities Commission and are available on SEDAR, are true and correct in every material respect and present fairly and accurately the financial position and results of the operations of the Purchaser for the periods then ended and the Purchaser Financial Statements have been prepared in accordance with GAAP applied on a consistent basis;
- (m) to the knowledge of the Purchaser, no information has come to the attention of the Purchaser since the last date of the most recently issued Purchaser Financial Statements that would or would reasonably be expected to require any restatement or revisions of any such financial statements;
- (n) the Purchaser’s auditors who audited the Purchaser Financial Statements (as applicable) are independent public accountants;



- (o) except as disclosed in the Purchaser Financial Statements, there are no related-party transactions or off-balance sheet structures or transactions with respect to the Purchaser;
- (p) except as disclosed in the Purchaser Financial Statements, the Purchaser is not a party to, or bound by, any agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;
- (q) since September 30, 2023, there has been no material adverse change in the condition (financial or otherwise), assets, liabilities, operations, earnings or business of the Purchaser;
- (r) the Purchaser has conducted and is conducting its business in compliance in all material respects with all applicable laws, regulations, by-laws, ordinances, regulations, rules, judgments, decrees and orders of each jurisdiction in which its business is carried on;
- (s) all of the Contracts of the Purchaser material to its business and operations (the “**Purchaser Material Contracts**”), together with this Agreement, and after the execution and delivery hereof, all ancillary agreements contemplated herein, constitute all the Material Contracts of the Purchaser. Each of the Purchaser Material Contracts is in full force and effect, unamended, and there exists no default, warranty claim or other obligation or liability or event, occurrence, condition or act (including the purchase and sale of the Purchased Shares hereunder and the other transactions contemplated hereunder, including, without limitation, the issuance of the Payment Shares) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default, or give rise to a warranty claim or other obligation or liability thereunder. The Purchaser has not violated or breached, in any material respect, any of the terms or conditions of any Purchaser Material Contract and all the covenants to be performed by any other party thereto have been fully and properly performed;
- (t) there are no waivers, consents, notices or approvals required to be given or obtained by the Purchaser in connection with the Transaction and the other transactions contemplated by this Agreement under any Contract to which the Purchaser is a party;
- (u) no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over the Purchaser is required to be obtained by the Purchaser in connection with the execution and delivery of this Agreement or the consummation of the Transaction, including, without limitation, the issuance of the Payment Shares, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent or materially delay the Purchaser from performing its obligations under this Agreement and could not reasonably be expected to have a Material Adverse Effect on the Purchaser;

- (v) there is no suit, action or proceeding or, to the knowledge of the Purchaser, pending or threatened against the Purchaser that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on the Purchaser, and there is no judgment, decree, injunction, rule or order of any Governmental Authority outstanding against the Purchaser causing, or which could reasonably be expected to cause, a Material Adverse Effect on the Purchaser;
- (w) no bankruptcy, insolvency or receivership proceedings have been instituted by the Purchaser or, to the knowledge of the Purchaser, are pending against the Purchaser;
- (x) the Purchaser has good and marketable title to its properties and assets (other than property or an asset as to which the Purchaser is a lessee, in which case it has a valid leasehold interest), except for such defects in title that individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on the Purchaser;
- (y) no person has any written or oral agreement, option, understanding or commitment for the purchase from the Purchaser of any of its assets or property;
- (z) the Purchaser has all permits, licences, certificates of authority, orders and approvals of, and has made all filings, applications and registrations with, applicable Governmental Authorities that are required in order to permit it to carry on its business as presently conducted, except for such permits, licences, certificates, orders, filings, applications and registrations, the failure to have or make, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on the Purchaser, and all such all permits, licences, certificates of authority, orders and approvals are in good standing in all material respects;
- (aa) the Purchaser has filed in the prescribed manner and within the prescribed times all Tax Returns required to be filed by the Purchaser in all applicable jurisdictions as of the date hereof and all Tax Returns that have been filed by, or with respect to the Purchaser are true, complete and correct, report all income and all other amounts and information required to be reported thereon and disclose any Tax required to be paid for the periods covered thereby. The Purchaser has duly and timely paid any Tax due and payable by it, including all instalments on account of Tax that are due and payable before the date hereof, whether or not assessed by the appropriate Governmental Authority, and has duly and timely paid all assessments and reassessments it has received in respect of any Tax;
- (bb) there are no audits, reassessments or other proceedings in progress or, to the knowledge of the Purchaser, threatened against the Purchaser, in respect of any Tax and, in particular, there are no currently outstanding reassessments or written enquiries which have been issued or raised by any Governmental Authority relating to any Tax, and the Purchaser is not aware of any contingent liability of the Purchaser for Tax or any grounds that could prompt an assessment or reassessment for any Tax, and the Purchaser has not received any indication from any Governmental Authority that any assessment or reassessment is proposed;
- (cc) the Purchaser has deducted, withheld or collected and remitted in a timely manner to the relevant Governmental Authority each Tax or other amount required to be deducted, withheld or collected and remitted by the Purchaser;

- (dd) the Purchaser has not been notified by any Governmental Authority of any investigation with respect to it that is pending or threatened, nor has any Governmental Authority notified the Purchaser of such Governmental Authority's intention to commence or to conduct any investigation, that could be reasonably likely to have a Material Adverse Effect on the Purchaser;
- (ee) no current or former employee, officer or director of the Purchaser is entitled to a severance, termination or other similar payment as a result of the Transaction;
- (ff) the Corporate Records of the Purchaser are complete and accurate in all material respects and all corporate proceedings and actions reflected therein have been conducted or taken in compliance with all applicable laws and with the constating documents of the Purchaser, and without limiting the generality of the foregoing: (i) the minute books contain complete and accurate minutes of all meetings of the directors (and any committee thereof) and shareholders of the Purchaser; (ii) such minute books contain all written resolutions passed by the directors (and any committee thereof) and shareholders of the Purchaser; (iii) the share certificate books, if any, the central securities register and register of transfers, and branch registers, of the Purchaser are complete and accurate, and all transfers of shares of the Purchaser reflected therein have been duly completed and approved; and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers of the Purchaser were duly elected or appointed as the case may be;
- (gg) all Books and Records of the Purchaser have been fully, properly and accurately kept and, where required, completed in accordance with generally accepted accounting principles, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein;
- (hh) the Purchaser has not authorized any person to act as broker or finder or in any other similar capacity in connection with the transactions contemplated by this Agreement that in any manner may or will impose liability on the Purchaser, Labrador or the Shareholders; and
- (ii) to the knowledge of the Purchaser, no representation or warranty of the Purchaser contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

## **5.02 Representations and Warranties of the Shareholders**

Each of the Shareholders, on its own behalf and not on behalf of any other Shareholders, hereby severally (and, for greater certainty, not jointly with any other Shareholders) represents and warrants to the Purchaser as follows and acknowledges that the Purchaser is relying on such representations and warranties in connection with the transactions contemplated herein:

- (a) this Agreement has been, and each additional agreement or instrument required to be delivered by the Shareholder pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by the Shareholder and each is, or will be at the Time of Closing, a legal, valid and binding obligation of the Shareholder, enforceable against the Shareholder in accordance with its terms;

- (b) if the Shareholder is not an individual, the Shareholder is validly existing under the laws of its jurisdiction of organization and has the corporate or other power to enter into this Agreement and any other agreement to which it is, or is to become, a party to pursuant to the terms hereof and to perform its obligations hereunder and thereunder;
- (c) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not, (i) if the Shareholder is not an individual, result in a breach or violation of the articles or by-laws of the Shareholder (or other constating documents of the Shareholder) or of any resolutions of the directors or shareholders of the Shareholders, or (ii) violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to the Shareholders;
- (d) the Shareholder is the registered and beneficial owner of that number of Labrador Shares set forth opposite the Shareholder's name in Schedule "A" (such common shares comprising part of the Purchased Shares), free and clear of all liens, charges, mortgages, security interests, pledges, demands, claims and other encumbrances of any nature whatsoever;
- (e) except for the Purchaser's rights hereunder, no person has any agreement or option or any right or privilege capable of becoming an agreement for the purchase of the Purchased Shares held or beneficially owned by the Shareholder and, other than the Labrador Legends, none of such common shares of Labrador are subject to any voting trust, shareholders agreement, voting agreement or other agreement with respect to the disposition or enjoyment of any rights of such common shares of Labrador;
- (f) except for the Non-Resident Shareholders, the Shareholder is not a "non-resident" of Canada within the meaning of the Tax Act;
- (g)
  - (i) the offer to purchase the Shareholder's Purchased Shares was not made to the Shareholder when either the Shareholder or any beneficial purchaser for whom it is acting, if applicable, was in the United States;
  - (ii) the Shareholder is not a U.S. Person, is not in the United States and is not acquiring the applicable Payment Shares on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States;
  - (iii) at the time this Agreement was executed and delivered by the Shareholder, the Shareholder was outside the United States;
  - (iv) if the Shareholder is a corporation or entity, (A) a majority of the Shareholder's voting equity is beneficially owned by persons resident outside the United States; and (B) the Shareholder's affairs are wholly controlled and directed from outside of the United States;
  - (v) the Shareholder or any beneficial purchaser for whom it is acting, if applicable, has no intention to distribute either directly or indirectly any of the Payment

Shares in the United States, except in compliance with the U.S. Securities Act; and

- (vi) the current structure of this transaction and all transactions and activities contemplated in this Agreement is not a scheme by the Shareholder to avoid the registration requirements of the U.S. Securities Act and any applicable state securities laws;
- (h) Non-Resident Shareholders represent, warrant and/or acknowledge, as applicable, that:
  - (i) the Payment Shares issuable hereunder have not been and will not be registered under the securities laws of any foreign jurisdiction and that the issuance of the Payment Shares pursuant to the terms of this Agreement is being made in reliance on applicable exemptions; and
  - (ii) the receipt of the Payment Shares by Non-Resident Shareholders does not contravene any of the applicable securities legislation in the jurisdiction in which it is resident and does not trigger: (i) any obligation to prepare and file a prospectus or similar document, or any other report with respect to such transfer; and (ii) any registration or other obligation on the part of Purchaser;
- (i) the Shareholder has not authorized any person to act as broker or finder or in any other similar capacity in connection with the transactions contemplated by this Agreement, that in any manner may or will impose liability on Labrador or the Purchaser; and
- (j) to the knowledge of the Shareholder, no representation or warranty of the Shareholder contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

### **5.03 Representations and Warranties of Labrador**

Labrador represents and warrants to the Purchaser as follows, except as Disclosed, and acknowledges that the Purchaser is relying on such representations and warranties in connection with the transactions contemplated herein:

- (a) Labrador is a corporation validly existing and in good standing under the laws of the Province of British Columbia and is duly registered, licensed or qualified to carry on business under the laws of the jurisdictions in which the nature of its business makes such registration, licensing or qualification necessary;
- (b) Labrador has the corporate power and capacity to enter into this Agreement and each additional agreement or instrument to be delivered pursuant to this Agreement, to perform its obligations hereunder and thereunder to own and lease its property, and to carry on its businesses as now being conducted;
- (c) this Agreement has been, and each additional agreement or instrument to be delivered pursuant to this Agreement will be prior to the Time of Closing, duly authorized, executed and delivered by Labrador and each is, or will be at the Time

of Closing, a legal, valid and binding obligation of Labrador, enforceable against Labrador in accordance with its terms;

- (d) the execution and delivery of this Agreement does not, and the consummation of the Transaction will not, (i) result in a breach or violation of the notice of articles or articles of Labrador or of any resolutions of the directors or shareholders of Labrador, (ii) conflict with, result in a breach of, constitute a default under or accelerate the performance required by or result in the suspension, cancellation, material alteration or creation of an encumbrance upon any material agreement (including any Labrador Material Contract), license or permit to which Labrador is a party or by which Labrador is bound or to which any material assets or property of Labrador is subject, or (iii) violate any provision of any applicable law or regulation or any judicial or administrative order, award, judgment or decree applicable to Labrador;
- (e) the authorized capital of Labrador consists of an unlimited number of common shares, of which, as of the date of this Agreement, 16,275,001 Labrador Shares are issued and outstanding as fully paid and non-assessable shares as set forth in Schedule "A"; as of the date hereof, nil common share purchase warrants of Labrador are outstanding and nil stock options are outstanding;
- (f) other than as set out in Section 5.03(e), there are no other common shares of Labrador or securities convertible, exercisable or exchangeable into common shares or preferred shares issued or outstanding;
- (g) other than as described herein, Labrador does not own, and has not at any time owned, and does not have any agreements of any nature to acquire, directly or indirectly, any shares in the capital of or other equity or proprietary interests in any person, and Labrador does not have any agreements to acquire or lease any material assets or properties or any other business operations;
- (h) other than as set out in Section 5.03(e), no person (other than the Purchaser pursuant to this Agreement) has any agreement, option, right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, including convertible securities, options, warrants or convertible obligations of any nature, for the purchase, subscription, allotment or issuance of any unissued shares or other securities of Labrador;
- (i) other than as disclosed in writing by Labrador to the Purchaser, Labrador has no material liabilities other than those incurred in the ordinary course of business;
- (j) Labrador is not a party to, or bound by, any agreement of guarantee, indemnification, assumption or endorsement or any like commitment of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person;
- (k) Labrador has conducted and is conducting its business in compliance in all material respects with all applicable laws, regulations, by-laws, ordinances, regulations, rules, judgments, decrees and orders of each jurisdiction in which its business is carried on;

- (l) all of the Contracts of Labrador material to its business and operations (including the Benedict Mountains Property Purchase Agreement) (the “**Labrador Material Contracts**”), together with this Agreement, and after the execution and delivery hereof, all ancillary agreements contemplated herein, constitute all the Material Contracts of Labrador. Each of the Labrador Material Contracts is in full force and effect, unamended, and there exists no default, warranty claim or other obligation or liability or event, occurrence, condition or act (including the purchase and sale of the Purchased Shares hereunder and the other transactions contemplated hereunder, including, without limitation, the issuance of the Payment Shares) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default, or give rise to a warranty claim or other obligation or liability thereunder. Labrador has not violated or breached, in any material respect, any of the terms or conditions of any Labrador Material Contract and all the covenants to be performed by any other party thereto have been fully and properly performed;
- (m) there are no waivers, consents, notices or approvals required to be given or obtained by Labrador in connection with the Transaction and the other transactions contemplated by this Agreement under any Contract to which Labrador is a party;
- (n) other than any approvals or consents required to be obtained pursuant to the Benedict Mountains Property Purchase Agreement, if any, no consent, approval, order or authorization of, or registration or declaration with, any applicable Governmental Authority with jurisdiction over Labrador is required to be obtained by Labrador in connection with the execution and delivery of this Agreement, except for those consents, orders, authorizations, declarations, registrations or approvals which are contemplated by this Agreement or those consents, orders, authorizations, declarations, registrations or approvals that, if not obtained, would not prevent or materially delay the consummation of the Transaction or otherwise prevent or materially delay Labrador from performing its obligations under this Agreement and could not reasonably be expected to have a Material Adverse Effect on Labrador;
- (o) there is no suit, action or proceeding or, to the knowledge of Labrador, pending or threatened against Labrador that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect on Labrador, and there is no judgment, decree, injunction, rule or order of any Governmental Authority outstanding against Labrador causing, or which could reasonably be expected to cause, a Material Adverse Effect on Labrador;
- (p) no bankruptcy, insolvency or receivership proceedings have been instituted by Labrador or, to the knowledge of Labrador, are pending against Labrador;
- (q) Labrador has good and marketable title to its properties and assets (other than property or an asset as to which Labrador is a lessee, in which case it has a valid leasehold interest), except for such defects in title that individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on Labrador;
- (r) no person has any written or oral agreement, option, understanding or commitment, or any right or privilege capable of becoming an agreement, option, understanding or commitment for the purchase from Labrador of any of its assets or property;

- (s) Labrador has all permits, licences, certificates of authority, orders and approvals of, and has made all filings, applications and registrations with, applicable Governmental Authorities and other persons that are required in order to permit it to carry on its business as presently conducted, except for such permits, licences, certificates, orders, filings, applications and registrations, the failure to have or make, individually or in the aggregate, could not reasonably be expected to have a Material Adverse Effect on Labrador, and all such permits, licenses, certificates of authority, orders and approvals are in good standing and fully complied with in all material respects;
- (t) Labrador has not, as of the date hereof, filed any Tax Returns in any jurisdiction as of the date hereof;
- (u) there are no audits, reassessments or other proceedings in progress or, to the knowledge of Labrador, threatened against Labrador, in respect of any Tax and, in particular, there are no currently outstanding reassessments or written enquiries which have been issued or raised by any Governmental Authority relating to any Tax, and Labrador is not aware of any contingent liability of Labrador for Tax or any grounds that could prompt an assessment or reassessment for any Tax, and Labrador has not received any indication from any Governmental Authority that any assessment or reassessment is proposed;
- (v) Labrador has not, as of the date hereof, deducted, withheld or collected or remitted and Tax to any Governmental Authority;
- (w) Labrador has not been notified by any Governmental Authority of any investigation with respect to it that is pending or threatened, nor has any Governmental Authority notified Labrador of such Governmental Authority's intention to commence or to conduct any investigation that could be reasonably likely to have a Material Adverse Effect on Labrador;
- (x) Labrador has no employees and Labrador is not a party to any employment, management or consulting agreement of any kind whatsoever;
- (y) no current or former employee, officer or director of Labrador is entitled to a severance, termination or other similar payment as a result of the Transaction;
- (z) the Corporate Records of Labrador are complete and accurate in all material respects and all corporate proceedings and actions reflected therein have been conducted or taken in compliance with all applicable laws and with the constating documents of Labrador, and without limiting the generality of the foregoing: (i) the minute books of Labrador contain complete and accurate minutes of all meetings of the directors and shareholders of Labrador; (ii) such minute books contain all written resolutions passed by the directors and shareholders of Labrador; (iii) the securities register of Labrador are complete and accurate, and all transfers of shares of Labrador have been duly completed and approved; and (iv) the registers of directors and officers are complete and accurate and all former and present directors and officers of Labrador were duly elected or appointed as the case may be;
- (aa) all Books and Records of Labrador have been fully, properly and accurately kept and, where required, completed in accordance with generally accepted accounting



principles, and there are no material inaccuracies or discrepancies of any kind contained or reflected therein;

- (bb) Labrador has no material IP and there are no Contracts that are material to the business and operations of Labrador as presently conducted under which Labrador licenses any IP from a third party;
- (cc) Labrador is not a 'reporting issuer' or equivalent in any jurisdiction nor are any shares of Labrador listed or quoted on any stock exchange or electronic quotation system;
- (dd) Labrador has not authorized any person to act as broker or finder or in any other similar capacity in connection with the transactions contemplated by this Agreement that in any manner may or will impose liability on the Purchaser, Labrador or the Shareholders; and
- (ee) to the knowledge of Labrador, no representation or warranty of Labrador contained in this Agreement contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements contained herein or therein not misleading.

#### **5.04 Survival of Representations and Warranties**

The representations and warranties made by the parties and contained in this Agreement or any document or certificate given pursuant hereto shall survive the Closing of the Transaction until the date that is 12 months from the date of Closing. No claim for breach of any representation, warranty or covenant shall be valid unless that party against whom such claim is made has been given notice thereof before the expiry of such 12-month period.

## **ARTICLE VI COVENANTS**

#### **6.01 Mutual Covenants**

Each of the parties hereby covenants and agrees as follows:

- (a) to use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder which are reasonably under its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under applicable laws and regulations to complete the Transaction in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, in the event that any person, including without limitation, any securities regulatory authority, seeks to prevent, delay or hinder implementation of all or any portion of the Transaction or seeks to invalidate all or any portion of this Agreement, the Purchaser and Labrador shall use commercially reasonable efforts to resist such proceedings and to lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affecting the ability of the parties to complete the Transaction;

- (b) to use commercially reasonable efforts to obtain, before the Time of Closing, all authorizations, waivers, exemptions, consents, orders and other approvals from domestic or foreign courts, Governmental Authorities, shareholders and third parties as are necessary for the consummation of the transactions contemplated herein;
- (c) to use commercially reasonable efforts to defend or cause to be defended any lawsuits or other legal proceedings brought against it challenging this Agreement or the completion of the Transaction; neither the Purchaser nor Labrador will settle or compromise any claim brought against them in connection with the transactions contemplated by this Agreement prior to the Closing Date without the prior written consent of each of the others, such consent not to be unreasonably withheld or delayed;
- (d) to promptly notify each of the other parties if any representation or warranty made by it in this Agreement ceases to be true and correct in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier) and of any failure to comply in any material respect with any of its obligations under this Agreement;
- (e) to co-operate with each of the other parties hereto in good faith in order to ensure the timely completion of the Transaction; and
- (f) to use commercially reasonable efforts to co-operate with each of the other parties hereto in connection with the performance by the other of its obligations under this Agreement.

## **6.02 Covenants of the Purchaser**

The Purchaser covenants and agrees with each of the Shareholders and Labrador that, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article VII, it will:

- (a) in a timely and expeditious manner:
  - (i) file and/or deliver any document or documents as may be required in order for the Transaction as contemplated herein to be effective; and
  - (ii) file and/or deliver any document or documents required pursuant to applicable laws and/or the rules and policies of the CSE in connection with the Transaction as contemplated herein after the Closing;
- (b) not solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Transaction, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any

shareholder proposal or “takeover bid,” exempt or otherwise, within the meaning of the *Securities Act* (British Columbia), for securities or assets of the Purchaser, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Transaction, including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations. In the event the Purchaser, including any of its officers or directors, receives any form of offer or inquiry, the Purchaser shall forthwith (in any event within one business day following receipt) notify Labrador of such offer or inquiry and provide Labrador with such details as it may request;

- (c) to make available and afford Labrador and its authorized representatives and, if requested by Labrador, provide a copy of all title documents, contracts, financial statements, minute books, share certificate books, if any, share registers, plans, reports, licences, orders, permits, books of account, accounting records, constating documents and all other documents, information and data relating to the Purchaser. The Purchaser will afford Labrador and its authorized representatives every reasonable opportunity to have free and unrestricted access to the Purchaser’s property, assets, undertaking, records and documents. At the request of Labrador, the Purchaser will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of the Purchaser’s business and any of its property or to enable Labrador or its authorized representatives to obtain full access to all files and records relating to any of the assets of the Purchaser maintained by governmental or other public authorities. The obligations in this Section 6.02(c) are subject to any access or disclosure contemplated herein not being otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained, provided that in such circumstance the Purchaser will be required to disclose that information has been withheld on this basis. The exercise of any rights of inspection by or on behalf of Labrador under this Section 6.02(c) will not mitigate or otherwise affect the representations and warranties of the Purchaser hereunder;
- (d) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained (provided that in such circumstance the Purchaser will be required to disclose that information has been withheld on this basis), furnish promptly to Labrador (on behalf of itself and the Shareholders) a copy of each notice, report, schedule or other document or communication delivered, filed or received by the Purchaser in connection with or related to the Transaction, any filings under applicable laws and any dealings with any Governmental Authority in connection with or in any way affecting the Transaction as contemplated herein;
- (e) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction as contemplated herein, including using commercially reasonable efforts to:

- (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases, licenses, agreements and other Contracts, as applicable;
  - (ii) effect all necessary registrations and filings and submissions of information requested by any Governmental Authority required to be effected by it in connection with the Transaction and participate and appear in any proceedings of either the Purchaser or Labrador before any Governmental Authority to the extent permitted by such authorities; and
  - (iii) fulfill all conditions and satisfy all provisions of this Agreement and the Transaction;
- (f) subject to Applicable Laws or as authorized by this Agreement, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;
- (g) except as may be necessary or desirable in order to effect the Transaction as contemplated hereunder, not alter or amend its notice of articles or articles as the same exist at the date of this Agreement;
- (h) not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization or arrangement with, or transfer its undertaking or assets as an entirety or substantially as an entirety to, any other person or perform any act which would render inaccurate in any material way any of its representations and warranties set forth herein as if such representations and warranties were made at a date subsequent to such act and all references to the date of this Agreement were deemed to be such later date, except as contemplated in this Agreement, and without limiting the generality of the foregoing, it will not:
- (i) make any distribution by way of dividend, distribution of property or assets, return of capital or otherwise to or for the benefit of its shareholders;
  - (ii) increase or decrease its paid-up capital or purchase or redeem any shares; or
  - (iii) issue or enter into any commitment to issue any of its shares or securities convertible into, or rights, warrants or options to acquire, any such shares;
- (i) take all necessary corporate action and proceedings to approve and authorize the issuance of the Payment Shares to the Shareholders;
- (j) prepare and file with all applicable securities commissions such notifications and fees necessary to permit, or that are required in connection with, the issuance of the Payment Shares to the Shareholders, in each case, on a basis exempt from the prospectus requirements of the applicable Securities Laws of the provinces of Canada in which the Shareholders are resident; and
- (k) not to authorize, sell or issue, or negotiate or enter into an agreement to sell or issue, any securities of the Purchaser (including those that are convertible or exchangeable into securities of the Purchaser), other than as contemplated under this Agreement.

### 6.03 Covenants of Labrador

Labrador covenants and agrees with the Purchaser that, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article VII, it will:

- (a) not to solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Transaction, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal or “takeover bid,” exempt or otherwise, within the meaning of the *Securities Act* (British Columbia), for securities or assets of Labrador, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Transaction, including, without limitation, except for in connection with the Benedict Mountains Acquisition, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations. In the event, Labrador, including any of its officers or directors, receives any form of offer or inquiry, Labrador shall forthwith (in any event within one business day following receipt) notify the Purchaser of such offer or inquiry and provide the Purchaser with such details as it may request;
- (b) to make available and afford the Purchaser and its authorized representatives and, if requested by the Purchaser, provide a copy of all title documents, contracts, financial statements, minute books, share certificate books, if any, share registers, plans, reports, licences, orders, permits, books of account, accounting records, constating documents and all other documents, information and data relating to Labrador. Labrador will afford the Purchaser and its authorized representatives every reasonable opportunity to have free and unrestricted access to Labrador’s property, assets, undertaking, records and documents. At the request of the Purchaser, Labrador will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of Labrador’s business and any of its property or to enable the Purchaser or its authorized representatives to obtain full access to all files and records relating to any of the assets of Labrador maintained by governmental or other public authorities. The obligations in this Section 6.03(b) are subject to any access or disclosure contemplated herein not being otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained, provided that in such circumstance Labrador will be required to disclose that information has been withheld on this basis. The exercise of any rights of inspection by or on behalf of Purchaser under this Section 6.03(b) will not mitigate or otherwise affect the representations and warranties of Labrador hereunder;
- (c) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained (provided that in such circumstance Labrador will be required to disclose that information has been withheld on this basis), furnish promptly to the Purchaser a copy of each notice, report, schedule or

other document or communication delivered, filed or received by Labrador in connection with or related to the Transaction, any filings under applicable laws and any dealings with any Governmental Authority in connection with or in any way affecting the Transaction as contemplated herein;

- (d) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction, including using commercially reasonable efforts to:
  - (i) obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases, licenses, agreements and other Contracts;
  - (ii) effect all necessary registrations and filings and submissions of information requested by any Governmental Authority required to be effected by it in connection with the Transaction and participate and appear in any proceedings of either Labrador or the Purchaser before any Governmental Authority to the extent permitted by such authorities; and
  - (iii) fulfill all conditions and satisfy all provisions of this Agreement and the Transaction;
- (e) subject to Applicable Laws or as authorized by this Agreement, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;
- (f) conduct and operate its business and affairs only in the ordinary course consistent with past practice and use commercially reasonable efforts to preserve its business organization, goodwill and material business relationships with other persons and, for greater certainty, other than the Benedict Mountains Acquisition, it will not enter into any material transaction out of the ordinary course of business consistent with past practice without the prior consent of the Purchaser, and Labrador will keep the Purchaser fully informed as to the material decisions or actions required or required to be made with respect to the operation of its business, provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver could not be obtained;
- (g) except as may be necessary or desirable in order to effect the Transaction as contemplated hereunder, not alter or amend its articles or notice of articles as the same exist at the date of this Agreement;
- (h) not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization or arrangement with, or transfer its undertaking or assets as an entirety or substantially as an entirety to, any other person or perform any act which would render inaccurate in any material way any of its representations and warranties set forth herein as if such representations and warranties were made at a date subsequent to such act and all references to the date of this Agreement were

deemed to be such later date, except as contemplated in this Agreement, and without limiting the generality of the foregoing, it will not:

- (i) make any distribution by way of dividend, distribution of property or assets, return of capital or otherwise to or for the benefit of its shareholders;
  - (ii) increase or decrease its paid-up capital or purchase or redeem any shares;
  - (iii) issue or enter into any commitment to issue any of its shares or securities convertible into, or rights, warrants or options to acquire any such shares;
  - (iv) not to authorize, sell or issue, or negotiate or enter into an agreement to sell or issue, any securities of Labrador (including those that are convertible or exchangeable into securities of Labrador), other than as contemplated under this Agreement; and
- (i) take all necessary corporate action and proceedings to approve and authorize the valid and effective transfer of the Purchased Shares to the Purchaser.

#### **6.04 Covenants of the Shareholders**

Each of the Shareholders, on its own behalf, covenants and agrees with the other parties hereto that, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article VII, it will:

- (a) enter into such escrow arrangements in respect of the Payment Shares as may be required in accordance with applicable securities laws and/or the policies of the CSE;
- (b) use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations set forth in this Agreement to the extent the same are within its control and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable laws to complete the Transaction, including using commercially reasonable efforts to:
  - (i) effect all necessary registrations and filings and submissions of information requested by any Governmental Authority required to be effected by it in connection with the Transaction; and
  - (ii) fulfill all conditions and satisfy all provisions of this Agreement and the Transaction;
- (c) subject to Applicable Laws or as otherwise authorized by this Agreement, not take any action, refrain from taking any action, or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;
- (d) if the Shareholder is a corporation or entity, take all necessary corporate action and proceedings to approve and authorize the valid and effective transfer of the Purchased Shares to the Purchaser; and

- (e) not encumber in any manner the Purchased Shares and ensure that at the Time of Closing the Purchased Shares are free and clear of all Liens, charges, mortgages, security interests, pledges, demands, claims and other encumbrances whatsoever.

## **ARTICLE VII TERMINATION**

### **7.01 Termination**

This Agreement may be terminated in writing at any time prior to the Closing:

- (a) by mutual written consent of the Purchaser and Labrador;
- (b) by either Labrador or the Purchaser if the Closing shall not have been consummated on or prior to the Termination Date, without liability to the terminating party on account of such termination; provided that the right to terminate this Agreement pursuant to this Section 7.01(b) shall not be available to a party whose breach or violation of any representation, warranty, covenant, obligation or agreement under this Agreement has been the cause of or has resulted in the failure of the Closing to occur on or before such date;
- (c) by the Purchaser, if there has been a material breach by Labrador or the Shareholders of any representation, warranty, covenant or agreement set forth in this Agreement or any of the documents contemplated hereby which breach would result in the failure to satisfy one or more of the conditions set forth in Section 3.01 which Labrador or the Shareholders, as applicable, fails to cure within ten (10) Business Days after written notice thereof is given by the Purchaser;
- (d) by Labrador if there has been a material breach by the Purchaser of any representation, warranty, covenant or agreement set forth in this Agreement or any of the documents contemplated hereby which breach would result in the failure to satisfy one or more of the conditions set forth in Section 3.03 which the Purchaser fails to cure within ten (10) Business Days after written notice thereof is given by Labrador; and
- (e) by any party, if any permanent injunction or other order of a court or other competent authority preventing the Closing shall have become final and non-appealable; provided, however, that no party shall be entitled to terminate this Agreement if such party's material breach of this Agreement or any of the documents contemplated hereby has resulted in such permanent injunction or order.

### **7.02 Effect of Termination**

Upon termination of this Agreement in accordance with the terms hereof, the parties hereto shall have no further obligations under this Agreement, other than the obligations contained in Sections 9.03 and 9.08.



**ARTICLE VIII  
INDEMNIFICATION**

**8.01 Indemnification by the Purchaser**

Subject to Section 5.04, the Purchaser shall indemnify and save the Shareholders and Labrador harmless for and from:

- (a) any loss, damages or deficiencies suffered by the Shareholders or Labrador as a result of any breach of representation, warranty or covenant on the part of the Purchaser contained in this Agreement or in any certificate or document delivered pursuant to or contemplated by this Agreement; and
- (b) all claims, demands, costs and expenses, including legal fees, in respect of the foregoing.

**8.02 Indemnification by Labrador**

Subject to Section 5.04, Labrador shall indemnify and save the Purchaser harmless for and from:

- (a) any loss, damages or deficiencies suffered by the Purchaser as a result of any breach of representation, warranty or covenant on the part of Labrador contained in this Agreement or in any certificate or document delivered pursuant to or contemplated by this Agreement; and
- (b) all claims, demands, costs and expenses, including legal fees, in respect of the foregoing.

**8.03 Indemnification by Shareholders**

Subject to Section 5.04, each of the Shareholders, on its own behalf, and not on behalf of any other Shareholder, severally (and for greater certainty, not jointly with any other Shareholder) shall indemnify and save the Purchaser harmless for and from:

- (a) any loss, damages or deficiencies suffered by the Purchaser as a result of any breach by such Shareholder of any representation, warranty or covenant on the part of such Shareholder contained in this Agreement or in any certificate or document delivered pursuant to or contemplated by this Agreement; and
- (b) all claims, demands, costs and expenses, including legal fees, in respect of the foregoing.

**8.04 Notice of Claim**

A party entitled to and seeking indemnification pursuant to the terms of this Agreement (the “**Indemnified Party**”) shall promptly give written notice to the party or parties, as applicable, responsible for indemnifying the Indemnified Party (the “**Indemnifying Party**”) of any claim for indemnification pursuant to Sections 8.01, 8.02 and 8.03 (a “**Claim**”, which term shall include more than one Claim). Such notice shall specify whether the Claim arises as a result of a claim by a person against the Indemnified Party (a “**Third Party Claim**”) or whether the Claim does not so arise (a “**Direct Claim**”), and shall also specify with reasonable particularity (to the extent that the information is available):

- (a) the factual basis for the Claim; and
- (b) the amount of the Claim, or, if any amount is not then determinable, an approximate and reasonable estimate of the likely amount of the Claim.

#### **8.05 Procedure for Indemnification**

- (a) Direct Claims. With respect to Direct Claims, following receipt of notice from the Indemnified Party of a Claim, the Indemnifying Party shall have 30 days to make such investigation of the Claim as the Indemnifying Party considers necessary or desirable, acting reasonably. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim. If the Indemnified Party and the Indemnifying Party agree at or prior to the expiration of such 30 day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Claim.
- (b) Third Party Claims. With respect to any Third Party Claim, the Indemnifying Party shall have the right, at its own expense, to participate in or assume control of the negotiation, settlement or defence of such Third Party Claim and, in such event, the Indemnifying Party shall reimburse the Indemnified Party for all the Indemnified Party's commercially reasonable out-of-pocket expenses incurred as a result of such participation or assumption. If the Indemnifying Party elects to assume such control, the Indemnified Party shall cooperate with the Indemnifying Party, shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim at its own expense and shall have the right to disagree on reasonable grounds with the selection and retention of counsel, in which case counsel satisfactory to the Indemnifying Party and the Indemnified Party shall be retained by the Indemnifying Party. If the Indemnifying Party, having elected to assume such control, thereafter fails to defend any such Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to such Third Party Claim.

#### **8.06 General Indemnification Rules**

The obligations of the Indemnifying Party to indemnify the Indemnified Party in respect of Claims shall also be subject to the following:

- (a) without limiting the generality of Sections 8.01, 8.02 and 8.03, any Claim for breach of any representation, warranty or covenant shall be subject to Section 5.04;
- (b) the Indemnifying Party's obligation to indemnify the Indemnified Party shall only apply to the extent that the Claims in respect of which the Indemnifying Party has given an indemnity, in the aggregate, exceed \$5,000;
- (c) notwithstanding anything to the contrary in this Agreement, the aggregate liability of an Indemnifying Party which is a Shareholder to any and all Indemnified Parties under this Article VIII shall be limited to the amount paid to such Indemnifying Party in respect of its Purchased Shares pursuant to Section 2.01; for greater certainty, no Shareholder shall be liable, in the aggregate, to any and all

Indemnified Parties for any amount in excess of the value of its *pro rata* share of the Payment Shares;

- (d) notwithstanding anything to the contrary in this Agreement, the aggregate liability of Labrador or the Purchaser to any and all Indemnified Parties under this Article VIII shall be limited to the value of the Payment Shares issuable under this Agreement;
- (e) if any Third Party Claim is of a nature such that the Indemnified Party is required by applicable law to make a payment to any person (a “**Third Party**”) with respect to such Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party may make such payment and thereafter seek reimbursement from the Indemnifying Party for any such payment. If any Indemnifying Party pays, or reimburses an Indemnified Party in respect of any Third Party Claim before completion of settlement negotiations or related legal proceedings, and the amount of any liability of the Indemnified Party under the Third Party Claim in respect of which such a payment was made, as finally determined, is less than the amount which was paid by the Indemnifying Party, the Indemnified Party shall, forthwith after receipt of the difference from the Third Party, pay the amount of such difference to the Indemnifying Party;
- (f) except in the circumstance contemplated by Section 8.05, and whether or not the Indemnifying Party assumes control of the negotiation, settlement or defence of any Third Party Claim, the Indemnified Party shall not negotiate, settle, compromise or pay any Third Party Claim except with the prior written consent of the Indemnifying Party (which consent shall not be unreasonably withheld);
- (g) the Indemnified Party shall not permit any right of appeal in respect of any Third Party Claim to terminate without giving the Indemnifying Party notice and an opportunity to contest such Third Party Claim;
- (h) the Indemnified Party and the Indemnifying Party shall cooperate fully with each other with respect to Third Party Claims and shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available); and
- (i) the provisions of this Article VIII shall constitute the sole remedy available to a party against another party with respect to any and all breaches of any agreement, covenant, representation or warranty made by such other party in this Agreement.

## ARTICLE IX EXCLUSIVITY AND ACCESS

### 9.01 Power of Attorney

Each of the Shareholders hereby severally and irrevocably appoints Labrador as its agent and attorney to take any action that is required under the Agreement or to execute and deliver any documents on their behalf, including without limitation, for the purposes of all Closing matters (including without limitation, the receipt of certificates representing the Payment Shares) and deliveries of documents and do and cause to be done all such acts and things as may be necessary or desirable in connection with the

closing matters for the Transaction. Without limiting the generality of the foregoing, Labrador may, on its own behalf and on behalf of the Shareholders, extend the Time of Closing, modify or waive any conditions as are contemplated herein, negotiate, settle and deliver the final forms of any documents that are necessary or desirable to give effect to the Transaction, extend such time periods as may be contemplated herein or terminate this Agreement, in its absolute discretion, as it deems appropriate. Each of the Shareholders hereby acknowledges and agrees that any decision or exercise of discretion made by Labrador under this Agreement, shall be final and binding upon the Shareholders so long as such decision or exercise was made in good faith. The Purchaser shall have no duty to enquire into the validity of any document executed or other action taken by Labrador on behalf of the Shareholders pursuant to this Section 9.01.

## **9.02 Notices**

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement (each, a “**notice**”) shall be in writing shall be in writing addressed as follows:

(a) if to the Purchaser:

MegaWatt Lithium and Battery Metals Corp.  
1500 Royal Centre  
1055 West Georgia Street  
Vancouver, British Columbia, V6E 4N7  
Attention: Kelvin Lee, Chief Financial Officer  
E-mail: [E-mail address redacted]

with a courtesy copy (which copy shall not constitute notice to the Purchaser) to:

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

(b) if to Labrador or the Shareholders:

Labrador Mineral Resources Inc.  
Suite 200, 551 Howe Street  
Vancouver, British Columbia, V6C 2C2  
Attention: Robert Birmingham, Chief Executive Officer  
E-mail: [E-mail address redacted]

or such other address as may be designated by notice given by either Labrador or the Purchaser to the other in accordance with this Section 9.02. Each notice shall be personally delivered to the addressee or sent by e-mail to the addressee and a notice which is personally delivered or sent by email shall, if delivered or sent prior to 4:00 p.m. (local time of the recipient) on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the next Business Day. Any notice delivered to Labrador in accordance with this Section 9.02 prior to the Time of Closing shall be deemed to have been delivered to each of the Shareholders. The previous sentence of this Section 9.02 shall not apply to a notice given as contemplated in Section 3.04 of the occurrence, or failure to occur, of any event or state of facts which would or would likely to cause any of the representations or warranties of any Shareholder to be untrue or inaccurate or result in the failure by any Shareholder to

comply with or satisfy any covenant, condition or agreement, which notice shall not be deemed to have been received by such Shareholder unless delivered to the address of such Shareholder as reflected in the books of Labrador (or after the Time of Closing, the books of the Purchaser). Any Shareholder may, from time to time, by notice given in accordance with this Section 9.02, designate or provide an address of such Shareholder for notices to be given after the Time of Closing.

### **9.03 Confidentiality**

Prior to Closing and, if the Transaction is not completed, at all times thereafter, each of the parties hereto will keep confidential and refrain from using all information obtained by it in connection with the transactions contemplated by this Agreement relating to any other party hereto, provided however that such obligation shall not apply to any information which was in the public domain at the time of its disclosure to a party or which subsequently comes into the public domain other than as a result of a breach of such party's obligations under this Section 9.03. For greater certainty, nothing contained herein shall prevent any disclosure of information which may be required pursuant to applicable laws or pursuant to an order in judicial or administrative proceedings or any other order made by any Governmental Authority.

### **9.04 Assignment**

Other than as provided herein, no party may assign this Agreement or its rights or obligations hereunder without the prior written consent of the other parties hereto, such consent not to be unreasonably withheld or delayed.

### **9.05 Binding Effect**

This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective heirs, successors and permitted assigns.

### **9.06 Waiver**

No waiver of any provision of this Agreement will constitute a waiver of any other provision, nor will any waiver constitute a continuing waiver unless otherwise expressly provided.

### **9.07 Governing Law**

This Agreement shall be governed by and construed and interpreted in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein and is to be treated in all respects as a British Columbia contract.

### **9.08 Expenses**

Each Party shall be responsible for its costs and expenses incurred with respect to the transactions contemplated herein, which are comprised of its legal fees and disbursements relating to preparing this Agreement and related documents specifically relating to the transactions contemplated herein, it being acknowledged, that documentation in respect of the Transaction shall, to as great an extent as reasonably possible, be prepared by the Purchaser's counsel with the assistance of Labrador as needed.

**9.09 No Personal Liability**

- (a) No director, officer, employee or agent of the Purchaser shall have any personal liability whatsoever to Labrador or the Shareholders under this Agreement or any other document delivered in connection with the Transaction on behalf of the Purchaser.
- (b) No director, officer, employee or agent of Labrador (in such capacity) shall have any personal liability whatsoever to the Purchaser under this Agreement or any other document delivered in connection with the Transaction on behalf of Labrador.

**9.10 Time of Essence**

Time is of the essence of this Agreement and of each of its provisions.

**9.11 Public Announcements**

Labrador and the Purchaser shall co-operate with the other in releasing information concerning this Agreement and the transactions contemplated herein, and shall furnish to and discuss with the other drafts of all press and other releases prior to publication. No press release or other public announcement concerning the proposed transactions contemplated by this Agreement will be made by any party hereto without the prior consent of the other parties, such consent not to be unreasonably withheld or delayed; provided that nothing contained herein shall prevent any party hereto at any time from furnishing any information to any Governmental Authority or to the public if so required by applicable law.

**9.12 Further Assurances**

Each party will, upon request but without further consideration, from time to time promptly execute and deliver all further documents and take all further action necessary or appropriate to give effect to and perform the provisions and intent of this Agreement and to complete the transactions contemplated herein.

**9.13 Entire Agreement**

This Agreement, together with the documents required to be delivered pursuant to this Agreement, constitute the entire agreement among the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions, whether oral or written, between the parties hereto with respect to the subject matter hereof. There are no representations, warranties, covenants or conditions with respect to the subject matter hereof except as contained in this Agreement and any document delivered pursuant to this Agreement.

**9.14 Amendments**

No amendment of any provision of this Agreement will be binding on any party unless consented to in writing by such party.

**9.15 Severability**

In the event that any provision or part of this Agreement is determined by any court or other judicial or administrative body to be illegal, null, void, invalid or unenforceable, that provision shall be severed to the extent that it is so declared and the other provisions of this Agreement shall continue in full force and effect.

**9.16 Remedies Cumulative**

The rights and remedies of the parties under this Agreement are cumulative and in addition to and not in substitution for any rights or remedies provided by law. Any single or partial exercise by any party hereto of any right or remedy for default or breach of any term, covenant or condition of this Agreement does not waive, alter, affect or prejudice any other right or remedy to which such party may be lawfully entitled for the same default or breach.

**9.17 Counterparts**

This Agreement may be executed and delivered in one or more counterparts and may be executed and delivered by facsimile or any other electronically communicated method, each of which when executed and delivered shall be deemed an original and all of which counterparts together shall be deemed to constitute one and the same instrument.

**9.18 Independent Legal Advice**

EACH SHAREHOLDER ACKNOWLEDGES, CONFIRMS AND AGREES THAT HE, SHE OR IT HAS HAD THE OPPORTUNITY TO SEEK AND WAS NOT PREVENTED OR DISCOURAGED BY ANY PARTY HERETO FROM SEEKING INDEPENDENT LEGAL ADVICE PRIOR TO THE EXECUTION AND DELIVERY OF THIS AGREEMENT AND THAT, IN THE EVENT THAT ANY SHAREHOLDER DID NOT AVAIL HIMSELF/HERSELF/ITSELF WITH THAT OPPORTUNITY PRIOR TO SIGNING THIS AGREEMENT, SUCH SHAREHOLDER DID SO VOLUNTARILY WITHOUT ANY UNDUE PRESSURE AND AGREES THAT SUCH SHAREHOLDER'S FAILURE TO OBTAIN INDEPENDENT LEGAL ADVICE SHALL NOT BE USED BY HIM/HER/IT AS A DEFENCE TO THE ENFORCEMENT OF HIS/HER/ITS OBLIGATIONS UNDER THIS AGREEMENT. EACH SHAREHOLDER ACKNOWLEDGES AND AGREES THAT MCMILLAN LLP NEITHER REPRESENTS NOR ACTS FOR THE SHAREHOLDERS IN CONNECTION WITH THE TRANSACTIONS CONTEMPLATED BY THIS AGREEMENT.

*[Signature pages follow.]*

**IN WITNESS WHEREOF** this Agreement has been executed by the parties hereto on the date first above written.

**MEGAWATT LITHIUM AND BATTERY METALS CORP.**

By: “Casey Forward”  
Authorized Signatory

**LABRADOR MINERAL RESOURCES INC.**

By: “Robert Birmingham”  
Authorized Signatory

*[Signature pages of the Shareholders follows.]*



**Labrador Shareholders:**

[Signatures redacted]

## SCHEDULE A

## Shareholders of Labrador

<b>Name and Address of Shareholder</b>	<b>Total Number of Shares</b>
Robert Birmingham [Address redacted]	1
PI Financial Corp. [Address redacted]	2,500,000
Leede Jones Gable Inc., A/C #0645303A [Address redacted]	2,575,000
Fidelity Clearing Canada ITF Brianna Davies, Acct #: H10- E500-E [Address redacted]	250,000
David DesLauriers [Address redacted]	2,000,000
Xinke Zhao [Address redacted]	25,000
Reta Derouin [Address redacted]	400,000
Ngar-Shan Candy Yeung [Address redacted]	800,000
Robert Birmingham [Address redacted]	350,000
Jeff Wust [Address redacted]	50,000
2710989 Ontario Limited [Address redacted]	1,880,000
1142377 B.C. Ltd. [Address redacted]	1,870,000
Darrin Hicks [Address redacted]	375,000
Darrin Hicks [Address redacted]	375,000
Darrin Hicks [Address redacted]	375,000
Darrin Hicks [Address redacted]	375,000
Michelle Lee [Address redacted]	250,000
2544657 Ontario Inc. [Address redacted]	1,750,000
Pug Communications Limited* [Address redacted]	75,000
<b>TOTAL</b>	<b>16,275,001</b>

\* Non-Resident Shareholder

**SCHEDULE B**

**Shareholder Consent Agreement**

**SHAREHOLDER CONSENT AGREEMENT**

THIS AGREEMENT MADE EFFECTIVE AS OF \_\_\_\_\_, 2024 (the “**Agreement**”).

AMONG:

**MEGAWATT LITHIUM AND BATTERY METALS CORP.,**

a corporation existing under the laws of British Columbia, having an office at Suite 1500, Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia, V6E 4N7 (the “**Purchaser**”)

AND:

**LABRADOR MINERAL RESOURCES INC.,**

a corporation existing under the laws of the Province of British Columbia, having a registered office at Suite 200, 551 Howe Street, Vancouver, British Columbia, V6C 2C2

(“**Labrador**”)

AND:

**THE NEW LABRADOR SHAREHOLDERS** who have executed this Agreement

(individually a “**New Labrador Shareholder**” and collectively the “**New Labrador Shareholders**”)

WHEREAS:

- A. The Purchaser, Labrador and the Shareholders entered into a Share Exchange Agreement dated effective April 1, 2024, and attached as Schedule “A” hereto (the “**Share Exchange Agreement**”);
- B. Pursuant to the Share Exchange Agreement, Labrador agreed to the Transaction and further agreed to obtain the consent of the New Labrador Shareholders to the Transaction (as defined therein); and
- C. The New Labrador Shareholder has agreed to provide such consent and to be bound by the terms of the Share Exchange Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements herein contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto do covenant and agree each with the other as follows:

1. Unless specifically defined herein or unless the context otherwise requires, terms used herein which are defined in the Share Exchange Agreement shall have the meanings ascribed to such terms in the Share Exchange Agreement.
2. On the execution of this Agreement by a New Labrador Shareholder, such New Labrador Shareholder covenants and agrees that it shall, together with the Shareholder (the “**New Labrador Shareholder’s Transferor**”) from whom such New Labrador Shareholder acquired common shares of Labrador as

trustee or nominee for the New Labrador Shareholder’s Transferor, be bound by all of the provisions of the Share Exchange Agreement as if such New Labrador Shareholder and the New Labrador Shareholder’s Transferor were collectively an original party to the Share Exchange Agreement including, without limitation, all representations, warranties and covenants of the New Labrador Shareholder’s Transferor contained therein (provided that it is acknowledged and agreed that the New Labrador Shareholder is the registered owner of the common shares of Labrador acquired by the New Labrador Shareholder referred to below, but is not the beneficial owner thereof, and that the New Labrador Shareholder’s Transferor is the beneficial owner of such shares).

- 3. This Agreement shall be subject to, governed by, and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, and the parties hereby agree to attorn to the exclusive jurisdiction of the Courts of British Columbia and not to commence any form of proceedings in any other forum.
- 4. This Agreement may be signed by facsimile (including in .pdf format) and in counterpart, and each copy so signed shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument.

**IN WITNESS WHEREOF** the parties have duly executed this Agreement as of the day and year first above written.

**MEGAWATT LITHIUM AND BATTERY METALS CORP.**

Per: \_\_\_\_\_  
Authorized Signatory

**LABRADOR MINERAL RESOURCES INC.**

Per: \_\_\_\_\_  
Authorized Signatory

**AND THE FOLLOWING NEW LABRADOR SHAREHOLDER:**

**Name:** \_\_\_\_\_

**Number of Shares:** \_\_\_\_\_

**Address:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Signed:** \_\_\_\_\_

**Witness Name:** \_\_\_\_\_

**Signed:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

C - 1

**SCHEDULE C**

**Benedict Mountains Property Purchase Agreement**

**[See attached]**

## PROPERTY PURCHASE AGREEMENT

**THIS AGREEMENT** is made effective the 8<sup>th</sup> day of February, 2024.

**BETWEEN:**

**DARRIN HICKS**, an individual with an address at [Address redacted]

(the “**Vendor**”)

**AND**

**LABRADOR MINERAL RESOURCES INC.**, a company having offices at 1500, 1055 West Georgia Street, Vancouver, BC, V6E 4N7

(the “**Purchaser**”)

**WHEREAS**, The Vendor is the registered, legal and beneficial owner of a 100% interest in the Benedict Mountains Uranium Property (subject only to the NSR) located on the east coast of Labrador approximately 200km NE of Goose Bay (the “**Property**”), as more particularly described in Schedule A attached hereto;

**AND WHEREAS**, the Vendor wishes to sell or cause to be sold to the Purchaser, and the Purchaser wishes to purchase from the Vendor, the Property, subject to the terms and conditions set forth herein;

**NOW THEREFORE**, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Parties, the Parties covenant and agree as follows:

### **PART 1 INTERPRETATION AND DEFINITIONS**

#### **Definitions**

1.1 In addition to defined terms elsewhere in this Agreement, the following words and phrases have the following meanings:

- (a) “**Agreement**” means this Property Purchase Agreement together with the schedules attached thereto;

- (b) “**Business Day**” means any day, other than a Saturday, a Sunday or a statutory holiday in Vancouver, British Columbia;
- (c) “**Closing Date**” means March 15, 2024 or such other date as the Parties may agree;
- (d) “**NSR**” means the 1.5% net smelter royalty on the Property to be retained by the Vendor as described in the terms and conditions attached as Schedule "B" hereto. The NSR may be reduced from 1.5% to 0.5% by the Purchaser, or its permitted assign, by paying to the Vendor at any time and shall run with the Property and not be assignable without the consent of the Purchaser;
- (e) “**Outside Date**” means March 30, 2024;
- (f) “**Party**” means either the Vendor or the Purchaser and their successors and permitted assigns and “**Parties**” means together, the Vendor and the Purchaser and their successors and permitted assigns;
- (g) “**Property**” has the meaning set forth in Recital 0 hereto;
- (h) “**Purchaser**” has the meaning set forth on the first page hereof;
- (i) “**Purchase and Sale**” has the meaning set forth in §3.1; and
- (j) “**Vendor**” has the meaning set forth in the first page hereof.

## **Entire Agreement**

1.2 This Agreement and the attached Schedules and all properly executed amendments are hereinafter collectively referred to as this Agreement. This Agreement constitutes the entire agreement between the Parties and supersedes all previous negotiations, communications, agreements and undertakings relating to the subject matter herein. The Parties acknowledge that there are no agreements, undertakings, representations, warranties or conditions collateral to this Agreement except as specifically stated otherwise in this Agreement.

## **Interpretation**

1.3 For the purposes of this Agreement, except as otherwise expressly provided herein:

- (a) the words “**herein**”, “**hereof**”, and “**hereunder**” and other words of similar import refer to this Agreement as a whole and not to any particular Part, clause, subclause or other subdivision or to the Schedules;
- (b) a reference to a Part means a Part of this Agreement and the symbol § followed by a number or some combination of numbers and letters refers to the section, paragraph or subparagraph of this Agreement so designated;

- (c) the headings are for convenience only, do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any of its provisions;
- (d) the word “**including**”, when following a general statement, term or matter, is not to be construed as limiting such general statement, term or matter to the specific items or matters set forth or to similar items or matters (whether or not qualified by non-limiting language such as “without limitation” or “but not limited to” or words of similar import) but rather as permitting the general statement or term to refer to all other items or matters that could reasonably fall within its possible scope;
- (e) where the phrase “**to the knowledge of**” or phrases of similar import are used in respect of the Parties, it will be a requirement that the Party in respect of whom the phrase is used will have made such due inquiries as is reasonably necessary to enable such Party to make the statement or disclosure;
- (f) a reference to currency means Canadian currency; and
- (g) words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

## **PART 2 REPRESENTATIONS AND WARRANTIES**

### **Representations and Warranties by the Vendor**

2.1 The Vendor represents and warrants to the Purchaser that as of the date of this Agreement and on the Closing Date:

- (a) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby conflict with, result in a breach of or accelerate the performance required by any agreement to which the Vendor is a party;
- (b) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby, result in a breach of the laws of any applicable jurisdiction;
- (c) the Vendor is the legal, beneficial and registered owner of a 100% legal and beneficial interest in the Property, free and clear of all encumbrances, and no other person has any right or interest to acquire any interest in the Property;
- (d) the Property is in good standing under applicable law until the dates shown in Schedule A and all work required to be performed has been performed and all taxes (including Duties), fees, expenditures and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made;



- (e) the Vendor has made available to the Purchaser all material maps, assays, surveys, drill logs, samples, metallurgical, geological, geophysical, geochemical and engineering data within its control in respect of the Property;
- (f) there has been no act or omission by the Vendor that could result by notice or lapse of time, or both, in the breach, termination, abandonment, forfeiture, relinquishment or other premature termination of the Property or the Vendor's rights with respect thereto;
- (g) to the Vendor's knowledge, no proceedings have been instituted to invalidate or assert an adverse claim or challenge against or to the ownership of or title to, or use or operation of the Property, including by any indigenous group;
- (h) there are no actions, suits or proceedings outstanding, or, to the Vendor's knowledge, pending or threatened, against or adversely affecting or which could adversely affect the Property or the Vendor's ownership of the Property before any federal, provincial, territorial, municipal or other governmental authority, court, department, commission, board bureau, agency or instrumentality;
- (i) the Vendor has conducted all activities on or with respect to the Property in compliance with all applicable laws, including environmental laws, and the Vendor has not received notice of any breach of any such law;
- (j) no consent or approval of any third person, stock exchange or governmental authority is required for the execution, delivery or performance of this Agreement by the Vendor or the transfer or acquisition of the Property;
- (k) the Vendor is not an insolvent person within the meaning of the any applicable bankruptcy or insolvency law and will not become an insolvent person as a result of the transactions contemplated herein;
- (l) the Vendor is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada);
- (m) the Property is in good standing and has been validly recorded pursuant to all applicable legislation;
- (n) there are no outstanding orders or directions relating to environmental matters requiring any work, repairs, construction or expenditures with respect to the Property and the conduct of operations related thereto, the Vendor has not received any notice of the same and the Vendor is not aware of any basis on which any such orders or directions could be made;
- (o) to the Vendor's knowledge, there have been no material spills, discharges, leaks, emissions, ejections, escapes, dumping's or other releases of any kind of any hazardous, dangerous, poisonous, noxious, toxic or radioactive substance, waste, pollutant, contaminant or similar substance in, on or under the Property or the environment surrounding the Property; and

(p) the Vendor is not aware of any fact or circumstance which has not been disclosed to the Purchaser which should be disclosed in order to prevent the representations and warranties contained in this section from being misleading or which would likely affect the decision of the Purchaser to enter into this Agreement.

## **Survival**

2.2 The Vendor acknowledges that the Purchaser is relying on the representations and warranties contained in §2.1 in entering into this Agreement and that such representations and warranties are continuing and survive the execution of this Agreement for a period of 12 months.

## **Representations and Warranties by the Purchaser**

2.3 The Purchaser represents and warrants to the Vendor that, as of the date of this Agreement and on the Closing Date:

(a) it is a valid and subsisting corporation duly incorporated under the laws of its jurisdiction of incorporation and has full corporate power and authority to execute and deliver this Agreement and to observe and perform its covenants and obligations hereunder and has taken all necessary corporate proceedings and obtained all necessary approvals in respect thereof and, upon execution and delivery of this Agreement by it, this Agreement will constitute a legal, valid and binding obligation of the Purchaser enforceable against it in accordance with its terms except that:

(i) enforceability may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally;

(ii) equitable remedies, including the remedies of specific performance and injunctive relief, are available only in the discretion of the applicable court;

(iii) a court may stay proceedings before them by virtue of equitable or statutory powers; and

(iv) rights of indemnity and contribution hereunder may be limited under applicable law;

(b) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby conflict with, result in a breach of or accelerate the performance required by any agreement to which it is a party; and

(c) neither the execution of this Agreement nor the consummation of the transactions contemplated hereby, result in a breach of the laws of any applicable jurisdiction or its constating documents.

## **Survival**

2.4 The Purchaser acknowledges that the Vendor is relying on the representations and warranties contained in §2.3 in entering into this Agreement and that such representations and warranties are continuing and survive the execution of this Agreement for a period of 12 months.

## **Indemnity**

2.5 Each Party will indemnify and save the other Party and its directors, officers, employees, agents, representatives, subcontractors, and affiliates harmless from all losses, damages, costs, and suits arising out of or in connection with any breach by that Party of any representation, warranty, covenant or agreement contained in this Agreement. This indemnity will survive the termination of this Agreement for a period of 12 months.

## **Covenants of the Vendor**

2.6 The Vendor covenants to and agrees with the Purchaser as follows:

- (a) the Vendor will not take any action to encumber or otherwise deal with the Property other than in accordance with the terms of this Agreement;
- (b) the Vendor will do and execute, or cause and procure to be made, done and executed, all such further acts, applications, deeds or assurances as may be reasonably requested by the Purchaser whether for the purpose of more effectually and completely vesting in the Purchaser the interest in the Property being hereby conveyed or transferred in accordance with the terms hereof or for the purpose of registration or otherwise;
- (c) the Vendor will provide to the Purchaser all such documents, instruments and materials and do all such reasonable acts and things as may be requested by the Purchaser to obtain all permits and approvals necessary for the transfer of the Property, including but not limited to any regulatory approvals, necessary for the completion of this Agreement; and
- (d) the Vendor will do all such other acts and things within its control as may be reasonably necessary or required of it to give effect to the transactions contemplated by this Agreement, including taking all such actions, required to comply with the relevant corporate laws and securities laws applicable to it.

## **PART 3 PURCHASE AND SALE**

### **Purchase and Sale**

3.1 The Vendor hereby sells and transfers to the Purchaser and the Purchaser hereby purchases from the Vendor, a 100% legal and beneficial interest in the Property, free and clear of all encumbrances (subject only to the NSR which is granted to the Vendor, subject to the right of the Purchaser at any time to purchase one (1) percent of the NSR for \$1,000,000 thus reducing

the NSR to one-half percent (0.5%) as more fully described in Schedule “B” hereto), in accordance with the terms of this Agreement (the “**Purchase and Sale**”).

### **Consideration**

3.2 In consideration of the Purchase and Sale, the Purchaser will:

- (a) pay to the Vendor \$25,000 on the Closing Date;
- (b) pay an additional \$25,000 on or before the 12 month anniversary of the Closing Date;
- (c) issue to the Vendor on the Closing Date 1,500,000 common shares in the capital of the Purchaser at a deemed price of \$0.05 per share (the “**Payment Shares**”).

3.3 Upon satisfaction of sections 3.2(a) and 3.2(c), the Vendor will cause the immediate transfer of title to the Property to the Purchaser on the records of all registers or other authorities. In the event that the Purchaser fails to make the payment required pursuant to section 3.2(b), the Purchaser will transfer title back to the Vendor.

3.4 The Vendor acknowledges and agrees that the Payment Shares will be issued pursuant to the prospectus exemptions contained in National Instrument 45-106 *Prospectus Exemptions* of the Canadian Securities Administrators and that the Payment Shares may be subject to a statutory hold period of four months and one day from the date of distribution. In addition, the Vendor further agrees and acknowledges that the Payment Shares will be subject to further voluntary hold periods as follows: 375,000 Payment Shares for a period of 3 months from the Closing Date; 375,000 Payment Shares for a period of 6 months from the Closing Date; and 375,000 Payment Shares for a period of 9 months from the Closing Date.

3.5 The Vendor further acknowledges and agrees that none of Payment Shares have been or will be registered under the United States Securities Act of 1933, as amended, or under the securities laws of any state of the United States, and that Seller is not a U.S. person at the time of distribution and does not intend to become a U.S. person.

### **Deliveries of the Vendor**

3.6 On the Closing Date, the Vendor shall deliver to counsel to the Purchaser, or arrange to have delivered to counsel to the Purchaser, the following:

- (a) such documents to evidence the submission before the competent governmental authority of the documents necessary to transfer title to the Property to the Purchaser and all documents, notices, instruments and forms necessary to give effect to the transactions contemplated by this Agreement;
- (b) all books, records, surveys, plans, files, correspondence, and other data and information of the Vendor relating to the Property in the possession of the Vendor, including all data and information stored on computer-related or other electronic media, that have not previously been delivered by the Vendor to the Purchaser, if any;

- (c) a certificate of an officer of the Vendor confirming that all representations and warranties in the agreement are true and correct in all respects as at the Closing Date;
- (d) all such other documents and agreements as the Purchaser's counsel reasonably consider necessary or desirable to give effect to the transactions contemplated by this Agreement.

## **PART 4 CLOSING**

### **Closing Date**

4.1 Closing of the Purchase and Sale will take place at 10:00 a.m., Vancouver time, on the Closing Date or at such other time and date as may be agreed by the Parties.

## **PART 5 TERMINATION**

### **Breach**

5.1 The Agreement may be terminated (i) by the Purchaser if the representations and warranties of the Vendor become incorrect at any time before the Closing Date; (ii) by the Purchaser if the closing has not occurred prior to the Outside Date; or (iii) by mutual agreement of the Parties.

## **PART 6 GENERAL AND MISCELLANEOUS**

### **Notices**

6.1 Any notice under this Agreement will be given in writing, by delivery in person to a named representative or by mail, facsimile or electronic transmission, properly addressed to each Party at the address first above written.

6.2 A notice given will be deemed given only when received by the Party to whom such notice is directed; except that any notice given by facsimile or electronic transmission will be deemed received the day such notice is successfully faxed or transmitted if during business hours or on the next Business Day if faxed or transmitted after business hours, or three Business Days after it is mailed, provided there is no postal disruption at the time. A Party may change its address for notice by providing the other Party with notice of such change in the manner set forth herein.

### **Expenses**

6.3 Each Party will be responsible for all of its own costs and charges incurred with respect to the transactions contemplated herein including, without limitation, all costs and

charges incurred prior to the date of this Agreement and all legal and accounting fees and disbursements relating to the transactions contemplated herein.

6.4 The Purchaser agrees to make any claim maintenance payments required to keep the Property in good standing from the date hereof for a period of 12 months.

### **Taxes**

6.5 All taxes which may be payable on the Purchase and Sale are payable by the Vendor.

### **Successors and Assigns**

6.6 This Agreement will be binding upon and enure to the benefit of the respective successors and permitted assigns of the Parties. The Purchaser may assign this Agreement, however, the Purchaser must first obtain the written agreement of the proposed assignee to comply with the terms of this Agreement, including without limitation, the payment obligation set forth in section 3.2(b).

### **Amendments**

6.7 No amendments to this Agreement will be of any force and effect unless executed in writing by all the Parties.

### **Governing Law**

6.8 This Agreement will be construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada as applicable therein.

### **Further Assurances**

6.9 Each Party will execute and deliver such further agreements and other documents and do such further acts and things as the other Party reasonably requests to evidence, carry out or give full force and effect to the intent of this Agreement.

### **Severability**

6.10 If any provision of this Agreement is found invalid, illegal, or incapable of enforcement by any court of competent jurisdiction, such provision shall be deemed severed and the remaining provisions of this Agreement will continue to be valid and enforceable.

**Counterparts**

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

**IN WITNESS WHEREOF** the Parties have executed this Agreement by their duly authorized officers as of the date first above written.

**DARRIN HICKS**

Per: “Darren Hicks”  
Darren Hicks

**Labrador Mineral Resources Inc.**

Per: “Robert Birmingham”  
Authorized Signatory:

## SCHEDULE A

### DESCRIPTION OF BENEDICT MOUNTAIN URANIUM PROPERTY

This is Schedule "A" to property purchase agreement between Darrin Hicks and Labrador Mineral Resources Inc. dated February 8, 2024 (the "**Agreement**"). All capitalized terms used in this Schedule "A" but not otherwise defined have the meanings ascribed thereto in the Agreement.

The *Benedict Mountain Property* is located on the east coast of Labrador, approximately 200 km NE of Goose Bay. The community of Makkovik is 50 km to the SE. Air service is available from either town (Maps 1 and 2, NTS 13J/10, 15). The project area is referred to as "The Ailik East Property" by Mega Uranium.

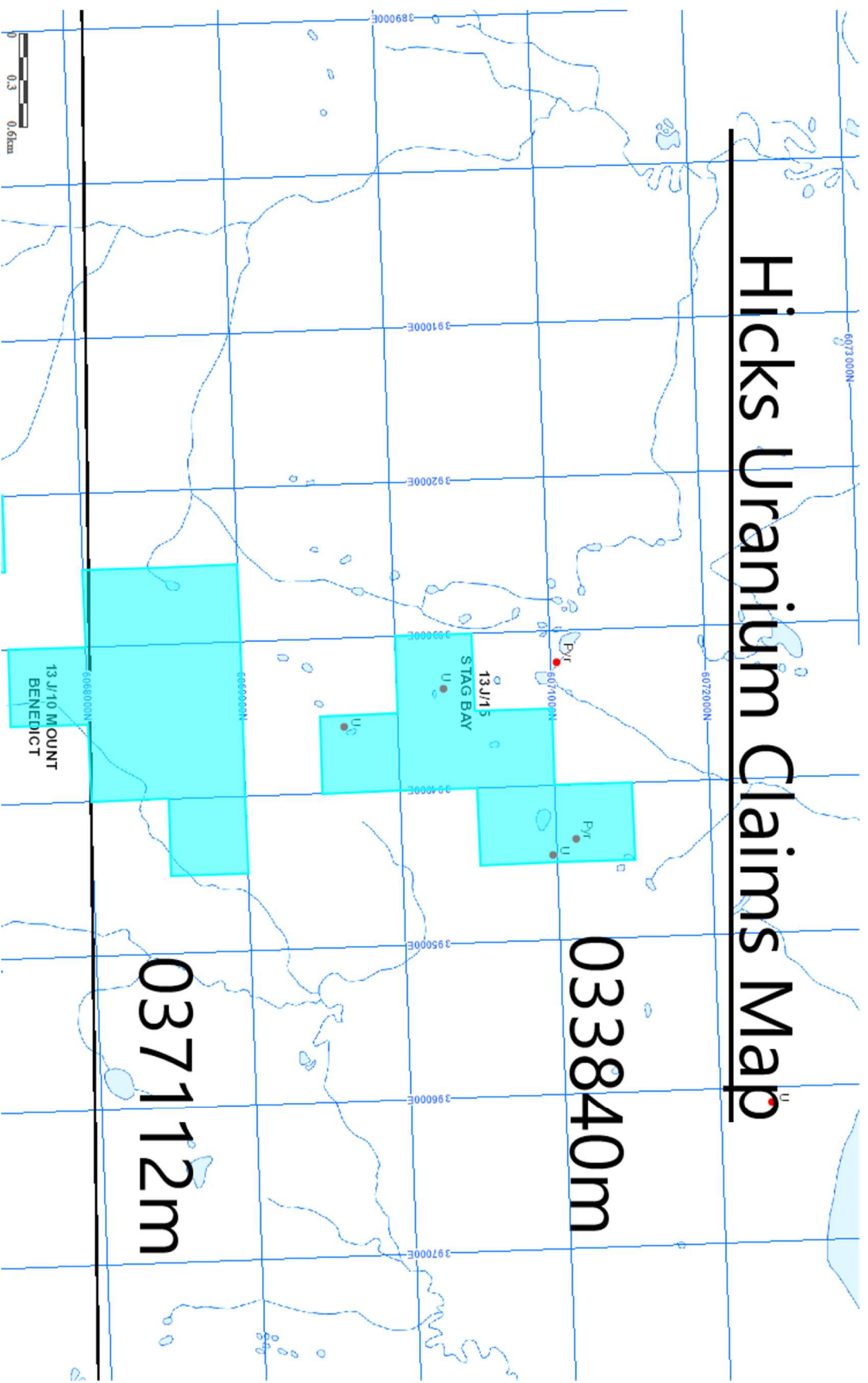
Mineral lic#033840m contains	370.62 acres and
Mineral lic#037112m contains	<u>494.16</u> acres.
<b>Total</b>	<b><u>864.78</u> acres.</b>

The Aillik East property is located in 1:50,000 NTS sheets 13 J/09, 13 J/10, 13 J/15 and 13 J/16 in east-central Labrador (Figs. 1 and 2). The property is centered at approximately 58°29'W, 54°43'N (UTM NAD27, Zone 21 co-ordinates 405000 E, 6064000 N). Note that the eastern part of Labrador is in UTM Zone 21, whereas the bulk of Labrador is in Zone 20. Thus regional maps in this report are in Zone 20 co-ordinates, whereas local maps are in Zone 21 co-ordinates (the NAD 27 datum is used throughout). Access to the property is via the town of Goose Bay, which is 200 km to the southwest, or via Makkovik, which is 50 km to the northwest (Fig. 1). Scheduled air service is available to either town. Selected sections of the property can be reached via float plane from Goose Bay or via boat from Makkovik, but a helicopter is necessary to efficiently access most of the property. The 2008 exploration program operated out of Makkovik.

Much of the property occurs in areas of relatively high relief, which for the most part are not forested. Total relief on the property approaches 600 m. Forests occur on the lower part of the hills, and near the ocean and along the major streams. Except for the lower elevation parts of the property, outcrop density is high (~70%). The field season for geology or prospecting is late June to early October.



# Hicks Uranium Claims Map



## SCHEDULE B

### NET SMELTER RETURNS ROYALTY

This is Schedule "B" to property purchase agreement between Darrin Hicks and Labrador Mineral Resources Inc. dated February 8, 2024 (the "**Agreement**"). All capitalized terms used in this Schedule "A" but not otherwise defined have the meanings ascribed thereto in the Agreement.

1. The Net Smelter Royalty shall be equal to 1.5% Net Smelter Returns (as hereinafter defined) from any mine in production or put into production as a result of commencing commercial production on the Property and shall be payable to the Vendor.
2. "**Net Smelter Returns**" means the actual proceeds received by the Purchaser from any mint, smelter, refinery or other purchaser from the sale of ores, minerals, mineral substances, metals (including bullion) or concentrates (collectively "**Product**") produced from the Property and sold or proceeds received from an insurer in respect of Product, after deducting from such proceeds the following charges to the extent that they were not deducted by the purchaser in computing payments:
  - (i) smelting and refining charges;
  - (ii) penalties, smelter assay costs and umpire assay costs;
  - (iii) cost of freight and handling of ores, metals or concentrates from the Property to any mint, smelter, refinery, or other purchaser;
  - (iv) costs of insurance in respect of Product;
  - (v) customs duties, severance tax, royalties, ad valorem or mineral taxes or the like and export and import taxes or tariffs payable in respect of the Product.
3. The Net Smelter Royalty will be:
  - (a) calculated and paid on a quarterly basis within 45 days after the end of each quarter of the fiscal year for the mine (an "**Operating Year**"), based on the Net Smelter Returns for such quarter;
  - (b) each payment of Net Smelter Royalty will be accompanied by an unaudited statement indicating the calculation of the Royalty hereunder in reasonable detail and the Holder will receive, within three months of the end of each Operating Year, an annual summary unaudited statement (an "**Annual Statement**") showing in reasonable

detail the calculation of the Royalty for the last completed Operating Year and showing all credits and deductions added to or deducted from the amount due to the Holder;

(c) the holder (the "**Holder**") of the Net Smelter Royalty will have 45 days from the time of receipt of the Annual Statement to question the accuracy thereof in writing and, failing such objection, the Annual Statement will be deemed to be correct and unimpeachable thereafter;

(d) if the Annual Statement is questioned by the Holder, and if such questions cannot be resolved between the Purchaser and the Holder, the Holder will have 12 months from the time of receipt of the Annual Statement to have such audited by auditors agreed to by the Holder and the Purchaser, which will initially be at the expense of the Holder;

(e) the audited Annual Statement will be final and determinative of the calculation of the Royalty for the audited period and will be binding on the parties and any overpayment of Royalty will be deducted by the Purchaser from the next payment of Royalty and any underpayment of Royalty will be paid forthwith by the Purchaser;

(f) the costs of the audit will be borne by the Holder if the Annual Statement was accurate within 1% or overstated the Royalty payable by greater than 1% and will be borne by the Purchaser if such statement understated the Royalty payable by greater than 1%. If the Purchaser is obligated to pay for the audit it will forthwith reimburse the Holder for any of the audit costs which it had paid; and

(g) the Holder will be entitled to examine, on reasonable notice and during normal business hours, such books and records as are reasonably necessary to verify the payment of the Royalty to it from time to time, provided however that such examination shall not unreasonably interfere with or hinder the Purchaser's operations or procedures.

4. The determination of the Royalty hereunder is based on the premise that production will be developed solely from the Property. If the Property and one or more other properties are incorporated in a single mining project and metals, ores or concentrates pertaining to each are not readily segregated on a practical or equitable basis, the allocation of actual proceeds received and deductions therefrom will be negotiated between the parties and, if the parties fail to agree on such allocation, such will be referred to arbitration pursuant to paragraph 5 of this Agreement. In such arbitration the arbitrator will make reference to this Agreement and to practices used in mining operations that are of a similar nature. The arbitrator will be entitled to retain such independent mining consultants as he considers necessary. The decision of the arbitrator will be final and binding on the parties.

5. Any matters in this Agreement which are to be settled by arbitration will be subject to the following:

(a) any matter required or permitted to be referred to arbitration pursuant to this Agreement will be determined by a single arbitrator to be appointed by the parties hereto;

(b) any party may refer any such matter to arbitration by written notice to the other and, within 10 days after receipt of such notice, the parties will agree on the appointment of an arbitrator. No person will be appointed as an arbitrator hereunder unless such person agrees in writing to act;

(c) if the parties cannot agree on a single arbitrator as provided in subparagraph (b), either party may submit the matter to arbitration (before a single arbitrator) in accordance with the *Commercial Arbitration Act* of the Province of British Columbia (the "Act"); and

(d) except as specifically provided in this paragraph, an arbitration hereunder will be conducted in accordance with the Act. The arbitrator will fix a time and place in Vancouver, British Columbia for the purpose of hearing the evidence and representations of the parties and he will preside over the arbitration and determine all questions of procedure not provided for under such Act or this paragraph. After hearing any evidence and representations that the parties may submit, the arbitrator will make an award and reduce the same to writing and deliver one copy thereof to each of the parties. The decision of the arbitrator will be made within 45 days after his appointment, subject to any reasonable delay due to unforeseen circumstances. The expense of the arbitration will be paid as specified in the award. The parties agree that the award of the single arbitrator will be final and binding upon each of them and will not be subject to appeal.

6. The holding of the Royalty will not confer upon the Holder thereof any legal or beneficial interest in the Property. The right to receive a percentage of Net Smelter Returns as and when due is and will be deemed to be a contractual right only. The right to receive a percentage of Net Smelter Returns as and when due will not be deemed to constitute the Holder the partner, agent or legal representative of the Purchaser.

7. The Purchaser may assign, transfer or otherwise convey this Agreement or all or any of its rights or obligations hereunder in connection with any assignment or conveyance of the Property or any interest in it in any manner whatsoever without the prior written consent of the Vendor; provided, however, that the Purchaser shall comply with the following:

(a) it shall be a condition of such assignment, transfer or conveyance that the transferee first execute and deliver to the other parties an instrument pursuant to which the transferee agrees to be bound by the terms hereof and by all of the liabilities and obligations of the transferor hereunder in the same manner and to the same extent as though the transferee was an original party hereto in the first instance, without in any way derogating from clause (b) below; and

(b) any such assignment, transfer or conveyance shall not relieve or discharge the

Purchaser from any of its liabilities or obligations hereunder existing on the date of such assignment, transfer or conveyance, and the Vendor may continue to look to the Purchaser for the performance thereof.

8. The Purchaser may, if it is the operator of the Property, but will not be under any duty to, engage in price protection (hedging) or speculative transactions such as futures contracts and commodity options in its sole discretion covering all or part of production from the Property and, except in the case where Products are actually delivered and a sale is actually consumed under such price protection or speculative transactions, none of the revenues, costs, profits or losses from such transaction will be taken into account in calculating Net Smelter Returns or any interest therein; provided however, that if the Purchaser delivers Product under a price protection or speculative program where the proceeds derived therefrom are less than those that would have been received had the Product been sold at the spot price in effect at the time of sale, the Net Smelter Royalty payable to the Holder will be based on such spot price.

9. The Purchaser has a right to purchase one percent (1%) of the Net Smelter Royalty from the Holder for \$1,000,000 at any time.

10. The operator of the Property, whether or not it is the Purchaser, will be entitled to:

- (a) make all operational decisions with respect to the methods and extent of mining and processing of ore, concentrate, <lore, metal and products produced from the Property;
- (b) make all decisions relating to sales of such concentrate, <lore, metal and products produced; and
- (c) make all decisions concerning temporary or long-term cessation of operations.