

SECURITIES EXCHANGE AGREEMENT

THIS AGREEMENT is made effective as of the 1st day of October, 2021.

AMONG:

ELEMENT79 GOLD CORP., a company incorporated under the laws of British Columbia and having an office at 230 – 997 Seymour Street, Vancouver, British Columbia V6B 1B8

(the “**Issuer**”)

AND:

1316524 B.C. LTD., a company incorporated under the laws of British Columbia and having an office at 800 - 885 West Georgia Street, Vancouver, BC V6C 3H1

(“**Numberco**”)

AND:

THE HOLDERS OF NUMBERCO, who have executed Schedule B to this Agreement and who are therefore made a party to this Agreement

(herein individually referred to as a “**Numberco Securityholder**” and collectively as “**Numberco Securityholders**”)

WHEREAS:

- A. The Issuer is a reporting issuer in the Province of British Columbia;
- B. The Numberco Securityholders are the beneficial and legal owners of all of the issued and outstanding Numberco Shares;
- C. Numberco has the right to acquire the Project (as defined herein) pursuant to the terms and conditions of the Purchase Agreement (as defined herein);
- D. The Issuer seeks to acquire ownership of the Project, indirectly through Numberco; and
- E. The Issuer wishes to purchase and acquire all of the issued and outstanding Numberco Shares from the Numberco Securityholders in exchange for the Issuer Consideration Shares and Cash Consideration, upon and subject to the terms and conditions set forth in this Agreement.

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the covenants and agreements herein contained, the parties hereto do covenant and agree each with the other as follows:

1. INTERPRETATION

1.1 **Defined Terms** - The following terms have the following meanings in this Agreement, including the recitals and any schedules hereto, unless otherwise stated or unless there is something in the subject matter or context inconsistent therewith:

- (a) **“Agreement”** means this agreement and includes any agreement amending this agreement or any agreement or instrument which is supplemental or ancillary thereof, and the expressions “above”, “below”, “herein”, “hereto”, “hereof” and similar expressions refer to this agreement;
- (b) **“Applicable Law”** means, with respect to any Person, all applicable rules, policies, notices, orders and legislation of any kind whatsoever of any Governmental Authority, regulatory body or stock exchange;
- (c) **“Business”** means the business presently and heretofore carried on by the Issuer or Numberco, as the case may be, as a going concern and the intangible goodwill associated therewith and any and all interests of whatsoever kind and nature related thereto;
- (d) **“Business Day”** means a day, other than a Saturday, Sunday or statutory holiday, on which commercial banks are open for business in the City of Vancouver;
- (e) **“Cash Consideration”** means the amount of \$300,000, payable to the Numberco Securityholders as partial consideration for the Numberco Shares at the Closing as described in Section 2.1;
- (f) **“Closing”** means the completion of the Transaction on the Closing Date pursuant to the terms and conditions contained in this Agreement;
- (g) **“Closing Date”** means November 30, 2021, or such other date upon which the Issuer and Numberco mutually agree;
- (h) **“Deposit”** means the \$500,000 payment made by Numberco and the Numberco Securityholders upon entry into the Letter of Intent;
- (i) **“Documents”** means all contracts, agreements, documents, permits, licenses, certificates, plans, drawings, specifications, reports, compilations, analysis, studies, financial statements, budgets, market surveys, minute books, corporate records, corporate seals and any other documents or information of whatsoever nature relating to the Issuer or Numberco, as the case may be, and any all rights in relation thereto;
- (j) **“Effective Date”** means the date of this Agreement;
- (k) **“Encumbrance”** means, whether or not registered or registrable or recorded or recordable, and regardless of how created or arising:
 - (i) a mortgage, assignment of rent, lien, encumbrance, adverse claim, charge, restriction, title defect, security interest, hypothec or pledge, whether fixed or floating, against assets or property (whether real, personal, mixed, tangible or intangible), hire purchase agreement, conditional sales contract, title retention agreement, equipment trust or financing lease, and a subordination to any right or claim of others in respect thereof;
 - (ii) a claim, interest, or estate against or in assets or property (whether real, personal, mixed, tangible or intangible), including, without limitation, an

- easement, right-of-way, servitude or other similar right in property granted to or reserved or taken by any Person;
- (iii) an option or other right to acquire any interest in, any assets or property (whether real, personal, mixed, tangible or intangible);
 - (iv) a lien or charge for taxes, assessments, duties, fees, premiums, imposts, levies and other charges imposed by any lawful authority;
 - (v) any other encumbrance of whatsoever nature and kind against assets or property (whether real, personal, mixed, tangible or intangible); or
 - (vi) any agreement to create, or right capable of becoming, any of the foregoing;
- (l) **“Environmental Laws”** means all applicable federal, provincial, state, local and foreign laws, imposing liability or standards of conduct for, or relating to, the regulation of activities, materials, substances or wastes in connection with, or for, the protection of human health, safety, the environmental or natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation);
 - (m) **“Exchange”** means the Canadian Securities Exchange or such other recognized Canadian stock exchange on which the Issuer Shares are listed at the relevant time;
 - (n) **“generally accepted accounting principles”** means the generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, applicable as at the date on which date such calculation is made or required to be made in accordance with generally accepted accounting principles applied on a basis consistent with preceding years;
 - (o) **“Governmental Authority”** means any government or governmental, administrative, regulatory or judicial body, department, commission, authority, tribunal, agency or entity;
 - (p) **“Issuer”** means Element79 Gold Corp.;
 - (q) **“Issuer Annual Statements”** means the audited financial statements of the Issuer for the year ended August 31, 2020, as and when filed on SEDAR with the applicable Canadian securities regulators;
 - (r) **“Issuer Consideration Shares”** means the 2,525,000 Issuer Shares to be issued by the Issuer to the Numberco Securityholders in exchange for the Numberco Shares at the Closing pursuant to the terms and conditions of this Agreement;
 - (s) **“Issuer Disclosure Record”** means the Issuer’s financial statements, management information circulars, material change reports, technical reports, press releases and all documents filed publicly by the Issuer on SEDAR;
 - (t) **“Issuer Interim Statements”** means the interim financial statements of the Issuer for the nine month period ended May 31, 2021, as filed on SEDAR with the applicable Canadian securities regulators;

- (u) **“Issuer Shares”** means the common shares of the Issuer;
- (v) **“Letter of Intent”** means the letter of intent dated August 4, 2021 between Numberco and Clover Nevada LLC setting out the proposed terms and conditions for an acquisition by Numberco of the Project from Clover Nevada LLC;
- (w) **“Material Adverse Change”** means any change (or any condition, event or development involving a prospective change) in the business, operations, results of operations, assets, capitalization, financial condition, licences, permits, concessions, rights, liabilities, prospects or privileges, whether contractual or otherwise, of the party referred to which is, or would reasonably be expected to be, materially adverse to the business of such party other than a change: (i) which has prior to the date hereof been publicly disclosed or otherwise disclosed in writing to the other party; or (ii) resulting from general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere;
- (x) **“Numberco Securityholders”** means the Persons who will, at Closing, beneficially and legally own the Numberco Shares, as set forth and described in Schedule A to this Agreement;
- (y) **“Numberco Shares”** means the 100 issued and outstanding common shares in the capital of Numberco, being all of the issued and outstanding common shares in the capital of Numberco as at the Time of Closing;
- (z) **“Permits”** means all licenses, permits and similar rights and privileges that are required and necessary under applicable legislation, regulations, rules and orders for the Issuer or Numberco, as the case may be, to own and operate their assets and Business or for the status and qualification of the Issuer or Numberco, as the case may be, to own and operate their assets and to carry on their Business;
- (aa) **“Person”** means an individual, company, corporation, body corporate, partnership, joint venture, society, association, trust or unincorporated organization, or any trustee, executor, administrator, or other legal representative;
- (bb) **“Project”** has the meaning described in Schedule C;
- (cc) **“Purchase Agreement”** means the definitive asset purchase agreement of even date herewith among Numberco, Clover Nevada LLC and Maverick Springs Mining Company LLC for the purchase and sale of the Project, as amended from time to time, which agreement replaced and superseded the Letter of Intent;
- (dd) **“Related Person”** has the meaning ascribed in Policy 1 – Interpretation and General Provisions of the Exchange, as amended from time to time;
- (ee) **“Securities Act”** means the *Securities Act* (British Columbia) and the regulations promulgated thereunder, as amended and restated from time to time;
- (ff) **“SEDAR”** means the System for Electronic Document Analysis and Retrieval developed by the Canadian Securities Administrators;

- (gg) **“Sellers”** means, collectively, Clover Nevada LLC, Maverick Springs Mining Company LLC, and their respective successors and assigns;
- (hh) **“Tax Act”** means the *Income Tax Act* (Canada), as amended and restated from time to time;
- (ii) **“Time of Closing”** means 11:00 a.m. (Vancouver, B.C. local time) on the Closing Date or such other time upon which the Issuer and Numberco mutually agree; and
- (jj) **“Transaction”** means the acquisition of the Numberco Shares by the Issuer in exchange for the Issuer Consideration Shares and Cash Consideration, upon and subject to the terms and conditions of this Agreement.

1.2 **Schedules** – The following schedules attached hereto constitute a part of this Agreement:

Schedule A – Numberco Securityholders and Consideration

Schedule B – Signature pages of the Numberco Securityholders

Schedule C – Project

1.3 **Schedule References** – Wherever any provision of any schedule to this Agreement conflicts with any provision in the body of this Agreement, the provisions of the body of this Agreement shall prevail. References herein to a schedule shall mean a reference to a schedule to this Agreement. References in any schedule to this Agreement shall mean a reference to this Agreement. References to any schedule to another schedule shall mean a reference to a schedule to this Agreement.

1.4 **Headings** - The headings in this Agreement are for reference only and do not constitute terms of this Agreement.

1.5 **Interpretation** - Whenever the singular or masculine is used in this Agreement the same shall be deemed to include the plural or the feminine or the body corporate as the context may require. As used in this Agreement, “or” is not exclusive and “including” is not limiting, whether or not non-limiting language (such as “without limitation”) is used with reference to it.

1.6 **Currency** – Unless otherwise stated, all references to money in this Agreement shall be deemed to be references to the currency of Canada.

1.7 **Knowledge** – Where a representation or warranty is made in this Agreement on the basis of the knowledge or the awareness of the party, such knowledge or awareness consists only of the actual knowledge or awareness, as of the date of this Agreement, of that party, if an individual or of the directors and senior executive officers of that party if it is a corporation or a similar entity, but does not include the knowledge or awareness of any other individual or any constructive, implied or imputed third party knowledge.

2. **PURCHASE AND SALE**

2.1 **Agreement and Consideration** – Upon and subject to the terms and conditions of this Agreement, the Numberco Securityholders hereby agree, to the extent applicable to each of them, to sell, transfer and convey to the Issuer, and the Issuer agrees to purchase, all and no less than all of the Numberco Shares owned by such Numberco Securityholders as set forth and described in Schedule A, in consideration for the issuance of the Issuer Consideration Shares as directed by the Numberco, each at a deemed price per Issuer Consideration Share equal to the minimum price permitted by the Exchange,

and the payment of the Cash Consideration as directed by the Numberco. Numberco will provide written direction to the Issuer at least two Business Days prior to the Closing Date setting out the allocation of the Issuer Consideration Shares and Cash Consideration among the Numberco Securityholders, and providing registration and delivery instructions.

2.2 Purchase of Entire Interest – It is the understanding of the parties hereto that this Agreement provides for the purchase of all of the Numberco Shares that are owned or held by the Numberco Securityholders at the Time of Closing, whether same are owned as at the date hereof or to be acquired after the date hereof and prior to the Time of Closing, and the Numberco Securityholders therefore covenant and agree with the Issuer that, if prior to the Time of Closing, they acquire any further shares or securities of Numberco or rights to acquire any shares or securities of Numberco, in addition to those set forth in this Agreement, then such shares or securities of Numberco shall be subject to the terms of this Agreement, and shares or securities of Numberco shall be delivered or such rights shall be transferred to the Issuer at the Time of Closing, without the payment of any additional or further consideration.

2.3 Delivery of Shares – Subject to the fulfilment of all of the terms and conditions hereof (unless waived as herein provided), at the Time of Closing, the Numberco Securityholders shall be deemed to have delivered to the Issuer certificates or equivalents representing the Numberco Shares to the Issuer and the Numberco Securityholders acknowledge that, without further action required, the share certificates evidencing the Numberco Shares shall be cancelled upon completion of the Transaction, in accordance with Article 11 hereof.

2.4 Acknowledgements of Numberco Securityholders– Each Numberco Securityholder hereby acknowledges and agrees with the Issuer as follows:

- (a) the transfer of the Numberco Shares to the Issuer, and the issuance of the Issuer Consideration Shares to the Numberco Securityholders will be made pursuant to appropriate exemptions (the “**Exemptions**”) from the formal takeover bid and prospectus requirements of applicable securities laws;
- (b) as a consequence of acquiring the Issuer Consideration Shares pursuant to the Exemptions:
 - (i) the Issuer is relying on an exemption from the requirements to provide the Numberco Securityholders with a prospectus and to sell securities through a Person registered to sell securities under the Securities Act and, as a consequence of acquiring securities pursuant to this exemption, certain protections, rights and remedies provided by the Securities Act, including statutory rights of rescission or damages, will not be available to the Numberco Securityholders,
 - (ii) the Numberco Securityholders may not receive information that might otherwise be required to be provided to the Numberco Securityholders, and the Issuer is relieved from certain obligations that would otherwise apply under the Securities Act if the Exemptions were not being relied upon by the Issuer,
 - (iii) there is no government or other insurance covering the Issuer Consideration Shares,

- (iv) there are risks associated with the acquisition of the Issuer Consideration Shares,
 - (v) there are restrictions on the Numberco Securityholders' ability to resell the Issuer Consideration Shares and it is the responsibility of each Numberco Securityholder to find out what those restrictions are and to comply with them before selling the Issuer Consideration Shares, and
 - (vi) no securities commission, stock exchange or similar regulatory authority has reviewed or passed on the merits of an investment in the Issuer Consideration Shares;
- (c) the Numberco Securityholder is knowledgeable of, or has been independently advised as to, the Applicable Law of that jurisdiction which applies to the sale of the Numberco Shares and the issuance of the Issuer Consideration Shares and which may impose restrictions on the resale of such Issuer Consideration Shares in that jurisdiction and it is the responsibility of each Numberco Securityholder to become aware of what those trade restrictions are, and to comply with them before selling the Issuer Consideration Shares; and
- (d) the Issuer Consideration Shares may be subject to certain resale restrictions under Applicable Law, and the Numberco Securityholders agree to comply with such restrictions and the Numberco Securityholders also acknowledge that the certificates for the Issuer Consideration Shares may bear an applicable legend or legends respecting restrictions on transfers as required under Applicable Law if and as required by Section 2.5 of this Agreement (or legend notation on each applicable Issuer Consideration Security issued electronically in a direct registration system), and that each Numberco Securityholder has been advised to consult its own legal advisor with respect to applicable resale restrictions and that each is solely responsible for complying with such restrictions.

2.5 Tax Election

- (a) The Issuer will jointly elect with any Numberco Securityholder holding Numberco Shares (the "**Numberco Shareholders**"), if such Numberco Shareholder is eligible to make such an election and requests the Issuer to make such an election in accordance with the provisions of this Section 2.5 (the "**Electing Shareholder**"), to have the provisions of subsection 85(1) of the Tax Act apply to the transfer of the Numberco Shares by the Electing Shareholder to the Issuer in consideration for the issuance of the respective Issuer Consideration Shares contemplated by this Agreement. In order to make an election under subsection 85(1) of the Tax Act, the Electing Shareholder must provide to the Issuer, at the address set out in this Agreement within 90 days following the Closing Date, two signed copies of Canada Revenue Agency Form T2057 duly completed with the details of the respective number of Numberco Shares transferred by the Electing Shareholder and the applicable elected amount(s) for the purposes of the election. The elected amount specified in the election form must be an amount that is:
- (i) not less than the cost amount to the Electing Shareholder at the Closing Date of the Numberco Shares transferred by the Electing Shareholder;

- (ii) not less than the amount of the Cash Consideration, if any, payable to the Electing Shareholder under this Agreement in consideration for the Numberco Shares transferred by the Electing Shareholder; and
 - (iii) not greater than the fair market value at the Closing Date of the Numberco Shares transferred by the Electing Shareholder.
- (b) The Electing Shareholder shall send the completed and signed election forms to the Issuer. Upon receipt of the signed election forms from an Electing Shareholder, the Issuer shall sign the election form and shall deliver one copy back to the Electing Shareholder by mail within 10 days.
 - (c) If in relation to an election form received from an Electing Shareholder the Issuer in its discretion determines that the election form is not completed, that the election form is incorrectly completed, or that the Electing Shareholder is not eligible to make an election under subsection 85(1) of the Tax Act, the Issuer will not sign the election form and shall deliver the unsigned form back to the Electing Shareholder by mail within 10 days with an explanation. If applicable, the Electing Shareholder may resubmit a corrected election form to the Issuer on the terms above. Despite the Issuer's right to refuse to sign an election form in the foregoing circumstances, it shall be the sole responsibility of an Electing Shareholder to determine its eligibility to make the election under subsection 85(1) of the Tax Act, to complete the election form other than the signature of the Issuer, and to file the completed and signed election form within the time period designated for doing so pursuant to the Tax Act, and the Electing Shareholder will be responsible for all costs associated therewith.
 - (d) The Issuer shall not be responsible for determining eligibility of any Numberco Shareholder to make an election under subsection 85(1) of the Tax Act, for the preparation of any election form, for verifying the accuracy of the information contained in any election form, for filing any election form, for any penalties payable in connection with the late filing of any election forms, or for any taxes, penalties or interest payable by an Electing Shareholder due to any failure to properly complete or file any election forms. If an Electing Shareholder who has completed and filed an election subsequently wishes to amend the election, the Issuer will complete an amended election form for that purpose based on the terms above, with all references therein to "the election form" or "the election forms" read as references to the amended election form or forms.

2.6 Acknowledgements of the Issuer – The Issuer acknowledges and agrees with Numberco and the Numberco Securityholders that Numberco has or will enter into the Purchase Agreement, and that the Issuer: (a) has conducted due diligence to its satisfaction with respect to Numberco, the Project, the Purchase Agreement and any relevant matters in connection therewith; (b) participated in the preparation and negotiation of the Purchase Agreement; (c) has reviewed and approved the Purchase Agreement; and (d) following the Closing, will cause Numberco to perform its obligations pursuant to the Purchase Agreement on the terms and conditions thereof.

3. COVENANTS AND AGREEMENTS

3.1 Given by Numberco – Numberco covenants and agrees with the Issuer that it will:

- (a) permit representatives of the Issuer, at their own cost, reasonable access during normal business hours to Numberco's Documents including, without limitation, all of the assets, contracts, financial records and minute books of Numberco, so as to permit the Issuer to make such investigation of Numberco as the Issuer deems reasonably necessary;
- (b) assist in the completion of any steps required in any other jurisdictions where Numberco holds assets, which the Issuer may deem reasonably necessary to complete the Transaction;
- (c) provide to the Issuer all such further documents, instruments and materials and do all such acts and things as may be reasonably required by the Issuer to seek all approvals necessary for consummation of the Transaction, including, without limiting the foregoing, all relevant information concerning it and its business, assets, operations and financial statements for inclusion in any public disclosure document to be prepared by the Issuer in connection with the Transaction;
- (d) from and including the Effective Date through to and including the Time of Closing, preserve and protect the goodwill, assets and undertaking of Numberco, carry on the Business of Numberco in the ordinary course in a reasonable and prudent manner consistent with past practice;
- (e) use its commercially reasonable efforts to obtain all required third party consents, Permits, approvals, authorizations, filings, assignments or waivers and amendments or terminations to any instrument or agreement and take such other measures as may be necessary to fulfil its obligations hereunder and to carry out the transactions contemplated by this Agreement, including obtaining any shareholder approvals, consents or agreements as may be required under applicable corporate laws, securities laws and the constating documents of Numberco to be able to fulfill its obligations hereunder and in connection with the delivery of all of the Numberco Shares on Closing;
- (f) co-operate with the Issuer, in the Issuer's efforts and at the Issuer's expense, to obtain any approvals with respect to the Transaction;
- (g) comply with the terms hereof and faithfully and expeditiously seek to satisfy the conditions precedent set out Section 6.1 and 6.2 so as to close the Transaction and all related transactions by the Closing Date;
- (h) from and including the Effective Date through to and including the Time of Closing, except as set out in this Agreement, not enter into any agreement or understanding with any other party to issue any securities of Numberco without the prior written consent of the Issuer, such consent not to be unreasonably withheld;
- (i) from and including the Effective Date through to and including the Time of Closing, not directly or indirectly, solicit, initiate, assist, facilitate, promote or knowingly encourage the initiation of proposals or offers from, entertain or enter into negotiations with, any Person (other than the Issuer), with respect to any amalgamation, merger, consolidation, arrangement, restructuring, sale of any material assets or part thereof of Numberco;

- (j) make other necessary filings and applications under applicable, foreign, federal and provincial laws and regulations required on the part of it in connection with the transactions contemplated herein;
- (k) prior to executing the Purchase Agreement, provide the Issuer, its legal counsel and other advisors with a reasonable opportunity to review, comment on and request reasonable changes to the Purchase Agreement;
- (l) use its commercially reasonable efforts to implement any reasonable comments on the Purchase Agreement provided by the Issuer, its legal counsel and other advisors;
- (m) use its commercially reasonable efforts to conduct its affairs so that all of the representations and warranties of it contained herein shall be true and correct in all material respects on and as of the Closing Date as if made on the Closing Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;
- (n) notify the Issuer immediately upon becoming aware that any of the representations or warranties of it contained herein are no longer true and correct in any material respect; and
- (o) from and including the Effective Date through to and including the Time of Closing, ensure that it complies in all material respects with the foregoing covenants of this Agreement.

3.2 **Given by the Issuer** - the Issuer covenants and agrees with Numberco and the Numberco Securityholders that the Issuer will:

- (a) permit representatives of Numberco and the Numberco Securityholders reasonable access during normal business hours to the Issuer's Documents including, without limitation, all of the assets, contracts, financial records and minute books of the Issuer, so as to permit such investigation of the Issuer as Numberco and the Numberco Securityholders deem reasonably necessary;
- (b) take all corporate action necessary to approve and to permit the issuance of the Issuer Consideration Shares on Closing;
- (c) from and including the Effective Date through to and including the Time of Closing, preserve and protect the goodwill, assets and undertaking of the Issuer, carry on the Business of the Issuer in the ordinary course in a reasonable and prudent manner consistent with past practice;
- (d) use its best efforts to obtain, in a timely manner, any approvals for the transactions contemplated hereunder;
- (e) from and including the Effective Date through to and including the Time of Closing, not directly or indirectly, solicit, initiate, assist, facilitate, promote or knowingly encourage the initiation of proposals or offers from, entertain or enter into negotiations with, any Person (other than Numberco and the Numberco Securityholders), with respect to any amalgamation, merger, consolidation, arrangement, restructuring, sale of any material

assets or part thereof of it, other than as disclosed in the publicly filed continuous disclosure record of the Issuer as of the date of this Agreement;

- (f) comply with the terms hereof and faithfully and expeditiously seek to satisfy the conditions precedent set out in Sections 6.1 and 6.3 and to close the Transaction and related transactions by the Closing Date;
- (g) use its best efforts to conduct its affairs so that the representations and warranties of the Issuer contained herein shall be true and correct in all material respects on and as of the Closing Date as if made on the Closing Date, except to the extent that such representations and warranties require modification to give effect to the transactions contemplated herein;
- (h) use its best efforts to obtain all consents, approvals, Permits, authorizations or filings as may be required under applicable corporate laws, securities laws and the constating documents of the Issuer for the performance by the Issuer of its obligations under this Agreement prior to the Closing;
- (i) notify Numberco immediately upon becoming aware that any of the representations or warranties of it contained herein are no longer true and correct in any material respect; and
- (j) from and including the Effective Date through to and including the Time of Closing, ensure that the Issuer complies in all material respects with the foregoing covenants of this Agreement.

4. **FINDER'S FEE**

The parties agree that neither has entered into, nor will enter into on or before the Time of Closing, an agreement to pay any amount or issue any securities to any third party in respect of the consummation of the Transaction (a "**Finder's Fee**"), and the Issuer and Numberco (on its own behalf and on behalf of the Numberco Securityholders) each represent and warrant to the other that it shall not pay a Finder's Fee in connection with the Transaction.

5. **TRANSACTION EXPENSES**

The Issuer acknowledges and agrees that it will bear all costs and expenses incurred by each party to this Agreement in negotiating and preparing this Agreement and in Closing and carrying out the transactions contemplated by this Agreement, including without limitations all costs and expenses of Numberco and the Numberco Securityholders incurred in connection with the acquisition of the Project, preparation of a technical report regarding the Project, the Letter of Intent and Purchase Agreement, any funds advanced pursuant to the Letter of Intent and Purchase Agreement including the Deposit, and legal fees and expenses in connection therewith. The Issuer covenants and agrees with the Numberco Securityholders that it will reimburse to or make payment on behalf of Numberco or the Numberco Securityholders, as applicable, on or before Closing (with the exception of the Deposit), and that such payment for transaction expenses incurred by or on behalf of Numberco, will be borne by the Issuer irrespective of whether the transactions contemplated by this Agreement or the Purchase Agreement are completed. The Issuer covenants and agrees with the Numberco Securityholders that it will reimburse Numberco or the Numberco Securityholders, as applicable, for the Deposit within ten (10) days of the execution of this Agreement. The parties acknowledge and agree that this Article 5 shall survive termination of this Agreement.

6. CONDITIONS PRECEDENT

6.1 **In Favour of all Parties** - The obligations of all parties under this Agreement are subject to the fulfillment of the following conditions prior to the Time of Closing or such other time as herein provided:

- (a) the Exchange approving the Transaction, if required, and the Issuer making all filings which may be required under Applicable Law;
- (b) the Sellers consenting to the Transaction and the indirect purchase of the Project by the Issuer through Numberco, if required;
- (c) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement, including, without limitation, the Transaction;
- (d) there being no prohibition at law against closing of the Transaction;
- (e) all consents, orders and approvals required for the completion of the Transaction and transactions ancillary thereto shall have been obtained or received from the Persons, authorities or bodies having jurisdiction in the circumstances, all on terms satisfactory to all of the parties hereto, acting reasonably; and
- (f) this Agreement shall have not been terminated in accordance with Article 10 of this Agreement.

The conditions precedent set forth above are for the benefit of all parties and may only be waived in writing by the Issuer and Numberco for itself, and on behalf of the Numberco Securityholders, in whole or in part on or before the Time of Closing.

6.2 **In Favour of the Issuer** – the Issuer’s obligations under this Agreement are subject to the fulfillment of the following conditions prior to Time of Closing or such other time as herein provided:

- (a) Numberco shall have entered into the Purchase Agreement;
- (b) the Numberco Securityholders and Numberco shall have materially complied with all of their respective covenants and agreements contained in this Agreement;
- (c) the representations and warranties of the Numberco Securityholders and Numberco contained in this Agreement shall be true and correct in all material respects as if such representations and warranties had been made by each of the Numberco Securityholders and Numberco as of the Time of Closing;
- (d) the Issuer will have determined in its sole judgment, acting reasonably, that no Material Adverse Change in the condition of Numberco, during the time between the Effective Date and the Time of Closing, has occurred;
- (e) there being no legal proceeding or regulatory actions or proceedings against Numberco at the Time of Closing which may, if determined against the interest of Numberco, cause a Material Adverse Change to Numberco; and
- (f) all documents to be delivered pursuant to Section 8.2 will be completed and satisfactory in form and substance to the Issuer’s counsel, acting reasonably, and the Issuer will have

received all executed counterparts, original and certified or other copies of such documents as such counsel may reasonably request.

The conditions precedent set forth above are for the exclusive benefit of the Issuer and may be waived by it in whole or in part on or before the Time of Closing.

6.3 In Favour of Numberco and the Numberco Securityholders – The respective obligations of Numberco and the Numberco Securityholders under this Agreement are subject to the fulfilment of the following conditions:

- (a) the Issuer shall have materially complied with all of its covenants and agreements hereunder to be performed and complied with on or before the Time of Closing;
- (b) the representations and warranties of the Issuer contained in this Agreement shall be true and correct in all material respects as if such representations and warranties had been made by the Issuer as of the Time of Closing;
- (c) all documents and steps necessary, in the view of counsel to Numberco, acting reasonably, to complete the issuance of the Issuer Shares and the Issuer Replacement Warrants to the Numberco Securityholders in accordance with this Agreement and the Transaction shall have been delivered and completed at Closing;
- (d) Numberco will have determined in its sole judgment, acting reasonably, that no Material Adverse Change in the condition of the Issuer during the time between the Effective Date and the Time of Closing has occurred;
- (e) the completion of the Transaction is in compliance in all material respects with all laws, policies, rules and regulations applicable thereto; and
- (f) all documents to be delivered pursuant to Section 8.3 will be completed and satisfactory in form and substance to Numberco’s counsel, acting reasonably, and they will have received all executed counterparts, original and certified or other copies of such documents as such counsel may reasonably request.

The conditions precedent set forth above are for the exclusive benefit of Numberco and the Numberco Securityholders and may be waived by Numberco for itself, and on behalf of the Numberco Securityholders, in whole or in part on or before the Time of Closing.

7. REPRESENTATIONS AND WARRANTIES

7.1 Concerning the Issuer - In order to induce Numberco and the Numberco Securityholders to enter into this Agreement and complete their respective obligations hereunder, the Issuer represents and warrants to Numberco and the Numberco Securityholders that:

- (a) the Issuer is a valid and subsisting corporation incorporated under the laws of British Columbia;
- (b) the Issuer is a “reporting issuer” in British Columbia as that term is defined in the Securities Act, is not in material default of any requirement of the Securities Act and is not noted as being a “defaulting reporting issuer” (or any analogous terms) in any such jurisdiction;

- (c) the Issuer will have, at the Time of Closing, full corporate power and authority to carry on its Business as now carried on by it, to enter into this Agreement and complete the Transaction and related transactions and to carry out its obligations hereunder and this Agreement, Transaction will have been, prior to the Time of Closing, authorized by all necessary shareholder (if necessary) and corporate action on the part of the Issuer. This Agreement has been duly executed and delivered by the Issuer and constitutes a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered;
- (d) as of the date hereof, the authorized capital of the Issuer consists of an unlimited number of common shares. Except as contemplated herein or as disclosed in the Issuer Disclosure Record, no Person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option, for the issue or allotment of any unissued shares in the capital of the Issuer or any other security convertible into or exchangeable for any such shares, or to require the Issuer to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital;
- (e) all securities of the Issuer have been issued in compliance with all Applicable Laws, including the Securities Act. Except as contemplated herein or as disclosed in the Issuer Disclosure Record, there are no securities of the Issuer outstanding, other than the Issuer Shares, which have the right to vote generally, or are convertible into or exchangeable for securities having the right to vote generally (as applicable), with the holders of Issuer Shares on any matter. There are no outstanding contractual or other obligations of the Issuer to repurchase, redeem or otherwise acquire any of the Issuer's securities. There are no outstanding bonds, debentures or other evidences of indebtedness of the Issuer having the right to vote with the holders of the outstanding Issuer Shares on any matters;
- (f) the Issuer Disclosure Record and all financial, marketing, sales and operational information provided to Numberco and the Numberco Securityholders do not contain any misrepresentations (as such term is defined in the Securities Act) and do not omit to state a material fact (as such term is defined in the Securities Act) 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;
- (g) all financial statements filed in the Issuer Disclosure Record, including the Issuer Annual Statements and the Issuer Interim Statements, have been prepared in accordance with International Financial Reporting Standards and/or generally accepted accounting principles, present fairly, in all material respects, the financial position and all material liabilities (accrued, absolute, contingent or otherwise) of the Issuer, as of the date thereof, and there has been no Material Adverse Change in the financial position of the Issuer since the date of the Issuer Interim Statements and the business of the Issuer has been carried on in the usual and ordinary course consistent with past practice since the date thereof, except as disclosed in the Issuer Disclosure Record;

- (h) the Issuer has complied fully in all material respects with the requirements of all applicable corporate and securities laws and administrative policies and directions, including, without limitation, the Securities Act, in relation to the issue of its securities;
- (i) the Issuer is not a party to any actions, suits or proceedings which could materially affect its Business or financial condition, and to the best of the Issuer's knowledge, no such actions, suits or proceedings are contemplated or, have been threatened;
- (j) there are no judgments against the Issuer which are unsatisfied, nor are there any consent decrees or injunctions to which the Issuer is subject;
- (k) no order ceasing, halting or suspending trading in securities of the Issuer nor prohibiting the sale of such securities has been issued to and is outstanding against the Issuer; and no investigations or proceedings for such purposes are pending or threatened;
- (l) other than accrued legal/accounting fees, amounts for expenses incurred on behalf of the Issuer in the ordinary course of business, the Issuer does not have any loans or other indebtedness outstanding;
- (m) the Issuer does not have any material outstanding indebtedness or liabilities and is not party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any Person that are material to the Issuer, other than those specifically identified in the Issuer Annual Statements or incurred in the ordinary course of business since the date of the Issuer Annual Statements;
- (n) the Issuer has and will have by Closing, or as soon as practicable thereafter, filed all documents that are required to be filed under the continuous disclosure provisions of the Securities Act, including annual and interim financial information, press releases disclosing material changes and material change reports;
- (o) the execution and delivery of this Agreement by the Issuer and the performance of its obligations under this Agreement will not:
 - (i) conflict with, or result in the breach or the acceleration of any indebtedness under, or constitute default under the constating documents of the Issuer, or any indenture, mortgage, agreement, lease, licence, contract, permit or other instrument of any kind whatsoever to which the Issuer is a party or by which it is bound, or any judgment or order of any kind whatsoever of any court or administrative body of any kind whatsoever by which the Issuer is bound;
 - (ii) result in the violation of any law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever by the Issuer; or
 - (iii) violate the constating documents of the Issuer, or any resolutions of the directors or shareholders of the Issuer;
- (p) the financial books, records and accounts of the Issuer have in all material respects, been maintained in accordance with Applicable Law, in accordance with applicable accounting standards and, in each case, are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of the Issuer

and accurately and fairly reflect the basis for all financial statements filed in the Issuer Disclosure Record, including the Issuer Annual Statements;

- (q) all of the material transactions of the Issuer have been recorded or filed in, or with, the books or records of the Issuer and the minute books of the Issuer contain all records of the material meetings and proceedings of shareholders and directors of the Issuer actually held since its incorporation, as well as the current constating documents of the Issuer, and no modifications or alterations to such constating documents have been proposed or approved by its shareholders or directors;
- (r) except as disclosed in the Issuer Disclosure Record, there are no material claims, actions, suits, grievances, complaints or proceedings pending or, to the knowledge of the Issuer, threatened affecting the Issuer or affecting its property or assets at law or in equity before or by any Governmental Authority, including matters arising under Environmental Laws. Neither the Issuer nor its assets or properties is subject to any outstanding material judgment, order, writ, injunction or decree;
- (s) the Issuer has made available to Numberco for inspection true and complete copies of all material contracts to which the Issuer is a party and that are currently in force (the "**Issuer Material Contracts**"). The Issuer Material Contracts are in full force and effect, and the Issuer is entitled to all rights and benefits thereunder in accordance with the terms thereof. All the Issuer Material Contracts are valid and binding obligations, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction. the Issuer has complied in all material respects with all terms of the Issuer Material Contracts, has paid all amounts due thereunder if, as and when due, has not waived any rights thereunder and no material default or breach exists in respect thereof on the part of the Issuer or, to the knowledge of the Issuer, on the part of any other party thereto, and no event has occurred which, after the giving of notice or the lapse of time or both, could constitute such a default or breach or trigger a right of termination of any of the Issuer Material Contracts;
- (t) to the knowledge of the Issuer, the Issuer has in all material respects complied with and is not in violation of any Applicable Laws;
- (u) upon their issuance, the Issuer Consideration Shares will be validly issued and outstanding as fully paid and non-assessable securities of the Issuer registered in accordance with the instructions provided by each Numberco Securityholder on its respective execution page hereof, free and clear of all liens, charges, escrow conditions or Encumbrances of any kind whatsoever other than those imposed by applicable securities laws under the Securities Act, or as otherwise contemplated in this Agreement; and
- (v) since the date of the Issuer Interim Statements, there has not been any Material Adverse Change of any kind whatsoever to the financial position or condition of the Issuer or any damage, loss or other change of any kind whatsoever in circumstances materially affecting the Business, assets or listing of the Issuer or the right or capacity of the Issuer to carry on its Business.

7.2 **Concerning Numberco** - In order to induce the Issuer to enter into this Agreement and complete its obligations hereunder Numberco represents and warrants to the Issuer that,

- (a) Numberco is a valid and subsisting corporation duly incorporated and validly existing under the laws of the jurisdiction in which it is incorporated;
- (b) Numberco is duly registered and licenced to carry on business in the jurisdictions in which it carries on business or owns property where so required by the laws of that jurisdiction and is not otherwise precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document;
- (c) Numberco has full corporate power and authority to carry on its Business as now carried on by it, to enter into this Agreement and will have at the Time of Closing, full power and authority to complete the Transaction and related transactions and to carry out its obligations hereunder. This Agreement has been, and the Transaction will be at the Time of Closing, duly authorized by all necessary shareholder and corporate action on the part of Numberco, and this Agreement constitutes a valid and binding obligation of Numberco in accordance with its terms, subject, however, to limitations imposed by law in connection with bankruptcy or similar proceedings and to the extent that equitable remedies such as specific performance or injunction are granted at the discretion of a court of competent jurisdiction;
- (d) since its formation, Numberco has not carried on any type of active business;
- (e) Numberco is in material compliance with all Applicable Laws in the jurisdictions in which it carries on business and which may materially affect Numberco, has not received a notice of non-compliance, nor does Numberco know of any facts that could give rise to a notice of such non-compliance with any such laws, regulations and statutes, and Numberco is not aware of any pending change or contemplated change to any Applicable Law or governmental position that would materially affect the Business of Numberco or the Business or legal environment under which Numberco operates;
- (f) as of the date hereof, the authorized capital of Numberco consists of an unlimited number of common shares without par value, of which 100 Numberco Shares, registered in the names of the Numberco Securityholders, are issued and outstanding as fully paid and non-assessable, and such shares are free and clear of all trading restrictions (except as provided for herein, pursuant to Applicable Law and in the articles of Numberco), liens, charges or Encumbrances of any kind whatsoever. No Person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option, for the issue or allotment of any unissued shares in the capital of Numberco or any other security convertible into or exchangeable for any such shares, or to require Numberco to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital;
- (g) all securities of Numberco have been issued in compliance with all Applicable Laws, including the Securities Act. There are no securities of Numberco outstanding, other than the Numberco Shares, which have the right to vote generally, or are convertible into or exchangeable for securities having the right to vote generally, with the holders of Numberco Shares on any matter. There are no outstanding contractual or other obligations of Numberco to repurchase, redeem or otherwise acquire any of Numberco's securities. There are no outstanding bonds, debentures or other evidences

of indebtedness of Numberco having the right to vote with the holders of the outstanding Numberco Shares on any matters;

- (h) Numberco has complied fully in all material respects with the requirements of all applicable corporate and securities laws and administrative policies and directions, including, without limitation, the Securities Act, in relation to the issue of its securities;
- (i) Numberco has entered into the Letter of Intent for the acquisition of certain mineral claims, mineral permits and exploration information relating to the Batter Mountain Property and Maverick Springs Project located in Nevada that comprise the Project as more particularly described in Schedule C attached hereto and forming a part hereof;
- (j) Numberco has made available to the Issuer for inspection true and complete copies of all material contracts to which Numberco is a party and that are currently in force (the "**Numberco Material Contracts**"). The Numberco Material Contracts are in full force and effect, and Numberco is entitled to all rights and benefits thereunder in accordance with the terms thereof. All the Numberco Material Contracts are valid and binding obligations, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction. Numberco has complied in all material respects with all terms of the Numberco Material Contracts, has paid all amounts due thereunder if, as and when due, has not waived any rights thereunder and no material default or breach exists in respect thereof on the part of Numberco or, to the knowledge of Numberco, on the part of any other party thereto, and no event has occurred which, after the giving of notice or the lapse of time or both, could constitute such a default or breach or trigger a right of termination of any of the Numberco Material Contracts;
- (k) Numberco has obtained and is in compliance with all Permits required by Applicable Laws necessary to conduct its Business as now being conducted. There are no facts, events or circumstances that would reasonably be expected to result in a failure to obtain or be in compliance with the Permits as are necessary to conduct its Business;
- (l) Numberco is in material compliance in all respects with the terms and conditions of each agreement material to Numberco, which agreements are in full force and effect as at the Time of Closing and, to the knowledge of Numberco, there are no facts, events or circumstances that would reasonably be expected to result in a failure of Numberco or be in material compliance with such agreements, or which would alter the rights, privileges or obligations of Numberco thereunder, including the Transaction;
- (m) Numberco is not a party to any actions, suits or proceedings which could materially affect its business or financial condition, and to the best of Numberco's knowledge no such actions, suits or proceedings are contemplated or have been threatened;
- (n) there are no judgments against Numberco which are unsatisfied, nor are there any consent decrees or injunctions to which Numberco is subject;
- (o) the Numberco Shares are validly issued and outstanding as fully paid and non-assessable securities of Numberco, free and clear of all liens, charges or Encumbrances of any kind whatsoever;

- (p) Numberco is not subject to any regulatory decision or order prohibiting or restricting transfer of its securities;
- (q) other than the costs and expenses as set out in Section 5, there are no material liabilities of Numberco, whether direct, indirect, absolute, contingent or otherwise, except: (i) as may be disclosed in Numberco's business records provided to the Issuer and related to the ordinary course of business, or (ii) as may be incurred in connection with the acquisition of the Project, including without limitation legal and other professional fees, deposits payable pursuant to the Purchase Agreement, and expenses in connection with preparation of a technical report on the Project;
- (r) other than the costs and expenses as set out in Section 5, Numberco does not have any material outstanding indebtedness or liabilities and is not party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any Person that are material to Numberco, other than those specifically disclosed to the Issuer in writing prior to the date hereof, or incurred in the ordinary course of business, or except as may be incurred in connection with the acquisition of the Project, including without limitation legal and other professional fees, deposits payable pursuant to the Purchase Agreement, and expenses in connection with preparation of a technical report on the Project;
- (s) the financial books, records and accounts of Numberco have in all material respects, been maintained in accordance with Applicable Law, in accordance with applicable accounting standards and, in each case, are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of Numberco and accurately and fairly reflect the basis for all financial statements of Numberco;
- (t) the execution and delivery of this Agreement and the performance of Numberco's obligations under this Agreement will not:
 - (i) conflict with, or result in the breach or the acceleration of, any indebtedness under, or constitute default under, the charter or constating documents of Numberco, or any indenture, mortgage, agreement, lease, licence or other instrument of any kind whatsoever to which Numberco is a party, or by which each one of them is bound, or any judgment or order of any kind whatsoever of any court or administrative body of any kind whatsoever by which each one of them is bound; or
 - (ii) result in the violation of any law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever by Numberco; or
 - (iii) violate the constating documents of Numberco, or any resolutions of the directors or shareholders of Numberco;
- (u) Numberco does not have any subsidiaries (as such term is defined in the Securities Act);
- (v) Numberco has in all material respects complied with and is not in violation of any Applicable Laws;

- (w) the Numberco Shares are the only issued and outstanding “securities” of Numberco (as that term is defined in the *Securities Act* (British Columbia)); and
- (x) all of the material transactions of Numberco have been recorded or filed in, or with, the books or records of Numberco and the minute books of Numberco contain all records of the material meetings and proceedings of shareholders and directors of Numberco actually held since its incorporation, as well as the current constating documents of Numberco, and no modifications or alterations to such constating documents have been proposed or approved by its shareholders or directors.

7.3 Concerning the Numberco Securityholders - In order to induce the Issuer to enter into this Agreement and complete its obligations hereunder, each of the Numberco Securityholders severally represents and warrants to the Issuer solely with respect to itself that:

- (a) if a corporation, it is a valid and subsisting corporation duly incorporated under the laws of the jurisdiction in which it is incorporated or formed;
- (b) it will be, at the Time of Closing, the legal and beneficial owner of the Numberco Shares registered in its name as set out in Schedule A, free and clear of all Encumbrances and has no right, title or interest in or to any additional shares or other securities of Numberco;
- (c) at the Time of Closing the Numberco Securityholder will have complete and unrestricted right, power and authority to transfer legal and beneficial title in and to its Numberco Shares to the Issuer, free and clear of all liens, claims, charges and Encumbrances whatsoever;
- (d) the Numberco Securityholder has not granted to anyone any option or right to acquire any of its Numberco Shares;
- (e) the entering into and performance of this Agreement and the transactions contemplated herein by it will not violate:
 - (i) if a corporation, its constating documents or bylaws;
 - (ii) will not result in the creation or imposition of any Encumbrance or restriction of any nature whatsoever in favour of a third party upon or against the Numberco Shares owned by it; or
 - (iii) any statute, regulation, by law, order, judgment, or decree by which it is bound, except for such violations which would not have a Material Adverse Change on the Numberco Securityholder;
- (f) if a corporation, the Numberco Securityholder has taken all necessary corporate action to permit and authorize the sale of its Numberco Shares to the Issuer;
- (g) the Numberco Securityholder is not a Related Person in respect of the Issuer;
- (h) it acknowledges and agrees to be bound by any restrictions on the resale of the Issuer Consideration Shares issued to it at the Closing that may be imposed by Applicable Law as contemplated by Section 2.5 of this Agreement; and

- (i) the Numberco Securityholder has been advised to obtain independent legal and tax advice prior to entering into this Agreement.

7.4 **Survival** – The representations and warranties made by the parties under this Article 7 are true and correct as of the date hereof and shall be true and correct at the Time of Closing as though they were made at that time, and should such not be the case, the parties to whom the representations and warranties were made shall be entitled, for a period of two years following the Closing, to seek remedy against that party for any such misrepresentation or breach of warranty. After the expiration of such period, as applicable, no party shall have any further liability with respect to any breach of any representation or warranty contained herein, except for those alleged breaches for which notice has been given prior to the end of such period, as applicable.

7.5 **Indemnity** – The Issuer agrees to indemnify and save harmless Numberco and the Numberco Securityholders from and against all losses, claims, actions, causes of action and liabilities, including legal fees and disbursements, of any and all nature whatsoever (“**Losses**”), which Numberco or the Numberco Securityholders may suffer, sustain or incur or which may be brought, made or asserted against them as the result of any inaccuracy in any representation and warranty made in this Agreement by the Issuer, or which may be suffered or incurred as a result of, in respect of or arising out of any non-fulfillment of any covenant or agreement on the part of such indemnifying party.

7.6 **Limitations on Representations and Warranties** – The parties shall not be deemed to have made any representation or warranty other than as expressly made in Sections 7.1 to 7.4 hereof. Notwithstanding anything to the contrary contained herein, no party hereto shall be liable for any Losses resulting from or relating to any inaccuracy in or breach of any representation or warranty in this Agreement if the party seeking indemnification for such Losses had actual or constructive knowledge of such breach or inaccuracy before Closing.

8. CLOSING

8.1 **Closing Date** - The Closing shall take place at the Time of Closing at the offices of Clark Wilson LLP, 900-885 West Georgia Street, Vancouver, British Columbia, or at such other time, date or place upon which Numberco and the Issuer may mutually agree.

8.2 **Deliveries by Numberco and the Numberco Securityholders** - At the Time of Closing, upon the fulfillment or waiver of all of the conditions set out in Article 6, Numberco and the Numberco Securityholders shall deliver to the Issuer the following documents:

- (a) a certified true copy of the register of shareholders of Numberco, showing the Issuer as the sole shareholder of Numberco;
- (b) a Numberco Share certificate, registered in the name of the Issuer, representing 100% of the Numberco Shares issued and outstanding;
- (c) a certified true copy of the resolutions of the directors evidencing that the board of directors of Numberco, have approved this Agreement and all of the transactions of Numberco contemplated hereunder;
- (d) duly completed and executed copies of such documents and forms as may be required pursuant to Section 2.5;

- (e) such other materials that are, in the opinion of the Issuer acting reasonably, required to be delivered by the Numberco Securityholders and by Numberco in order for them to meet their obligations under this Agreement; and
- (f) evidence satisfactory to the Issuer and their legal counsel, acting reasonably, of the completion of all corporate proceedings of Numberco and all other matters which, in the reasonable opinion of counsel for the Issuer, are necessary in connection with the transactions contemplated by this Agreement.

8.3 Deliveries by the Issuer - At the Time of Closing on the Closing Date, upon the fulfilment or waiver of all of the conditions set out in Article 6, the Issuer shall deliver to Numberco, on its own behalf and on behalf of the Numberco Securityholders:

- (a) the Issuer Consideration Shares duly registered in accordance with the instructions provided by each Numberco Securityholder on their respective execution page hereof;
- (b) payment of the Cash Consideration to the Numberco Securityholders, or such parties as designated by the Numberco Securityholders, and in accordance with the payment instructions to be provided by the Numberco Securityholders;
- (c) payment to Numberco, the Numberco Securityholders or such third parties as directed by Numberco on account of fees and expenses pursuant to Section 5 in accordance with the payment instructions to be provided by Numberco;
- (d) duly completed and executed copies of such documents and forms as may be required pursuant to Section 2.5;
- (e) such other materials that are, in the opinion of Numberco acting reasonably, required to be delivered by the Issuer in order for the Numberco Securityholders and/or Numberco to meet their obligations under this Agreement; and
- (f) evidence satisfactory to the Numberco Securityholders, Numberco and their legal counsel, acting reasonably, of the completion of all corporate proceedings of the Issuer and all other matters which, in the reasonable opinion of counsel for the Numberco Securityholders and Numberco, are necessary in connection with the transactions contemplated by this Agreement.

9. ORDINARY COURSE

Until the Time of Closing, neither Numberco nor the Issuer shall, without the prior written consent of the other or as expressly contemplated herein, enter into any contract in respect of its business or assets, other than in the ordinary course of business, and each of Numberco and the Issuer shall continue to carry on its Business and maintain its assets in the ordinary course of business, with the exception of reasonable costs incurred in connection with the Closing, the Transaction, and, without limitation, but subject to the above exceptions, shall maintain payables and other liabilities at levels consistent with past practice, shall not engage in any extraordinary material transactions and shall make no distributions, dividends or special bonuses, shall not repay any shareholders' loans, or enter into or renegotiate any employment or consulting agreement with any senior officer, in each case without the prior written consent of the other. Notwithstanding the foregoing, Numberco shall not be prohibited from entering into the Purchase Agreement and any agreements in connection therewith in furtherance of the acquisition of the Project, and the Issuer shall not be prohibited from entering into any

agreements for, or completing, any transactions disclosed by the Issuer in its publicly filed continuous disclosure record prior to entry into this Agreement.

10. TERMINATION

10.1 If any of the conditions contained in Article 6 hereof shall not be fulfilled or performed by the Closing Date, (the "**Termination Date**") or such other later date mutually agreed upon by the Issuer and Numberco and such condition is contained in:

- (a) Section 6.1 hereof, either of the Issuer or Numberco (on its own behalf and on behalf of the Numberco Securityholders) may terminate this Agreement by written notice to the Issuer or Numberco (on its own behalf and on behalf of the Numberco Securityholders), as applicable;
- (b) Section 6.2 hereof, the Issuer may terminate this Agreement by written notice to Numberco (on its own behalf and on behalf of the Numberco Securityholders); or
- (c) Section 6.3 hereof, Numberco (on its own behalf and on behalf of the Numberco Securityholders) may terminate this Agreement by written notice to the Issuer.

Subject to Article 5 which shall survive termination of this Agreement, if this Agreement is terminated as aforesaid, the party terminating this Agreement shall be released from all obligations under this Agreement, all rights of specific performance against such party shall terminate and, unless such party can show that the condition or conditions the non-performance of which has caused such party to terminate this Agreement were reasonably capable of being performed by the other party, then the other party shall also be released from all obligations hereunder, and provided that any of such conditions may be waived in full or in part by either of the parties without prejudice to its rights of termination in the event of the non-fulfillment or non-performance of any other condition.

10.2 If any of the parties hereto shall determine at any time prior to the Closing Date that it intends to refuse to consummate the Transaction or any of the other transactions contemplated hereby because of any unfulfilled or unperformed condition contained in this Agreement on the part of the other of them to be fulfilled or performed, the party shall so notify the other of them forthwith upon making such determination in order that such other of them shall have the right and opportunity to take such steps, at its own expense, as may be necessary for the purpose of fulfilling or performing such condition within a reasonable period of time, but in no event later than the Termination Date.

11. ACKNOWLEDGEMENT OF NUMBERCO SECURITYHOLDERS

11.1 The Numberco Securityholders each acknowledge and agree that upon completion of the exchange of the Numberco Shares, any and all rights they may have in or to any securities of Numberco shall automatically (without any further action) be absolutely terminated and cancelled and no Numberco Securityholder shall be entitled to any consideration in respect of same other than as explicitly set forth herein.

12. STANDSTILL AGREEMENT

12.1 **Standstill** - From the date of the acceptance of this Agreement until completion of the transactions contemplated herein or the earlier termination hereof, Numberco will not, directly or indirectly, solicit, initiate, assist, facilitate, promote or encourage proposals or offers from, entertain or enter into discussions or negotiations with, or provide information relating to its securities or assets,

business, operations, affairs or financial condition to any Persons in connection with the acquisition or distribution of any securities of Numberco, or any amalgamation, merger, consolidation, arrangement, restructuring, refinancing, sale of any material assets of Numberco, unless such action, matter or transaction is (i) part of the transactions contemplated in this Agreement, (ii) satisfactory to, and is approved in writing in advance by the Issuer, (iii) is necessary to carry on the normal course of business or (iv) required as a result of the fiduciary duties of the directors and officers of the relevant company.

13. PUBLIC DISCLOSURE

13.1 **Restrictions on Disclosure** - No disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated herein will be made by the Issuer or Numberco without the prior written agreement of the other as to timing, content and method, provided that the obligations herein will not prevent the Issuer or Numberco from making, after consultation with the other, such disclosure as its counsel advises is required by Applicable Law, or as is required to carry out the transactions contemplated in this Agreement or the obligations of the Issuer or Numberco.

13.2 **Confidentiality** - Except with the prior written consent of the other, each of the Issuer or Numberco and its respective employees, officers, directors, shareholders, agents, advisors and other representatives will hold all information received from the Issuer or Numberco, as applicable concerning any of the Issuer, Numberco and the Numberco Securityholders in strictest confidence and shall not be disclosed or used by the recipients thereof, except such information and documents available to the public or as are required to be disclosed by Applicable Law. All such information in written or electronic form and documents will be promptly returned to the party originally delivering them in the event that the transactions provided for in this Agreement are not completed.

13.3 **Personal Information** - Each of the Numberco Securityholders hereby consents to the disclosure of his or her personal information in connection with the transactions contemplated by this Agreement, including without limitation the Transaction, and acknowledges and consents to the fact that Numberco and the Issuer are collecting the personal information (as that term is defined under applicable privacy legislation, including the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect in Canada from time to time) of the Numberco Securityholder for the purposes of completing this Agreement and the transactions contemplated hereby. Each Numberco Securityholder acknowledges and consents to Numberco and the Issuer retaining such personal information for as long as permitted or required by law or business practices. Each Numberco Securityholder further acknowledges and consents to the fact that Numberco and the Issuer may be required by applicable securities legislation to provide regulatory authorities with any personal information provided by the Numberco Securityholders in this Agreement and each Numberco Securityholder further consents to the public disclosure of such information by electronic filing or by any other means.

14. GENERAL

14.1 **Time** - Time and each of the terms and conditions of this Agreement shall be of the essence of this Agreement and any waiver by the parties of this paragraph or any failure by them to exercise any of their rights under this Agreement shall be limited to the particular instance and shall not extend to any other instance or matter in this Agreement or otherwise affect any of their rights or remedies under this Agreement.

14.2 **Entire Agreement** - This Agreement constitutes the entire Agreement between the parties hereto in respect of the matters referred to herein and there are no representations, warranties,

covenants or agreements, expressed or implied, collateral hereto other than as expressly set forth or referred to herein.

14.3 Further Assurances - The parties hereto shall execute and deliver all such further documents and instruments and do all such acts and things as any party may, either before or after the Closing, reasonably require of the others in order that the full intent and meaning of this Agreement is carried out. The provisions contained in this Agreement which, by their terms, require performance by a party to this Agreement subsequent to the Closing, shall survive the Closing.

14.4 Amendments - No alteration, amendment, modification or interpretation of this Agreement or any provision of this Agreement shall be valid or binding upon the parties hereto unless such alteration, amendment, modification or interpretation is in a form executed by Numberco, the Issuer and the Numberco Securityholders. Notwithstanding the foregoing, the provisions hereof may be altered, amended or modified on written consent of the Issuer and Numberco only, provided such alteration, amendment or modification is made for any one or more or all of the following purposes:

- (a) adding to the provisions hereof such additional covenants, enforcement provisions, and release provisions (if any) as in the opinion of counsel acceptable to the Issuer and Numberco are necessary or advisable, provided the same are not, in the opinion of counsel to the Issuer and Numberco, prejudicial to the interests of the Numberco Securityholders;
- (b) adding to the covenants of the Issuer or Numberco in this Agreement for the protection of the Numberco Securityholders;
- (c) providing for the issuance of an alternative number of the Issuer Consideration Shares or the Issuer Replacement Warrants hereunder and any consequential amendments hereto as may be required by the Issuer and Numberco relying on the advice of counsel, provided the same are not, in the opinion of counsel to the Issuer and Numberco, materially prejudicial to the interests of the Numberco Securityholders;
- (d) making such provisions not inconsistent with this Agreement as may be deemed necessary or desirable with respect to matters or questions arising hereunder, provided the same are not, in the opinion of counsel to the Issuer and Numberco, prejudicial to the interests of the Numberco Securityholders;
- (e) to rectify any ambiguity, defective provision, clerical omission or mistake or manifest or other error contained herein or in any deed or agreement supplemental or ancillary hereto provided that, in the opinion of the counsel to the Issuer and Numberco, the rights of the Numberco Securityholders are not prejudiced thereby;
- (f) adding to or altering the provisions hereof in respect of the transfer of securities and making provision for the exchange of securities of different denominations which do not affect the substance thereof; or
- (g) for any other purpose not inconsistent with the provisions of this Agreement, provided that, in the opinion of counsel to the Issuer and Numberco, the rights of the Numberco Securityholders are in no way prejudiced thereby.

14.5 Notices - Any notice, request, demand, election and other communication of any kind whatsoever to be given under this Agreement shall be in writing and shall be delivered by hand, e-mail

or mail to the Issuer or Numberco (on its own behalf and on behalf of the Numberco Securityholders) at their following respective addresses:

To the Issuer:

Element79 Gold Corp.
230 – 997 Seymour Street
Vancouver, British Columbia V6B 1B8

Attention: James Tworek, CEO

Email: [REDACTED]

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

Forooghian + Company Law Corporation
Suite 401, 353 Water Street
Vancouver, British Columbia V6B 1B8

Attention: Farzad Forooghian

Phone: [REDACTED]

Email: [REDACTED]

To Numberco or the Numberco Securityholders:

1316524 B.C. Ltd.
Suite 800 – 995 West Georgia Street
Vancouver, British Columbia V6C 3H1

Attention: [REDACTED]

Email: [REDACTED]

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

Clark Wilson LLP
Suite 900 – 885 West Georgia Street
Vancouver, British Columbia V6C 3H1

Attention: Nafeesa Valli-Hasham

Phone: [REDACTED]

Email: [REDACTED]

and

Bennett Jones LLP
3400 One First Canadian Place

P.O. Box 130, Toronto Ontario M5X 1A4

Attention: Abbas Ali Khan

Email: [REDACTED]

or to such other addresses as may be given in writing by the Issuer or Numberco, in the manner provided for in this paragraph, and the party sending such notice should request acknowledgment of delivery and the party receiving such notice should provide such acknowledgment. Notwithstanding whether or not a request for acknowledgment has been made or replied to, whether or not delivery has occurred will be a question of fact. If a party can prove that delivery was made as provided for above, then it will constitute delivery for the purposes of this Agreement whether or not the receiving party acknowledged receipt.

14.6 Assignment - This Agreement may not be assigned by any party hereto without the prior written consent of all of the parties hereto.

14.7 Governing Law - 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 irrevocably and unconditionally attorn to the jurisdiction of the Courts of British Columbia.

14.8 Counterparts - This Agreement may be signed by fax, e-mail (scan), DocuSign or other means of electronic transmission 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.

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

14.10 Number and Gender - Unless the context of this Agreement otherwise requires, to the extent necessary so that each clause will be given the most reasonable interpretation, the singular number will include the plural and vice versa, the verb will be construed as agreeing with the word so substituted, words importing the masculine gender will include the feminine and neuter genders, words importing persons will include firms and corporations and words importing firms and corporations will include individuals.

14.11 Enurement – This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors, permitted assigns, trustees, representatives, heirs and executors.

[Remainder of page intentionally left blank. Execution page follows.]

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the Effective Date.

ELEMENT79 GOLD CORP.

Per: /s/ "James Tworek"
Authorized Signatory

1316524 B.C. LTD.

Per: /s/ "Authorized Signatory"
Authorized Signatory

SCHEDULE A - NUMBERCO SECURITYHOLDERS AND CONSIDERATION

This Schedule A is incorporated by reference and deemed to form part of this Agreement dated as of the Effective Date.

Name and Address of Numberco Share Holder	Number of Numberco Shares
Strategic Investments LLC [REDACTED]	27
Qubex Capital Inc. [REDACTED]	73
TOTAL	100

SCHEDULE B - Signatures of Numberco Securityholders (Corporation)

This Schedule B is incorporated by reference and deemed to form part of this Agreement dated as of the Effective Date.

Numberco Securityholder Details:

Name of Numberco Securityholder: QUBEX CAPITAL INC.


Address of Numberco Securityholder: 

Issuer Consideration Shares Registration and Delivery Instructions:

Registered Name of Shareholder:

Address of Record for Shareholder:

Delivery Address (if different from address of record):

Contact Person Name: 

Contact Person Telephone:

Contact Person Email Address: 

The undersigned agrees to be bound by the terms and conditions of the Agreement, and by signing where indicated, the Numberco Securityholder agrees to transfer to the Issuer all of the Numberco Shares it owns, as described in Schedule A.

Corporate Name: QUBEX CAPITAL INC.

Per:  /s/ "Authorized Signatory"
Authorized Signatory

Name: 
Title: Director & Partner

SCHEDULE B - Signatures of Numberco Securityholders (Corporation)

This Schedule B is incorporated by reference and deemed to form part of this Agreement dated as of the Effective Date.

Numberco Securityholder Details:

Name of Numberco Securityholder: STRATEGIC INVESTMENTS LLC

Address of Numberco Securityholder:



Issuer Consideration Shares Registration and Delivery Instructions:

Registered Name of Shareholder:

Address of Record for Shareholder:

Delivery Address (if different from address of record):

Contact Person Name:

Contact Person Telephone:

Contact Person Email Address:

The undersigned agrees to be bound by the terms and conditions of the Agreement, and by signing where indicated, the Numberco Securityholder agrees to transfer to the Issuer all of the Numberco Shares it owns, as described in Schedule A.

Corporate Name: STRATEGIC INVESTMENTS LLC

Per:  /s/ "Authorized Signatory"
Authorized Signatory

Name: 

Title: Managing Director

SCHEDULE C

The Project is known comprised of the Battle Mountain Property and the Maverick Springs Project.

REDACTED