

## SHARE PURCHASE AGREEMENT

This Agreement is made effective as of the 19th day of June, 2022

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

(“**Element79**” or the “**Purchaser**”)

AND:

**CALIPUY RESOURCES INC.**, a company incorporated under the laws of British Columbia and having an office at 480 – 1500 West Georgia Street, Vancouver, British Columbia

(“**Calipuy**” or the “**Company**”)

AND:

**EACH SHAREHOLDER OF CALIPUY** who signed a copy of Schedule "B" of this Agreement

(each, a “**Calipuy Shareholder**” and, collectively “**Calipuy Shareholders**” or the “**Vendors**”)

WHEREAS:

- A. Element79 is a junior mining company which has its common shares (each, an “**Element79 Share**”) listed on the Canadian Securities Exchange (the “**Exchange**”);
- B. The Calipuy Shareholders are the registered and beneficial owners of all of the issued and outstanding common shares of Calipuy (each, a “**Calipuy Share**”), of which an aggregate of 16,393,367 Calipuy Shares are outstanding as more particularly described in Schedule “A” (the “**Subject Shares**”);
- C. Calipuy owns, directly or indirectly, or has the right to acquire certain mineral claims and related mineral rights (collectively, the “**Properties**”) located in Peru, as more particularly described in Schedule “C”; and
- D. Element79 wishes to purchase all of the Subject Shares and acquire and indirect interest in the Properties from the Calipuy Shareholders in exchange for the Consideration Shares (as hereafter defined) and Performance Bonus Warrants (as hereafter defined) upon and subject to the terms and conditions set forth in this Agreement (the “**Acquisition**”).

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the mutual premises, warranties, covenants and agreements hereinafter set forth, the Parties represent, warrant, covenant and agree each with the other as follows:

### 1. INTERPRETATION

1.1 Definitions. In this Agreement the following terms have the meanings set out after each:

- (a) “**1933 Act**” means the United States Securities Act of 1933, as amended.
- (b) “**Acquisition**” has the meaning ascribed thereto in Recital D.
- (c) “**Affiliate**” shall mean any Person that, directly or indirectly, through one or more intermediaries, controls or is controlled by, or is under common control with a Person.
- (d) “**Agreement**” means this Share Purchase Agreement, including the schedules hereto, as the same may from time to time be supplemented or amended and in effect.
- (e) “**Applicable Laws**” means all applicable rules, policies, notices, orders and legislation of any kind whatsoever of any governmental authority, regulatory body or stock exchange having jurisdiction over the transactions contemplated hereby, including Securities Laws.
- (f) “**Assumption Agreements**” has the meaning ascribed thereto in subsection 7.1(g).
- (g) “**Bonus Warrant Production Target**” means projects carried out on the Properties cumulatively reaching a minimum production target of 9,000 tons of ore yielding a minimum of 1,500 oz Au within a 30 day production period.
- (h) “**Calipuy**” means Calipuy Resources Inc.
- (i) “**Calipuy Disclosure Letter**” means a letter from Calipuy to Element79 in the agreed form dated the same date as this Agreement relating to the certain exclusions and clarifications in respect of the representations and warranties given by Calipuy pursuant to this Agreement;
- (j) “**Calipuy Financial Statements**” means audited financial statements for Calipuy for the fiscal years ended December 31, 2020 and December 31, 2021, and the comparative fiscal years and interim periods, together with related statements of income, cash flows, and changes in shareholders’ equity for the fiscal years and interim periods then ended, all prepared in accordance with IFRS and audited by an independent auditor.
- (k) “**Calipuy Share**” has the meaning ascribed thereto in Recital B.
- (l) “**Closing**” means the completion of the purchase and sale of the Subject Shares when the transfer of the Subject Shares becomes effective, which will occur on the Closing Date.
- (m) “**Closing Date**” means such date as mutually agreed to by Element79 and Calipuy but in no event later than June 30, 2022.
- (n) “**Condor**” means Condor Resources Inc.
- (o) “**Condor Agreement**” means the Sale and Purchase Agreement entered into by Calipuy, Condor and MLDS on December 21, 2020, pursuant to which Calipuy and Calipuy Holdings Inc. acquired all the shares of MLDS.
- (p) “**Condor Pre-Emptive Right**” means the pre-emptive rights of Condor to convert the cash payments owed by Calipuy into shares of Calipuy as contemplated in sections 4.9 and 4.10, of the Condor Agreement.

- (q) “**Condor Share Pledge Agreement**” means the share pledge agreement among Calipuy and Calipuy Holdings Ltd., a wholly owned subsidiary of Calipuy, Condor and Ferroaluminios Peru No.4, S.A.C., a wholly owned subsidiary of Condor, dated December 21, 2020.
- (r) “**Consideration Securities**” means collectively the Consideration Shares, the Performance Bonus Warrants and the Performance Bonus Warrant Shares.
- (s) “**Consideration Shares**” means the 19,165,486 Element79 Shares to be issued to the Calipuy Shareholders in exchange for the Subject Shares.
- (t) “**Effective Date**” means the date of this Agreement.
- (u) “**Element79**” means Element79 Gold Corp.
- (v) “**Element79 Disclosure Letter**” means a letter from Element79 to Calipuy in the agreed form dated the same date as this Agreement relating to the certain exclusions and clarifications in respect of the representations and warranties given by Element79 pursuant to this Agreement.
- (w) “**Element79 Shares**” has the meaning ascribed thereto in Recital A.
- (x) “**Encumbrances**” means any encumbrance or restriction of any kind or nature whatsoever and howsoever arising (whether registered or unregistered) and includes accrued but unpaid taxes, a security interest, mortgage, easement, adverse ownership interest, defect on title, condition, right of first refusal, right of first offer, right-of-way, encroachment, building or use restriction, conditional sale agreement, hypothec, pledge, deposit by way of security, hypothecation, assignment, charge, security under Sections 426 or 427 of the *Bank Act* (Canada) or comparable legislation in the applicable jurisdiction, trust or deemed trust, voting trust or pooling agreement with respect to securities, any adverse claim, grant of any exclusive license or sole license, or any other right, option or claim of others of any kind whatsoever, and includes any agreement to give any of the foregoing in the future, and any subsequent sale or other title retention agreement or lease in the nature thereof, affecting Calipuy or the Calipuy Shares.
- (y) “**Environmental Law**” means any laws and Orders, including the common law, relating to pollutions or the regulations or protection of the environment, or the health, safety of person or property and any other laws and Orders concerning emissions, discharges, releases, or threatened releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes into the environment (including ambient air, soil, surface water, ground water, wetlands, land or subsurface strata), or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes and similar legislation, rules, regulations and policies under the authority of any political or legal entity having jurisdiction over the Company or its respective assets, including but not limited to Peruvian Environmental Law.
- (z) “**Exchange**” means the Canadian Securities Exchange.
- (aa) “**Exchange Approval**” means approval from the Exchange in respect of the transactions contemplated herein.
- (bb) “**Exchange Filings**” means such filings with the Exchange as are required to complete the transactions contemplated by this Agreement in accordance with the policies of the Exchange.

- (cc) **“Executive and Director Agreements”** means all agreements for compensation with each officer and director of the Company, including without limitation the Maragakis Agreement, the Moscoso Agreement, the Goyzueta Agreement, the Smalley Agreement, the Williams Agreement and the Quantum Agreement.
- (dd) **“GAAP”** means Canadian Generally Accepted Accounting Principles as provided in the Handbook of the Canadian Institute of Chartered Accountants.
- (ee) **“Governmental Authority”** means any supranational, national, federal, state, regional, tribal, provincial, local or municipal administrative, judicial, legislative, executive, regulatory, police or taxing government or governmental or quasi-governmental authority of any nature, including any agency, branch, bureau, department, commission, official or entity, or any court, arbitrator or other tribunal, whether domestic or foreign.
- (ff) **“Governmental Authorization”** means licenses, permits, consents, certificates, exemptions, registrations, waivers and other authorizations and approvals of any Governmental Authority.
- (gg) **“Goyzueta Agreement”** means the employment agreement between the Company and Luis H. Goyzueta relating to his employment as Lead Director of the Company, as may be amended from time to time.
- (hh) **“Hazardous Material”** means (i) any petroleum or petroleum products, asbestos in any form or condition, urea, formaldehyde foam insulation and polychlorinated biphenyls (PCBs), (ii) any other chemicals, materials, substances or wastes that are now or hereafter become defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants” or words of similar import under any Environmental Law, and (iii) any other chemicals, materials, substances or wastes, exposure to which is prohibited, limited or regulated by any Governmental Authority under any Environmental Law or with respect to which Liability or standards of conduct are imposed under any Environmental Law.
- (ii) **“IFRS”** means the International Financial Reporting Standards as issued by the International Accounting Standards Board.
- (jj) **“INGEMMET”** means the the Instituto Geológico Minero y Metalúrgico of Peru.
- (kk) **“Investments”** means, with respect to any Person, all advances, loans or extensions of credit to any other Person, all purchases or commitments to purchase any stock, bonds, notes, debentures or other securities of any other Person, and any other investment in any other Person, including partnerships or joint ventures (whether by capital contribution or otherwise) or other similar arrangement (whether written or oral) with any Person, including but not limited to arrangements in which (i) the Person shares profits and losses, (ii) any such other Person has the right to obligate or bind the Person to any third party, or (iii) the Person may be wholly or partially liable for the debts or obligations of such partnership, joint venture or other arrangement.
- (ll) **“ITA”** means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended from time to time.
- (mm) **“Knowledge”** with respect to any corporation, means the knowledge of the directors and executive officers of such corporation (including, if applicable, any person designated as a chief scientific, geological or technical officer) assuming such persons shall have made inquiry that is customary

and appropriate under the circumstances to which reference is made, and when used in reference to an individual means the actual knowledge of such individual.

- (nn) “**Letter of Intent**” means the executed letter of intent dated March 6, 2022 between Element79 and Calipuy, pursuant to which the Parties agreed to the Acquisition and setting forth the preliminary agreed upon terms of this Agreement.
- (oo) “**Liability**” means any debts, liabilities and obligations, whether accrued or fixed, known or unknown, absolute or contingent, matured or unmatured or determined or determinable.
- (pp) “**Lock-Up Agreement**” has the meaning ascribed thereto in subsection 2.4.
- (qq) “**Lock-up Securities**” has the meaning ascribed thereto in subsection 2.4.
- (rr) “**Lock-up Shareholders**” has the meaning ascribed thereto in subsection 2.4.
- (ss) “**Lucero Royalty**” means the 0.5% NSR royalty payable to Sandstorm Gold Ltd. pursuant to the Sandstorm Royalty Agreement.
- (tt) “**Lucero Royalty Agreement**” means the NSR Royalty Agreement among MLDS, Sandstorm Gold Ltd. and Condor dated August 13, 2020, which was subsequently assigned to Calipuy by Condor on December 21, 2020, in connection with the acquisition of MLDS.
- (uu) “**Machacala Purchase and Sale Agreement**” means the purchase and sale agreement among Julio Cesar Antonio Alonso Lindley & Andrea Yolanda Anita Lanata Dentone, Sebastian Holler Goyzueta, Luis Felix Goyzueta Caravasi & Carmen Aracelli Angobaldo Cardenas and Minera Machacala S.A.C., a wholly owned subsidiary of Calipuy dated November 15, 2021, as amended February 14, 2022, March 7, 2022 and May 12, 2022.
- (vv) “**Machacala Royalty**” means the 1.5% NSR royalty payable to Julio Cesar Antonio Alonso Lindley & Andrea Yolanda Anita Lanata Dentone, Sebastian Holler Goyzueta, Luis Felix Goyzueta Caravasi & Carmen Aracelli Angobaldo Cardenas, collectively, pursuant to the Lucero Royalty Agreement.
- (ww) “**Machacala Royalty Agreement**” means the NSR Royalty Agreement among Julio Cesar Antonio Alonso Lindley & Andrea Yolanda Anita Lanata Dentone, Sebastian Holler Goyzueta, Luis Felix Goyzueta Caravasi & Carmen Aracelli Angobaldo Cardenas and Minera Machacala S.A.C., a wholly owned subsidiary of Calipuy dated November 15, 2021, as amended March 7, 2021.
- (xx) “**Machacala Share Pledge Agreement**” means the share pledge agreement among Julio Cesar Antonio Alonso Lindley & Andrea Yolanda Anita Lanata Dentone, Sebastian Holler Goyzueta, Luis Felix Goyzueta Caravasi & Carmen Aracelli Angobaldo Cardenas and Minera Machacala S.A.C., a wholly owned subsidiary of Calipuy, dated November 15, 2021.
- (yy) “**Maragakis Agreement**” means the employment agreement dated July 23, 2021 between the Company and Antonios Maragakis relating to his employment as CEO of the Company, as may be amended from time to time.
- (zz) “**Material Adverse Effect**” shall mean, with respect to any person or entity, a material adverse effect on its condition (financial or otherwise), business, properties, assets, liabilities (including contingent liabilities), results of operations or current prospects, taken as a whole.

- (aaa) “**Material Contracts**” means those contracts and agreements which create a liability or obligation of the company.
- (bbb) “**Misrepresentation**” has the meaning ascribed thereto in subsection 8.1(m).
- (ccc) “**MLDS**” means Minas Lucero Del Sur S.A.
- (ddd) “**Moscoso Agreement**” means the employment agreement dated August 16, 2021 between the Company and Giovanna B. Moscoso relating to her employment as Chairperson of the Company, as may be amended from time to time.
- (eee) “**NSR**” means net smelter returns.
- (fff) “**Order**” means any order, writ, judgment, injunction, decree, ruling, assessment, stipulation, determination or award entered by or with any court, regulatory authority, or other Governmental Authority or arbitrator (in each case whether preliminary or final).
- (ggg) “**Parties**” means Calipuy Shareholders, Calipuy and Element79, and “**Party**” means any one of the Calipuy Shareholders, Calipuy and Element79.
- (hhh) “**Performance Bonus Warrants**” means the non-transferable share purchase warrants to purchase Element79 Shares at an exercise price of \$2.00 per common share with an expiry date of 3 years from the date the Bonus Performance Target is achieved, subject to acceleration and the terms and conditions of the Performance Bonus Warrant Certificate.
- (iii) “**Performance Bonus Warrant Certificate**” has the meaning ascribed to such term in subsection 2.2.
- (jjj) “**Performance Bonus Warrant Shares**” means the Element79 Shares issuable upon exercise of the Performance Bonus Warrants.
- (kkk) “**Person**” means any individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision of any thereof) or any entity of any kind.
- (lll) “**Properties**” means those properties situated in Peru that Calipuy has the right to explore as described in Schedule "C".
- (mmm) “**Public Disclosure Documents**” has the meaning ascribed thereto in subsection 8.1(m).
- (nnn) “**Purchase and Sale Agreements**” means collectively, the Condor Agreement, the Machacala Purchase and Sale Agreement, and the Urumulqui Purchase and Sale Agreement.
- (ooo) “**Purchaser’s Solicitors**” means Clark Wilson LLP., of 900-885 West Georgia Street, Vancouver, BC, V6C 3H1
- (ppp) “**Quantum Agreement**” means the engagement agreement dated September 23, 2020 between Quantum Advisory Partners, a company controlled by Alnesh Mohan, and the Company with respect to Mr. Mohan’s engagement as CFO of the Company.
- (qqq) “**Related Documents**” means each of the other documents executed by the respective Parties pursuant to and in connection with this Agreement, as applicable to the respective Parties.

- (rrr) **“Release” or “Released”** means any release, spill, emission, leaking, pumping, injection, deposit, disposal, discharge, disbursal, leaching or migration into the indoor or outdoor environment, including the movement of Hazardous Materials through ambient air, soil, surface water, groundwater, wetlands, land or subsurface strata.
- (sss) **“Remediate” or “Remediation”** means any containment, clean up, Response, treatment, removal, mitigation, abatement, elimination, or control of any Hazardous Material.
- (ttt) **“Response” or “Respond”** means action required under Environmental Laws or by a Governmental Authority to Remediate, prevent, monitor, or investigate the Release of a Hazardous Material.
- (uuu) **“returns”** includes, without limiting the generality of this term as it is used in subsections 8.1(u) and 8.3(w), all filings required to be made under the ITA, the *Excise Tax Act* (Canada), and under the sales tax legislation of a Canadian province or territory.
- (vvv) **“Royalties”** means, collectively, the Lucero Royalty, the Machacala Royalty, and the Urumalqui Royalty.
- (www) **“Royalty Agreements”** means collectively, the Lucero Royalty Agreement, the Machacala Royalty Agreement, and the Urumulqui Royalty Agreement.
- (xxx) **“Securities Laws”** means all applicable securities laws in all jurisdictions relevant to the issuance of securities of the Purchaser pursuant to the terms of this Agreement, including the published rules and policies of the Exchange.
- (yyy) **“Share Pledge Agreements”** means collectively, the Condor Share Pledge Agreement, the Machacala Share Pledge Agreement, and the Urumulqui Share Pledge Agreement.
- (zzz) **“Smalley Agreement”** means the employment agreement dated August 27, 2021 between the Company and David W. Smalley relating to his employment as Director of the Company, as may be amended from time to time.
- (aaaa) **“Subject Shares”** means all of the issued and outstanding common shares in the capital of Calipuy which are issued and registered in the name of Calipuy Shareholders.
- (bbbb) **“Subsidiary” or “Subsidiaries”** mean, with respect to any entity, any corporation or other organization of which securities or other ownership interests having ordinary voting power to elect a majority of the board of directors or other persons performing similar functions are directly or indirectly owned by such entity or of which such entity is a partner or is, directly or indirectly, the beneficial owner of more than 50% of any class of equity securities or equivalent profit participation interests.
- (cccc) **“Tax” or “Taxes”** includes all taxes, surtaxes, duties, tariffs, levies, imposts, rates, fees, assessments, reassessments, withholdings and other charges of any nature (including income, corporate, capital, net worth, sales, consumption, use, property transfer, goods and services, value-added, stamp, registration, franchise, withholding, payroll, employment, health, education, excise, business, school, property, occupation, customs, anti-dumping and countervail taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings and other charges) imposed by any Governmental Authority, together with all fines, interest, penalties or other additions on, to, instead of, or in respect of, those taxes, surtaxes, duties, levies, imposts, rates, fees, assessments, withholdings and other charges;

- (dddd) **“Third Party Approvals”** means all third party approvals required in order for all of the transactions contemplated hereby to be carried out, including without limitation, the Exchange Approval, if such approval is required.
- (eeee) **“Time of Closing”** means the time all closing documents are delivered on the Closing Date.
- (ffff) **“U.S. Person”** means a “U.S. Person” as that term is defined in Rule 902(k) of Regulation S under the 1933 Act, without limiting the foregoing, but for greater clarity in this Agreement, the definition of U.S. Person generally includes any natural person resident in the United States, any partnership or corporation organized under the laws of the United States and any estate or trust of which any executor, administrator or trustee is a U.S. Person.
- (gggg) **“Urumulqui Royalty”** means the 1.5% NSR royalty payable to Julio Cesar Antonio Alonso Lindley & Andrea Yolanda Anita Lanata Dentone, Sebastian Holler Goyzueta, Luis Felix Goyzueta Caravasi & Carmen Aracelli Angobaldo Cardenas, collectively, pursuant to the Lucero Royalty Agreement.
- (hhhh) **“Urumulqui Royalty Agreement”** means the NSR Royalty Agreement among Julio Cesar Antonio Alonso Lindley & Andrea Yolanda Anita Lanata Dentone, Sebastian Holler Goyzueta, Luis Felix Goyzueta Caravasi & Carmen Aracelli Angobaldo Cardenas and Compañía Minera SFJ S.A.C, a wholly owned subsidiary of Calipuy dated November 15, 2021, as amended March 7, 2022.
- (iiii) **“Urumulqui Purchase and Sale Agreement”** means the purchase and sale agreement among Julio Cesar Antonio Alonso Lindley & Andrea Yolanda Anita Lanata Dentone, Sebastian Holler Goyzueta, Luis Felix Goyzueta Caravasi & Carmen Aracelli Angobaldo Cardenas and Compañía Minera SFJ S.A.C, a wholly owned subsidiary of Calipuy dated November 15, 2021, as amended February 14, 2022, March 7, 2022 and May 12, 2022.
- (jjjj) **“Urumulqui Share Pledge Agreement”** means the share pledge agreement among Julio Cesar Antonio Alonso Lindley & Andrea Yolanda Anita Lanata Dentone, Sebastian Holler Goyzueta, Luis Felix Goyzueta Caravasi & Carmen Aracelli Angobaldo Cardenas and Compañía Minera SFJ S.A.C, a wholly owned subsidiary of Calipuy, dated November 15, 2021.
- (kkkk) **“Vendor’s Solicitors”** means David Smalley Law Corp., of 480 – 1500 West Georgia Street, Vancouver, BC, V6G 2Z6.
- (llll) **“Williams Agreement”** means the employment agreement dated August 31, 2021 between the Company and Shane J. Williams relating to his employment as Director of the Company, as may be amended from time to time.
- 1.2 Headings. The headings in this Agreement are for reference only and do not constitute terms of the Agreement.
- 1.3 Interpretation: For the purposes of this Agreement, except as otherwise expressly provided herein:
- (a) all references in this Agreement to a designated article, section or schedule is to the designated article, section or schedule of or to this Agreement, unless otherwise specifically stated;
- (b) the words “herein”, “hereof” and “hereunder”, and other words of similar import, refer to this Agreement as a whole and not to any particular article, section or schedule;

- (c) the singular of any term includes the plural and vice versa, and the use of any term is equally applicable to any gender and any Person;
  - (d) the word “or” is not exclusive and the word “including” is not limiting (whether or not non-limiting language such as “without limitation” or “but not limited to” or other words of similar import are used with reference thereto);
  - (e) all accounting terms not otherwise defined in this Agreement have the meanings assigned to them in accordance with GAAP or IFRS, as applicable, applied on a consistent basis with prior periods;
  - (f) except as otherwise provided, any reference to a statute includes, and is a reference to, such statute and to the regulations made pursuant thereto with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which have the effect of supplementing or superseding such statute or such regulations;
  - (g) where the phrase “to the best of the knowledge of” or phrases of similar import are used in this Agreement, it will be a requirement that the Person in respect of whom the phrase is used will have made such due enquiries as are reasonably necessary to enable such Person to make the statement or disclosure on behalf of the Party they represent;
  - (h) the headings to the articles and sections of this Agreement are inserted for convenience of reference only and 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 provision hereof;
  - (i) any reference to a corporate entity includes, and is also a reference to, any corporate entity that is a successor to such entity;
  - (j) the representations, warranties, covenants and agreements contained in this Agreement will not merge at the Closing and will continue in full force and effect from and after the Closing for the applicable period set out in this Agreement; and
  - (k) unless otherwise specifically noted, all references to currency are to Canadian dollars (\$). If it is necessary to convert money from another currency to Canadian dollars, such money will be converted using the exchange rates in effect at the date of payment unless otherwise specifically noted.
- 1.4 Currency. Unless otherwise stated, all references to money in this Agreement shall be deemed to be references to the currency of Canada.
- 1.5 Cross-references. Unless otherwise stated, all references in this Agreement to a designated “section”, “subsection”, “paragraph” or other subdivision is to the designated section, subsection, paragraph or other subdivision of this Agreement.
- 1.6 Schedules. The following are the schedules attached to and incorporated in this Agreement by this reference and deemed to form a part hereof:
- (a) Schedule “A” – Summary of Exchanged Shares.
  - (b) Schedule “B” – Signature Page of Calipuy Shareholders.
  - (c) Schedule “C” – List of Properties of Calipuy.

- (d) Schedule "D" – Material Contracts of Calipuy.
- (e) Schedule "E" – Subsidiaries and Investments of Calipuy.
- (f) Schedule "F" – Third Party Approvals and consents required to be obtained by Calipuy.
- (g) Schedule "G" – Subsidiaries and Investments of Element79.
- (h) Schedule "H" – Capitalization of Element79.
- (i) Schedule "I" – Third Party Approvals and consents required to be obtained by Element79.
- (j) Schedule "J" – Lock-Up Shareholders.
- (k) Schedule "K" – Form of Lock-Up Agreement.
- (l) Schedule "L" – Form of Performance Bonus Warrant Certificate
- (m) Schedule "M" – U.S. Representation Letter.

## 2. SALE AND PURCHASE OF SUBJECT SHARES

- 2.1 Sale and Purchase of the Subject Shares. On the terms and subject to the conditions set forth in this Agreement and based on the warranties and representations herein contained, the Calipuy Shareholders hereby sell, transfer, convey, assign and deliver to Element79, free and clear of all Encumbrances, and Element79 hereby purchases, acquires and accepts from each of the Calipuy Shareholders, the number of Subject Shares as summarized in Schedule "A", (which Subject Shares will represent all of the issued and outstanding Calipuy Shares and securities of Calipuy on Closing), in consideration for the issuance of (i) the number of Consideration Shares summarized in Schedule "A" (being in aggregate, 19,165,486 Element79 Shares issued to the Calipuy Shareholders) at a deemed price of \$1.00 per share, and (ii) Performance Bonus Warrants as described in subsection 2.2 hereof.
- 2.2 Performance Bonus Warrants. As additional consideration for purchase of the Subject Shares, on Closing, Element79 will, issue to each Calipuy Shareholder, non-transferable Performance Bonus Warrants entitling each Calipuy Shareholder to purchase a number of Performance Bonus Warrant Shares equal to 20% of the total number of Element79 Shares issued to such Calipuy Shareholder pursuant to subsection 2.1 hereof (being in aggregate, 3,833,085 Performance Bonus Warrants issued to the Calipuy Shareholders). The Performance Bonus Warrants will only be exercisable if Element79 achieves the Bonus Warrant Production Target within three years of the Closing Date. The number of Performance Bonus Warrants to be issued to each Calipuy Shareholder is more particularly described in Schedule "A" attached hereto. The terms and conditions of the Performance Bonus Warrants shall be substantially as set out in the form of warrant certificate attached hereto as Schedule "L" (the "**Performance Bonus Warrant Certificate**"). The number of Element79 Shares issuable on exercise of the Performance Bonus Warrants is subject to adjustment for consolidation and subdivision, as described in the Performance Bonus Warrant Certificate.
- 2.3 No Fractional Consideration Securities. Notwithstanding any other provision of this Agreement, no fractional Consideration Securities will be issued pursuant to the Acquisition. In lieu of any such fractional securities, any Calipuy Shareholder entitled to receive a fractional number of Consideration Securities will have such fraction rounded down to the nearest whole number of applicable Consideration Securities.
- 2.4 Lock-Up. Consideration Securities received by those Calipuy Shareholders, set out and described in the Schedule "J", who hold greater than eight percent (8%) of the issued and outstanding shares of Calipuy on

the date hereof ("**Lock-Up Securities**"), will be subject to a Lock-Up agreement (the "**Lock-Up Agreement**") (in the form attached hereto as Schedule "K") to be entered into among Element79 and the holders of Lock-Up Shares ("**Lock-Up Shareholders**"). Pursuant to the terms of the Lock-up Agreements, 50% of the Lock-Up Shares held by each Lock-Up Shareholder will be released from the Lock-Up Agreement at 6 months from the Closing Date and the remaining 50% of the Lock-Up Shares will be released from the Lock-Up Agreement at 12 months from the Closing Date. The Lock-Up Shareholders agree to sign and deliver the Lock-Up Agreement concurrent with their execution of this Agreement and agree that the certificates representing such Lock-Up Shares will bear such legends as may be required in respect of the same. The Lock-Up Shareholders acknowledge and agree that the restrictions imposed by the Lock-Up Agreement are in addition to any resale restrictions that may apply pursuant to Securities Laws and Exchange policies.

- 2.5 Restricted Securities. Each of the Parties acknowledges and agrees that the Consideration Securities issued pursuant to the terms and conditions set forth in this Agreement may have such hold periods as are required under Securities Laws and the policies of the Exchange, and, as a result, and if applicable, may not be sold, transferred or otherwise disposed of, except pursuant to an effective registration statement or prospectus, or pursuant to an exemption from, or in a transaction not subject to, the registration or prospectus requirements of Securities Laws, and in each case only in accordance with all Securities Laws.
- 2.6 Tax Election. At the request of any Calipuy Shareholder, Element79 will make a joint election under subsection 85(1) of the ITA (or any analogous provisions of any provincial tax legislation) with such Calipuy Shareholder in respect of the disposition of any Calipuy Shares by such Calipuy Shareholder to Element79 under this Agreement. Element79 agrees that the agreed amount under each such joint election will be determined by the applicable Calipuy Shareholder in such Calipuy Shareholder's sole discretion, but within the limits set out in the ITA (and any applicable analogous provincial Tax legislation). Element79 further agrees that, upon delivery by a Calipuy Shareholder to Element79 of a duly completed election form prescribed under subsection 85(1) of the ITA (or the corresponding provisions of any applicable analogous provincial Tax legislation) pursuant to this subsection 2.6, duly signed by such Calipuy Shareholder, Element79 will, within 30 days of receipt of such election form (or forms) from such Calipuy Shareholder, sign such election form (or forms) and cause any such election form (or forms) to be returned to such Calipuy Shareholder. Such Calipuy Shareholder agrees that, apart from the agreement by Element79 in the immediately preceding sentence to sign and cause to be returned to such Calipuy Shareholder any election form delivered by such Calipuy Shareholder to Element79 in accordance with this subsection 2.6, the determination of whether the Calipuy Shareholder is eligible to make such election, and the completing and/or filing of any such tax election will be the sole responsibility of such Calipuy Shareholder and Element79 will not have any liability to any person for any failure (including any liability for taxes, penalties or interest payable as a result of such failure) by such Calipuy Shareholder to make or file a tax election pursuant to this subsection 2.6 on a timely basis, nor for any error or omission in any such tax election filed by such Calipuy Shareholder with the relevant Tax authorities. If such Calipuy Shareholder subsequently delivers an amended election form to Element79, the provisions of this subsection 2.6 will apply to such Calipuy Shareholder's request to jointly make the amended tax election, mutatis mutandis.
- 2.7 Application of the Income Tax Act. The Parties hereby acknowledge and agree that the Acquisition is not intended to give rise to any income tax liability whatsoever, and it is their intention that the transactions contemplated hereby be effected pursuant to the provisions of section 85.1 of the ITA, unless that provision is inapplicable in respect of any particular Calipuy Shareholder, in which case the non-application of section 85.1 to a particular Calipuy Shareholder is not intended to alter the application of this provision to any other Calipuy Shareholder.
- 2.8 Acknowledgements. Each of the Calipuy Shareholders hereby acknowledges and agrees with Element79 as follows:

- (a) the transfer of the Subject Shares and the issuance of the Consideration Shares and Performance Bonus Warrants in exchange therefor will be made pursuant to appropriate exemptions (the “**Exemptions**”) from the formal takeover bid and registration and prospectus (or equivalent) requirements of Securities Laws; and
- (b) as a consequence of acquiring the Consideration Securities pursuant to the Exemptions:
- (i) the Purchaser is relying on exemptions from the requirements to provide the Calipuy Shareholders with a prospectus and to sell securities through a Person registered to sell securities under Securities Laws and, as a consequence of acquiring securities pursuant to such exemptions, certain protections, rights and remedies provided by Securities Laws, including statutory rights of rescission or damages, will not be available to the Calipuy Shareholders,
  - (ii) the Calipuy Shareholders may not receive information that might otherwise be required to be provided to the Calipuy Shareholders, 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) there is no government or other insurance covering the Consideration Securities,
  - (iv) there are risks associated with the acquisition of the Consideration Securities,
  - (v) there may be restrictions on the Calipuy Shareholders’ ability to resell any of the Consideration Securities, and it is the responsibility of each Calipuy Shareholder to find out what those restrictions are and to comply with them before selling such securities,
  - (vi) Calipuy Shareholders will be restricted from using certain of the civil remedies available under Securities Laws, and
  - (vii) no securities commission, stock exchange or similar regulatory authority has reviewed or passed on the merits of an investment in the Consideration Securities;
- (c) the certificates or DRS (as defined herein) representing the Consideration Securities, as applicable, will bear such legends as may be required by Securities Laws, the policies of the Exchange and the Lock-Up Agreements, where applicable. If the Calipuy Shareholder is a U.S. Person, the certificates representing the Consideration Securities will bear the following legend in lieu of the above legend:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF ELEMENT79 GOLD CORP. (THE “ISSUER”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT OR (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE

ISSUER AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, AND IF APPLICABLE THE ISSUER'S TRANSFER AGENT, TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”;

- (d) each Calipuy Shareholder is knowledgeable of, or has been independently advised as to, the Applicable Laws of the jurisdiction that the Calipuy Shareholder is resident of, which apply to the sale of the Subject Shares and the issuance of the Consideration Securities and which may impose restrictions on the resale of such Consideration Securities in that jurisdiction and it is the responsibility of the Calipuy Shareholder to find out what those resale restrictions are, and to comply with them before selling the Consideration Securities;
- (e) each Calipuy Shareholder agrees to be bound by any restrictions on the resale of the Consideration Securities issued to it on the completion of this Agreement that may be imposed by Applicable Laws and the Exchange and to resell the Consideration Securities only in accordance with the provisions of the Applicable Laws, including the *Securities Act* (British Columbia) and the securities regulations of the residence of Calipuy Shareholders, pursuant to registration under the applicable securities act, or pursuant to an available exemption from registration; and
- (f) each Calipuy Shareholder understands and agrees that there may be material tax consequences to Calipuy Shareholders in the event of an arrangement or disposition of the Consideration Securities; and neither Calipuy nor Element79 gives any opinion or make any representation with respect to the tax consequences to Calipuy Shareholders under Canadian federal, state, provincial, local or foreign tax law of the acquisition or disposition of the Consideration Securities.

### **3. NOMINATION OF DIRECTORS**

- 3.1 Directors on Closing. Unless otherwise agreed to in writing by the Parties, the Element79 Board immediately following the Closing (or the next Annual General Meeting of shareholders of E79, as applicable) shall be comprised of two representatives of the Calipuy Shareholders, namely Shane J. Williams and Antonios Maragakis, and of three representatives of the Purchaser, namely Konstantin Lichtenwald, Neil Pettigrew and another representative as appointed by the Purchaser at a later date. There will be no changes to the officers of the Purchaser as a result of the Acquisition or Closing.
- 3.2 Governance of Calipuy. The board of directors, officers or other governing bodies of Calipuy shall be reorganized following Closing at the discretion of the Board of Element79.

### **4. INDEPENDENT PROFESSIONAL ADVICE**

- 4.1 Independent Legal Advice. Each of the Parties to this Agreement acknowledges and agrees that in respect this Agreement and the transactions that are necessitated as a result of this Agreement, that (a) David Smalley Law Corp. (“**DSL**C”) has acted as legal counsel to Calipuy only and not to any other Party to this Agreement, and that DSLC has not been engaged to protect the rights and interests of any of the other parties, including the Calipuy Shareholders; and (b) Clark Wilson LLP (“**CW**”) has acted as legal counsel to Element79 only and not to any other Party to this Agreement, and that CW has not been engaged to protect the rights and interests of any of the other parties, including the Calipuy Shareholders. The Calipuy Shareholders acknowledge and agree that Calipuy, Element79, DSLC and CW have given them adequate opportunity to seek, and have recommended that the Calipuy Shareholders seek and obtain independent legal advice with respect to the subject matter of this Agreement and for the purpose of ensuring their rights and interests are protected. Calipuy Shareholders represent and warrant to Calipuy, Element79, DSLC and

CW that the Calipuy Shareholders have sought independent legal advice or consciously chosen not to do so with full knowledge of the risks associated with not obtaining such independent legal advice.

- 4.2 Independent Tax Advice. Each Calipuy Shareholder represents and warrants to Calipuy and Element79 that they have sought independent tax advice from a tax practitioner prior to signing this Agreement. The Calipuy Shareholders understand that they shall be responsible for their own tax liability that may arise as a result of the transactions contemplated herein.

## 5. CLOSING

- 5.1 Purchase in Escrow. The Parties agree that the Closing will occur in escrow whereby the share certificates or DRS representing the Consideration Shares, the share certificates representing the Subject Shares, the Performance Bonus Warrant Certificates representing the Performance Bonus Warrants, and all other closing documents will be held by the Vendor's Solicitors and Purchaser's Solicitors in escrow. The closing documents will be released from escrow to the respective Parties entitled to each document once the Purchaser's Solicitors and Vendor's Solicitors have received all the closing documents set forth in subsections 7.1(k) and 7.2(k), respectively.
- 5.2 Closing Date. The Closing shall take place as promptly as practicable, but no later than June 30, 2022, or such other time, date or place as Calipuy and Element79 may mutually agree upon.
- 5.3 Closing in Escrow. All documents shall be delivered by email, courier or hand delivered, and in advance of the Closing and held in escrow by the Purchaser's Solicitors until all deliveries set forth in subsections 7.1(k) and 7.2(k) are completed or waived by Element79 and Calipuy, and Calipuy on behalf of all Calipuy Shareholders, and until Element79 and Calipuy have agreed to terminate the escrow.

## 6. CONDITIONS PRECEDENT

- 6.1 In favour of all Parties. The obligations of Element79, Calipuy and Calipuy Shareholders to complete the transactions contemplated herein are subject to the fulfillment of the following conditions at or before the Closing or such other time as is specified below:
- (a) *Third Party Approvals.* The Third Party Approvals (set out in Schedule "F" and Schedule "I") and all other consents, approvals and authorizations (including, without limitation, the securities commissions and other regulatory approvals) required or necessary in connection with the transactions contemplated herein shall have been obtained on terms and conditions satisfactory to Element79 and Calipuy, acting reasonably, and all applicable domestic and foreign statutory or regulatory waiting periods to the transactions contemplated under this Agreement shall have expired or been terminated, and no objection or opposition shall have been filed, initiated or made by any regulatory authority during any applicable statutory or regulatory period
- (b) *No Prohibiting Orders.* There shall be no action taken under any existing applicable laws or any statute, rule, regulation or Order which is enacted, enforced, promulgated or issued by any court, department, commission, board, regulatory body, government or Governmental Authority or similar agency, domestic or foreign, that:
- (i) makes illegal or otherwise directly or indirectly restrains, enjoins or prohibits the transactions contemplated herein; or
- (ii) results in a judgment or assessment of material damages directly or indirectly relating to the transactions contemplated herein.

The foregoing conditions are for the mutual benefit of Element79 on the one hand and Calipuy and Calipuy Shareholders on the other hand and may be waived, in whole or in part, by the Parties, at any time in which event the Parties shall have no further liability except as provided under this Agreement. If any of the said conditions precedent shall not be complied with or waived as aforesaid on or before the Closing then, subject to subsection 6.4, either Party may rescind and terminate its obligations to sell or purchase the Subject Shares as contemplated in this Agreement by written notice to the other Party in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of such rescinding Party's breach of this Agreement.

6.2 In favour of Element79. The obligations of Element79 to effect the Closing and the transactions contemplated by this Agreement shall be subject to the satisfaction at or prior to the Closing, of each of the following conditions, any of which may be waived, in writing, by Element79:

- (a) *Agreement from Calipuy Shareholders.* This Agreement shall have been signed by Calipuy Shareholders holding Subject Shares that represent all of the Subject Shares and securities of Calipuy outstanding at Closing.
- (b) *Representations and Warranties.* The representations and warranties of Calipuy and Calipuy Shareholders contained in this Agreement (i) which are qualified by the expression "material," "material adverse change" or "material adverse effect" shall be true and correct as of the Closing Date as if made on such date, and (ii) all other representations and warranties in this Agreement which are not so qualified shall be true and correct in all material respects on the Closing Date as if made on such date, except as would not, in the aggregate, reasonably be expected to have a Material Adverse Effect on Calipuy, its Subsidiaries, the Properties and the Subject Shares.
- (c) *Perform Covenants.* Calipuy and Calipuy Shareholders shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by it prior to Closing.
- (d) *No Material Adverse Effect.* Between the date of this Agreement and the date of Closing, nothing shall have occurred that has had or would be reasonably expected to have a Material Adverse Effect on Calipuy, its Subsidiaries, the Properties and the Subject Shares.
- (e) *Due Diligence.* Element79 shall be satisfied that its due diligence, analysis and other customary examinations that it has performed regarding Calipuy, its Subsidiaries and the Properties are consistent, in all material respects, with the representations and warranties of Calipuy and the Calipuy Shareholders set forth in this Agreement.
- (f) *Executive and Director Agreements.* Calipuy shall terminate all Executive and Director Agreements and obtain a waiver of all payments pursuant to the Executive and Director Agreements, including without limitation, where applicable, any payments owed as a result of a "Change of Control", "Fundamental Acquisition" and other similar events, as more particularly explained in such Executive and Director Agreements.
- (g) *Third Party Consents.* Calipuy shall have provided notice to each of the vendors under the Purchase and Sale Agreements and holders of the Royalties as required by each of the Royalty Agreements, respectively, including, but not limited to, the 30 day written notice to be provided to Sandstorm Gold Ltd. as contemplated in the Lucero Royalty Agreement.
- (h) *Ownership of Properties:* Calipuy, or its Subsidiaries, as the case may be and as described in Schedule "C", shall own 100% of the registered and beneficial interest in and to the Properties and related assets, free and clear of all Encumbrances other than as set out in Schedule "C" and the

Calipuy Disclosure Letter, as applicable, and shall deliver a title opinion to the Purchaser with respect to the Properties on Closing;

- (i) *Pre-Emptive Right.* Condor shall have confirmed in writing that Closing will not trigger the right to exercise the Condor Pre-Emptive Right in respect of the transactions contemplated under this Agreement;
- (j) *Calipuy Financial Statements.* Element79 and its accountants will be reasonably satisfied with their review of the Calipuy Financial Statements.
- (k) *Material Contracts Not in Default.* Calipuy is not in default of or breach of its obligations under any Material Contracts to which Calipuy is a party.
- (l) *Exchange Acceptance.* Element79 shall, where required, have obtained acceptance or conditional acceptance from the Exchange of the Acquisition.
- (m) *Exemption Available.* An exemption from the prospectus requirements of Securities Laws being available for the issuance of the Consideration Securities to the Calipuy Shareholders.
- (n) *Calipuy Auditors Review.* Calipuy's auditors shall have completed all necessary audits and reviews of the Calipuy Financial Statements and audits or reviews of any subsequent period required by regulatory authorities and such statements showing no material adverse matters.
- (o) *Litigation.* Except as disclosed in the Calipuy Disclosure Letter, there shall not be pending or, to the knowledge of Calipuy and Calipuy Shareholders, threatened, any suit, action or proceeding by any person, including a Governmental Authority:
  - (i) seeking to prohibit or restrict the acquisition by Element79 of the Subject Shares, seeking to restrain or prohibit the consummation of the transaction contemplated by this Agreement, or any of the other elements of the transaction, or seeking to obtain from Calipuy and Calipuy Shareholders any material damages directly or indirectly in connection with this Agreement;
  - (ii) seeking to prohibit or materially limit the ownership of the Subject Shares by Element79; and
  - (iii) seeking to impose limitations on the ability of Element79 or any of its affiliates to acquire or hold, or exercise full rights of ownership of the Subject Shares, including the right to vote on all matters properly presented to the shareholders of Calipuy;

which, if successful, in the judgement of Calipuy and Calipuy Shareholders is reasonably likely to have a Material Adverse Effect on Calipuy, Calipuy Shareholders or Element79.

The foregoing conditions precedent are for the exclusive benefit of Element79 and may be waived, in whole or in part, by Element79 in writing at any time in which event the Parties shall have no further liability except as provided under this Agreement. If any of the said conditions shall not be complied with or waived by Element79 on or before the Closing Date, then subject to subsection 6.4, Element79 may rescind and terminate its obligations to purchase the Subject Shares pursuant to this Agreement by written notice to Calipuy and Calipuy Shareholders in circumstances where the failure to satisfy any such condition is not the result, directly or indirectly, of Element79's breach of this Agreement.

6.3 In favour of Calipuy and Calipuy Shareholders. The obligations of Calipuy and Calipuy Shareholders to effect the Closing and the transactions contemplated by this Agreement shall be subject to the satisfaction at or prior to the Closing, of each of the following conditions:

- (a) *Representations and Warranties.* The representations and warranties of Element79 contained in this Agreement (i) which are qualified by the expression “material,” “material adverse change” or “material adverse effect” shall be true and correct as of the Closing Date as if made on such date, and (ii) all other representations and warranties in this Agreement which are not so qualified shall be true and correct in all material respects on the Closing Date as if made on such date, except as would not, in the aggregate, reasonably be expected to have a Material Adverse Effect on Element79.
- (b) *Perform Covenants.* Element79 shall have performed and complied in all material respects with all covenants and agreements required by this Agreement to be performed or complied with by them prior to Closing.
- (c) *No Material Adverse Effect.* Between the date of this Agreement and the date of Closing, nothing shall have occurred that has had or would be reasonably expected to have a Material Adverse Effect on Element79.
- (d) *Litigation.* There shall not be pending or, to the knowledge of Element79, threatened, any suit, action or proceeding by any person, including a Governmental Authority:
  - (i) seeking to prohibit or restrict the acquisition by Calipuy Shareholders of the Consideration Securities, seeking to restrain or prohibit the consummation of the transaction contemplated by this Agreement or any of the other elements of the transaction or seeking to obtain from Element79 any material damages directly or indirectly in connection with this Agreement,
  - (ii) seeking to prohibit or materially limit the ownership of the Consideration Securities by Calipuy Shareholders,
  - (iii) seeking to impose limitations on the ability of Calipuy Shareholders or any of its affiliates to acquire or hold, or exercise full rights of ownership of the Consideration Securities, including the right to vote on all matters properly presented to the shareholders of Element79,

which, if successful, in the judgement of Element79 is reasonably likely to have a Material Adverse Effect on Calipuy Shareholders, Calipuy or Element79.

The foregoing conditions precedent are for the exclusive benefit of Calipuy and Calipuy Shareholders and may be waived, in whole or in part, by Calipuy and Calipuy Shareholders in writing at any time on which event the Parties shall have no further liability except as provided under this Agreement including pursuant to subsection 16.3 hereof. If Calipuy or a Calipuy Shareholder is not satisfied with any of the foregoing conditions or does not waive any of the foregoing conditions, Calipuy or the Calipuy Shareholder must deliver, in accordance with subsection 16.8, notice of such dissatisfaction or non-waiver to Element79 prior to the Closing Date, that Calipuy or the Calipuy shareholder has not been satisfied and has not waived any of the foregoing conditions. If any of the said conditions shall not be complied with or waived by Calipuy or Calipuy Shareholders on or before the Closing Date, then subject to subsection 6.4, Calipuy or Calipuy Shareholders may rescind and terminate their obligations under this Agreement and to sell the Subject Shares pursuant to this Agreement by written notice to Element79 in circumstances where the failure to

satisfy any such condition is not the result, directly or indirectly, of the Calipuy or Calipuy Shareholders' breach of this Agreement.

6.4 Notice and Cure Provisions. Each Party will give prompt written notice to the other Party of the occurrence, or failure to occur, at any time from the date hereof until the Closing, of any event or state of facts which occurrence or failure would, or would reasonably be likely to:

- (a) cause any of the representations or warranties of any other Party contained herein to be untrue or inaccurate in any material respect on the date hereof or on the Closing, as applicable;
- (b) result in the failure to comply with or satisfy any covenant or agreement to be complied with or satisfied by any other Party prior to the Closing; or
- (c) result in the failure to satisfy any of the conditions precedent in its favour contained in subsections 6.1, 6.2 or 6.3, as the case may be.

Subject as herein provided, a Party may elect not to complete the transactions contemplated hereby pursuant to the conditions precedent in its favour contained in subsections 6.1, 6.2 or 6.3, as applicable, or exercise any termination right arising therefrom provided, however, that: (A) the Party intending to rely thereon has delivered a written notice to the other Parties specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfilment of the applicable condition precedent or termination right, as the case may be; and (B) if any such notice is delivered, and a Party is proceeding diligently to cure such matter, if such matter is capable of being cured, the other Parties may not terminate this Agreement until the earlier of the Closing Date and the expiration of a period of 15 days from such notice. All notices will be delivered in accordance with subsection 16.8.

## 7. COVENANTS OF ELEMENT79, CALIPUY AND CALIPUY SHAREHOLDERS

7.1 Given by Element79. Element79 covenants and agrees with Calipuy and Calipuy Shareholders that Element79 will do the following commencing on the date hereof and ending at Closing:

- (a) *Third Party Approvals.* As soon as reasonably practicable following the date hereof, Element79 shall make such Exchange Filings with the Exchange as are required to complete the transactions contemplated by this Agreement and obtain all necessary Third Party Approvals (as set out in Schedule "I") for Element79 to complete the transactions contemplated hereunder.
- (b) *Conditions Precedent.* Comply with the terms hereof and faithfully and expeditiously seek to satisfy the conditions precedent set out in subsections 6.1 and 6.3 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 Acquisition and related transactions by the Closing Date and in any event no later than the Closing Date, or such later date as may be approved in writing by Element79 and Calipuy.
- (c) *Exchange Listing and Corporate Existence.* Ensure that the Element79 Shares remain listed on the Exchange, use its commercially reasonable efforts to achieve good standing under all Applicable Laws, will preserve and maintain its corporate existence and will use its commercially reasonable efforts to achieve good standing in the jurisdiction of its incorporation, and will maintain the rights, privileges and franchises of Element79, (except, in each case, in the event of a merger or consolidation in which Element79 is not the surviving entity) in each case where failure to so preserve or maintain could have a Material Adverse Effect on Element79.

- (d) *Securities Laws.* Comply in all material respects with all their obligations under applicable Securities Laws.
- (e) *Licenses.* Maintain at all times all material licenses or permits necessary to the conduct of its business and as required by any Governmental Agency or instrumentality thereof.
- (f) *Taxes and Claims.* Duly pay and discharge (a) all material taxes, assessments and governmental charges upon or against Element79 or its properties or assets prior to the date on which penalties attach thereto, unless and to the extent that such taxes are being diligently contested in good faith and by appropriate proceedings, and appropriate reserves therefor have been established, and (b) all material lawful claims, whether for labor, materials, supplies, services or anything else which might or could, if unpaid, become a lien or charge upon the properties or assets of Element79 unless and to the extent only that the same are being diligently contested in good faith and by appropriate proceedings and appropriate reserves therefor have been established.
- (g) *Assumption Agreements.* Enter into such agreements (the “**Assumption Agreements**”) to make Element79 a guarantor or party to (i) each Purchase and Sale Agreement, (ii) each Share Pledge Agreement and (iii) each Royalty Agreement, in the manner as required by such agreements or as required by the vendors or Royalty holders under such agreements, respectively.
- (h) *Consulting Agreement.* On or before September 15, 2022, negotiate and enter into a consulting agreement with Luis H. Goyzueta for his services as management of Calipuy (the “**Consulting Agreement**”). The terms of the Consulting Agreement will be substantially similar to those of the Goyzueta Agreement, subject to applicable Securities Laws and the policies of the Exchange.
- (i) *Perform Covenants.* Duly comply in all material respects with all the terms and covenants contained herein and in each of the instruments and documents given to Calipuy and Calipuy Shareholders in connection with or pursuant to this Agreement, all at the times and places and in the manner set forth herein or therein.
- (j) *Negative Covenants.* Element79 shall not, directly or indirectly do or permit to occur any of the following:
  - (i) take any action, refrain from taking any action (subject to their commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to impede the completion of the transactions contemplated by this Agreement;
  - (ii) enter into any transaction or perform any act that might interfere with or be inconsistent with the successful completion of the sale and transfer of the Subject Shares by Calipuy Shareholders under the Agreement or which would render, or which may reasonably be expected to render, untrue or inaccurate (without giving effect to, applying or taking into consideration any materiality or material adverse effect qualification already contained within such representation or warranty) in any material respect any of Element79’s representations and warranties set forth in this Agreement;
  - (iii) pay, settle, discharge or satisfy any material claims, litigation, liabilities or obligations other than liabilities reflected or reserved against in Element79’s consolidated financial statements and disclosed in Element79’s Public Disclosure Documents; or
  - (iv) announce an intention, enter into any formal or informal agreement, or otherwise make a commitment to do any of the things prohibited by any of the foregoing subsections.

- (k) *Deliveries on Closing.* At or prior to the Closing Date, Element79 shall deliver or cause to be delivered to Calipuy and Calipuy Shareholders, as applicable, the following:
- (i) a certificate signed by one officer of Element79, in form and substance satisfactory to Calipuy, acting reasonably, and, certifying as follows:
    - (A) that attached thereto are true and complete copies of the resolutions of the board of directors of Element79 authorizing the execution, delivery and performance of this Agreement and the Related Documents, instruments and certificates required to be executed by it in connection herewith and approving the consummation of the transactions in the manner contemplated hereby including, but not limited to the authorization and approval of the acquisition of the Subject Shares from Calipuy Shareholders, the issuance of Consideration Shares and Performance Bonus Warrants to Calipuy Shareholders in consideration therefore and the reservation of the Performance Bonus Warrant Shares, all as provided for in this Agreement;
    - (B) the names and true signatures of the officers and directors of Element79 signing this Agreement and all Related Documents;
    - (C) confirming that (i) the representations and warranties of Element79 contained in this Agreement are true and correct in every respect as of the Time of Closing on the Closing Date, (ii) that Element79 has so complied with its covenants herein, and (iii) that the conditions precedent in favour of Element79 have been complied with or are waived by Element79;
    - (D) such other matters as required by this Agreement; and
    - (E) such other matters as Calipuy may reasonably request;
  - (ii) executed copies of all required Exchange Filings and evidence of the Exchange Approval to the Acquisition, if such approval is required;
  - (iii) executed Assumption Agreements;
  - (iv) certificates or direct registration advices (“**DRS**”) representing the Consideration Shares registered in the respective names of the Calipuy Shareholders;
  - (v) Performance Bonus Warrant Certificates representing the Performance Bonus Warrants and registered in the respective names of the Calipuy Shareholders; and
  - (vi) such other documents or materials that are, in the opinion of Calipuy, and Calipuy on behalf of the Calipuy Shareholders, acting reasonably, required to be delivered by Element79 in order for Calipuy and Calipuy Shareholders to meet its obligations under this Agreement.
- (l) *Further Assurances.* At the cost and expense of Element79, upon written request of Calipuy or Calipuy on behalf of a Calipuy Shareholder, duly execute and deliver, or cause to be duly executed and delivered, to Calipuy, or Calipuy on behalf of a Calipuy Shareholder, such further instruments and do and cause to be done such further acts as may be necessary, advisable or proper, at the reasonable request of Calipuy, or Calipuy on behalf of a Calipuy Shareholder, to carry out more effectually the provisions and purposes of this Agreement.

7.2 Given by Calipuy and Calipuy Shareholders. Calipuy and Calipuy Shareholders covenant and agree with Element79 that Calipuy and Calipuy Shareholders will do the following commencing on the date hereof and ending at Closing:

- (a) *Public Disclosures.* Permit Element79 to publicly disclose the results of their due diligence as Element79 decides in its sole discretion after giving Calipuy an opportunity to review and comment on such public disclosure.
- (b) *Investigation.* Provided in each case reasonable prior notice has been given, allow Element79 or any of its representatives or agents, at their own cost, full access during normal business hours to the books, records and property including, without limitation, all of the assets, contracts, financial records and minute books of Calipuy, so as to permit Element79 to make such continuing investigation of Calipuy as Element79 deems necessary.
- (c) *Licenses.* Maintain at all times all material licenses or permits necessary to the conduct of its business and as required by any Governmental Agency or instrumentality thereof.
- (d) *Assistance with Exchange Filings and Approval.* Calipuy and Calipuy Shareholders shall provide to Element79 all such further documents, instruments and materials and do all such commercially reasonable acts and things as may be reasonably required by Element79 to complete the Exchange Filings and obtain Exchange Approval, if such approval is required, including providing Element79 with:
  - (i) the information it requires in connection with the Properties, Calipuy, Calipuy Shareholders and beneficial ownerships of the Subject Shares for documents required by the Exchange, other regulatory authorities and Securities Laws; and
  - (ii) such other documents as Element79 may reasonably request.
- (e) *Approvals.* Calipuy shall use its commercially reasonable efforts to obtain all required third party consents, and Third Party Approvals, consents or agreements to be able to deliver 100% of the Subject Shares on Closing.
- (f) *Conditions Precedent.* Calipuy and Calipuy Shareholders shall comply with the terms hereof and faithfully and expeditiously seek to satisfy the conditions precedent set out in subsections 6.1 and 6.2 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 Acquisition and related transactions by the Closing Date and in any event no later than the Closing Date, or such later date as may be approved in writing by Element79 and Calipuy.
- (g) *Interim Period Conduct.* Calipuy shall do all such commercially reasonable acts and things necessary to ensure that it conducts its affairs so that all of its representations and warranties contained herein (i) which are qualified by the expression “material,” “material adverse change” or “material adverse effect” shall be true and correct as of the Closing Date as if made on such date, and (ii) all other representations and warranties in this Agreement which are not so qualified shall be true and correct in all material respects on the Closing Date as if made on such date.
- (h) *Taxes and Claims.* Calipuy shall duly pay and discharge (a) all material taxes, assessments and governmental charges upon or against Calipuy or their properties or assets prior to the date on which penalties attach thereto, unless and to the extent that such taxes are being diligently contested in good faith and by appropriate proceedings, and appropriate reserves therefor have been established, and (b) other than in respect of fees and expenses related to the transactions

contemplated by this Agreement which shall be paid by Element79 pursuant to subsection 16.3 hereof, all material lawful claims, whether for labor, materials, supplies, services or anything else which might or could, if unpaid, become a lien or charge upon the properties or assets of Calipuy unless and to the extent only that the same are being diligently contested in good faith and by appropriate proceedings and appropriate reserves therefor have been established.

- (i) *Perform Covenants.* Calipuy and Calipuy Shareholders shall duly comply with all the terms and covenants contained herein and in each of the instruments and documents given to Element79 in connection with or pursuant to this Agreement, all at the times and places and in the manner set forth herein or therein.
- (j) *Negative Covenants.* Calipuy and Calipuy Shareholders shall not, directly or indirectly do or permit to occur any of the following:
  - (i) except as set out in this Agreement, cause Calipuy to issue, or reach any agreement or understanding with any other party for Calipuy to issue, any securities without the prior written consent of Element79, such consent not to be unreasonably withheld;
  - (ii) 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 Element79), with respect to any amalgamation, merger, consolidation, arrangement, restructuring, sale of any material assets or part thereof of Calipuy, unless such action is necessary to comply with the fiduciary duties of the directors and officers of Calipuy;
  - (iii) take any action, refrain from taking any action (subject to its commercially reasonable efforts), or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to impede the completion of the transactions contemplated by this Agreement;
  - (iv) enter into any transaction or perform any act that might interfere with or be inconsistent with the successful completion of the acquisition of the Subject Shares by Element79 under this Agreement or which would render, or which may reasonably be expected to render, untrue or inaccurate (without giving effect to, applying or taking into consideration any materiality or material adverse effect qualification already contained within such representation or warranty) in any material respect any of Calipuy and Calipuy Shareholders' representations and warranties set forth in this Agreement;
  - (v) cause Calipuy to pay, settle, discharge or satisfy any material claims, litigation, liabilities or obligations other than liabilities reflected or reserved against in Calipuy Financial Statements; and
  - (vi) cause Calipuy to announce an intention to enter into, or enter into, any formal or informal agreement, or otherwise make a commitment to do any of the things prohibited by any of the foregoing subsections.
- (k) *Deliveries on Closing.* At or prior to the Closing Date, Calipuy and Calipuy Shareholders shall deliver or cause to be delivered to Element79 the following:
  - (i) a certificate signed by one officer of Calipuy, in form and substance satisfactory to Element79 and, certifying as follows:

- (A) that attached thereto are true and complete copies of the resolutions of the board of directors of Calipuy and, if applicable, shareholders of Calipuy, authorizing the execution, delivery and performance of this Agreement and the Related Documents, instruments and certificates required to be executed by it in connection herewith and approving the consummation of the transactions in the manner contemplated hereby including, but not limited to:
  - (I) the authorization and approval of the sale and transfer of the Subject Shares from Calipuy Shareholders to Element79 as provided for in this Agreement;
  - (II) confirmation of the issued share capital of Calipuy as at Closing;
  - (III) the cancellation of the certificates (the "**Old Certificates**") representing the Subject Shares held by the Calipuy Shareholders; and
  - (IV) the issuance of a new certificate (the "**New Certificate**") representing the Subject Shares registered in the name of Element79;
- (B) the names and true signatures of the officers and directors of Calipuy signing this Agreement and all Related Documents;
- (C) confirming that (i) the representations and warranties of Calipuy contained in this Agreement are true and correct in every respect as of the Time of Closing on the Closing Date, (ii) that Calipuy has so complied with its covenants herein, and (iii) that the conditions precedent in favour of Calipuy have been complied with or are waived by Calipuy;
- (D) such other matters as required by this Agreement; and
- (E) such other matters as Element79 may reasonably request;
- (ii) the Old Certificates;
- (iii) the New Certificate;
- (iv) Title and Corporate Opinions. Calipuy shall deliver or cause to be delivered a legal opinion of local counsel(s) to Calipuy, addressed to Element79, in form and content acceptable to Element79 and the Exchange acting reasonably, which confirms:
  - (A) the existence of Calipuy, and its Subsidiaries and that Calipuy and its Subsidiaries are duly incorporated and in good standing under their respective corporate laws;
  - (B) that Calipuy, through its Subsidiaries, has good title to the Properties, free and clear of all Encumbrances; and
  - (C) that the title to the Properties are held by Calipuy, through its Subsidiaries, and that the Properties are free and clear of encumbrances (or state what encumbrances exist).
- (v) executed Assumption Agreements;

- (vi) evidence of acknowledgement and agreement by Condor that the transactions contemplated by this Agreement do not trigger the Condor Pre-Emptive Right;
  - (vii) evidence of termination of the Executive and Director Agreements;
  - (viii) duly executed Personal Information Form for each nominee of the Calipuy Shareholders for appointment as a director of the Purchaser immediately following Closing;
  - (ix) all books and records of Calipuy and its Subsidiaries, including corporate and financial records and the certificates representing the Calipuy Shares; and
  - (x) such other documents or materials that are, in the opinion of Element79 acting reasonably, required to be delivered by Calipuy and Calipuy Shareholders in order for Element79 to meet its obligations under this Agreement.
- (l) *Further Assurances.* At the cost and expense of Calipuy or Calipuy Shareholders, upon written request of Element79, duly execute and deliver, or cause to be duly executed and delivered, to Element79 such further instruments and do and cause to be done such further acts as may be necessary, advisable or proper, at the reasonable request of Element79, to carry out more effectually the provisions and purposes of this Agreement.

7.3 *Investigation.* The representations, warranties, covenants and agreements set forth in this Agreement shall not be affected or diminished in any way by any investigation (or failure to investigate) at any time by or on behalf of the Party for whose benefit such representations, warranties, covenants and agreements were made. Without limiting the generality of the foregoing, the inability or failure of a Party to discover any breach, default or misrepresentation by the other Party under this Agreement or the Related Documents (including under any certificate furnished pursuant to this Agreement), notwithstanding the exercise by a Party of its rights hereunder to conduct an investigation shall not in any way diminish any liability hereunder.

## 8. REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties of Element79. In order to induce Calipuy and Calipuy Shareholders to enter into this Agreement and complete their obligations hereunder, Element79 represents and warrants to Calipuy and Calipuy Shareholders that:

- (a) *Corporate Existence and Power.* Except as disclosed in the Element79 Disclosure Letter, Element79 is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction in which it is incorporated, and has all corporate powers required to carry on its business as now conducted. Element79 is duly qualified to do business and is in good standing in each jurisdiction where the character of the property owned or leased by Element79 or the nature of its activities makes such qualification necessary, except for those jurisdictions where the failure to be so qualified would not have a Material Adverse Effect on Element79.
- (b) *Subsidiaries and Investments.* The only Subsidiaries and Investments of Element79 are as set out in Schedule "G", attached hereto.
- (c) *Shareholder and Similar Agreements.* Element79 is not a party to any shareholder, partnership, policy, voting trust or similar agreement relating to any of the issued and outstanding securities or equity interests of Element79.

- (d) *Articles and Corporate Records.* Except as disclosed in the Element79 Disclosure Letter, to the knowledge of Element79, the corporate records and minute books of Element79 have been maintained in compliance with applicable laws, rules and regulations, except for such non-compliance as would not subject Element79 to any penalty or fine, and contain complete and accurate records of all meetings and other corporate actions of the board of directors, committees of the board of directors, incorporators and shareholders of Element79. To the knowledge of the Purchaser, all material corporate decisions and actions have been validly made or taken. To the knowledge of the Purchaser, all corporate books, including without limitation the share transfer register, comply with applicable laws, rules and regulations and have been regularly updated. To the knowledge of the Purchaser, such books fully and correctly reflect all the decisions of the shareholders.
- (e) *Corporate Authorization.*
- (i) The execution, delivery and performance by Element79 of this Agreement and the Related Documents, and the consummation of the transactions contemplated hereby and thereby (including, but not limited to, the issuance and delivery of the Consideration Securities) have been, or will by Closing, be duly authorized by all necessary corporate action, and subject to the approval of Element79's shareholders, if required by Applicable Laws, no additional corporate action is required for the approval of this Agreement and the completion of the transactions contemplated herein.
  - (ii) The Consideration Securities have been, or will by Closing be, duly reserved for issuance by Element79.
  - (iii) This Agreement and the Related Documents have been, or will by Closing, be duly executed and delivered and constitute the legal, valid and binding agreement of Element79, enforceable against Element79 in accordance with their terms.
- (f) *Non-Contravention.* The execution, delivery and performance by Element79 of this Agreement and the Related Documents, and the consummation by Element79 of the transactions contemplated hereby and thereby (including, but not limited to, the issuance of the Consideration Securities) do not and will not:
- (i) contravene or conflict with the constating documents of Element79 or any material agreement to which Element79 is a party or by which it is bound;
  - (ii) subject to obtaining Exchange Approval from the Exchange, if such approval is required, and the other Governmental Authorizations specifically contemplated in this Agreement, contravene or conflict with or constitute a violation of any provision of any law, rule, regulation or Order binding upon or applicable to Element79;
  - (iii) constitute a default (or would constitute a default with notice or lapse of time or both) under or give rise to a right of termination, cancellation or acceleration or loss of any benefit under any material agreement, contract or other instrument binding upon Element79 or under any material license, franchise, permit or other similar authorization held by Element79; or
  - (iv) result in the creation or imposition of any Encumbrances on any asset of Element79.
- (g) *Binding Obligations.* This Agreement constitutes a valid and binding obligation of Element79 enforceable against Element79 in accordance with its terms subject, however, to limitations with

respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought.

- (h) *Regulatory or Third Party Consents and Approvals.* Other than as set forth in Schedule "I", to the knowledge of Element79, no consent, approval, Order, license, permit, consent, certificate, registration or authorization of, or declaration of filing with, any Governmental Authority or any other third party is required to be obtained by Element79 in connection with the consummation of the transactions contemplated by this Agreement, except for such consents, approvals, Orders or authorizations, or declarations or filings, as to which the failure to obtain or make would not, individually or in the aggregate, prevent or materially delay the consummation of the transactions contemplated by this Agreement.
- (i) *Capitalization.* The authorized capital of Element79 as of the Effective Date is, and as at immediately prior to Closing will be, as set out in Schedule "H" attached hereto. All of Element79's issued and outstanding securities have been duly authorized and are validly issued and outstanding, and in the case of common shares are fully paid and non-assessable. To the knowledge of the Purchaser, no securities issued by Element79 from the date of its incorporation to the date hereof were issued in violation of any statutory or common law pre-emptive rights. There are no dividends which have accrued or been declared but are unpaid on the common shares of Element79. To the knowledge of Element79, all taxes required to be paid by Element79 in connection with the issuance and any transfers of Element79's common shares have been paid. To the knowledge of Element79, all permits or authorizations required to be obtained from or registrations required to be effected with any Person in connection with any and all issuances of securities of Element79 from the date of Element79's incorporation to the date hereof have been obtained or effected, and all securities of Element79 have been issued in accordance with the provisions of all applicable securities or other laws.
- (j) *Pre-emptive Rights.* Other than as disclosed in the Public Disclosure Documents, no Person possesses any pre-emptive rights in respect of the Consideration Securities.
- (k) *Options, Warrants, Rights.* Except as set forth in Public Disclosure Documents:
  - (i) there are no outstanding (A) securities, notes or instruments convertible into or exercisable for any of the capital stock or other equity interests of Element79; (B) options, warrants, subscriptions or other rights to acquire capital stock or other equity interests of Element79, or (C) commitments, agreements or understandings of any kind, including employee benefit arrangements, relating to the issuance or repurchase by Element79 of any capital stock or other equity interests of Element79, any such securities or instruments convertible or exercisable for securities or any such options, warrants or rights;
  - (ii) Element79 has not granted any anti-dilution rights to any person or entity in connection with any outstanding option, warrant, subscription or any other instrument convertible or exercisable for the securities of Element79; and
  - (iii) there are no outstanding rights which permit the holder thereof to cause Element79 to file a prospectus or registration statement under any securities law or which permit the holder thereof to include securities of Element79 in a prospectus or registration statement filed by Element79 under any securities law, and there are no outstanding agreements or other commitments which otherwise relate to the registration or qualification of any securities of Element79 for sale or distribution in any jurisdiction.

- (l) *Rights Plan.* Element79 has no rights plan or similar plan in effect nor is a rights plan or similar plan contemplated to be put in place by Element79.
- (m) *Public Filings.* To the knowledge of Element79, Element79 has filed all documents and information required to be filed by it under Securities Laws (including, without limitation, “blue sky” laws) of the United States, Canada, any other nation, and states, provinces or localities of any of the foregoing, or any rules or regulations promulgated thereunder or with the Exchange (the “**Public Disclosure Documents**”). To the knowledge of Element79, the Public Disclosure Documents do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (collectively a “**Misrepresentation**”), it being acknowledged that if there is any inconsistency between two or more documents comprising the Public Disclosure Documents regard shall be had to the last filed document. To the knowledge of Element79, all of the Public Disclosure Documents, as of their respective dates (and as of the dates of any amendments thereto), complied as to both form and content in all material respects with the requirements of applicable said securities laws. Element79 has not filed any confidential material change report with any securities regulatory authority that at the date hereof remains confidential. To the knowledge of Element79, there is no material fact concerning Element79 which has not been disclosed in the Public Disclosure Documents filed on or before the date hereof.
- (n) *Reporting Issuer Status and Exchange Listings.* As at the date hereof Element79 is a reporting issuer (within the meaning of Securities Laws) in good standing in British Columbia and Ontario has not been placed on the list of defaulting issuers as maintained by the securities commissions in the reporting jurisdictions of Element79 for a default of any requirement of any applicable Securities Laws, and neither the Exchange nor any other regulatory authority having jurisdiction over Element79 has issued any Order preventing or suspending trading of any securities of Element79. The Element79 Shares are listed and posted for trading on the Exchange, the OTC Pink Sheets, and the Frankfurt Stock Exchange and no other securities of Element79 are listed for trading or are quoted on any other stock exchange or quotation system.
- (o) *Securities Laws.*
- (i) To the knowledge of Element79, neither Element79 or any agent acting on behalf of Element79 has taken or will take any action which might cause this Agreement to violate applicable Securities Laws, as in effect on the Effective Date or will be in effect on the Closing Date. To the knowledge of Element79, all offers and sales of capital stock, securities and notes of Element79 have been conducted and completed by Element79 in compliance with applicable Securities Laws in all material respects.
- (ii) To the knowledge of Element79, all shares of Element79 and other securities issued by Element79 prior to the date hereof have been issued in transactions that were either distributions effected with a duly qualified prospectus in accordance with applicable Securities Laws or were registered offerings or were exempt from the prospectus and or registration requirements, as the case may be, under applicable Securities Laws and in compliance with all applicable corporate laws.
- (p) *Consideration Securities Duly Authorized.* Subject to Securities Laws and the rules and policies of the Exchange, Element79 has the full and lawful right and authority to issue the Consideration Securities, to Calipuy Shareholders in connection with the Acquisition and upon completion of the Acquisition, and the Consideration Shares and Performance Bonus Warrant Shares, as applicable, will be validly issued as fully paid and non-assessable common shares in the capital of Element79

free and clear of all Encumbrances, other than in respect of the Lock-Up Shares, and as required by applicable Securities Laws and the policies of the Exchange.

- (q) *Business in Compliance with Applicable Laws.* To the knowledge of Element79, Element79 has conducted and is conducting its business in compliance in all material respects with all Applicable Laws, rules and regulations of each jurisdiction in which their respective businesses are carried on and hold necessary licenses, permits, approvals, consents, certificates, registrations and authorizations, whether governmental, regulatory or otherwise, to enable their business to be carried on as now conducted and their property and assets to be owned, leased and operated, and the same are validly existing and in good standing and none of such licenses, permits, approvals, consents, certificates, registrations and authorizations contains any burdensome term, provision, condition or limitation, which has or would reasonably be expected to have a Material Adverse Effect on the operation of their business as now carried on.
- (r) *No Pending Litigation.* To the knowledge of Element79, there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of Element79) pending or, to the knowledge of Element79, threatened by or against Element79, at law or in equity, or before or by any federal, provincial, state, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign and Element79 is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success.
- (s) *Material Contracts Not in Default.* Other than as disclosed in the Element79 Disclosure Letter, to the knowledge of Element79, Element79 is not in default or breach of its obligations under any Material Contracts to which it is a party and to the knowledge of Element79, there exists no state of facts which, after notice or lapse of time or both, would constitute such a default or breach, and all such Material Contracts are now in good standing and in full force and effect without amendment thereto and Element79 is entitled to all benefits thereunder. Further, to the knowledge of Element79, there are no outstanding material disputes under any such contracts and no consents, releases, waivers or approvals are necessary under such contracts with regard to the transactions described in this Agreement. Element79 is not aware of any other party having an intention to terminate, either by notice or breach, any Material Contract made with Element79.
- (t) *No Undisclosed Material Contracts.* Element79 is not a party to any Material Contracts except as described in Public Disclosure Documents or except as disclosed in the Element79 Disclosure Letter.
- (u) *Tax Returns.* Element79 has filed with appropriate federal, state, provincial and local taxation authorities all returns, reports and declarations which are required to be filed by it and no taxing authority is asserting or has, to the knowledge of Element79 threatened to assert, or has any basis for asserting against Element79 any claim for additional taxes or interest thereon or penalty.
- (v) *Element79 Financial Statements.* The financial statements of Element79 available on SEDAR, are based on the books and records of Element79, which are true and correct in every material respect, and fairly present the financial condition of Element79 at the date thereof and the results of the operations for such periods, in accordance with IFRS. No information has come to the attention of Element79 since the dates that the financial statements of Element79 were issued that would or would reasonably be expected to require any restatement or revision of any such financial statements of Element79.
- (w) *No Undisclosed Liabilities.* To the knowledge of Element79, Element79 has no indebtedness, liabilities, tax liabilities or obligations, secured or unsecured (whether accrued, absolute,

contingent or otherwise) which are not disclosed in the financial statements available on SEDAR, except for:

- (i) those incurred in connection with the transactions contemplated by this Agreement; and
  - (ii) those incurred in the ordinary course of business, having an aggregate value of less than \$10,000.
- (x) *No Employees.* Except as set out in the Public Disclosure Documents, Element79 has never had any employees and it is a party to no written or verbal contracts of employment, whether contracts for service or management agreements.
- (y) *Liabilities to Directors and Officers.* Except as set out in the Public Disclosure Documents or as disclosed in the Element79 Disclosure Letter, Element79 does not have any obligations or liabilities to pay any amount to its officers, directors or employees relating to salary and directors' fees in the ordinary course, including but not limited to the obligations of Element79 to officers, directors or employees for severance, retention, termination or bonus payments as a result of the Acquisition.
- (z) *Withholding Remittances.* Element79 has withheld from each payment to its officers, directors, employees and shareholders the amount of all taxes and other deductions required to be withheld therefrom and has paid the same to the proper receiving officer within the time required under applicable legislation.
- (aa) *Reportable Disagreement with Auditors.* Element79 has never had any reportable disagreement (within the meaning of applicable Securities Laws) with the present or any former auditor of Element79.
- (bb) *Foreign Issuer.* Element79 is a "foreign issuer" as such term is defined in Rule 902(e) of Regulation S under the 1933 Act.

8.2 Representations and Warranties of Calipuy Shareholders. In order to induce Element79 to enter into this Agreement and complete its obligations hereunder, each Calipuy Shareholder represents and warrants to Element79 with respect to itself that:

- (a) *Sole Owner.* The Calipuy Shareholder is the sole legal and beneficial owner of the Subject Shares registered in its name as set out in the Schedule "B" signed by the Calipuy Shareholder, free and clear of all Encumbrances, with the exception of shares registered in a brokerage or other custodial account, in which case the Calipuy Shareholder is the sole beneficial holder of such Subject Shares.
- (b) *No Agreement for Additional Shares.* The Subject Shares set out in Schedule "B" signed by the Calipuy Shareholder represent all shares of Calipuy owned by the Calipuy Shareholder and the Calipuy Shareholder has no agreement or option from Calipuy to acquire or receive additional shares of Calipuy.
- (c) *Ability to Transfer.* The Calipuy Shareholder has complete and unrestricted right, power and authority to transfer legal and beneficial title in and to, with good and marketable title to, the Subject Shares to Element79, free and clear of all liens, claims, charges and Encumbrances whatsoever.

- (d) *No Cease Trade Orders.* No order ceasing or suspending trading in securities of Calipuy or prohibiting the sale of the Subject Shares by Calipuy Shareholders has been issued and no proceedings for this purpose have been instituted, or are pending, or, to the knowledge of Calipuy Shareholders after due inquiry, are contemplated or threatened.
- (e) *No Option to Acquire.* The Calipuy Shareholder has not granted to any person any agreement or option to acquire any of its Subject Shares.
- (f) *Corporate Authority.* If the Calipuy Shareholder is a corporate entity or is not an individual, the Calipuy Shareholder has taken all necessary corporate action to permit and authorize the sale of its Subject Shares to Element79.
- (g) *Agent or Trustee.* If the Subject Shares are registered in the name of an agent or trustee (the "**Registered Holder**") for the beneficial owner (the "**Beneficial Owner**") of the Subject Shares, this Agreement shall be executed by both the Registered Holder and Beneficial Owner. The Beneficial Owner hereby duly authorizes the Registered Holder to execute and deliver all documentation in connection with the transfer and sale of the Subject Shares and this Agreement shall constitute a legal, valid and binding contract of the Registered Holder and the Beneficial Owner, enforceable against the Registered Holder and Beneficial Owner in accordance with its terms, and all references to the Calipuy Shareholder is deemed to include the Beneficial Owner and all representations, warranties, covenants and agreements made by the Calipuy Shareholder is deemed to be made by the Beneficial Owner. The Beneficial Owner is acquiring the Consideration Securities as principal for its own account and not for the benefit of any other person and for investment only and not with a view to the resale or distribution of all or any of the Consideration Securities, and the Registered Holder, in its capacity as agent, is acting in compliance with all applicable securities and other laws.
- (h) *Non-Contravention.* Neither the execution and delivery of this Agreement and the Related Documents or any other agreements and instruments executed in connection with the Acquisition by the Calipuy Shareholder nor the performance by the Calipuy Shareholder of its obligations thereunder will conflict with or result in:
- (i) a violation, contravention or breach by the Calipuy Shareholder of any of the terms, conditions or provisions of any agreement or instrument to which it is a party, or by which it is bound or constitute a default by it thereunder, or, to the knowledge of the Calipuy Shareholder, after due inquiry, under any statute, regulation, judgment, decree or law by which it is subject or bound, or result in the creation or imposition of any mortgage, lien, charge or Encumbrance of any nature whatsoever upon the Calipuy shares it holds; or
  - (ii) a violation by the Calipuy Shareholder of any law or regulation or any applicable order of any court, arbitrator or governmental authority having jurisdiction over it, or require the Calipuy Shareholder, prior to the Closing or as a condition precedent thereof, to make any governmental or regulatory filings, obtain any consent, authorization, approval, clearance or other action by any Person, or await the expiration of any applicable waiting period.
- (i) *Binding Obligations.* This Agreement constitutes a valid and binding obligation of the Calipuy Shareholder enforceable against the Calipuy Shareholder in accordance with its terms subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought.

- (j) *No Pending Litigation.* To the knowledge of the Calipuy Shareholder, after due inquiry, threatened or contemplated, any suit, action, legal proceeding, litigation or governmental investigation of any sort which would:
  - (i) in any manner restrain or prevent the Calipuy Shareholder from effectually or legally transferring the Subject Shares held by it to Element79 in accordance with this Agreement;
  - (ii) cause any Encumbrance to be attached to the Subject Shares held by it;
  - (iii) affect title to the Subject Shares held by it; or
  - (iv) make Element79, Calipuy or any of the Calipuy Shareholders liable for damages in connection with the Acquisition.
  
- (k) *Full Disclosure.* The information contained in the documents, certificates and written statements, including this Agreement, furnished to Element79 by or on behalf of the Calipuy Shareholder with respect to the Calipuy Shareholder for use in connection with this Agreement or the transactions provided for by this Agreement is true and complete in all material respects and does not, to the best of the knowledge of each Calipuy Shareholder after conducting an inquiry which a reasonably prudent person would make under the circumstances, omit or state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.
  
- (l) *Resale Restrictions.* The Calipuy Shareholder acknowledges and agrees to be bound by any restrictions on the resale on the Consideration Securities issued to it on the completion of this Agreement that may be imposed by Applicable Laws and the Exchange, and in the case of the Lock-Up Shareholders, the Lock-Up Agreement.
  
- (m) *Independent Legal Advice.* Each Calipuy Shareholder has been advised to obtain independent legal and tax advice prior to entering into this Agreement, and has either obtained such advice or waived their right to do so.
  
- (n) *Not a U.S. Person.* Unless the Calipuy Shareholder has completed and delivered the U.S. Representation Letter attached as Schedule “M” hereto (in which case the Calipuy Shareholder makes the representations, warranties and covenants therein), the Calipuy Shareholder further represents and warrants that:
  - (i) the offer to sell the Calipuy Shareholder's Subject Shares and to acquire the Consideration Securities was not made to the Calipuy Shareholder when the Calipuy Shareholder was in the United States and the individuals executing and delivering this Agreement on behalf of the Calipuy Shareholder were not in the United States when this Agreement was executed and delivered;
  - (ii) the Calipuy Shareholder is not a U.S. Person and is not acquiring the Consideration Securities for the account or benefit of a U.S. Person or a person in the United States;
  - (iii) the Calipuy Shareholder is not acquiring the Consideration Securities as the result of any directed selling efforts (as defined in Rule 902(c) of Regulation S under the 1933 Act);
  - (iv) the current structure of the transactions and activities contemplated in this Agreement is not a scheme to avoid the registration requirements of the 1933 Act;

- (v) the Calipuy Shareholder has no intention to distribute either directly or indirectly any of the Consideration Securities in the United States, except in compliance with the 1933 Act; and
  - (vi) the Calipuy Shareholder understands that the Consideration Securities have not been, nor will they be, registered under the 1933 Act or the securities laws of any state of the United States and the Calipuy Shareholder understands and agrees that the Consideration Securities may not be offered or sold in the United States or to or on behalf of a U.S. Person unless the Consideration Securities are registered under the 1933 Act or an exemption from the registration requirements of the 1933 Act is available.
- (o) *International Jurisdiction.* If the Calipuy Shareholder is not a resident of Canada and not a U.S. Person, the Calipuy Shareholder further represents and warrants that:
- (i) the Calipuy Shareholder is knowledgeable of, or has been independently advised as to the applicable securities laws of the securities regulatory authorities (the “**Authorities**”) having application in the jurisdiction in which the Calipuy Shareholder is resident (the “**International Jurisdiction**”) which would apply to the acquisition of the Consideration Securities, if any;
  - (ii) the Calipuy Shareholder is acquiring the Consideration Securities pursuant to exemptions from the prospectus and registration requirements under the applicable securities laws of the Authorities in the International Jurisdiction or, if such is not applicable, the Calipuy Shareholder is permitted to acquire the Consideration Securities under the applicable securities laws of the Authorities in the International Jurisdiction without the need to rely on any exemption;
  - (iii) the applicable securities laws of the Authorities in the International Jurisdiction do not require Element79 to make any filings or seek any approvals of any nature whatsoever from any Authority of any kind whatsoever in the International Jurisdiction in connection with the issue and sale or resale of the Consideration Securities; and
  - (iv) the acquisition of the Consideration Securities by the Calipuy Shareholder does not trigger: (A) an obligation to prepare and file a registration statement, prospectus or similar document, or any other report with respect to such purchase in the International Jurisdiction; or (B) continuous disclosure reporting obligations of Element79 in the International Jurisdiction; and the Calipuy Shareholder will, if requested by Element79, comply with such other requirements as Element79 may reasonably require.

8.3 Representations and Warranties of Calipuy. In order to induce Element79 to enter into this Agreement and complete its obligations hereunder, Calipuy represents and warrants to Element79 that:

- (a) *Corporate Existence and Power.* Calipuy and each of its Subsidiaries, is a corporation duly incorporated, validly existing and, except as disclosed in the Calipuy Disclosure Letter, in good standing under of the laws of the jurisdictions in which it is incorporated, validly existing and has all corporate powers required to carry on its business as now conducted. Calipuy and each of its Subsidiaries is duly qualified to do business and, except as disclosed in the Calipuy Disclosure Letter, is in good standing in each jurisdiction where the character of the property owned or leased by them or the nature of their activities makes such qualification necessary, except for those jurisdictions when the failure to be so qualified would not have a Material Adverse Effect on Calipuy.

- (b) *Subsidiaries and Investments.* All the Subsidiaries and Investments of Calipuy are as set out in Schedule "E", attached hereto.
- (c) *Shareholder and Similar Agreements.* Other than as disclosed in the Calipuy Disclosure Letter, neither Calipuy or any of its Subsidiaries is a party to any shareholder, partnership, policy, voting trust or similar agreement relating to any of the issued and outstanding securities or equity interests of Calipuy or any of its Subsidiaries.
- (d) *Articles and Corporate Records.* Except as disclosed in the Calipuy Disclosure Letter, the corporate records and minute books of Calipuy and each of its Subsidiaries have been maintained in compliance with applicable laws, rules and regulations, except for such non-compliance as would not subject Calipuy or any of its Subsidiaries to any penalty or fine, and contain complete and accurate records of all meetings and other corporate actions of the board of directors, committees of the board of directors, incorporators and stockholders of Calipuy and each of its Subsidiaries. All material corporate decisions and actions have been validly made or taken. All corporate books, including without limitation the share transfer register, comply with applicable laws, rules and regulations and have been regularly updated. Such books fully and correctly reflect all the decisions of the shareholders.
- (e) *Corporate Authorization.*
- (i) The execution, delivery and performance by Calipuy of this Agreement, and each of the Related Documents, and the consummation of the transactions contemplated hereby and thereby (including, but not limited to, the transfer of the Subject Shares) have been, or will by Closing, duly authorized by all necessary corporate action, and subject to the approval of Calipuy's shareholders, if required by Applicable Laws, no additional corporate action is required for the approval of this Agreement and the completion of the transactions contemplated herein.
- (ii) This Agreement and the Related Documents have been, or will by Closing, be duly executed and delivered and constitute the legal, valid and binding agreement of Calipuy, enforceable against Calipuy in accordance with their terms.
- (f) *Non-Contravention.* The execution, delivery and performance by Calipuy of this Agreement and the Related Documents, and the consummation by Calipuy of the transactions contemplated hereby and thereby (including, but not limited to, the transfer of the Subject Shares) do not and will not:
- (i) contravene or conflict with the constating documents of Calipuy or any of its Subsidiaries or any material agreement to which Calipuy or any of its Subsidiaries is a party or by which it is bound;
- (ii) subject to obtaining any Governmental Authorizations specifically contemplated in this Agreement, contravene or conflict with or constitute a violation of any provision of any law, rule, regulation or Order binding upon or applicable to Calipuy or any of its Subsidiaries;
- (iii) constitute a default (or would constitute a default with notice or lapse of time or both) under or give rise to a right of termination, cancellation or acceleration or loss of any benefit under any material agreement, contract or other instrument binding upon Calipuy or any of its Subsidiaries or under any material license, franchise, permit or other similar authorization held by Calipuy or any of its Subsidiaries; or

- (iv) result in the creation or imposition of any Encumbrances on any asset of Calipuy or any of its Subsidiaries.
- (g) *Control.* Since inception, control of Calipuy has not been acquired by a person or group of persons, within the meaning of the ITA. Where control of Calipuy has so been acquired, Calipuy has filed all returns required under the ITA as a result of such acquisition of control, has properly reflected in all returns filed all deemed dispositions, deemed acquisitions, expiry of otherwise available loss or resource property pools, reductions in the cost amount, adjusted cost base or undepreciated capital cost of assets, and all other adjustments required under the ITA as a result of the acquisition of control, and has disclosed to Element79 all such foregoing items as well as disclosed any restrictions on the availability or use of any of its loss or resource pools.
- (h) *Binding Obligations.* This Agreement constitutes a valid and binding obligation of Calipuy enforceable against Calipuy in accordance with its terms subject, however, to limitations with respect to enforcement imposed by law in connection with bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought.
- (i) *Private Issuer.* Calipuy is a "private issuer" within the meaning of Section 2.4(1) of National Instrument 45-106 – *Prospectus Exemptions*.
- (j) *Regulatory or Third Party Consents and Approvals.* Other than as set forth in "Schedule "F" , no consent, approval, Order, license, permit, consent, certificate, registration or authorization of, or declaration of filing with, any Governmental Authority or any other third party is required to be obtained by Calipuy or any of its Subsidiaries in connection with the consummation of the transactions contemplated by this Agreement, except for such consents, approvals, Orders or authorizations, or declarations or filings, as to which the failure to obtain or make would not, individually or in the aggregate, prevent or materially delay the consummation of the transactions contemplated by this Agreement.
- (k) *Capitalization.* The authorized share capital of Calipuy consists of an unlimited number of common shares without par value of which on Closing, the issued share capital will be 16,393,367 common shares. All of the 16,393,367 currently issued common shares are registered in the names of the Calipuy Shareholders as set out in Schedule "A" hereto and are duly authorized, validly issued and outstanding as fully paid and non-assessable shares and constitute 100% of all of the issued and outstanding shares in the authorized share capital of Calipuy.
- (l) *Options, Warrants, Rights.* As of the Effective Date:
  - (i) there are no outstanding (A) securities, notes or instruments convertible into or exercisable for any of the capital stock or other equity interests of Calipuy or any of its Subsidiaries; (B) options, warrants, subscriptions or other rights to acquire capital stock or other equity interests of Calipuy or its Subsidiaries, or (C) other than as disclosed in the Calipuy Disclosure Letter, commitments, agreements or understandings of any kind, including employee benefit arrangements, relating to the issuance or repurchase by Calipuy of any capital stock or other equity interests of Calipuy or its Subsidiaries, any such securities or instruments convertible or exercisable for securities or any such options, warrants or rights;
  - (ii) neither Calipuy, nor any of its Subsidiaries has granted any anti-dilution rights to any person or entity in connection with any outstanding option, warrant, subscription or any

other instrument convertible or exercisable for the securities of Calipuy or any of its Subsidiaries; and

- (iii) there are no outstanding rights which permit the holder thereof to cause Calipuy or any of its Subsidiaries to file a prospectus or registration statement under any securities law or which permit the holder thereof to include securities of Calipuy or any of its Subsidiaries in a prospectus or registration statement filed by Calipuy or any of its Subsidiaries under any securities law, and there are no outstanding agreements or other commitments which otherwise relate to the registration or qualification of any securities of Calipuy or any of its Subsidiaries for sale or distribution in any jurisdiction.
- (m) *Not a Reporting Issuer.* Calipuy is not a “reporting issuer” under applicable securities laws in any jurisdiction and there is no published market in respect of the Subject Shares.
- (n) *No Cease Trade Orders.* No order ceasing or suspending trading in securities of Calipuy or prohibiting the sale of securities by Calipuy has been issued and no proceedings for this purpose have been instituted, or are pending, or, to the knowledge of Calipuy, after due inquiry, are contemplated or threatened.
- (o) *Shareholders Agreement.* There is no shareholders’ agreement in force with respect to Calipuy.
- (p) *Dividend.* Neither Calipuy or any of its Subsidiaries has ever declared a dividend.
- (q) *Business in Compliance with Applicable Laws.* Except as disclosed in the Calipuy Disclosure Letter, to the knowledge of Calipuy, Calipuy and each of its Subsidiaries has conducted and is conducting its business in compliance in all material respects with all Applicable Laws, rules and regulations of each jurisdiction in which its business is carried on and holds necessary licences, permits, approvals, consents, certificates, registrations and authorizations, whether governmental, regulatory or otherwise, to enable its business to be carried on as now conducted and its property and assets to be owned, leased and operated, and the same are validly existing and in good standing and none of such licenses, permits, approvals, consents, certificates, registrations and authorizations contains any burdensome term, provision, condition or limitation, which has or would reasonably be expected to have a Material Adverse Effect on the operation of its business as now carried on.
- (r) *No Revocation Orders.* Neither Calipuy, nor any of its Subsidiaries, has received any notice of proceedings relating to the revocation or modification of any certificate, authority, permit or license which, if the subject of an unfavourable decision, ruling or finding would materially and adversely affect the conduct of the business, operations, financial condition or income of Calipuy or any of its Subsidiaries.
- (s) *No Pending Litigation.* Except as disclosed in the Calipuy Disclosure Letter, to the knowledge of Calipuy, there are no actions, suits or proceedings, judicial or administrative (whether or not purportedly on behalf of Calipuy) pending or, to the knowledge of Calipuy, threatened by or against Calipuy or any of its Subsidiaries, or affecting the Properties, at law or in equity, or before or by any federal, provincial, state, municipal or other governmental court, department, commission, board, bureau, agency or instrumentality, domestic or foreign and Calipuy is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success.

- (t) *No Prohibiting Orders.* To the knowledge of Calipuy, after due inquiry, there is no pending, or threatened or contemplated, suit, action, legal proceeding, litigation or governmental investigation of any sort which would:
  - (i) in any manner restrain or prevent any of Calipuy Shareholders from effectually or legally transferring the Subject Shares to Element79 in accordance with this Agreement;
  - (ii) cause an Encumbrance to be attached to the Subject Shares; or
  - (iii) make Calipuy or Element79 liable for damages in connection with the Acquisition.
- (u) *Material Contracts Not in Default.* Neither Calipuy or any of Subsidiaries is in default or breach of its obligations under any Material Contracts to which it is a party and to the knowledge of Calipuy, there exists no state of facts which, after notice or lapse of time or both, would constitute such a default or breach, and all such Material Contracts are now in good standing and in full force and effect without amendment thereto and Calipuy, and where applicable its Subsidiaries, is entitled to all benefits thereunder. Further, there are no outstanding material disputes under any such contracts and no consents, releases, waivers or approvals are necessary under such contracts with regard to the transactions described in this Agreement. Calipuy is not aware of any other party having an intention to terminate, either by notice or breach, any Material Contract made with Calipuy or any of its Subsidiaries.
- (v) *No Undisclosed Material Contracts.* Neither Calipuy, nor any of its Subsidiaries, is a party to any Material Contracts except as described in Schedule "D".
- (w) *Tax Returns.* Except as disclosed in the Calipuy Disclosure Letter, Calipuy and each of its Subsidiaries has filed with appropriate taxation authorities, federal, state, provincial and local, all returns, reports and declarations which are required to be filed by it and has paid all taxes which have become due and no taxing authority is asserting or has, to the knowledge of Calipuy threatened to assert, or has any basis for asserting against Calipuy or any of its Subsidiaries any claim for additional taxes or interest thereon or penalty, failure of which does not have a material liability obligation on Calipuy or any of its Subsidiaries.
- (x) *Calipuy Financial Statements.* The Calipuy Financial Statements are based on the books and records of Calipuy, which are true and correct in every material respect, and fairly present the assets and liabilities of Calipuy and the financial condition of Calipuy at the date thereof and the results of the operations for such periods, in accordance with IFRS and reflect the consistent application of IFRS throughout the periods involved.
- (y) *No Undisclosed Liabilities.* To the knowledge of Calipuy, Calipuy has no indebtedness, liabilities, tax liabilities, or obligations, secured or unsecured (whether accrued, absolute, contingent or otherwise) other than as disclosed in the Calipuy Financial Statements, except for those incurred the ordinary course of business, including regular property payments and those incurred in connection with the transactions contemplated by this Agreement.
- (z) *Employees.* Except as disclosed in the Calipuy Disclosure Letter, neither Calipuy, nor its Subsidiaries, has had any employees and it is a party to no written or verbal contracts of employment, whether contracts for service or management agreements.
- (aa) *Liabilities to Directors and Executives.* Except as disclosed in the Calipuy Disclosure Letter, or as set out in the Calipuy Financial Statements, neither Calipuy or its Subsidiaries has any obligations or liabilities to pay any amount to its directors, officers, or employees relating to salary and

directors' fees in the ordinary course, including but not limited to the obligations of Calipuy to directors, officers or employees for severance, retention, termination or bonus payments as a result of the Acquisition.

- (bb) *Withholding Remittances.* Calipuy and each of its Subsidiaries has withheld from each payment to directors, officers, general manager, employees and shareholders the amount of all taxes and other deductions required to be withheld therefrom and has paid the same to the proper receiving officer within the time required under applicable legislation.
- (cc) *Labour Practice.* No unfair labour practice complaint against Calipuy or any of its Subsidiaries, is pending before any labour relations board or similar governmental tribunal or agency and no such complaint has been filed since the incorporation of Calipuy or any of its Subsidiaries, and no notice has been received by Calipuy of any complaints filed by any employees against Calipuy or any of its Subsidiaries claiming that Calipuy or any of its Subsidiaries has violated any employee or human rights or similar legislation in any jurisdiction in which the business of Calipuy or its Subsidiaries is conducted, and no such complaint has been filed since the incorporation of Calipuy or any of its Subsidiaries.
- (dd) *Reportable Disagreement with Auditors.* Calipuy never had any reportable disagreement (within the meaning of applicable Securities Laws) with the present or any former auditor of Calipuy.
- (ee) *Full Disclosure.* The information contained in the documents, certificates and written statements, including this Agreement, furnished to Element79 by or on behalf of Calipuy with respect to Calipuy and its Subsidiaries (including the business, properties, results of operations, financial condition and prospects of Calipuy and its Subsidiaries) for use in connection with this Agreement or the transactions provided for by this Agreement is, to the knowledge of Calipuy, true and complete in all material respects and does not, to the knowledge of Calipuy after conducting an inquiry which a reasonably prudent person would make under the circumstances, omit to state any material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading. There is no fact disclosed to Element79 by Calipuy in writing that has had a Material Adverse Effect on or, so far as Calipuy can now foresee, could be reasonably likely to have a Material Adverse Effect on Calipuy or any of its Subsidiaries (including the business, properties, results of operations, financial condition and prospects of Calipuy and its Subsidiaries).

#### Concerning the Properties

- (ff) *No Option to Acquire.* Except as disclosed in Schedule "C" and Schedule "D", no person other than Calipuy has or will have any agreement, option, understanding or commitment, royalty, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement, option or commitment for the acquisition of an interest in the Properties.
- (gg) *Title to Properties.* Except as disclosed in Schedule "C", Schedule "D" and in the Calipuy Disclosure Letter, Calipuy, through its Subsidiaries, owns or has the right to purchase an undivided 100% beneficial interest in the Properties free and clear of all Encumbrances whether recorded or unrecorded and Calipuy, through its Subsidiaries, holds either freehold title, mining leases, mining claims or other conventional property, proprietary or contractual interests or rights, in respect of the ore bodies and minerals located in the Properties under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit Calipuy, through its Subsidiaries, to access and explore the minerals relating thereto, all such property, leases or claims and all property, leases or claims in which Calipuy, through its Subsidiaries, has any interest or right have been validly located and recorded in accordance with all Applicable Laws and are valid and subsisting, Calipuy, through its

Subsidiaries, has all necessary surface rights, access rights and other necessary rights and interest relating to the Properties granting Calipuy the right and ability to access and explore for minerals, ore and metals for development purposes as are appropriate in view of its rights and interests therein, with only such exceptions as do not materially interfere with the use made by Calipuy or its Subsidiaries of the rights or interests so held and each of the proprietary interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to above are currently in good standing in the name of Calipuy or its Subsidiaries.

- (hh) *Properties in Good Standing.* Other than as disclosed in the Calipuy Disclosure Letter, neither Calipuy nor its Subsidiaries have received any communication or order from the Peruvian Ministry of Energy and Mines (*Ministerio de Energía y Minas*), Peruvian Supervision Entity of the Investment in Energy and Mines (*Organismo Supervisor de la Inversión en Energía y Minas - OSINERGMIN*), Environmental Enforcement Agency (*Organismo de Evaluación y Fiscalización Ambiental - OEFA*), Geological, Mining and Metallurgic Agency (*Instituto Geológico Minero y Metalúrgico - INGEMMET*) or any other Peruvian authority requesting payment or compliance with any outstanding obligation in respect of the Properties. Other than as set out in the Calipuy Disclosure Letter, neither Calipuy nor any of its Subsidiaries has received any notice or other written communication that any Properties may be subject to termination, modification, suspension or revocation.
- (ii) *Archeology of Properties.* The Properties (i) are not located within any area protected by the Peruvian General Law of National Patrimony (*Ley General del Patrimonio Cultural de la Nación*) or any other area protected from mining activity under Applicable Laws and there have been no archeological or historical findings in the Properties, and (ii) the Subsidiaries have obtained, where required all necessary permits and licenses issued by public authorities, with the corresponding approval with respect to archeological or historical findings under the applicable Laws, including the Peruvian certificate on the inexistence of archeological findings (*Certificado de Inexistencia de Restos Arqueológicos*) before any development and exploration activities have been initiated by the Subsidiaries.
- (jj) *No Royalties.* Except as disclosed in Schedule "D" and in the Calipuy Disclosure Letter, there are no adverse, proprietary, possessory or other interests or agreements affecting the Properties and no person is entitled to any royalty or other payment in the nature of rent or royalty on any minerals, ores, metals or concentrates, or any other products removed from the Properties other than as described herein.
- (kk) *Royalty Status.* Each of the Royalties is in good standing in accordance with each of their respective Royalty Agreements.
- (ll) *Not in Breach.* Neither Calipuy or its Subsidiaries is in breach of any of the covenants, conditions and agreements contained in any agreements related to the Properties.
- (mm) *No Contravention.* Neither the execution and delivery of this Agreement, nor the completion of the transactions contemplated hereby will conflict with or result in any breach of any of the terms and provisions of, or constitute a default under any agreement or instrument to which the Properties are bound or any order, decree, statute, regulation, covenant or restriction applicable to Calipuy or its Subsidiaries.
- (nn) *Regulatory Filings.* Except as disclosed in Schedule "C" or in the Calipuy Disclosure Letter, to the knowledge of Calipuy, the Properties are in good standing by the proper completion and filing of all documents and the payments of all fees, in accordance with applicable mining laws and any regulations thereto, and the performance of all other actions necessary in that regard.

- (oo) *No Expropriation.* There are no expropriation, condemnation or similar proceedings pending or, to the best of Calipuy's knowledge, threatened, with respect to any of the Properties or any part thereof.
- (pp) *Environmental Matters.* For the purposes of subsections 8.3(pp) to 8.3(vv):
- (i) "Contaminant" means any substance, product, element, radiation, vibration or matter included in any definition of "hazardous product", "dangerous goods", "waste", "toxic substance", "contaminant", "pollutant", "deleterious substance" or words of similar import under any Environmental Law, or the presence of which in the environment is likely to affect adversely the quality of the environment in any way.
  - (ii) "Environmental Claim" includes a claim, notice, administrative order, citation, complaint, summons, writ, proceeding or demand relating to remediation, investigation, monitoring, emergency response, decontamination, restoration or other action under any Environmental Law or any notice, claim, demand or other communication alleging or asserting liability, either direct or indirect, and either in whole or by way of contribution or indemnity, for investigatory, monitoring or cleanup costs, Governmental Authority response costs, damages, personal injuries, fines, penalties or for other relief, and arising out of, based on or resulting from (A) the presence, or Release into the environment, of any Contaminant, or (B) any non-compliance or alleged non-compliance with any Environmental Law.
  - (iii) "Environmental Laws" means all applicable statutes, regulations, ordinances, by-laws, and codes and all international treaties and agreements, now or hereafter in existence in Peru relating to the protection and preservation of the environment, occupational health and safety, product safety, product liability or Hazardous Substances.
  - (iv) "Environmental Permits" includes all orders, permits, certificates, approvals, consents, registrations and licences issued by any authority of competent jurisdiction under Environmental Laws.
  - (v) "Release" means any release, spill, leak, emission, pumping, injection, deposit, discharge, dispersal, leaching, migration, spraying, abandonment, pouring, emptying, throwing, dumping, placing or exhausting of a Contaminant, and when used as a verb has a like meaning.
- (qq) *Compliance with Environment Laws.* The operation of the business of Calipuy and its Subsidiaries, the Properties and the use, maintenance and operation thereof by Calipuy and its Subsidiaries have been and are in compliance with all Environmental Laws. Calipuy has complied with all reporting and monitoring requirements under all Environmental Laws. Calipuy has not received any notice of any non-compliance with any Environmental Laws, and Calipuy has never been convicted of an offence for non-compliance with any Environmental Laws or been fined or otherwise sentenced or settled such prosecution short of conviction.
- (rr) *No Environmental Claim.* To the best of Calipuy's knowledge, there is no existing, pending or threatened Environmental Claim against Calipuy or its Subsidiaries.
- (ss) *No Hazardous Materials.* No Hazardous Materials have been used in the operation of Calipuy and its Subsidiaries' business except those Hazardous Materials used in the ordinary course of business, and there has been no release of any such substances in the operation of its business in

contravention or violation of any laws, regulations, rules or approvals created by a Governmental Authority applicable to Calipuy or its Subsidiaries.

- (tt) *Notice of Defaults.* Calipuy has not, with respect to its, or its Subsidiaries' businesses and operations, at any time received any written notice, written notice of default, order, summons, or notice of judgment or commencement of proceedings related to any material breach, liability or remedial action (or alleged material breach, liability or remedial action) arising under Environmental Laws, and Calipuy and its Subsidiaries have not with respect to such businesses and operations, at any time given any written undertakings with respect to remedying any breach of, or liability under, environmental laws that have not been duly performed.
- (uu) *Work Orders and Deficiencies.* There are no outstanding work orders, non-compliance orders, deficiency notices or other such notices relative to the Properties or the business of Calipuy or its Subsidiaries which have been issued by any police or fire department, sanitation, environment, labour, health or other Governmental Authorities. There are no matters under discussion with any such department or authority relating to work orders, non-compliance orders, deficiency notices or other such notices. The business of Calipuy and its Subsidiaries is not being operated in a manner which is in contravention of any statute, regulation, rule, code, standard, policy or other Applicable Law.
- (vv) *Litigation.* Except as disclosed in the Calipuy Disclosure Letter, there are no actions, suits, investigations or proceedings before any court, arbitrator, administrative agency or other tribunal or governmental authority, whether current, pending or threatened, which directly or indirectly relate to or affect the Properties (including ownership and existing or past uses thereof and the compliance with Applicable Law), nor is Calipuy aware of any facts which would lead Calipuy to suspect that the same might be initiated or threatened.

8.4 Survival. The representations and warranties made by the Parties under section 8 are true and correct as of the Effective Date 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 two-year period, 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 two-year period.

8.5 No limit on rights. The Parties jointly and severally acknowledge and agree, each with the other, that a Party's investigations shall in no way limit or otherwise adversely affect that Party's rights under the representations and warranties given to it by any other Party under this Agreement.

8.6 Limitations on Representations and Warranties. The Parties shall not be deemed to have made any representation or warranty other than as expressly made in this Agreement.

## **9. FINDER'S FEE**

9.1 No finder's fee. No finder's fee will be paid or is payable by Element79, Calipuy or Calipuy Shareholders to any other person in connection with the transactions contemplated hereby.

## **10. ORDINARY COURSE**

10.1 Except as contemplated herein, until the Closing, neither Calipuy nor Element79 shall, without the prior written consent of the other Party, enter into any contract in respect of its business or assets, other than in

the ordinary course of business, and each of Calipuy and Element79 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 Acquisition 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.

## 11. TERMINATION

- 11.1 Mutual Agreement. This Agreement may be terminated at any time by mutual agreement of the respective Parties hereto.
- 11.2 By either Party. Each of Calipuy or Element79 shall, in its sole discretion, have the right to terminate this Agreement if:
- (a) the Acquisition is not accepted by the Exchange and all recourse or rights of appeal have been exhausted; or
  - (b) any conditions precedent set out in section 6.1, 6.2, or 6.3 hereof are not satisfied, released or waived on or before the Closing Date or such earlier date indicated therein.
- 11.3 Survival. In the event this Agreement is terminated, section 12 (indemnification), section 14 (public disclosure), subsection 16.2 (further assurances), and subsection 16.3 (fees and expenses) shall survive the termination.

## 12. INDEMNIFICATION

- 12.1 By Calipuy Shareholders. Each Calipuy Shareholder agrees to indemnify and hold harmless Element79, its Affiliates, and each of their respective officers, directors, employees and agents and their respective successors and assigns, from and against any losses, damages, or expenses which are caused by or arise out of (i) any breach or default in the performance by them of any covenant or agreement made by them, as a Calipuy Shareholder in this Agreement or in any of the Related Documents, (ii) any breach of warranty or representation made by them in this Agreement or in any of the Related Documents, and (iii) any and all third party actions, suits, proceedings, claims, demands, judgments, costs and expenses (including reasonable legal fees and expenses) incident to any of the foregoing. Notwithstanding anything to the contrary in this Agreement, this section shall survive for 18 months following Closing.
- 12.2 By Calipuy. Calipuy and each of Luis H. Goyzueta, Lead Director of Calipuy, and Antonios Maragakis, Director and C.E.O. of Calipuy jointly and severally, agree to indemnify and hold harmless Element79, its Affiliates, each of their officers, directors, employees and agents and their respective successors and assigns, from and against any losses, damages, or expenses which are caused by or arise out of (i) any breach or default in the performance by Calipuy of any covenant or agreement made by Calipuy in this Agreement or in any of the Related Documents, (ii) any breach of warranty or representation made by Calipuy in this Agreement or in any of the Related Documents, and (iii) any and all third party actions, suits, proceedings, claims, demands, judgments, costs and expenses (including reasonable legal fees and expenses) incident to any of the foregoing. Notwithstanding anything to the contrary in this Agreement, this section shall only survive for 18 months following Closing.
- 12.3 By Element79. Element79 agrees to indemnify and hold harmless Calipuy, its Affiliates, each Calipuy Shareholder, each of their respective officers, directors, employees and agents and their respective

successors and assigns, from and against any losses, damages, or expenses which are caused by or arise out of (i) any breach or default in the performance by Element79 of any covenant or agreement made by Element79 in this Agreement or in any of the Related Documents, (ii) any breach of warranty or representation made by Element79 in this Agreement or in any of the Related Documents, and (iii) any and all third party actions, suits, proceedings, claims, demands, judgments, costs and expenses (including reasonable legal fees and expenses) incident to any of the foregoing. Notwithstanding anything to the contrary in this Agreement, this section shall only survive for 18 months following Closing.

### **13. STANDSTILL AGREEMENT**

13.1 Standstill. From the date of the execution of this Agreement until completion of the transactions contemplated herein or the earlier termination hereof, neither Calipuy nor its Subsidiaries will, 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, business, operations, affairs or financial condition to any persons in connection with the acquisition or distribution of any securities of Calipuy or its Subsidiaries, or any amalgamation, merger, consolidation, arrangement, restructuring, refinancing, sale of any material assets of Calipuy or its Subsidiaries, unless such action, matter or transaction is part of the transactions contemplated in this Agreement or is satisfactory to, and is approved in writing in advance by Element79 (with such approval not being unreasonably withheld or delayed) or is necessary to carry on the normal course of business or is necessary to comply with the fiduciary duties of the directors and officers of Calipuy.

### **14. PUBLIC DISCLOSURE**

14.1 Restrictions on disclosure. No disclosure or announcement, public or otherwise, in respect of this Agreement or the transactions contemplated herein will be made by Element79 or Calipuy without the prior written agreement of the other Party as to timing, content and method, provided that the obligations herein will not prevent any Party from making, after consultation with the other Party, such disclosure as its counsel advises is required by applicable laws or the rules and policies of the Exchange or as is required to carry out the transactions contemplated in this Agreement or the obligations of any of the Parties.

14.2 Confidentiality. Except with the prior written consent of the other Parties, each of the Parties and its respective employees, officers, directors, shareholders, agents, advisors and other representatives will hold all information received from the other Party concerning any of Element79, Calipuy Shareholders or Calipuy in strictest confidence and such information 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 Laws. 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.

14.3 Personal Information. Each of the Calipuy Shareholders hereby consents to the disclosure of his or her personal information in connection with the Acquisition and acknowledges and consents to the fact that Calipuy and Element79 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 Calipuy Shareholder for the purposes of completing this Agreement and the transactions contemplated hereby. Each Calipuy Shareholder acknowledges and consents to Calipuy and Element79 retaining such personal information for as long as permitted or required by law or business practices. Each Calipuy Shareholder further acknowledges and consents to the fact that Calipuy and Element79 may be required by applicable Securities Laws or the rules and policies of the Exchange to provide regulatory authorities with any personal information provided by Calipuy Shareholder

in this Agreement and Calipuy Shareholder further consents to the public disclosure of such information by electronic filing or by any other means.

## 15. POWER OF ATTORNEY

15.1 Power of Attorney. Each of the Calipuy Shareholders hereby nominates, constitutes and appoints any director of Calipuy, as his true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, and in his name, place and stead, to execute any and all documents, instruments and agreements relating to the Acquisition, including but not limited to:

- (a) duly executed stock powers of attorney or instruments of transfer authorizing the transfer to Element79 of Calipuy Shares held by each respective Calipuy Shareholder, with full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully and to all intents and purposes as each of the undersigned Calipuy Shareholders might or could do in person;
- (b) the waiver of any conditions precedent in favour of the Calipuy Shareholders set out in subsections 6.1 and 6.3;
- (c) to receive the closing documents on behalf of each Calipuy Shareholder set forth in subsection 7.2(k);
- (d) to deliver the closing documents on behalf of each Calipuy Shareholder set forth in subsection 7.2(k); and
- (e) to amend or correct any information with respect to Calipuy, its Subsidiaries, its properties and contracts set out in this Agreement;
- (f) to, prior to Closing, make non-material amendments to any of the closing documents, including but not limited to the form of Performance Bonus Warrant Certificate, and Lock-Up Agreement to better reflect the terms and conditions set out in this Agreement,

and each of the Calipuy Shareholders hereby ratifies and agrees to ratify and confirm all that the said attorney-in-fact and agent, or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

## 16. GENERAL

16.1 Joint and Several. Any covenant, agreement, condition, or provisos made by two or more persons shall be construed as several as well as joint.

16.2 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 of this Agreement, shall survive the Closing of this Agreement.

16.3 Fees and Expenses. Element79 shall be responsible for all reasonable fees and expenses incurred in furtherance of the transactions contemplated in this Agreement including but not limited to legal, audit and other fees incurred by Calipuy in connection with this Agreement and the Acquisition to a maximum of \$50,000.

- 16.4 Time. Time shall be of the essence of this Agreement and any waiver by the Parties of this subsection 16.4 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.
- 16.5 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. In particular, upon the execution and delivery of this Agreement, the Letter of Intent made between the Parties, is hereby terminated and of no further force and effect.
- 16.6 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.
- 16.7 Amendments. No alteration, amendment, modification or interpretation of this Agreement or any provision of this Agreement shall be valid and binding upon the Parties hereto unless such alteration, amendment, modification or interpretation is in written form executed by all of the Parties to this Agreement.
- 16.8 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 by fax to the Parties at their following respective addresses:

- |     |   |   |
|-----|---|---|
| (a) | To Element79:   | with a copy (which shall not constitute notice) to:   |
|     | Element79 Gold Corp.<br>230-997 Seymour St, Office 9,<br>Vancouver, BC, V6B3M1<br>Attention: James Tworek, C.E.O.<br>Email: [redacted]              | Clark Wilson LLP.<br>900-885 West Georgia Street, Vancouver,<br>BC, V6C 3H1<br>Attention: Nafeesa Valli-Hasham<br>Email: [redacted]                   |
| (b) | To Calipuy or Calipuy Shareholders:   | with a copy (which shall not constitute notice) to:   |
|     | Calipuy Resources Inc.<br>480 - 1500 West Georgia Street<br>Vancouver, British Columbia V6G 2Z6<br>Attention: Luis H. Goyzueta<br>Email: [redacted] | David Smalley Law Corp.<br>480 - 1500 West Georgia Street<br>Vancouver, British Columbia V6G 2Z62<br>Attention: David W. Smalley<br>Email: [redacted] |

or to such other addresses as may be given in writing by the Parties hereto in the manner provided for in this subsection 16.8, 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.

- 16.9 Assignment. This Agreement may not be assigned.

- 16.10 No Third Party Beneficiary. Nothing expressed or implied in this Agreement is intended, or shall be construed, to confer upon or give any person other than the Parties hereto and their respective heirs, personal representatives, legal representatives, successors and permitted assigns, any rights or remedies under or by reason of this Agreement.
- 16.11 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, without and reference to the laws of any other jurisdiction, and the Parties hereby attorn to the non-exclusive jurisdiction of the Courts of British Columbia.
- 16.12 Waiver of Trial by Jury. The Parties hereto irrevocably waive trial by jury in any suit, action or proceeding relating to this agreement or the transactions contemplated hereby.
- 16.13 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.
- 16.14 Counterparts. This Agreement may be executed by the Parties hereto in as many counterparts as may be necessary, and each such agreement so executed shall be deemed to be an original and such counterparts together shall constitute a valid and binding agreement, and notwithstanding the date of execution shall be deemed to bear the date as set forth on the cover page of this Agreement. Such executed copy may be transmitted by electronic method of transmission, and the reproduction of signatures by electronic method of transmission will be treated as binding as if originals.

**[SIGNATURE PAGE FOLLOWS]**

IN WITNESS WHEREOF the Parties hereto have executed this Agreement as of the Effective Date first above written.

**ELEMENT79 GOLD CORP.**

per:           "James Tworek"            
James Tworek, C.E.O.

**CALIPUY RESOURCES INC.**

per:           "Luis H. Goyzueta"            
Luis H. Goyzueta, Director

**SCHEDULE “A”**

**(See Next Page)**

Holder Name	Issued Common Shares	Common Shares of E79 to be issued	Potential Entitlement to Performance Bonus Warrants
<b>[REDACTED]</b>			
<i>Grand Total</i>	<i>16,393,367</i>	<i>19,165,484</i>	<i>3,833,085</i>

- 16.4 Time. Time shall be of the essence of this Agreement and any waiver by the Parties of this subsection 16.4 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.
- 16.5 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. In particular, upon the execution and delivery of this Agreement, the Letter of Intent made between the Parties, is hereby terminated and of no further force and effect.
- 16.6 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.
- 16.7 Amendments. No alteration, amendment, modification or interpretation of this Agreement or any provision of this Agreement shall be valid and binding upon the Parties hereto unless such alteration, amendment, modification or interpretation is in written form executed by all of the Parties to this Agreement.
- 16.8 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 by fax to the Parties at their following respective addresses:

- |     |   |   |
|-----|---|---|
| (a) | To Element79:   | with a copy (which shall not constitute notice) to:   |
|     | Element79 Gold Corp.<br>230-997 Seymour St, Office 9,<br>Vancouver, BC, V6B3M1<br>Attention: James Tworek, C.E.O.<br>Email: [redacted]              | Clark Wilson LLP.<br>900-885 West Georgia Street, Vancouver,<br>BC, V6C 3H1<br>Attention: Nafeesa Valli-Hasham<br>Email: [redacted]                   |
| (b) | To Calipuy or Calipuy Shareholders:   | with a copy (which shall not constitute notice) to:   |
|     | Calipuy Resources Inc.<br>480 - 1500 West Georgia Street<br>Vancouver, British Columbia V6G 2Z6<br>Attention: Luis H. Goyzueta<br>Email: [redacted] | David Smalley Law Corp.<br>480 - 1500 West Georgia Street<br>Vancouver, British Columbia V6G 2Z62<br>Attention: David W. Smalley<br>Email: [redacted] |

or to such other addresses as may be given in writing by the Parties hereto in the manner provided for in this subsection 16.8, 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.

- 16.9 Assignment. This Agreement may not be assigned.

Deliver to this address (print address): \_\_\_\_\_

Others (provide instructions): \_\_\_\_\_

- (1) If Delivery Instructions is not completed, the certificates representing the Element79 Shares, except if the Element79 Shares are escrowed, a letter from the escrow agent confirming that the Escrow Shares are being held by it, will be mailed to the address set out in Registered Address above.

**Additional representations of Calipuy Shareholder.** In addition to the representations and warranties set out in the Agreement, the Calipuy Shareholder represents and warrants to Element79 that:

1. If Calipuy Shareholder is not an individual, the controlling shareholders of the Calipuy Shareholder are \_\_\_\_\_.

“Controlling shareholder” means a person that holds more than 20% of the outstanding voting securities of the Calipuy Shareholder.

2. If the Calipuy Shareholder is a Lock-Up Shareholder the certificates representing the Element79 Shares will bear the following legend:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A LOCK-UP AGREEMENT ENTERED INTO BY THE HOLDER OF THESE SECURITIES DATED JUNE [XX], 2022 WHEREBY 50% OF THE SECURITIES MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED UNTIL SIX MONTHS FROM ISSUANCE AND THE REMAINING 50% OF THE SECURITIES MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED UNTIL TWELVE MONTHS FROM ISSUANCE.

## SCHEDULE “C”

### List of Properties

**MINING PROPERTIES HELD BY MINAS LUCERO DEL SUR S.A.C.**

	<b>OWNER</b>	<b>NAME</b>	<b>AREA (HAS.)</b>	<b>EXPLOITABLE AREA (HAS.)</b>	<b>INGEMMET CODE</b>	<b>STATUS</b>	<b>PUBLIC REGISTRY CARD (1)</b>
1	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 11	1,000.0000	1,000.0000	01-03132-11	Title	11205441
2	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 12	1,000.0000	1, 000.0000	01-03133-11	Title	11207940
3	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 13	300.0000	268.3970 (2)	01-03134-11	Title	11207941
4	MINAS LUCERO DEL SUR S.A.C.	TICLLAS IX	100.0000	100.0000	01-01278-16	Title	11458959
5	MINAS LUCERO DEL SUR S.A.C.	TICLLAS XII	500.0000	471.3810 (2)	01-02401-16	Title	11458044
6	MINAS LUCERO DEL SUR S.A.C.	LUCERON V	300.0000	145.3390 (2)	01-00113-17	Title	11458022
7	MINAS LUCERO DEL SUR S.A.C.	LUCERON VI	200.0000	200.0000	01-00114-17	Title	11458631
8	MINAS LUCERO DEL SUR S.A.C.	CERANIS 1	600.0000	344.1050 (2)	01-02981-16	Title	11458045
9	MINAS LUCERO DEL SUR S.A.C.	CERANIS 2	1,000.0000	907.4840	01-02982-16	Title	11458958
10	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 15	700.0000	700.0000	01-01437-20	Application (3)	-
11	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 16	1,000.0000	1,000.0000	01-01438-20	Title	11491294
12	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 17	800.0000	688.3280 (2)	01-01439-20	Title	11500337
13	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 19	100.0000	100.0000	01-02806-20	Application (3)	-
14	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 20	500.0000	500.0000	01-00842-21	Title	11500343
15	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 21	600.0000	600.0000	01-00841-21	Application (3)	-
16	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 22	1,000.0000	1,000.0000	01-00840-21	Title	11501601
17	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 23	300.0000	300.0000	01-00839-21	Title	(4)
18	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 24	100.0000	100.0000	01-00838-21	Application (3)	-
19	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 25	600.0000	600.0000	01-00837-21	Title	11500349
20	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 26	600.0000	600.0000	01-00913-21	Title	11500350
21	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 1	600.0000	100.0000 (2)	01-01526-21	Application (3)	-
22	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 2	100.0000	100.0000	01-01525-21	Application (3)	-
23	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 3	100.0000	100.0000	01-01524-21	Title	(4)

24	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 4	100.0000	100.0000	01-01523-21	Title	(4)
25	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 6	100.0000	100.0000	01-01521-21	Application (3)	-
26	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 27	500.0000	500.0000	01-02489-21	Application (3)	-
27	MINAS LUCERO DEL SUR S.A.C.	LUCERO DEL SUR 28	400.0000	400.0000	01-02488-21	Application (3)	-

(1) Arequipa Office - Public Registry

(2) The exploitable area of these titles differs from the nominal area granted by INGEMMET. The reason is due to superposition of preferential overlapping titles belonging to third parties. This superpositions do not put the validity of the mining title at risk, just represent a reduction of the effective exploitable area of the concession, subject to annual mining fees and penalties calculation. When reduced, the area of the concession may be increased again in the future if the preferential overlapping titles expire.

(3) Titles “under application” are not definitive mining concessions. They are in process of being approved granted by INGEMMET. INGEMMET may deny the application or grant an area less than the nominal area requested through the application.

(4) Public Registry registration in progress

#### MINING PROPERTIES HELD BY MINERA MACHACALA S.A.C.

	OWNER	NAME	AREA (HAS.)	EXPLOITABLE AREA (HAS.)	INGEMMET CODE	STATUS	PUBLIC REGISTRY CARD (3)
1	RAFAEL EDUARDO TEJERINA ZARICH (1)	STAR GIRL 7	62.9994	62.9994	01-00707-16	Title	11457672
2	RAFAEL EDUARDO TEJERINA ZARICH (1)	STAR GIRL 8	279.9991	279.9991	01-00706-16	Application (4)	-
3	RAFAEL EDUARDO TEJERINA ZARICH (1)	STAR GIRL 9	101.9995	101.9995	01-00705-16	Title	11457673
4	RAFAEL EDUARDO TEJERINA ZARICH (1)	STAR GIRL 10 (6)	60.0000	60.0000	01-00704-16	Application (4)	-
5	RAFAEL EDUARDO TEJERINA ZARICH (1)	STAR GIRL 11	78.5019	78.5019	01-00702-16	Title	(5)
6	RAFAEL EDUARDO TEJERINA	STAR GIRL 12	60.0222	60.0222	01-00701-16	Title	(5)

	ZARICH (1)						
7	RAFAEL EDUARDO TEJERINA ZARICH (1)	STAR GIRL 14	48.0000	43.8209 (2)	01-00700-16	Title	(5)
8	RAFAEL EDUARDO TEJERINA ZARICH (1)	STAR GIRL 15	102.0000	21.1228 (2)	01-00719-16	Application (4)	-
9	RAFAEL EDUARDO TEJERINA ZARICH (1)	STAR GIRL 16	18.0001	18.0001	01-00691-16	Title	(5)
10	RAFAEL EDUARDO TEJERINA ZARICH (1)	STAR GIRL 17	3.9990	3.9990	01-00690-16	Title	(5)
11	RAFAEL EDUARDO TEJERINA ZARICH (1)	STAR GIRL 18	6.9998	6.9998	01-00689-16	Title	(5)
12	RAFAEL EDUARDO TEJERINA ZARICH (1)	STAR GIRL 19	7.9997	7.9997	01-00694-16	Title	(5)
13	RAFAEL EDUARDO TEJERINA ZARICH (1)	STAR GIRL 20	1.0000	1.0000	01-00696-16	Title	11457674
14	RAFAEL EDUARDO TEJERINA ZARICH (1)	STAR GIRL 21	31.9997	31.9997	01-00697-16	Title	11457677
15	RAFAEL EDUARDO TEJERINA ZARICH (1)	STAR GIRL 22	19.7499	19.7499	01-00692-16	Title	11457680
16	MINERA MACHACALA S.A.C.	MACHACAL A 01	200.0000	200.0000	01-01779-21	Application (4)	-
17	MINERA MACHACALA S.A.C.	MACHACAL A 02	400.0000	400.0000	01-01782-21	Application (4)	-
18	MINERA MACHACALA S.A.C.	Machacala 03	300.0000	300.0000	01-01781-21	Application (4)	-
19	MINERA MACHACALA S.A.C.	Machacala 04	300.0000	300.0000	01-01783-21	Application (4)	-
20	MINERA MACHACALA S.A.C.	Machacala 05	500.0000	500.0000	01-01780-21	Application (4)	-

21	MINERA MACHACALA S.A.C.	Machacala 06	100.0000	100.0000	01-01882-21	Application (4)	-
22	MINERA MACHACALA S.A.C.	Machacala Norte	500.0000	368.9760 (2)	01-02713-19	Title	11468242
23	MINERA MACHACALA S.A.C.	Machacala Centro (6)	800.0000	800.0000	01-03092-19	Application (4)	-
24	MINERA MACHACALA S.A.C.	Machacala Sur	400.0000	199.8260 (2)	01-02813-19	Title	11468165
25	MINERA MACHACALA S.A.C.	NATANIEL 4	300.0000	259.1440 (2)	01-01159-16	Title	(5)

(1) These titles (“STAR GIRL” titles) are leased by Minera Machala S.A.C. pursuant to a to a lease agreement (the “MM Lease Agreement”) entered into by MM and Rafael Tejerina dated June 9, 2021 whereby the claims are leased to MM for 5 years with an option to acquire each such claim for \$1,000 per claim

(2) The exploitable area of these titles differs from the nominal area granted by INGEMMET. The reason is due to superposition of preferential overlapping titles belonging to third parties. This superpositions do not put the validity of the mining title at risk, just represent a reduction of the effective exploitable area of the concession, subject to annual mining fees and penalties calculation. When reduced, the area of the concession may be increased again in the future if the preferential overlapping titles expire.

(3) Trujillo Office - Public Registry

(4) Titles “under application” are not definitive mining concessions. They are in process of being approved granted by INGEMMET. INGEMMET may deny the application or grant an area less than the nominal area requested through the application.

(5) Public Registry registration in progress

(6) The titles to the Star Girl 10 and Machacala Centro claims are currently under litigation

#### MINING PROPERTIES HELD BY COMPAÑIA MINERA SFJ S.A.C

	OWNER	NAME	AREA (HAS.)	EXPLOITABLE AREA (HAS.)	INGEMMET CODE	STATUS	PUBLIC REGISTRY CARD (1)
1	COMPAÑIA MINERA SFJ SAC	URU 1	600.0000	600.0000	01-01398-20	Title	11468450
2	COMPAÑIA MINERA SFJ SAC	URU 2	1000.000 0	523.0410 (2)	01-01399-20	Title	11468343

(1) Trujillo Office - Public Registry

(2) The exploitable area differs from the nominal area granted by INGEMMET. The reason is due to superposition of preferential overlapping titles belonging to third parties. This superpositions do not put the validity of the mining

title at risk, just represent a reduction of the effective exploitable area of the concession, subject to annual mining fees and penalties calculation. When reduced, the area of the concession may be increased again in the future if the preferential overlapping titles expire.

## SCHEDULE "D"

### Material Contracts of Calipuy

#### Material Agreements

1. Sale and Purchase Agreement (the “**MLDS Sale and Purchase Agreement**”) entered into by Calipuy, Condor Resources Inc. and MLDS on December 21, 2020, pursuant to which Calipuy and Calipuy Holdings Inc. (“Calipuy Holdings”) acquired all the shares of MLDS and thus the right to develop mining activities on the MLDS Mining Properties. The shares of MLDS are subject to the MLDS Share Pledge Agreement.
2. Share Pledge Agreement (the “**MLDS Share Pledge Agreement**”) entered into by Calipuy, Calipuy Holdings, Condor Resources Inc. and MLDS, on December 21, 2020, pursuant to which Calipuy and Calipuy Holdings has pledged all the shares of MLDS to Condor, as security until such time as Calipuy has made all payments and fulfilled all obligations required by the MLDS Sale and Purchase Agreement.
3. Sale and Purchase Agreement (the “**MM Sale and Purchase Agreement**”) entered into by Calipuy, Julio Cesar Antonio Alonso Lindley & Andrea Yolanda Anita Lanata Dentone, Rafael Eduardo Tejerina Zarich & Claudia Ibañez Silva, Sebastian Holler Goyzueta, Luis Felix Goyzueta Caravasi & Carmen Aracelli Angobaldo Cardenas and MM on November 15, 2021, as amended, pursuant to which Calipuy acquired all the shares of MM and thus the right to develop mining activities on the MM Mining Properties. The shares of MM are subject to the MM Share Pledge Agreement
4. Share Pledge Agreement (the “**MM Share Pledge Agreement**”) entered into by Calipuy, Julio Cesar Antonio Alonso Lindley & Andrea Yolanda Anita Lanata Dentone, Rafael Eduardo Tejerina Zarich & Claudia Ibañez Silva, Sebastian Holler Goyzueta, Luis Felix Goyzueta Caravasi & Carmen Aracelli Angobaldo Cardenas, and MM, on November 15, 2021, pursuant to which Calipuy has pledged all the shares of MM to the selling shareholders, as security until such time as Calipuy has made all payments and fulfilled all obligations required by the MM Sale and Purchase Agreement.
5. Sale and Purchase Agreement (the “**CMS Sale and Purchase Agreement**”) entered into by Calipuy, Julio Cesar Antonio Alonso Lindley & Andrea Yolanda Anita Lanata Dentone, Sebastian Holler Goyzueta, Luis Felix Goyzueta Caravasi & Carmen Aracelli Angobaldo Cardenas, and CMS on November 15, 2021, as amended, pursuant to which Calipuy acquired all the shares of CMS and thus the right to develop mining activities on the CMS Mining Properties. The shares of CMS are subject to the CMS Share Pledge Agreement.
6. Share Pledge Agreement (the “**CMS Share Pledge Agreement**”) entered into by Calipuy, Julio Cesar Antonio Alonso Lindley & Andrea Yolanda Anita Lanata Dentone, Sebastian Holler Goyzueta, Luis Felix Goyzueta Caravasi & Carmen Aracelli Angobaldo Cardenas, and CMS, on November 15, 2021, pursuant to which Calipuy has pledged all the shares of CMS to the selling shareholders, as security until such time as Calipuy has made all payments and fulfilled all obligations required by the CMS Sale and Purchase Agreement.

#### Royalties

1. The “**MLDS Royalty**” means a 0.5% NSR royalty payable to Sandstorm Gold Ltd. pursuant to a NSR Royalty Agreement between MLDS and Sandstorm Gold Ltd. and Condor dated the 13<sup>th</sup> day of August, 2020.

2. The “**MM Royalty**” means a 1.5% NSR royalty payable to the selling shareholders under the MM Sale and Purchase Agreement (the “**MM Selling Shareholders**”), pursuant to a NSR Royalty Agreement between Calipuy, MM and the MM Selling Shareholders dated November 15, 2021, as amended.
3. The **CMS Royalty** means a 1.5% NSR royalty payable to the selling shareholders under the CMS Sale and Purchase Agreement (the “**CMS Selling Shareholders**”), pursuant to a NSR Royalty Agreement between Calipuy, CMS and the CMS Selling Shareholders dated November 15, 2021, as amended.

## **SCHEDULE "E"**

### **SUBSIDIARIES AND INVESTMENTS OF CALIPUY**

#### **Subsidiaries**

Calipuy, either directly or indirectly through a Subsidiary owns the following subsidiaries:

- Calipuy Holdings Inc., incorporated in British Columbia (“Calipuy Holdings”)
- Minas Lucero Del Sur S.A.C., incorporated in Peru (“MLDS”)
- Compañía Minera Calipuy S.A.C., incorporated in Peru (“Minera Calipuy”)
- Minera Machacala S.A.C., incorporated in Peru (“MM”)
- Compañía Minera SFJ S.A.C., incorporated in Peru (“CMS”)

#### **Investments**

None

## **SCHEDULE "F"**

Third Party Approvals and consents required in order for Calipuy to consummate the transactions contemplated by this Agreement:

- Approval of Condor Resources Inc., the Optionor under the MLDS Sale & Purchase Agreement.
- Acknowledgement and Agreement of Condor Resources Inc. that Acquisition does not trigger the Condor Pre-Emptive Right.
- Approval of the Optionors and Royalty Holders under the MM Sale & Purchase Agreement and Machacala Royalty Agreement.
- Approval of the Optionors and Royalty Holders under the CMS Sale & Purchase Agreement and Urumulqui Royalty Agreement.
- Termination of the each of the Executive and Director Agreements.

**SCHEDULE "G"**

**SUBSIDIARIES AND INVESTMENTS OF ELEMENT79**

**Subsidiaries**

Element79, directly owns the following subsidiaries:

- 1316524 B.C. Ltd., incorporated in British Columbia
- ELEM US Holdings, Inc. incorporated Nevada USA
- ELEM Battle Mountain LLC incorporated Nevada USA
- ELEM Maverick Springs LLC incorporated Nevada USA

**Investments**

None

## SCHEDULE "H"

### Issued and Outstanding Capital of Element79

For details regarding each security, please see Element79's Public Disclosure Documents.

<u>Authorized Share Capital</u>	<u>Issued and Outstanding Common Shares</u>	<u>Share Purchase Warrants</u>	<u>Stock Options</u>
Common Shares	<u>53,688,949</u>	<u>28,219,050</u>	<u>2,750,000</u>
<b>Total</b>	<b><u>53,688,949</u></b>	<b><u>28,219,050</u></b>	<b><u>2,750,000</u></b>

## **SCHEDULE "I"**

Third Party Approvals and consents required in order for Element79 to consummate the transactions contemplated by this Agreement:

- No objection from the Exchange with respect to the Acquisition; and
- Approval from the directors of Element79.

**SCHEDULE "J"**

**LOCK-UP SHAREHOLDERS**

<b>Shareholder Name</b>	<b>Number of Subject Shares Held</b>	<b>Number of Element79 Shares to be issued</b>	<b>Number of Performance Bonus Warrants to be issued</b>
<b>[REDACTED]</b>			

## SCHEDULE "K"

### LOCK-UP AGREEMENT

**Re: Element79 Gold Corp. (the "Company")**

The Company seeks to complete the acquisition (the "**Acquisition**") of all of the issued and outstanding securities of Calipuy Resources Inc. ("**Calipuy**") pursuant to the terms and conditions of a Share Purchase Agreement dated June 19, 2022 (the "**Purchase Agreement**"). Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to those terms in the Purchase Agreement.

On closing of the Acquisition (the "**Closing Date**"), the Shareholder will be issued common shares of the Company in consideration for the sale of their shares of Calipuy to the Company pursuant to the Purchase Agreement. This lock-up agreement (the "**Agreement**") is being delivered to the Company by the Shareholder as a condition to closing of the Acquisition.

The Shareholder recognizes that the Acquisition will be of benefit to the Shareholder and will benefit the Company. The Shareholder acknowledges that the Company is relying on the representations and agreements of the Shareholder contained in this Agreement in carrying out the Acquisition. The Shareholder acknowledges that the terms and conditions of this Agreement will be binding on the Shareholder.

The Shareholder hereby represents and warrants to the Company that: (i) the Shareholder is, or will be on Closing, the sole beneficial owner of the number of common shares of the Company (the "**Shares**"), securities convertible into or exercisable or exchangeable for Shares and rights to acquire Shares, all as listed opposite the Shareholder's name on Appendix A to this Agreement (collectively, the "**Securities**"), which securities include the Shares issued on Closing of the Acquisition; (ii) the only securities of the Company beneficially owned, directly or indirectly, or over which control or direction is exercised by the Shareholder are those listed on Appendix A to this Agreement opposite the Shareholder's name; and (iii) the Shareholder has no agreement or option, or right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase or acquisition by the undersigned or transfer to the undersigned of additional Shares.

In consideration of the foregoing, the Shareholder hereby agrees that during the period commencing on the date of this Agreement and ending (i) in respect of 50% of the Shares on the day which is 6 months following the Closing Date, and (ii) in respect of the remaining 50% of the Shares on the day which is 12 months following the Closing Date (the "**Lock-up Period**"), the undersigned will not, directly or indirectly, without the prior written consent of the Company, which consent will not be unreasonably withheld or delayed, sell, offer, assign, transfer, pledge, encumber, contract to sell or grant an option to purchase, or otherwise enter into any arrangement (including a monetization arrangement) which has the effect of transferring all or any of the economic benefits of ownership of, all or any of the Securities owned, directly or indirectly, or beneficially controlled, directly or indirectly, by the undersigned on the date hereof, and will not announce during such period any intention to sell, assign, transfer, pledge, encumber, grant an option to purchase or monetize any Securities during or after such period.

The foregoing restriction is expressly agreed to preclude the Shareholder from engaging in any hedging or other transaction which is designed to or which reasonably could be expected to lead to or result in a sale or disposition of the undersigned's Securities even if such Securities would be disposed of by someone other than the Shareholder. Such prohibited hedging or other transactions would include without limitation any short sale (with the exception of covered short sales covered by stock options expiring during the period (including taxes)) or any purchase, sale or grant of any right (including without limitation any put or call option) with respect to any of the Securities or with respect to any security that includes, relates to, or derives any significant part of its value from Shares.

In addition, the undersigned agrees to provide the Company, at the request of the Company, with copies of its investment statements evidencing ongoing ownership and status of the Securities on a quarterly basis, within five

business days following the end of each calendar quarter, during the Lock-Up Period, and acknowledges and agrees that the Company will verify the ownership and status of the Securities from time to time with the transfer agent of the Company and other relevant third parties.

Notwithstanding the foregoing, the undersigned may transfer the Securities: (i) to an Affiliate (as hereinafter defined), (ii) by will or intestate succession following the Shareholder's death, (iii) to a tax trust, 401K, RRSP or TFSA, (iv) for the purposes of estate planning; (v) pursuant to a court order or similar decree; or (vi) as a pledge of the undersigned's Securities as security for bona fide indebtedness of the undersigned, provided that any such transferee or pledgee shall first enter into a written agreement whereby such transferee or pledgee agrees to assume all obligations of the undersigned under the terms of this Agreement and provided that the Shareholder first obtains the written consent of the Company for such pledge, which consent shall not be unreasonably withheld. The Shareholder covenants and agrees to use its best efforts to prevent any pledge of the Securities, permitted or otherwise, from being exercised such that the Securities are transferred to a pledgee; however, in the event that such a transfer occurs the Shareholder and the pledgee will, as a condition of the Company consenting to such transfer or pledge, agree to provide the Company with the Right of First Refusal (as defined herein) for the remaining duration of period of the Lock-Up Period. For the purposes of this Agreement, "**Affiliate**" of any person means any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such person.

For the purposes of this Agreement, "**control**" when used with respect to any person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise, and the terms "controlling" and "controlled" have the meanings correlative to the foregoing. For the purposes of this Agreement, "**Right of First Refusal**" means the right granted by the Shareholder and any transferee of the Securities who is or becomes bound by this Agreement (in each case, a "**Seller**") to offer the Company the right to acquire any or all of the Securities prior to completing the sale of the Securities through the facilities of a stock exchange or in a private sale transaction by complying with the following procedure: (i) the Seller will deliver written notice of its intention to sell such vested Securities (the "**Proposed Sale Notice**") to the Company, which Proposed Sale Notice shall specify the total number of Shares proposed to be sold (the "**Proposed Sale Shares**"); (ii) for a period of 60 calendar days commencing on the date that the Proposed Sale Notice is delivered to the Company (the "**Offer Period**"), the Company will have the right to seek and arrange for purchasers of the Proposed Sale Shares (the "**Company Arranged Purchasers**") and if the Company Arranged Purchasers commit to purchase not less than all of the Proposed Sale Shares prior to the expiry of the Offer Period (and otherwise on customary terms and conditions), the Seller will be required to sell all of the Proposed Sale Shares to the Company Arranged Purchasers; and (iii) if no such sale to Company Arranged Purchasers is completed within the Offer Period, the Company will promptly notify the Seller and consent to the sale of such Shares to a third party at the discretion of the Seller, provided such sale is completed in accordance with applicable securities laws and stock exchange policies. The Right of First Refusal will only apply if the Lock-Up Shares are pledged as security or used as collateral.

The undersigned hereby authorizes the Company during the Lock-Up Period to cause any transfer agent for the Securities to decline to transfer, and to note stop transfer restrictions on the share register and other records relating to, Securities for which the undersigned is the registered or beneficial holder.

It is agreed that this Agreement shall neither limit nor restrict the ability of the undersigned to sell, transfer, or dispose of any and all of the Securities pursuant to a *bona fide* written offer (whether solicited or unsolicited) by a person unaffiliated with the Company (a) made to every holder of Shares on the same basis, whether by way of take-over bid, tender offer, plan of arrangement, or other business combination or similar transaction ("**Transaction**"), and (b) recommended by the board of directors of Company provided that if such Transaction is not completed, the provisions of this Agreement remain in force and effect.

The Shareholder acknowledges and agrees that a breach of this Agreement by them may cause irreparable harm to the Company and that monetary damages may not be a sufficient remedy, and that the Company may be entitled to equitable relief, including in the form of injunctions and orders for specific performance, in addition to all other remedies available at law or in equity. In addition, upon any breach of this Agreement by the Shareholder, all rights

ELEMENT79-CALIPUY SHARE EXCHANGE AGREEMENT

granted to the Shareholder by the Company pursuant to the Purchase Agreement or any other bonuses, payments or securities shall be forfeited and terminated immediately, and cancelled by the Company (the “**Forfeiture**”), and the Shareholder hereby fully and finally releases and discharges the Company and its directors, officers, shareholders and other representatives from any and all liability, obligations and claims in connection with any Forfeiture or in connection with this Agreement.

This Agreement is governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein. This Agreement is irrevocable and will be binding on the undersigned and the heirs, personal representatives and assigns of the undersigned.

*[Signature page follows.]*

**DATED** as of this \_\_\_\_\_ day of June, 2022.

Registered Shareholder Name:	
Signature of Authorized Signatory:	
Print Name of Authorized Signatory:	
Print Title of Authorized Signatory:	

**APPENDIX A TO LOCK-UP AGREEMENT  
OWNERSHIP OF SECURITIES OF ELEMENT79 GOLD CORP.**

<b>Name</b>	<b>Securities beneficially owned (specify whether the securities are Shares or other securities such as options or warrants)</b>	<b>Registered holder if different from beneficial owner</b>	<b>Total number of common shares owned or controlled (include number of Shares issuable on exercise of other securities, such as options or warrants)</b>	<b>Total number of Performance Bonus Warrants that may be owned or controlled in the event such Performance Bonus Warrants are issued during the Lock-Up Period</b>

**SCHEDULE “L”**

**Form of Warrant Certificate**

**[SEE ATTACHED]**

**THE WARRANTS REPRESENTED BY THIS CERTIFICATE ARE NON-TRANSFERABLE.**

*[If applicable, insert US Legend]* **THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF ELEMENT79 GOLD CORP. (THE “ISSUER”) THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT OR (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE ISSUER AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, AND IF APPLICABLE THE ISSUER’S TRANSFER AGENT, TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.**

**WARRANT CERTIFICATE**

**ELEMENT79 GOLD CORP.**

THESE WARRANTS WILL EXPIRE AND BECOME NULL AND VOID AT THE TIME OF EXPIRY  
(AS DEFINED HEREIN).

**Warrant Certificate No.: [To be Provided]  
Number of Warrants: [To be Provided]**

**Right to Purchase [To be Provided] Common Shares**

This is to certify that, for value received, ♦ of ♦ is the registered holder of ♦ (♦) common share purchase warrants (each, a “Warrant”) of **Element79 Gold Corp.** (the “Company”). Each Warrant will entitle the Holder, upon and subject to the terms and conditions attached to this certificate or any replacement certificate (in either case the “Warrant Certificate”) at Appendix “A” (the “Terms and Conditions”), to acquire from the Company one fully paid and non-assessable common share of the Company (each, a “Warrant Share”) at a price (the “Exercise Price”) of \$2.00 per Share at any time from the Exercise Eligibility Date (as defined herein) until the Time of Expiry (as defined herein), subject to the Acceleration Right (as defined herein).

1. ONE (1) WARRANT AND THE APPLICABLE EXERCISE PRICE ARE REQUIRED TO PURCHASE ONE WARRANT SHARE. THIS CERTIFICATE REPRESENTS ♦ (♦) WARRANTS.
2. These Warrants are issued subject to the Terms and Conditions, and the Holder may exercise the right to purchase Warrant Shares only in accordance with the Terms and Conditions.
3. Nothing contained herein or in the Terms and Conditions will confer any right upon the Holder or any other person to subscribe for or purchase any Warrant Shares at any time prior to the Exercise Eligibility Date or subsequent to the Time of Expiry and from and after such time, these Warrants and all rights under this Warrant Certificate will be void and of no value.

*[The remainder of this page is intentionally left blank]*

**IN WITNESS WHEREOF** the Company has caused this Warrant Certificate to be executed.

**DATED** at the City of Vancouver, in the Province of British Columbia, this \_\_\_\_\_ day of June, 2022.

**ELEMENT79 GOLD CORP.**

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

## APPENDIX “A”

### TERMS AND CONDITIONS

TERMS AND CONDITIONS dated June \_\_\_\_, 2022 (the “**Terms and Conditions**”), attached to the Warrant Certificate issued by Element79 Gold Corp.

#### 1. INTERPRETATION

##### 1.1 **Definitions**

In these Terms and Conditions, unless there is something in the subject matter or context inconsistent therewith:

- (a) “**Acceleration Right**” has the meaning given to such term in Section 2.1;
- (b) “**Auditors**” means an independent firm of accountants duly appointed as auditors of the Company;
- (c) “**Bonus Warrant Production Target**” means projects carried out on the Properties cumulatively reaching a minimum production target of 9,000 tons of ore yielding a minimum of 1,500 oz Au within a 30 day production period, or such other target as may be agreed to in writing by the Company and the holders of the Warrants from time to time;
- (d) “**Business Day**” means any day of the year other than Saturday, Sunday or any day on which banks are required or authorized to close in Vancouver, British Columbia;
- (e) “**Common Share Reorganization**” has the meaning given to such term in Section 4.6(b)(i);
- (f) “**Company**” means Element79 Gold Corp. until a successor corporation will have become such as a result of consolidation, amalgamation or merger of the Company with or into any other corporation or corporations, or as a result of the conveyance or transfer of all or substantially all of the properties and estates of the Company as an entirety to any other corporation, and, thereafter, “**Company**” will mean such successor corporation;
- (g) “**Exchange**” means the Canadian Securities Exchange;
- (h) “**Exercise Eligibility Date**” means the date on which the Company provides notice to the holders of the Warrants (via news release or otherwise) that the Bonus Warrant Production Target is satisfied;
- (i) “**Exercise Price**” means \$2.00 per Share, subject to adjustment as set out herein;
- (j) “**Exercise Date**” has the meaning given to such term in Section 4.2(a);
- (k) “**Expiry Date**” has the meaning given to such term in Section 2.2;
- (l) “**herein**”, “**hereby**” and similar expressions refer to these Terms and Conditions as the same may be amended or modified from time to time;
- (m) “**Holder**” means the holder of the Warrants;
- (n) “**Issuance Date**” means the date hereof;

- (o) “**person**” means a natural person, corporation, limited liability corporation, unlimited liability corporation, joint stock corporation, partnership, limited partnership, limited liability partnership, trust, trustee, any unincorporated organization, joint venture or any other entity;
- (p) “**Properties**” has the meaning ascribed to the term in the Share Purchase Agreement;
- (q) “**Section**” followed by a number refers to the specified Section of these Terms and Conditions;
- (r) “**Share Purchase Agreement**” means the Share Purchase Agreement dated as of June 19, 2022 among the Company, Calipuy Resources Inc. and the shareholders of Calipuy Resources Inc., as amended from time to time;
- (s) “**Shares**” means the common shares in the capital of the Company as constituted at the date hereof and any Shares resulting from any subdivision or consolidation of the Shares;
- (t) “**Subscription Form**” has the meaning given to such term in Section 4.1(a);
- (u) “**Time of Expiry**” means 5:00 pm (Vancouver Time) on the Expiry Date;
- (v) “**Warrant Certificate**” means the Warrant Certificate attached to these Terms and Conditions;
- (w) “**Warrants**” means the common share purchase warrants of the Company represented by the Warrant Certificate; and
- (x) “**Warrant Shares**” means the Shares issuable upon exercise of the Warrants.

## 1.2 Gender

Words importing the singular number include the plural and vice versa and words importing the masculine gender include the feminine and neuter genders.

## 1.3 Interpretation not affected by Headings

The division of these Terms and Conditions into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation thereof.

## 1.4 Applicable Law

The Warrants will be exclusively construed in accordance with the laws of the Province of British Columbia. The Warrant Certificate and these Terms and Conditions are governed by the laws of the Province of British Columbia and the federal laws of Canada applicable therein. The Holder irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia.

## 1.5 Currency

Unless otherwise provided, all dollar amounts referred to in the Warrant Certificate and these Terms and Conditions are in lawful money of Canada.

## 2. ISSUE OF WARRANTS

### 2.1 Warrant Acceleration

Notwithstanding any other provision in this Warrant Certificate, in the event that the Shares have a closing price on the Exchange (or such other exchange on which the Shares may be traded at such time) of greater than \$3.50 per Share for a period of ten (10) consecutive trading days at any time after four months and one day from the date of issuance, the Company may accelerate the Expiry Time by giving notice via a broadly disseminated news release to the holders thereof and, in such case, the Warrants will expire on the 10<sup>th</sup> day after the date on which such notice is given to the holder by the Company via news release (the “**Acceleration Right**”).

## **2.2 Expiry Date**

The Warrants shall be exercisable until the date (the “**Expiry Date**”) that is the earlier of (i) three years from the Exercise Eligibility Date, and (ii) the maximum term permitted by the Exchange, being five years from the date of issuance of the Warrants unless the Warrant Extension Approval (as defined herein) is obtained, in either case subject to the Acceleration Right. In the event that the Bonus Warrant Production Target is achieved after the date that is two years, but before the date that is three years, from the date of issuance of the Warrants, the Company covenants with the Holder that it will make reasonable efforts to request an extension of the Expiry Date of the Warrants such that they may remain exercisable until the date that is three years from the Exercise Eligibility Date (the “**Warrant Extension Approval**”).

## **2.3 Additional Warrants**

The Company may at any time and from time to time issue additional warrants or grant options or similar rights to purchase Shares.

## **2.4 Warrants to Rank Pari Passu**

All Warrants and additional warrants, options or similar rights to purchase Shares from time to time issued or granted by the Company will rank *pari passu*, whatever may be the actual dates of issue or grant thereof, or of the dates of the certificates by which they are evidenced.

## **2.5 Replacement of Lost or Damaged Warrant Certificate**

- (a) In case the Warrant Certificate becomes mutilated, lost, destroyed or stolen, the Company, at its discretion, may issue and deliver a new Warrant Certificate of like date and tenor as the one mutilated, lost, destroyed or stolen, in exchange for, in place of, and upon cancellation of, such mutilated Warrant Certificate, or in lieu of, and in substitution for, such lost, destroyed or stolen Warrant Certificate, and the replacement Warrant Certificate will be entitled to the benefit hereof and rank equally in accordance with its terms with all other warrants issued or to be issued by the Company.
- (b) The applicant for the issue of a new Warrant Certificate pursuant hereto will bear the cost of the issue thereof and, in case of loss, destruction or theft, will furnish to the Company such evidence of ownership and of loss, destruction or theft of the Warrant Certificate so lost, destroyed or stolen as will be satisfactory to the Company in its discretion. Such applicant may also be required to furnish indemnity in amount and form satisfactory to the Company in its discretion, and will pay the reasonable charges of the Company in connection therewith.

## **2.6 Holder Not a Shareholder**

The holding of the Warrant Certificate shall not constitute the Holder thereof a shareholder of the Company, nor entitle him to any right or interest in respect thereof except as expressly provided in the Warrant Certificate.

### 3. NOTICE

#### 3.1 **Notice to Holders**

Any notice required or permitted to be given to the Holder will be in writing and may be given by prepaid registered post, electronic facsimile transmission or other means of electronic communication capable of producing a printed copy to the address of the Holder appearing on the Warrant Certificate or to such other address as the Holder may specify by notice in writing to the Company to the address set forth in Section 3.2, and any such notice will be deemed to have been given and received by the Holder: (i) if mailed, on the third Business Day following the mailing thereof; (ii) if by facsimile or other electronic communication, on successful transmission; or (iii) if delivered, on delivery, but if at the time of mailing, or between the time of mailing and the third Business Day thereafter, there is a strike, lockout or other labour disturbance affecting postal service, then the notice will not be effectively given until actually delivered. Notwithstanding the foregoing, the Company may provide notices of the Bonus Warrant Production Target being satisfied or of the Acceleration Right, from time to time, via broadly disseminated news release, and such notice shall be effective irrespective of whether the Holder received or viewed such news release.

#### 3.2 **Notice to the Company**

Any notice required or permitted to be given to the Company will be in writing and may be given by prepaid registered post, electronic facsimile transmission or other means of electronic communication capable of producing a printed copy to the address of the Company set forth below or such other address as the Company may specify by notice in writing to the Holder to the address of the Holder appearing on the Warrant Certificate, and any such notice will be deemed to have been given and received by the Company: (i) if mailed, on the third Business Day following the mailing thereof; (ii) if by facsimile or other electronic communication, on successful transmission; or (iii) if delivered, on delivery, but if at the time of mailing, or between the time of mailing and the third Business Day thereafter, there is a strike, lockout or other labour disturbance affecting postal service, then the notice will not be effectively given until actually delivered.

Notices to the Company shall be delivered to:

Element79 Gold Corp.  
Suite 230 - 997 Seymour Street  
Vancouver, BC V6B 3M1  
Attention: James Tworek, Chief Executive Officer

### 4. EXERCISE OF WARRANTS

#### 4.1 **Method of Exercise of Warrants**

The Holder may exercise its right to purchase the Warrant Shares at the Exercise Price at any time from the Exercise Eligibility Date until the Time of Expiry by providing the Company with the following documents:

- (a) a completed and executed subscription form, in the form attached as Appendix B hereto (the “**Subscription Form**”), for the number of Warrant Shares which the Holder wishes to purchase, in the manner therein indicated;
- (b) surrendering the Warrant Certificate, together with the executed Subscription Form, to the address set forth in Section 3.2; and
- (c) paying the appropriate Exercise Price, in Canadian funds, for the number of Warrant Shares subscribed for, either by bank draft, certified cheque or money order, payable to the

Company in Vancouver, British Columbia at the address set forth in Section 3.2. Alternatively, the Exercise Price may be wired to the Company or its lawyers pursuant to wiring instructions that will be provided to the Holder upon request.

#### **4.2 Effect of Exercise of Warrants**

- (a) On the date the Company receives a duly executed Subscription Form and the Exercise Price for the number of Warrant Shares specified in the Subscription Form (the “**Exercise Date**”), the Warrant Shares so subscribed for will be deemed to have been issued and the persons to whom such Warrant Shares have been deemed to be issued will be deemed to have become the holder (or holders) of record of such Warrant Shares on such date.
- (b) As promptly as practicable after the Exercise Date and, in any event, within five (5) Business Days of the Exercise Date, the Company shall forthwith cause to be delivered to the person or persons in whose name or names the Warrant Shares so subscribed for are to be registered as specified in such Subscription Form, and courier to him or them at his or their respective addresses specified in such Subscription Form, a certificate or certificates for the appropriate number of fully paid and non-assessable Warrant Shares, which will not exceed that number which the Holder is entitled to purchase pursuant to the Warrant Certificate surrendered.

#### **4.3 Subscription for Less Than Entitlement**

The Holder of any Warrant may subscribe for and purchase a number of Warrant Shares less than the number which the Holder is entitled to purchase pursuant to the surrendered Warrant Certificate. In the event of any purchase of a number of Warrant Shares less than the number which can be purchased pursuant to the Warrant Certificate, the Holder, upon exercise thereof, shall be entitled to receive a new Warrant Certificate in respect of the balance of the Warrant Shares which the Holder was entitled to purchase pursuant to the surrendered Warrant Certificate and which were not then purchased.

#### **4.4 Warrants for Fractions of Warrant Shares**

To the extent that the Holder of any Warrant is entitled to receive on the exercise or partial exercise thereof a fraction of a Warrant Share, such right may be exercised in respect of such fraction only in combination with another Warrant or other Warrants which, in the aggregate, entitle the Holder to receive a whole number of such Warrant Shares.

#### **4.5 Expiration of Warrants**

After the Time of Expiry, all rights under the Warrant Certificate and these Terms and Conditions shall wholly cease and terminate and the Warrants shall be void and of no further force and effect.

#### **4.6 Adjustment of Exercise Price**

- (a) Unless there is something in the subject matter or context inconsistent therewith, in this Warrant the words and terms defined below will have the following respective meanings:
  - (i) “**Adjustment Period**” means the period commencing on the date of issue of this Warrant and ending at the Expiry Time;
  - (ii) “**Current Market Price**” of the Shares at any date means the price per Share equal to the weighted average price at which the Shares have traded on the Exchange or, if the Shares are not then listed on the Exchange, on such other stock exchange as

the Shares may then be listed or as may be selected by the directors of the Company for such purpose or, if the Shares are not then listed on any stock exchange, in the over-the-counter market, during the period of any 20 consecutive trading days ending not more than five business days before such date; provided that the weighted average price will be determined by dividing the aggregate sale price of all Shares sold on the said exchange or market, as the case may be, during the said 20 consecutive trading days by the total number of Shares so sold; and provided further that if the Shares are not then listed on any stock exchange or traded in the over-the-counter market, then the Current Market Price will be determined by such firm of independent chartered accountants as may be selected by the directors of the Company;

- (iii) “**director**” means a director of the Company for the time being and, unless otherwise specified herein, a reference to action “by the directors” means action by the directors of the Company as a board or, whenever empowered, action by the executive committee of such board;
  - (iv) “**Shares**” means the common shares without par value in the capital of the Company; and
  - (v) “**trading day**” with respect to a stock exchange or over-the-counter market means a day on which such stock exchange or market is open for business.
- (b) The Exercise Price and the number of Shares issuable to the Holder will be subject to adjustment from time to time in the events and in the manner provided as follows:
- (i) If at any time during the Adjustment Period the Company:
    - A. fixes a record date for the issue of, or issues, Shares to the holders of all or substantially all of the outstanding Shares by way of a stock dividend;
    - B. fixes a record date for the distribution to, or makes a distribution to, the holders of all or substantially all of the Shares payable in Shares or securities exchangeable for or convertible into Shares;
    - C. subdivides the outstanding Shares into a greater number of Shares; or
    - D. consolidates the outstanding Shares into a lesser number of Shares;
    - E. (any of such events in subparagraphs A, B, C and D above being herein called a “**Common Share Reorganization**”), the Exercise Price will be adjusted on the earlier of the record date on which holders of Shares are determined for the purposes of the Common Share Reorganization and the effective date of the Common Share Reorganization to the amount determined by multiplying the Exercise Price in effect immediately prior to such record date or effective date, as the case may be, by a fraction:
      - I. the numerator of which will be the number of Shares outstanding on such record date or effective date before giving effect to such Common Share Reorganization; and
      - II. the denominator of which will be the number of Shares that will be outstanding immediately after giving effect to such Common

Share Reorganization (including in the case of a distribution of securities exchangeable for or convertible into Shares at no additional cost to the holder thereof the number of Shares that would be outstanding had such securities all been exchanged for or converted into Shares on such date).

- F. To the extent that any adjustment in the Exercise Price occurs pursuant to this subparagraph (i) as a result of the fixing by the Company of a record date for the distribution of securities exchangeable for or convertible into Shares, the Exercise Price will be readjusted immediately after the expiry of any relevant exchange or conversion right to the Exercise Price that would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiry and will be further readjusted in such manner upon the expiry of any further such rights.
- (ii) If at any time during the Adjustment Period the Company fixes a record date for the issue or distribution to the holders of all or substantially all of the outstanding Shares of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 45 days after the record date for such issue (such period being the “**Rights Period**”), to subscribe for or purchase Shares or securities exchangeable for or convertible into Shares at a price per Share (or in the case of securities exchangeable for or convertible into Shares at an exchange or conversion price per Share at the date of issue of such securities) of less than 95% of the Current Market Price of the Shares on such record date (any of such events being herein called a “**Rights Offering**”), the Exercise Price will be adjusted effective immediately after the record date for the Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:
- A. the numerator of which will be the aggregate of:
- I. the number of Shares outstanding on the record date for the Rights Offering; and
- II. the quotient determined by dividing:
- a. either (a) the product of the number of Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Shares are offered, or, (b) the product of the exchange or conversion price of the securities so offered and the number of Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged or converted, as the case may be, by
- b. the Current Market Price of the Shares as of the record date for the Rights Offering; and
- B. the denominator of which will be the aggregate of the number of Shares outstanding on such record date and the number of Shares offered pursuant to the Rights Offering (including in the case of the issue or distribution of securities exchangeable for or convertible into Shares the number of Shares for or into which such securities may be exchanged or converted).

- C. If by the terms of the rights, options, or warrants referred to in this subparagraph (ii), there is more than one purchase, conversion or exchange price per Share, the aggregate price of the total number of additional Shares offered for subscription or purchase, or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered, will be calculated for purposes of the adjustment on the basis of the lowest purchase, conversion or exchange price per Share, as the case may be. Any Shares owned by or held for the account of the Company will be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this subparagraph (ii) as a result of the fixing by the Company of a record date for the issue or distribution of rights, options or warrants referred to in this subparagraph (ii), the Exercise Price will be readjusted immediately after the expiry of any relevant exchange, conversion or exercise right to the Exercise Price that would then be in effect based upon the number of Shares actually issued and remaining issuable after such expiry and will be further readjusted in such manner upon the expiry of any further such rights.
- (iii) If at any time during the Adjustment Period there occurs:
- A. a reclassification or redesignation of the Shares, any change of the Shares into other shares or securities or any other capital reorganization involving the Shares, other than a Common Share Reorganization;
  - B. a consolidation, amalgamation or merger of the Company with or into any other body corporate that results in a reclassification or redesignation of the Shares or a change of the Shares into other shares or securities; or
  - C. the transfer of the undertaking or assets of the Company as an entirety or substantially as an entirety to another corporation or entity;
  - D. (any of such events being herein called a “**Capital Reorganization**”), then after the effective date of the Capital Reorganization the Holder will be entitled to receive, and shall accept, for the same aggregate consideration, upon exercise of the Warrants, in lieu of the number of Shares to which the Holder was theretofore entitled upon the exercise of the Warrants, the kind and aggregate number of shares and other securities or property resulting from the Capital Reorganization which the Holder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Holder had been the registered holder of the number of Shares that the Holder was at such time entitled to purchase or receive upon the exercise of the Warrants. If necessary, as a result of any Capital Reorganization, appropriate adjustments will be made in the application of the provisions of this Warrant Certificate with respect to the rights and interest thereafter of the Holder to the end that the provisions of this Warrant Certificate will thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of the Warrants.
- (iv) If at any time during the Adjustment Period any adjustment or readjustment in the Exercise Price occurs pursuant to the provisions of subparagraphs (i), (ii) or (iii)

hereof, then the number of Shares purchasable upon the subsequent exercise of the Warrants will be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment or readjustment by a fraction that is the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.

- (c) The following rules and procedures will be applicable to any adjustments made pursuant to the preceding paragraph of this Warrant:
- (i) Subject to the following provisions of this paragraph, any adjustments made will be made successively whenever an event referred to in the preceding paragraph occurs.
  - (ii) No adjustment in the Exercise Price will be required unless the adjustment would result in a change of at least one per cent in the Exercise Price then in effect and no adjustment will be made in the number of Shares purchasable or issuable on the exercise of the Warrants unless it would result in a change of at least one one-hundredth of a Share; provided, however, that any adjustments that, except for the provisions of this paragraph, would otherwise have been required to be made will be carried forward and taken into account in any subsequent adjustment. Notwithstanding any other provision of the preceding paragraph, no adjustment of the Exercise Price will be made that would result in an increase in the Exercise Price or a decrease in the number of Shares issuable upon the exercise of the Warrants (except in respect of a consolidation of the outstanding Shares).
  - (iii) If at any time during the Adjustment Period the Company takes any action affecting the Shares, other than an action or an event described in the preceding paragraph, which in the opinion of the directors would have a material adverse effect upon the rights of the Holder under this Warrant, the Exercise Price and/or the number of Shares purchasable under this Warrant will be adjusted in such manner and at such time as the directors may determine to be equitable in the circumstances. Failure of the taking of action by the directors so as to provide for an adjustment prior to the effective date of any action by the Company affecting the Shares will be deemed to be conclusive evidence that the directors have determined that it is equitable to make no adjustment in the circumstances.
  - (iv) No adjustment in the Exercise Price or in the number or kind of securities purchasable on the exercise of the Warrants will be made in respect of any event described in the preceding paragraph if the Holder is entitled to participate in such event on the same terms *mutatis mutandis* as if the Holder had exercised the Warrants prior to, or on, the record date or effective date, as the case may be, of such event.
  - (v) If the Company sets a record date to determine holders of Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights legally abandons its plan to pay or deliver such dividend, distribution or subscription or purchase rights, no adjustment in the Exercise Price or the number of Shares purchasable upon the exercise of the Warrants will be required by reason of the setting of such record date and any such adjustment that has been made will be reversed.

- (vi) In any case in which this Warrant requires that an adjustment become effective immediately after a record date for an event referred to in the preceding paragraph hereof, the Company may defer, until the occurrence of such event:
  - A. issuing to the Holder, to the extent that the Warrants are exercised after such record date and before the occurrence of such event, the additional Shares issuable upon such exercise by reason of the adjustment required by such event; and
  - B. delivering to the Holder any distribution declared with respect to such additional Shares after such record date and before such event;
  - C. provided, however, that the Company delivers to the Holder an appropriate instrument evidencing the right of the Holder, upon the occurrence of the event requiring the adjustment, to an adjustment in the Exercise Price or the number of Shares purchasable upon the exercise of the Warrants.
- (vii) If a dispute arises at any time with respect to any adjustment of the Exercise Price or the number of Shares purchasable pursuant to this Warrant, such dispute, absent manifest error, will be conclusively determined by the auditors of the Company or if they are unable or unwilling to act by such other firm of independent chartered accountants as may be selected by the directors.
- (viii) All adjustments to the Exercise Price or the number of Shares purchasable pursuant to this Warrant are subject to the prior approval of the Exchange.
- (ix) As a condition precedent to the taking of any action that would require an adjustment pursuant to the preceding paragraph, the Company will take any action that may, in the opinion of the Company's legal counsel, be necessary in order that the Company may validly and legally issue as fully paid and non-assessable all of the Shares that the Holder is entitled to receive in accordance with the provisions of this Warrant.

#### **4.7 Determination of Adjustments**

If any questions will at any time arise with respect to the Exercise Price or any adjustment provided for in Section 4.6, such questions will be conclusively determined by the Company's Auditors, or, if they decline to so act, by any other firm of certified public accountants registered with the Canadian Public Accountability Board that the Company may designate and who will have access to all appropriate records, and such determination will be binding upon the Company and the Holder.

#### **4.8 Limitation on Exercise**

Notwithstanding anything else contained herein to the contrary, the number of Warrant Shares that may be acquired by the Holder upon the exercise of the Warrants (or otherwise in respect hereof) shall be limited to the extent necessary to ensure that, following such exercise (or other issuance) the total number of Shares then beneficially owned by the Holder and its affiliates and any other persons whose beneficial ownership of Shares would be aggregated with the Holder's for purposes of Multilateral Instrument 62-104 – Takeover Bids and Issuer Bids (“MI 62 104”) of the *Securities Act* (British Columbia) does not exceed 9.9% of the total number of issued and outstanding Shares (or such lower percentage if (a) Section 5.2(1) of MI 62-104 of the *Securities Act* (British Columbia) or the rules promulgated thereunder (or any successor instrument or rules) is changed to reduce the beneficial ownership percentage threshold thereunder to a percentage less than 9.9% or (b) the Holder in its sole discretion so directs the Company in writing)) including for such

purpose the Warrant Shares issuable upon exercise of the Warrants. For such purposes, beneficial ownership shall be determined in accordance with Section 1.8(1) of MI 62-104 of the *Securities Act* (British Columbia) and the rules and regulations promulgated thereunder.

5. WAIVER OF CERTAIN RIGHTS

The Holder, as part of the consideration for the issue of the Warrants, waives and will not have any right, cause of action or remedy now or hereafter existing in any jurisdiction against any past, present or future incorporator, shareholder, director or officer of the Company for the issue of Warrant Shares pursuant to the exercise of any Warrant, or on any covenant, agreement, representation or warranty by the Company herein contained or contained in the Warrant Certificate.

6. MODIFICATION OF TERMS AND CONDITIONS FOR CERTAIN PURPOSES

From time to time, the Company may, subject to the provisions herein, modify the Terms and Conditions hereof, for the purpose of correction or rectification of any ambiguities, defective provisions, errors or omissions herein.

7. TIME OF ESSENCE

Time will be of the essence hereof.

8. SUCCESSORS

This Warrant Certificate will enure to the benefit of and will be binding upon the Company and its successors.

9. WARRANTS TRANSFERABLE

The Warrants, and any rights attached to any of them, are non-transferable.

**APPENDIX B**

**SUBSCRIPTION FORM**

TO: Element79 Gold Corp.  
Suite 230 - 997 Seymour Street  
Vancouver, BC V6B 3M1  
Attention: James Tworek, Chief Executive Officer

The undersigned Holder of the within Warrant Certificate hereby subscribes for \_\_\_\_\_ common shares (the “**Shares**”) of **Element79 Gold Corp.** (the “**Company**”) pursuant to the within Warrant Certificate at the Exercise Price per Share and on the Terms and Conditions of the within Warrant Certificate. This subscription is accompanied by a certified cheque or bank draft payable to or to the order of the Company for the whole amount of the purchase price of the Shares. The undersigned Holder represents that, at the time of exercise of the Warrants, all of the representations and warranties contained in the Subscription Agreement between the Company and the undersigned Holder pursuant to which these Warrants were issued are true and accurate.

Capitalized terms used but not otherwise defined herein shall have the meaning ascribed thereto in the Warrant Certificate dated ♦, 2022 to which this Subscription Form is attached.

The undersigned hereby directs that the Shares hereby subscribed for be issued and delivered as follows:

<u>NAME(S) IN FULL</u>	<u>ADDRESS(ES)</u>	<u>NUMBER OF SHARES</u>
_____	_____	_____
_____	_____	_____
<b>TOTAL:</b>		_____

(Please print full name in which share certificates are to be issued, stating whether Mr., Mrs. or Miss is applicable).

DATED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

In the presence of:

\_\_\_\_\_  
Signature of Witness

\_\_\_\_\_  
Signature of Warrant Holder

Please print below your name and address in full.

\_\_\_\_\_  
Name (Mr./Mrs./Miss)

\_\_\_\_\_  
Address

\_\_\_\_\_  
\_\_\_\_\_

## LEGENDS

The certificates representing the Shares acquired on the exercise of the Warrants will bear the following legends, if and as applicable:

**THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF ELEMENT79 GOLD CORP. (THE "ISSUER") THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT OR (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE ISSUER AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, AND IF APPLICABLE THE ISSUER'S TRANSFER AGENT, TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.**

## INSTRUCTIONS FOR SUBSCRIPTION FORM

The signature to the Subscription Form must correspond in every particular with the name written upon the face of the Warrant Certificate without alteration or enlargement or any change whatever. If there is more than one subscriber, all must sign.

In the case of persons signing by agent or attorney or by personal representative(s), the authority of such agent, attorney or representative(s) to sign must be proven to the satisfaction of the Company.

If the Warrant Certificate and the Subscription Form are being forwarded by mail, registered mail must be employed.

**SCHEDULE "M"**

**TO THE SHARE PURCHASE AGREEMENT  
dated June 19, 2022**

**U.S. Representation Letter**

Capitalized terms used in this U.S. Representation Letter (the "Letter") and defined in the Share Purchase agreement (the "Agreement") to which this Letter is attached have the meaning defined in the Agreement unless otherwise defined herein.

In addition to the representations, warranties, acknowledgements and covenants contained in the Agreement, the Calipuy Shareholder further represents, warrants, acknowledges and covenants (all of which representations, warranties, acknowledgements and covenants shall survive the Closing) to Element79 (and acknowledges that Element79 is relying thereon) that:

- (a) the Calipuy Shareholder understands and agrees that the Consideration Securities have not been and will not be registered under the 1933 Act, or applicable state securities laws, and the Consideration Securities are being offered and sold to the Calipuy Shareholder by Element79 in reliance upon Rule 506(b) of Regulation D and/or section 4(a)(2) under the 1933 Act;
- (b) the Calipuy Shareholder is receiving the Consideration Securities for its own account for investment purposes only and not with a view to resale or distribution and, in particular, the Calipuy Shareholder has no intention to distribute either directly or indirectly any of the Consideration Securities in the United States or to U.S. Persons; provided, however, that this paragraph shall not restrict the Calipuy Shareholder from selling or otherwise disposing of any of the Consideration Securities pursuant to registration thereof pursuant to the 1933 Act and any applicable state securities laws or under an available exemption from such registration requirements;
- (c) the Calipuy Shareholder is an accredited investor as defined in Rule 501(a) of Regulation D under the 1933 Act and satisfies one or more of the categories of an accredited investor, as indicated below (**the Calipuy Shareholder must initial on the appropriate line(s)**):

\_\_\_\_\_ **a natural person whose individual net worth, or joint net worth with their spouse, exceeds US\$1,000,000.** For purposes of this category, "net worth" means the excess of total assets at fair market value (including personal and real property, but excluding the estimated fair market value of a person's primary home) over total liabilities. "Total liabilities" excludes any mortgage on the primary home in an amount of up to the home's estimated fair market value as long as the mortgage was incurred more than 60 days before the Consideration Securities are acquired, but includes (i) any mortgage amount in excess of the home's fair market value and (ii) any mortgage amount that was borrowed during the 60-day period before the closing date for the acquisition of Consideration Securities for the purpose of investing in the Securities. "Spousal equivalent" means a cohabitant occupying a relationship generally equivalent to that of a spouse. "Joint net worth" can be the aggregate net worth of a person and spouse or spousal equivalent; assets do not need to be held jointly to be included in the calculation; or

\_\_\_\_\_ **a natural person who had an individual income in excess of US\$200,000 in each of the two most recent years, or joint income with their spouse in excess of US\$300,000 in each of those years, and has a reasonable expectation of reaching the same income level in the current year.** For purposes of this category, "income" means annual adjusted gross income, as reported for federal income tax purposes, plus (i) the amount of any tax-exempt interest income received; (ii) the amount of losses claimed as a limited partner in a limited partnership; (iii) any deduction claimed for depletion; (iv) amounts contributed to an IRA or Keogh retirement plan; (v) alimony paid; and (vi) any gains excluded from the calculation of adjusted gross income pursuant to the Internal Revenue Code of 1986, as amended; or

\_\_\_\_\_ **a director or executive officer of Element79.** For purposes of this category, "executive officer" means the president; any vice president in charge of a principal business unit, division or function, such as sales, administration or finance; or any other person or persons who perform(s) similar policymaking functions for Element79; or

\_\_\_\_\_ an entity in which all of the equity owners satisfy the requirements of one or more of the categories set forth in above;

- (d) the Calipuy Shareholder acknowledges that the Consideration Securities are "restricted securities", as such term is defined under Rule 144 of the 1933 Act, and may not be offered, sold, pledged, or otherwise transferred, directly or indirectly, without prior registration under the 1933 Act and applicable state securities laws, and the Calipuy Shareholder agrees that if the Calipuy Shareholder decides to offer, sell, pledge or otherwise transfer any of the Consideration Securities absent such registration, the Calipuy Shareholder will not offer, sell, pledge or otherwise transfer any of the Consideration Securities, directly or indirectly, except;
- (i) to Element79; or
  - (ii) outside the United States in an "offshore transaction" in compliance with the requirements of Rule 903 or 904 of Regulation S under the 1933 Act, if available, and in compliance with applicable local laws and regulations; or
  - (iii) in compliance with an exemption from registration under the 1933 Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or "Blue Sky" laws; or
  - (iv) in a transaction that does not require registration under the 1933 Act or any applicable state securities laws;

and, in the case of subparagraphs (iii) or (iv), the Calipuy Shareholder has furnished to Element79 and, if applicable Element79's transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to Element79 to such effect;

- (e) the Calipuy Shareholder understands that upon the original issuance of the Consideration Securities, and until such time as it is no longer required under applicable requirements of the 1933 Act or applicable state securities laws, all certificates representing the Consideration Securities and all certificates issued in exchange therefor or in substitution thereof, shall bear the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"). THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF ELEMENT79 GOLD CORP. (THE "ISSUER") THAT SUCH

SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE ISSUER; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT OR (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF PARAGRAPH (C) OR (D), THE SELLER FURNISHES TO THE ISSUER AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER, AND IF APPLICABLE THE ISSUER'S TRANSFER AGENT, TO SUCH EFFECT. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE GOOD DELIVERY IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”;

provided, that if the Consideration Securities are being sold under clause (B) above (and in compliance with Canadian local laws and regulations), at a time when Element79 is a “foreign issuer” as defined in Rule 902 under the 1933 Act, the legend set forth above may be removed by providing Element79 and its transfer agent with an opinion of counsel of recognized standing in form and substance satisfactory to Element79 to the effect that the transaction complies with the provisions of Rule 903 or 904 of Regulation S under the 1933 Act, and such other evidence of exemption as may reasonably be required by Element79 or the transfer agent, reasonably satisfactory to Element79 and the transfer agent, to the effect that the sale of the Consideration Securities is being made in compliance with Rule 903 or 904 of Regulation S under the 1933 Act; provided further, that, if any of the Consideration Securities are being sold pursuant to Rule 144 of the 1933 Act, the legend may be removed by delivery to Element79 of an opinion of counsel of recognized standing in form and substance satisfactory to Element79 and, if applicable Element79's transfer agent, to the effect that the legend is no longer required under applicable requirements of the 1933 Act or state securities laws;

- (f) the Calipuy Shareholder understands and acknowledges that Element79 has no obligation or present intention of filing with the United States Securities and Exchange Commission or with any state securities administrator any registration statement in respect of resales of the Consideration Securities in the United States;
- (g) the office or other address of the Calipuy Shareholder at which the Calipuy Shareholder received and accepted the offer to purchase the Consideration Securities is the address listed as the Calipuy Shareholder's address in Schedule “B” of the Agreement;
- (h) the Calipuy Shareholder is not aware of any advertisement of any of the Consideration Securities and is not acquiring the Consideration Securities as a result of any form of general solicitation or general advertising including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, television, internet or other form of telecommunications, or any seminar or meeting whose attendees have been invited by general solicitation or general advertising;
- (i) the Calipuy Shareholder understands and agrees that there may be material tax consequences to the Calipuy Shareholder of an acquisition or disposition of any of the Consideration Securities; that Element79 gives no opinion and makes no representation with respect to the tax consequences to the Calipuy Shareholder under United States, state, local or foreign tax law of its acquisition or disposition of such securities. In particular, no determination has been made whether Element79 will be a “passive Foreign investment company” within the meaning of Section 1291 of the United States Internal Revenue Code; and that the Calipuy Shareholder has been advised to obtain its own tax counsel;

- (j) the Calipuy Shareholder consents to Element79 making a notation on its records or giving instruction to the registrar and transfer agent of Element79 order to implement the restrictions on transfer set forth and described herein;
- (k) the Calipuy Shareholder understands and agrees that the financial statements of the Element79 have been prepared in accordance with International Financial Reporting Standards, which differ from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;
- (l) the Calipuy Shareholder confirms that the Calipuy Shareholder is able to bear the economic risk of the investment in the Consideration Securities and is able to hold the Consideration Securities for an indefinite period of time;
- (m) the Calipuy Shareholder and the Calipuy Shareholder's advisor(s) have had a reasonable opportunity to ask questions of and receive answers from Element79 in connection with the acquisition of the Consideration Securities, and to obtain information, to the extent possessed or obtainable by Element79 without unreasonable effort or expense;
- (n) the books and records of Element79 were available upon reasonable notice for inspection, subject to certain confidentiality restrictions, by the Calipuy Shareholder during reasonable business hours at its principal place of business and that all documents, records and books in connection with the acquisition of the Consideration Securities have been made available for inspection by the Calipuy Shareholder, the Calipuy Shareholder's attorney and/or advisor(s);
- (o) the Calipuy Shareholder: (i) is able to fend for himself, herself or itself in connection with the acquisition of the Consideration Securities and (ii) has such knowledge and experience in business matters as to be capable of evaluating the merits and risks of the Calipuy Shareholder's prospective investment in the Consideration Securities;
- (p) the Calipuy Shareholder is resident in the United States of America, its territories and possessions or any state of the United States or the District of Columbia (collectively the "**United States**"), is a "U.S. Person" as such term is defined in Regulation S or was in the United States at the time the Agreement was executed;
- (q) the Calipuy Shareholder understands and acknowledges that Element79 is not obligated to remain a "foreign issuer";
- (r) the Calipuy Shareholder understands that neither the U.S. Securities and Exchange Commission nor any state securities commissioner has reviewed or passed on the merits of the Acquisition or the Consideration Securities, and any representation to the contrary is a criminal offense; and
- (s) the Calipuy Shareholder understands and agrees that (i) Element79 is a corporation existing under the laws of British Columbia and the majority of its assets and operations are located, and the majority of its revenues are derived, outside the United States; (ii) as such, it may not be possible for shareholders to enforce outside the United States judgments against Element79 that are obtained in the United States, including actions predicated upon the civil liability provisions of the 1933 Act; (iii) Element79's directors and officers are citizens and residents of Canada, and all or a substantial portion of the assets of those directors and officers are or may be located outside the United States and it may not be possible for shareholders to effect service of process within the United States upon those persons, or to enforce against them judgments obtained in the United States courts, including judgments predicated upon the civil liability provisions of the United States federal and state securities laws; (iv) while reciprocal enforcement of judgment legislation exists between Canada and the U.S., Element79 and its insiders may have defenses available to avoid in Canada the effect of U.S. judgments under Canadian law, making enforcement

difficult or impossible; (v) there is uncertainty as to whether Canadian courts would enforce (A) judgments of United States courts obtained against Element79 or its insiders predicated upon the civil liability provisions of the United States federal and state securities laws or (B) in original actions brought in Canada, liabilities against the Company or its insiders predicated upon the United States federal and state securities laws; (vi) shareholders in the United States may have to avail themselves of remedies under Canadian corporate and securities laws for perceived oppression, breach of fiduciary duty and like legal complaints; and (vii) Canadian law may not provide for remedies equivalent to those available under U.S. law;

The representations, warranties, statements and certification made in this Letter are true and accurate as of the date of this Certificate and will be true and accurate as of the Closing. If any such representation, warranty, statement or certification becomes untrue or inaccurate prior to the Closing, the undersigned will give immediate written notice of such fact to the CEO of Element79.

**[SIGNATURE PAGE FOLLOWS]**

The undersigned Calipuy Shareholder acknowledges that Element79 will be relying on this Letter in connection with the Agreement.

Dated: June 19, 2022.

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Signature of Calipuy Shareholder

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Print Name of Calipuy Shareholder

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If Calipuy Shareholder is a corporation,  
print name and Official Capacity or title of signatory

If Calipuy Shareholder is a corporate entity, the signatory  
represents that he or she has authority to bind the  
corporation.