AGENCY AGREEMENT

May 31, 2022

Heritage Mining Ltd.
1700-1055 West Hastings Street
Vancouver, BC
V6E 2E9

Attention: Peter Schloo
President, Chief Executive Officer and Director

Dear Sir:

The undersigned, Red Cloud Securities Inc., as lead agent (the "**Lead Agent**"), together with Canaccord Genuity Corp., PI Financial Corp. and M Partners Inc. (collectively with the Lead Agent, the "**Agents**" and each individually, an "**Agent**") understand that Heritage Mining Ltd. (the "**Company**") proposes to issue and sell (the "**Offering**"): up to 24,000,000 units (the "**Units**") of the Company at a price of $0.25 per Unit (the "**Unit Price**"); and (ii) up to 15,000,000 flow-through units (the "**FT Units**") of the Company at a price of $0.275 per FT Unit (the "**FT Unit Price**"), for gross proceeds to a minimum of, in the aggregate, $2,000,000 of the Units and FT Units or a maximum of, in the aggregate, $6,000,000 of the Units and FT Units. Each Unit will be comprised of one (1) Common Share in the capital of the Company (a "**Unit Share**") and one (1) Common Share purchase warrant (each, a "**Warrant**"). Each Warrant will be exercisable by the holder thereof to acquire one (1) Common Share (a "**Warrant Share**") at a price of $0.40 per Warrant Share for a period of thirty-six (36) months following the Closing Date (as defined hereinafter). Each FT Unit shall be comprised of one (1) Common Share (a "**FT Share**") and (1) one Common Share purchase warrant (each, a "**FT Unit Warrant**") exercisable for a Warrant Share at a price of $0.40 per Warrant Share for a period of thirty-six (36) months following the Closing Date, each issued as a "flow-through share" within the meaning of subsection 66(15) of *the Income Tax Act* (Canada) (the "**Tax Act**"). The Warrant Shares underlying the FT Unit Warrants will not qualify as "flow-through shares" within the meaning of the subsection 66(15) of Tax Act. The Units and FT Units will be collectively referred to as the "**Offered Securities**".

The Agents understand that the Company will: (i) pursuant to the FT Subscription Agreements (as defined hereinafter) in a timely and prescribed manner and form, incur (or be deemed to incur) on or before December 31, 2023, resource exploration expenses which will constitute "Canadian exploration expenses" as defined in subsection 66.1(6) of the Tax Act and "flow-through mining expenditures" as defined in subsection 127(9) of the Tax Act (the "**Qualifying Expenditures**"), in an amount not less than the aggregate gross subscription proceeds from the issuance of the FT Units, and the Company will, in a timely and prescribed manner and form, renounce the Qualifying Expenditures (on a *pro rata* basis) to each subscriber of FT Units with an effective date of no later than December 31, 2022 in accordance with the Tax Act; and (ii) use the net proceeds from the offering of the Units for general working capital purposes, the whole as described in the Prospectus (as defined hereinafter).

In addition, the Company grants to the Agents an over-allotment option (the "**Over-Allotment Option**"), exercisable in whole or in part, at any time and from time to time, in the sole discretion of the Agents, for a period of 30 days from the Closing Date (the "**Option Closing Date**") on written notice (each such notice, an "**Over-Allotment Notice**") by an Agent to the Company not later than two Business Days (as hereinafter defined) prior to exercise, to purchase pursuant to the terms of this Agreement up to an additional 3,600,000 Units (the "**Additional Securities**") representing in number up to $900,000 in additional gross proceeds, such Additional Securities having the same terms and conditions as the Units, to cover over-allotments, if any, and for market stabilization purposes.

The Additional Securities shall be identical to the Units. All references herein to the Units shall include the Additional Securities. All references herein to the Unit Shares shall include the Unit Shares comprising part of the Additional Securities (the "**Additional Unit Shares**"), all references herein to the Warrants shall include the Warrants comprising part of the Additional Securities (the "**Additional Warrants**") and all references herein to the Warrant Shares shall include the Warrant Shares issuable upon exercise of the Additional Warrants comprising part of the Additional Securities (the "**Additional Warrant Shares**"). All references herein to the Offered Securities or the Offering shall include the FT Shares and the FT Unit Warrants, and the Additional Unit Shares and Additional Warrants comprising the Additional Securities, as the context requires.

The Agents understand that the Company has prepared and filed the Preliminary Prospectus (as hereinafter defined) with the Securities Regulators (as hereinafter defined) in the Qualifying Jurisdictions (as hereinafter defined) pursuant to NP 11-202 (as hereinafter defined) and has obtained the decision document in respect of the Preliminary Prospectus. The Agents will distribute the Offered Securities in the Qualifying Jurisdictions pursuant to the Prospectus (as hereinafter defined) in the manner contemplated by this Agreement and in the United States on a private placement basis pursuant to an exemption from the registration requirements in the U.S. Securities Act, and in such other jurisdictions outside of Canada and the United States, in each case in accordance with all applicable laws provided that no prospectus. Registration statement or similar document is required to be filed in such jurisdiction.

Upon and subject to the terms and conditions set forth herein, the Agents hereby agree to act, and upon acceptance hereof, the Company hereby appoints the Agents, as the Company's exclusive Agents to offer for sale on a commercially reasonable efforts agency basis, without underwriter liability, the Offered Securities to be issued and sold pursuant to the Offering and the Agents agree to arrange for purchasers of the Offered Securities in the Selling Jurisdictions (as hereinafter defined) where the Offered Securities may be lawfully offered and sold, provided that any Offered Securities offered or sold in any jurisdictions outside of Canada are lawfully offered and sold on a basis exempt from the prospectus, registration or similar requirements of any such jurisdictions, including continuous disclosure obligations. It is understood and agreed that the Agents are under no obligation to purchase any of the Offered Securities.

The parties acknowledge that the Offered Securities, the Agent Warrants (as hereinafter defined) and the Agent Shares (as hereinafter defined) have not been and will not be registered under the U.S. Securities Act (as hereinafter defined) or the securities laws of any state of the United States and may not be offered or sold in the United States, or to or for the account or benefit of, U.S.

Persons (as hereinafter defined), except pursuant to exemptions from the registration requirements of the U.S. Securities Act and the applicable laws of any state of the United States in the manner specified in this Agreement and pursuant to the representations, warranties, acknowledgments, agreements and covenants of the Company, the Agents and the U.S. Affiliates (as hereinafter defined) contained in Schedule "A" hereto. All actions to be undertaken by the Agents in the United States or to, or for the account or benefit of, U.S. Persons in connection with the matters contemplated herein shall be undertaken through a U.S. Affiliate (as hereinafter defined).

The Agents acknowledge that the Agent Warrants may not be exercised in the United States or by, or for the account or benefit of, any U.S. Person or person in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act. In connection with the issuance of the Agent Warrants and Agent Shares, as the case may be, each Agent represents and warrants that (i) it is not a U.S. Person and it is not acquiring the Agent Warrants and Agent Shares in the United States, or on behalf of a U.S. Person or a person located in the United States, (ii) this Agreement was executed and delivered outside the United States, and (iii) it is acquiring the Agent Warrants and Agent Shares as principal for its own account and not for the benefit of any other person.

The Agents have the right to appoint other registered dealers as sub-agents upon such terms and conditions as may be agreed between the Agents and the sub-agents, provided the terms and conditions of such appointment are not inconsistent with the terms and conditions of this Agreement. Any such appointment will be subject to the prior approval of the Company, such approval not to be unreasonably withheld. The Company grants all of the rights and benefits of this Agreement to any registered dealers so appointed by the Agents and appoints the Agents as trustee of such rights and benefits for such registered dealers, and the Agents hereby accept such trust and agrees to hold such rights and benefits for and on behalf of such registered dealers. The Agents have the exclusive right to determine the remuneration payable by the Agents to such other registered dealers appointed by it out of the compensation payable by the Company to the Agents, provided, however, in no case shall such remuneration exceed that payable to the Agents hereunder.

In consideration of the services to be rendered by the Agents pursuant to this Agreement and in connection with all other matters relating to the issue and sale of the Offered Securities, the Company shall pay to the Agents at the Closing Time (as hereinafter defined) and the Option Closing Time (as hereinafter defined) a cash commission (the "**Commission**") of 7% of the gross proceeds realized by the Company in respect of the sale of the Offered Securities (including, for certainty, any Additional Securities issued and sold by the Company on exercise of the Over-Allotment Option).

As additional consideration, the Company shall issue and deliver to the Agents the Agent Warrants. The obligation of the Company to pay the Commission and issue the Agent Warrants shall arise at the Closing Time against payment for the Offered Securities, and the Commission and the Agent Warrants shall be fully earned by the Agents at that time; provided that in respect of Commission payable and Agent Warrants issuable in respect of Additional Securities sold upon exercise of the Over-Allotment Option subsequent to the Closing Date, the Commission and Agent Warrants shall be fully earned by the Agents at the Option Closing Time.

DEFINITIONS

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

"**Additional Securities**" has the meaning ascribed thereto in this Agreement;

"**Additional Unit Shares**" has the meaning ascribed thereto in this Agreement;

"**Additional Warrants**" has the meaning ascribed thereto in this Agreement;

"**Additional Warrant Shares**" has the meaning ascribed thereto in this Agreement;

"**affiliate**", "**associate**", "**distribution**", "**material change**", "**material fact**" and "**misrepresentation**" have the respective meanings ascribed thereto in the *Securities Act* (Ontario);

"**Affiliates**" means the affiliates of the Agents;

"**Agent Information**" has the meaning ascribed to it in Section 4(c)(i);

"**Agent Securities**" means, collectively, the Agent Warrants and the Agent Shares;

"**Agent Shares**" means the Common Shares underlying the Agent Warrants issued to the Agents;

"**Agents**" has the meaning ascribed to it on the face page of this Agreement;

"**Agent Warrant Certificates**" means the certificates representing the Agent Warrants and containing the terms thereof;

"**Agent Warrants**" means the Agent warrants to be issued to the Agents at the Closing Time, or the Option Closing Time, if applicable, equal to 7% of the number of Offered Securities sold under the Offering, including for certainty, any Additional Securities issued pursuant to the Over-Allotment Option, with each Agent Warrant exercisable for one (1) Agent Share for a period of thirty-six (36) months following the Closing Date or the Option Closing Date, if applicable, at a price of $0.25 per Agent Warrant, it being understood that the Agents may, at their discretion, subject to compliance with Securities Laws, direct the Company to register the Agent Warrants in the name of the selling group members;

"**Agreement**" means the agreement resulting from the acceptance by the Company of the offer made hereby;

"**Alternative Transaction**" has the meaning ascribed thereto in Section 6(o) of this Agreement;

"**Business Day**" means a day which is not a Saturday, Sunday or statutory or civic holiday in the City of Toronto, Ontario;

"**Canadian Exploration Expense**" or "**CEE**" means "Canadian exploration expenses" as defined in subsection 66.1(6) of the Tax Act;

"**Canadian Securities Laws**" means all applicable securities laws in each of the Qualifying Jurisdictions and the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, notices, orders, blanket rulings and other regulatory instruments of the Securities Regulators in the Qualifying Jurisdictions, and all applicable rules and policies of the CSE;

"**Closing**" means the completion of the issuance and sale of the Offered Securities pursuant to the Offering in accordance with the provisions of this Agreement;

"**Closing Date**" means the day on which Closing shall occur, being June 23, 2022, or such other date(s) as may be permitted under applicable Securities Laws and as the Company and the Agents may determine;

"**Commitment Amount**" means the amount equal to $0.275 multiplied by the number of FT Units subscribed and paid for pursuant to the FT Subscription Agreements;

"**Closing Time**" means 8:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Company and the Agents may determine;

"**Commission**" has the meaning ascribed thereto in this Agreement;

"**Common Share**" means a common share in the capital of the Company;

"**Company**" has the meaning ascribed to it on the face page of this Agreement;

"**Company's Auditors**" means Crowe MacKay LLP, or such other firm of chartered accountants as the Company may have appointed or may from time to time appoint as auditors of the Company;

"**comparables**" has the meaning ascribed thereto in NI 41-101;

"**CRA**" means the Canada Revenue Agency;

"**CSE**" means the Canadian Securities Exchange Inc.;

"**Debt Instrument**" means any note, loan, bond, debenture, indenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability, to which the Company or any of its subsidiaries is a party or by which any of their property or assets are bound;

"**Drayton – Black Lake Project**" means the Company's interest in the mineral property known as the "Drayton – Black Lake Project" consisting of 720 mining claims covering an area of approximately 14,222.83 hectares, located in the Patricia Mining District, Ontario.

"**Engagement Letter**" means the letter agreement between the Company and the Lead Agent dated January 11, 2022, in respect of the Offering;

"**Environmental Laws**" has the meaning ascribed to it in Section 7(a)(lxii)(A) of this Agreement;

"**Final Prospectus**" means the (final) long form prospectus of the Company prepared in connection with the qualification for distribution of the Offered Securities, the Additional Securities, FT Shares, FT Unit Warrants, Unit Shares, Warrants and Agent Warrants, including the documents incorporated therein by reference, and including any Supplementary Material thereto;

"**Final Receipt**" means the receipt issued pursuant to MI 11-102 and NP 11-202 by the British Columbia Securities Commission, on its own behalf and on behalf of each of the other Securities Regulators, evidencing that a receipt has been, or has been deemed to be, issued for the Final Prospectus in each of the Qualifying Jurisdictions;

"**Financial Statements**" means the audited financial statements for the years ended December 31, 2021 and 2020, and related notes thereto, together with the independent auditors' report thereon, and the unaudited interim financial statements for the three-month period ended March 31, 2022, and related notes thereto;

"**Flow-Through Mining Expenditures**" means a "flow-through mining expenditure" (as defined in subsection 127(9) of the Tax Act);

"**FT Shares**" means the Common Shares underlying the FT Units being issued by the Company pursuant to the Offering, which are "flow-through shares" as defined in subsection 66(15) of the Tax Act in accordance with the terms and conditions of this Agreement and the FT Subscription Agreements, and as described on the face page of this Agreement;

"**FT Units**" has the meaning ascribed thereto on the face page of this Agreement;

"**FT Unit Warrants**" means the common share purchase warrants each exercisable for a Warrant Share underlying the FT Units being issued by the Company pursuant to the Offering, which are "flow-through shares" as defined in subsection 66(15) of the Tax Act in accordance with the terms and conditions of this Agreement and the FT Subscription Agreements, and as described on the face page of this Agreement;

"**FT Purchasers**" herein means the persons who, as purchasers or subscribers or beneficial purchasers or subscribers, as the case may be, acquire the FT Units by duly completing, executing and delivering the required documentation;

"**FT Subscription Agreements**" means the subscription agreements between the Agents as agent for the FT Purchasers and the Company, under which the FT Purchasers agree to purchase FT Units upon the terms and conditions contained therein;

"**Government Official**" means any (a) official, officer, employee or representative of, or any person acting in an official capacity for or on behalf of, any Governmental Entity, (b) salaried political party official, elected member of political office or candidate for political office, or (c) company, business, enterprise or other entity owned or controlled by any person described in the foregoing clauses;

"**Governmental Entity**" means any (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank,

court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign having jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them, (ii) subdivision, agent, commission, board or authority of any of the foregoing, or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

"**including**" means including without limitation;

"**Laws**" means all applicable laws, statutes, by-laws, rules, regulations, orders, decrees, ordinances, protocols, codes, guidelines, policies, notices, directions and judgments or other requirements of any Governmental Entities;

"**Lead Agent**" has the meaning ascribed to it on the face page of this Agreement;

"**Leased Premises**" means the premises which are material to the Company and which the Company occupies or proposes to occupy as a tenant, sub-tenant or occupant;

"**Marketing Documents**" means, together (i) the term sheet for the Offering dated May 31, 2022, the template version of which have been agreed to between the Company and the Lead Agent;

"**marketing materials**" has the meaning ascribed thereto in NI 41-101 and for certainty, includes the Marketing Documents;

"**Material Adverse Effect**" means any change, effect, event or occurrence, that (i) is, or would be reasonably expected to be, materially adverse with respect to the condition (financial or otherwise), properties, assets, liabilities (contingent or otherwise), obligations (whether absolute, accrued, conditional or otherwise), business, affairs, capital, ownership, control, management, operations, results of operations or prospects of the Company, or (ii) would result in any of the Offering Documents containing a misrepresentation;

"**Material Agreement**" means (a) any contract, commitment, agreement (written or oral), instrument, lease or other document, including any option agreement or licence agreement, to which the Company is a party or otherwise bound and which is material to the Company, and (b) any Debt Instrument, any agreement, contract or commitment to create, assume or issue any Debt Instrument, and any other outstanding loans to the Company, or any loans by the Company to or a guarantee by the Company of the obligations of, any other person;

"**Money Laundering Laws**" has the meaning ascribed to it in Section 7(a)(xlviii);

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

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

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

"**Offered Securities**" has the meaning ascribed to it on the face page of this Agreement and shall, unless the context otherwise requires, include any Additional Securities;

"**Offering**" has the meaning ascribed to it on the face page of this Agreement;

"**Offering Documents**" means, collectively, the Preliminary Prospectus, the Final Prospectus, the U.S. Private Placement Memorandum, any Supplementary Material and any amendment thereto;

"**Option Closing Date**" has the meaning ascribed to it on the face page of this Agreement;

"**Option Closing Time**" means 8:00 a.m. (Toronto time) on the Option Closing Date or such other time on the Option Closing Date as the Company and the Agents may determine;

"**Over-Allotment Option**" has the meaning ascribed to it on the face page of this Agreement;

"**Permit**" means any regulatory approval, licence, permit, approval, consent, certificate, registration, filing or other authorization of or issued by any Governmental Entity under applicable laws, including Environmental Laws;

"**person**" includes any individual, corporation, limited partnership, general partnership, joint stock company or association, joint venture association, company, trust, bank, trust company, land trust, investment trust, society or other entity, organization, syndicate, whether incorporated or not, trustee, executor or other legal personal representative, and governments and agencies and political subdivisions thereof;

"**Preliminary Prospectus**" means the preliminary long form prospectus of the Company dated March 3, 2022, prepared in connection with the qualification for distribution of the Offered Securities, the Additional Securities, FT Shares, FT Unit Warrants, Unit Shares, Warrants and Agent Warrants, including the documents incorporated therein by reference, and including any Supplementary Material thereto;

"**Prescribed Forms**" means the forms prescribed from time to time under subsection 66(12.7) of the Tax Act filed or to be filed by the Company within the prescribed times renouncing in favour of the FT Purchasers, the Qualifying Expenses incurred pursuant to the FT Subscription Agreements, and all parts or copies of such forms required by the CRA to be delivered to the FT Purchasers;

"**Principal Business Corporation**" means a principal-business corporation as defined in subsection 66(15) of the Tax Act;

"**Property**" or "**Properties**" means the Company's interests and rights in various claims, mining concessions, permits and leases situated in Ontario and as described in the Prospectus, including, but not limited to, the Properties described in the Prospectus as the "Drayton – Black Lake Project" and "Contact Bay Property";

"**Prospectus**" means, collectively, the Preliminary Prospectus and the Final Prospectus;

"**provide**" in the context of sending or making available marketing materials to a potential Purchaser of Offered Securities, whether in the context of a "road show" (as defined in NI 41-101) or otherwise, has the meaning ascribed thereto in Canadian Securities Laws;

"**Public Record**" means all information contained in any press release, material change report (excluding any confidential material change report), financial statements, management's

discussion and analysis, annual information form, management information circular, business acquisition report, or other document which has been publicly filed by or on behalf of the Company pursuant to Canadian Securities Laws with the Securities Regulators or otherwise by or on behalf of the Company since November 27, 2020;

"**Purchasers**" means, collectively, each of the purchasers of Offered Securities arranged by the Agents pursuant to the Offering;

"**Qualified Institutional Buyer**" means a U.S. Accredited Investor that is a "qualified institutional buyer" as that term is defined in Rule 144A under the U.S. Securities Act;

"**Qualifying Expense**" (collectively, "**Qualifying Expenses**") means an expense which is CEE, which qualifies as a Flow-Through Mining Expenditure, which is incurred on or after the Closing Date, and on or before the later of, December 31, 2023, in an amount not less than the Commitment Amount, and renounced by the Company (on a *pro rata basis*) to each FT Purchaser with an effective date not later than December 31, 2022 and in respect of which, but for the renunciation, the Company would be entitled to a deduction from income for income tax purposes;

"**Qualifying Jurisdictions**" means each of the Provinces of Ontario, British Columbia and Alberta;

"**Regulation D**" means Regulation D adopted by the SEC under the U.S. Securities Act;

"**Regulation S**" means Regulation S adopted by the SEC under the U.S. Securities Act;

"**Regulations**" means the regulations under the Tax Act;

"**SEC**" means the United States Securities and Exchange Commission;

"**Securities Laws**" means all applicable securities laws, rules, regulations, policies and other instruments promulgated by the securities regulators or other securities regulatory authorities in each of the Qualifying Jurisdictions, the United States and the other jurisdictions in which the Offered Securities are offered or sold, including Canadian Securities Laws and U.S. Securities Laws;

"**Securities Regulators**" means, collectively, the securities regulators or other securities regulatory authorities in each of the Qualifying Jurisdictions;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Selling Group**" means, collectively, those registered dealers (or other dealers duly licensed or registered in their respective jurisdictions) appointed by the Agents as their agents to assist in the Offering as contemplated in this Agreement, and each member of the Selling Group being a "**Selling Firm**";

"**Selling Jurisdictions**" means, collectively, each of the Qualifying Jurisdictions, the United States and any other jurisdictions outside of Canada and the United States as mutually agreed to by the Company and the Agents;

"**standard term sheet**" has the meaning ascribed thereto in NI 41-101;

"**Subsequent Disclosure Documents**" means any financial statements, management's discussion and analysis, management information circulars, annual information forms, material change reports, marketing materials or other documents issued or approved by the Company after the date of this Agreement that are required to be incorporated by reference in any Offering Document;

"**subsidiary**" has the meaning ascribed thereto in the *Securities Act* (Ontario);

"**Supplementary Material"** means, collectively, any amendment to or amendment and restatement of any of the Preliminary Prospectus or the Final Prospectus, any supplement to the U.S. Private Placement Memorandum, and any amended or supplemental prospectus or ancillary material required to be prepared and filed with any of the Securities Regulators under Canadian Securities Laws, in connection with the distribution of the Offered Securities, the Additional Securities and the Agent Warrants, including any documents incorporated therein by reference;

"**Tax Act**" means the *Income Tax Act (*Canada), as amended, re-enacted or replaced from time to time;

"**Taxes**" has the meaning ascribed to it in Section 7(a)(xxxvii);

"**Technical Report**" means the technical report titled "National Instrument 43-101 Technical Report on the Drayton – Black Lake Property" prepared for the Company, authored by James G. Clark, P. Geo, Clark Explor. Consulting Inc., with an effective date of April 29, 2022;

"**template version**" has the meaning ascribed thereto in NI 41-101;

"**Transaction Documents**" means, collectively, this Agreement, the Warrant Indenture, the FT Subscription Agreements and the Agent Warrant Certificates;

"**Transfer Agent**" means TSX Trust Company, in its capacity as transfer agent and registrar in respect of the Common Shares at its principal office in Vancouver, British Columbia;

"**Unit Shares**" has the meaning ascribed to it on the face page of this Agreement;

"**Units**" has the meaning ascribed to it on the face page of this Agreement;

"**United States**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**U.S. Accredited Investor**" means an "accredited investor" meeting one or more of the criteria in Rule 501(a) of Regulation D;

"**U.S. Affiliate**" of any Agent means the U.S. registered broker-dealer Affiliate of such Agent;

"**U.S. Exchange Act**" means the United States Exchange Act of 1934, as amended;

"**U.S. Person**" means a "U.S. person" as that term is defined in Rule 902(k) of Regulation S;

"**U.S. Private Placement Memorandum**" means the U.S. private placement memorandum delivered together with the applicable Prospectus to prospective Purchasers and Purchasers of the

Offered Securities in the United States or that are purchasing for the account or benefit of a U.S. Person or a person in the United States, including any Supplementary Material thereto;

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

"**U.S. Securities Laws**" means all applicable securities laws in the United States, including without limitation, the U.S. Securities Act, the U.S. Exchange Act and the rules and regulations promulgated thereunder, including the rules and policies of the SEC, and any applicable state securities laws;

"**Warrant Indenture**" means the warrant indenture to be entered into on the Closing Date between TSX Trust Company, as warrant agent, and the Company, in relation to the Warrants, as may be amended, restated or supplemented from time to time;

"**Warrant Shares**" has the meaning ascribed to it on the face page of this Agreement; and

"**Warrants**" has the meaning ascribed to it on the face page of this Agreement.

TERMS AND CONDITIONS

1. Compliance with Canadian Securities Laws and Certain Obligations of the Company.

(a) The Company represents and warrants to, and covenants and agrees with, the Agents that the Company has prepared and filed the Preliminary Prospectus and has obtained pursuant to NP 11-202, a decision document evidencing the issuance by the Securities Regulators of receipts for the Preliminary Prospectus in respect of the proposed distribution of the Offered Securities, the Additional Securities and the Agent Warrants. The Company covenants to prepare and file the Final Prospectus and will obtain pursuant to NP 11-202, a decision document evidencing the issuance by the Securities Regulators of a Final Receipt for the Final Prospectus, as soon as possible and not later than 5:00 p.m. (Toronto time) on June 1, 2022, or such later date upon which the Company and the Agents may agree in writing.

(b) Any offer for sale or sale of the Offered Securities in the United States or to or for the account or benefit of a U.S. Person or a person in the United States will be made solely pursuant to the U.S. Private Placement Memorandum and in accordance with Schedule "A" attached hereto and the Company shall comply in respect of any such offer for sale or sale with the U.S. Private Placement Memorandum and Schedule "A" attached hereto.

(c) The Company shall comply with all Securities Laws, including as to the filing of any notices or forms, on a timely basis in connection with the distribution of the Offered Securities so that the distribution of the Offered Securities in the Selling Jurisdictions outside of Canada and the United States may lawfully occur so as not to require the Company to comply with the registration, prospectus, continuous disclosure or other similar requirements under the applicable Securities Laws of such other selling jurisdictions outside of Canada and the United States or subject the Company (or any of its directors, officers or employees) to any inquiry, investigation or proceeding of any securities regulatory authority, stock exchange or other authority under the applicable Securities Laws of such other selling jurisdictions outside of Canada and the United States.

2. Due Diligence. Prior to the filing or delivery, as applicable, of any Offering Document, the Company shall have permitted the Agents to review such Offering Document and shall allow the Agents to conduct any due diligence investigations which each of them reasonably requires in order to fulfil its obligations as an agent under Canadian Securities Laws and in order to enable it to responsibly execute the certificate in such Offering Document required to be executed by it, as applicable. Without limiting the generality of the foregoing, the Company will make available its directors, senior management, advisors, auditors, technical consultants and legal counsel to answer any questions which the Agents may have and to participate in one or more due diligence sessions to be held prior to Closing and prior to filing the Final Prospectus or any Supplementary Material thereto.

3. Distribution and Certain Obligations of the Agents.

(a) The Agents shall, and shall require any Selling Firm to, comply with Securities Laws in connection with the distribution of the Offered Securities and shall offer the Offered Securities for sale to the public directly and through Selling Firms upon the terms and conditions set out in the Prospectus and this Agreement. The Agents shall: (i) use all reasonable efforts to complete and to cause each Selling Firm to complete the distribution of the Offered Securities as soon as reasonably practicable; and (ii) promptly notify the Company when, in their opinion, the Agents and the Selling Firms have ceased distribution of the Offered Securities and provide a breakdown of the number of Offered Securities distributed in each of the Qualifying Jurisdictions where such breakdown is required for the purpose of calculating fees payable to the Securities Regulators.

(b) The Agents shall, and shall require any Selling Firm to, offer for sale and sell the Offered Securities in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States through their duly-registered U.S. Affiliates, pursuant to applicable exemptions from the registration requirements of and in accordance with the registration and qualification requirements of applicable U.S. Securities Laws. Any offer for sale or sale of the Offered Securities in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States will be made solely pursuant to the U.S. Private Placement Memorandum and in accordance with Schedule "A" attached hereto and the Agents shall, and shall require any Selling Firm to, comply in respect of any such offer for sale or sale with the U.S. Private Placement Memorandum and Schedule "A" attached hereto.

(c) The Agents shall, and shall require any Selling Firm to, offer for sale to the public and sell the Offered Securities only in those jurisdictions where they may be lawfully offered for sale or sold. The Agents shall, and shall require any Selling Firm to, distribute the Offered Securities in a manner which complies with and observes all applicable laws and regulations in each jurisdiction into and from which they may offer to sell the Offered Securities or distribute the Offering Documents in connection with the distribution of the Offered Securities and will not, directly or indirectly, offer, sell or deliver any Offered Securities or deliver the Offering Documents to any person in any jurisdiction other than in the Qualifying Jurisdictions or the United States, provided that any Offered Securities offered or sold in any jurisdictions outside of Canada are lawfully offered and sold on a basis exempt from the prospectus, registration or similar requirements of any such

jurisdictions, including continuous disclosure obligations under the applicable Securities Laws of such other jurisdictions.

(d) For the purposes of this Section 3, the Agents shall be entitled to assume that the Offered Securities, the Additional Securities and the Agent Warrants are qualified for distribution in any Qualifying Jurisdiction where a Final Receipt or similar document for the Final Prospectus shall have been obtained from the applicable Securities Regulators (including a decision document for the Final Prospectus issued under NP 11-202) following the filing of the Final Prospectus unless otherwise notified in writing.

(e) Notwithstanding the foregoing provisions of this Section 3 or any other provisions of this Agreement, an Agent will not be liable to the Company under this Agreement with respect to a default under this Agreement by another Agent, another Agent's U.S. Affiliate, or a Selling Firm appointed by another Agent, as the case may be.

4. Deliveries on Filing and Related Matters.

(a) The Company shall deliver to the Agents:

(i) concurrently with the filing thereof, a copy of the Final Prospectus in the English language signed by the Company and the promoter(s) of the Company as required by Canadian Securities Laws;

(ii) concurrently with the filing thereof, a copy of any Supplementary Material required to be filed by the Company in compliance with Canadian Securities Laws;

(iii) concurrently with the filing of the Final Prospectus with the Securities Regulators, a copy of the final U.S. Private Placement Memorandum; and

(iv) concurrently with the filing of the Final Prospectus with the Securities Regulators, a long form comfort letter dated the date of the Final Prospectus, in form and substance satisfactory to the Agents, acting reasonably, addressed to the Agents and the directors of the Company from the Company's Auditors with respect to financial and accounting information relating to the Company contained in the Final Prospectus, which letter shall be based on a review by the Company's Auditors within a cut-off date of not more than two Business Days prior to the date of the letter and which letter shall be in addition to the auditors' consent letter addressed to the Securities Regulators.

(b) **Supplementary Material.** The Company shall also prepare and deliver promptly to the Agents copies of all Supplementary Material and of all Subsequent Disclosure Documents, if any. Concurrently with the delivery of any Supplementary Material or filing by the Company of any Subsequent Disclosure Document, the Company shall deliver to the Agents, with respect to such Supplementary Material or Subsequent Disclosure Document, documents substantially similar to those referred to in Sections 4(a)(iii) and (iv).

(c) **Representations as to Marketing Documents and Offering Documents.** Delivery of the Marketing Documents and any Offering Document by the Company shall constitute the representation and warranty of the Company to the Agents that, as at their respective dates of filing:

(i) all information and statements (except information and statements relating solely to the Agents and provided by the Agents in writing expressly for inclusion therein (the "**Agent Information**")) contained and incorporated by reference in the Marketing Documents and the Offering Document, as the case may be, are true and correct, in all material respects, and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Company and the Offering, the Offered Securities, the Additional Securities and the Agent Securities, as required by Canadian Securities Laws;

(ii) no material fact or information has been omitted therefrom (except the Agent Information) which is required to be stated in such disclosure or is necessary to make the statements or information contained in such disclosure not misleading in light of the circumstances under which they were made; and

(iii) except with respect to the Agent Information, such document complies with the requirements of applicable Securities Laws.

Such deliveries of an Offering Document shall also constitute the Company's consent to the Agents' use of such Offering Document in connection with the distribution of the Offered Securities, the Additional Securities and the Agent Warrants in compliance with this Agreement and the applicable Securities Laws unless otherwise advised in writing.

(d) **Commercial Copies.** The Company shall:

(i) cause commercial copies of the Final Prospectus and the final U.S. Private Placement Memorandum and any Supplementary Material to be delivered to the Agents without charge, in such numbers and in such cities in the Qualifying Jurisdictions as the Agents may reasonably request by instructions to the Company's commercial printer of the Final Prospectus and the final U.S. Private Placement Memorandum and any Supplementary Material given forthwith after the Agents have been advised that the Company has complied with applicable Canadian Securities Laws in the Qualifying Jurisdictions. Such delivery shall be effected as soon as possible and, in any event, on or before a date which is one Business Day after compliance with applicable Canadian Securities Laws in the Qualifying Jurisdictions with respect to the Final Prospectus and the final U.S. Private Placement Memorandum, and on or before a date which is two Business Days after the Securities Regulators issue receipts for or accept for filing, as the case may be, any Supplementary Material; and

(ii) cause to be provided to the Agents, without charge, such number of copies of any documents incorporated by reference in the Final Prospectus or any Supplementary Material the Agents may reasonably request for use in connection with the distribution of the Offered Securities.

(e) **Press Releases.** During the period commencing on the date hereof and until completion of the distribution of the Offered Securities, the Company will promptly provide to the Agents drafts of any press releases of the Company for review by the Agents and the Agents' counsel prior to issuance and the Company agrees that it shall obtain prior approval of the Lead Agent, on behalf of the Agents, acting reasonably, as to the content and form of any press release to be issued in connection with the Offering. In addition, in order to comply with applicable U.S. Securities Laws, any press release announcing or otherwise concerning the Offering shall (i) only be released outside the United States; and (ii) include an appropriate notation on each page substantially as follows: "**Not for distribution to United States Newswire Services or for dissemination in the United States.** The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. Persons (as such term is defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States or to, or for the account or benefit of, U.S. Persons."

(f) **Marketing Materials.** The Company and the Agents hereby (in respect of the Agents, severally, and not jointly, nor jointly and severally) covenant and agree:

(i) that during the period of distribution of the Offered Securities, the Company and the Lead Agent, on behalf of the Agents, shall approve in writing, prior to such time marketing materials are provided to potential Purchasers, the template version of any marketing materials reasonably requested to be provided by the Agents to any potential Purchaser of Offered Securities, such marketing materials to comply with Canadian Securities Laws and such approval by the Company constituting the Agents' authority to use such marketing materials in connection with the Offering and to provide them to potential Purchasers of Offered Securities. The Company shall file a template version of such marketing materials with the Securities Regulators as soon as reasonably practicable after the template version of such marketing materials are so approved in writing by the Company and the Lead Agent, on behalf of the Agents, and in any event on or before the day the marketing materials are first provided to any potential Purchaser of Offered Securities. The Company and the Lead Agent, on behalf of the Agents, may agree that any comparables shall be redacted from the template version in accordance with NI 41-101 prior to filing such template version with the Securities Regulators and a complete template version containing such comparables and any disclosure relating to the comparables, if any, shall be delivered to the Securities Regulators by the Company;

(ii) not to provide any potential Purchaser of Offered Securities with any marketing materials unless a template version of such marketing materials has been filed by the Company with the Securities Regulators on or before the day such marketing materials are first provided to any potential Purchaser of Offered Securities; and

(iii) not to provide any potential Purchaser of Offered Securities with any materials or information in relation to the distribution of the Offered Securities or the Company other than: (a) such marketing materials that have been approved and filed in accordance with this Section; (b) any standard term sheets (provided they are in compliance with Canadian Securities Laws); and (c) the Offering Documents.

5. Material Changes.

(a) During the period commencing on the date hereof and until completion of the distribution of the Offered Securities, the Company shall promptly inform the Agents (and if requested by the Agents, confirm such notification in writing) of the full particulars of:

(i) any material change (actual, anticipated, contemplated, threatened, financial or otherwise) in the condition (financial or otherwise), properties, assets, liabilities (contingent or otherwise), obligations (whether absolute, accrued, conditional or otherwise), business, affairs, capital, ownership, control, management, operations, results of operations or prospects of the Company;

(ii) any material fact which has arisen or has been discovered (other than any Agent Information) and would have been required to have been stated in any Offering Document had the fact arisen or been discovered on, or prior to, the date of such document; and

(iii) any change in any material fact contained in the Offering Documents (other than any Agent Information) or any event or state of facts that has occurred after the date hereof, which, in any case, is, or may be, of such a nature as to render any of the Offering Documents untrue or misleading in any material respect or to result in any misrepresentation in any of the Offering Documents, or which would result in any Offering Document not complying (to the extent that such compliance is required) with applicable Securities Laws.

(b) The Company will comply with Section 57 of the *Securities Act* (Ontario) and with the comparable provisions of the other Canadian Securities Laws, and the Company will prepare and file promptly any Supplementary Material which may be necessary and will otherwise comply with all legal requirements necessary to continue to qualify the Offered Securities, the Additional Securities and the Agent Warrants for distribution in each of the Qualifying Jurisdictions.

(c) In addition to the provisions of Sections 5(a) and 5(b), the Company shall in good faith discuss with the Agents any change, event or fact contemplated in Section 5(a) and 5(b) which is of such a nature that there is or could be reasonable doubt as to whether notice should be given to the Agents under Section 5(a) and shall consult with the Agents with respect to the form and content of any amendment or other Supplementary Material proposed to be filed by the Company, it being understood and agreed that no such amendment or other Supplementary Material shall be filed with any Securities Regulator prior to the review thereof by the Agents and their counsel, acting reasonably.

(d) If during the period of distribution of the Offered Securities there shall be any change in Canadian Securities Laws which, in the opinion of the Agents, acting reasonably, requires the filing of any Supplementary Material, upon written notice from the Agents, the Company shall, to the satisfaction of the Agents, acting reasonably, promptly prepare and file any such Supplementary Material with the appropriate Securities Regulators where such filing is required.

(e) During the period commencing on the date hereof and until completion of the distribution of the Offered Securities, the Company shall promptly inform the Agents (and if requested by the Agents, confirm such notification in writing) if any of the representations or warranties made by the Company in this Agreement shall no longer be true and correct in all material respects at any particular time (after giving effect to the transactions contemplated by this Agreement).

6. Covenants of the Company. The Company hereby covenants to the Agents that:

(a) the Company will advise the Agents, promptly after receiving notice thereof, of the time when the Final Prospectus and any Supplementary Material has been filed and receipts therefor have been obtained pursuant to NP 11-202 and will provide evidence reasonably satisfactory to the Agents of each such filing and copies of such receipts;

(b) the Company will advise the Agents, promptly after receiving notice or obtaining knowledge thereof, of:

(i) the issuance by any applicable securities regulatory authority of any order suspending or preventing the use of any Offering Document;

(ii) the issuance by any applicable securities regulatory authority of any order suspending the qualification of the Offered Securities, the Additional Securities or the Agent Warrants in any of the Qualifying Jurisdictions, suspending the distribution of the Offered Securities, the Additional Securities or the Agent Warrants or suspending the trading of any securities of the Company;

(iii) the institution, threatening or contemplation of any proceeding for any such purposes; or

(iv) any requests made by any applicable securities regulatory authority for amending or supplementing any Offering Document or for additional information,

and will use its best efforts to prevent the issuance of any order referred to in (i) or (ii) above and, if any such order is issued, to obtain the withdrawal thereof as quickly as possible;

(c) until completion of distribution of the Offered Securities, the Company will promptly take, or cause to be taken, all commercially reasonable additional steps and proceedings that may from time to time be required under Canadian Securities Laws to continue to qualify the distribution of the Offered Securities, the Additional Securities and the Agent Warrants in the Qualifying Jurisdictions or, in the event that the Offered Securities, the Additional

Securities or the Agent Warrants have, for any reason, ceased so to qualify, to so qualify again for distribution in the Qualifying Jurisdictions;

(d) the Company will ensure that the necessary regulatory and third party consents, approvals, permits and authorizations, including under applicable Securities Laws, and legal requirements in connection with the transactions contemplated by this Agreement are obtained or fulfilled on or prior to the Closing Date and will make all necessary filings (including post-closing filings pursuant to applicable Securities Laws, including the "blue sky laws" in the United States and the rules and policies of the CSE), take or cause to be taken all action required to be taken by the Company and pay all filing fees required to be paid in connection with the transactions contemplated by this Agreement;

(e) after issuance of the Final Receipt, the Company will use its best efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of Canadian Securities Laws of each of the Qualifying Jurisdictions to the date that is two years following the Closing Date, provided that this covenant shall not prevent the Company from completing any transaction which would result in the Company ceasing to be a "reporting issuer" so long as the holders of the Common Shares receive securities of an entity which is listed on a stock exchange in Canada or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the rules and policies of the CSE (or any securities exchange, market or trading or quotation facility on which the Common Shares are then listed or quoted);

(f) after listing on the CSE, the Company will use its best efforts to maintain the listing of the Common Shares (including the Unit Shares, the FT Shares, the Warrant Shares and the Agent Shares) for trading on the CSE or such other recognized securities exchange, market or trading or quotation facility as the Agents may approve, acting reasonably, and comply with the rules and policies of the CSE or such other exchange, market or facility to the date that is two years following the Closing Date, provided that this covenant shall not prevent the Company from transferring its listing to a recognized Canadian stock exchange or completing any transaction which would result in the Common Shares ceasing to be listed so long as the holders of the Common Shares receive securities of an entity which is listed on a recognized stock exchange in Canada or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the rules and policies of the CSE (or any securities exchange, market or trading or quotation facility on which the Common Shares are then listed or quoted);

(g) the Company will ensure that the Unit Shares and FT Shares upon issuance shall be duly and validly authorized and issued as fully paid and non-assessable Common Shares;

(h) the Company will ensure that the Warrants upon issuance shall be duly and validly created, authorized and issued and shall have the attributes corresponding to the description thereof set forth in this Agreement and the Warrant Indenture;

(i) the Company will duly execute and deliver this Agreement and the FT Subscription Agreements and, at the Closing Date, the Agent Warrant Certificates, and comply with and

satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Company;

(j) the Company will duly execute and deliver the Warrant Indenture at the Closing Time and any certificates evidencing Warrants, if applicable, at the Closing Time and the Option Closing Time, as applicable, and comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Company, respectively;

(k) the Company will ensure that the Agent Warrants upon issuance shall be duly and validly created, authorized and issued and shall have the attributes corresponding to the description thereof set forth in this Agreement and the Agent Warrant Certificates;

(l) the Company will duly execute and deliver the Agent Warrant Certificates at the Closing Time and the Option Closing Time, as applicable, and comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Company;

(m) the Company will ensure, at all times until the date that is three years following the Closing Date, that sufficient Warrant Shares are authorized and allotted for issuance upon due and proper exercise of the Warrants, and at all times until the date that is three years following the issuance of Agent Warrants, that sufficient Agent Shares are authorized and allotted for issuance upon due and proper exercise of the Agent Warrants. The Warrant Shares and the Agent Shares, upon issuance in accordance with the terms of the Warrant Indenture and the Agent Warrant Certificates, respectively, shall be duly issued as fully paid and non-assessable Common Shares;

(n) the Company will not (including, without limitation, any securities convertible into or exchangeable for equity securities of the Company), for a period of six months from the Closing Date without the prior written consent of the Lead Agent (such consent not to be unreasonably withheld or delayed), sell or issue or announce its intention to authorize, sell or issue, or negotiate or enter into an agreement to sell or issue, any securities of the Company (including those that are convertible or exchangeable into securities of the Company) other than: (i) pursuant to the Offering; (ii); the issuance of non-convertible debt securities; (iii) upon the exercise of convertible securities, options or warrants of the Company outstanding as of the date of the Engagement Letter; (iv) pursuant to the Company's stock option plan; or (v) pursuant to the acquisition of shares or assets of arm's length persons which does not result in a change of control of the Company;

(o) until completion of the Offering, the Company agrees not to sell or negotiate or enter into an arrangement to sell all or substantially all of the assets of the Company or enter into a merger or other business combination with a third party or other similar transaction, which transaction does not provide for the completion of the Offering (an "**Alternative Transaction**"). In the event the Company enters into an agreement or makes a public announcement with respect to an Alternative Transaction prior to completion of the Offering, the Company agrees to pay to the Agents the Commission, issue Agent Warrants as directed by the Lead Agent and pay all legal fees and out of pocket expenses of the Agents forthwith upon entering into such agreement or making such announcement as if a maximum Offering of Units had been completed. For the avoidance of doubt, if the Company enters into an Alternative Transaction,

the Agents will have no further obligations hereunder other than as set forth in the Engagement Letter;

(p) in the event that the Offering is not completed and equity securities (including securities convertible into equity securities) of the Company are sold or agreed to be sold, within 12 months of the date of the termination of this Agreement, to investors specifically identified by the Agents and specifically introduced to the Company prior to the date of such termination, the proceeds of which sale are to be used for substantially the same purposes of the Offering, the Agents shall be entitled to receive from the Company the Commission and Agent Warrants as set forth in this Agreement in respect of any such sale;

(q) the Company will apply the net proceeds of the Offering in the manner specified in the Final Prospectus; provided that the Agents hereby acknowledge that there may be circumstances where, for sound business reasons, a re-allocation of funds may be necessary or advisable, and in the case of such circumstances arising, the Company may apply the net proceeds of the Offering accordingly;

(r) the Company will fulfil or cause to be fulfilled, at or prior to the Closing Time or the Option Closing Time, as applicable, each of the conditions set out in Sections 9 and 10 of this Agreement;

(s) the Company will ensure that the Offered Securities, the Additional Securities and the Agent Securities have the attributes corresponding in all material respects to the description thereof set forth in the Prospectus, this Agreement, the Warrant Indenture and the FT Subscription Agreements, as applicable;

(t) the Company will incur or be deemed to incur on or before December 31, 2023, Qualifying Expenses in such amount as enables the Company to renounce to the FT Purchasers in accordance with subsection 66(12.6), and subsection 66(12.66) as applicable, of the Tax Act, this Agreement, and the Prospectus, Qualifying Expenses in an amount equal to the Commitment Amount;

(u) the Company will keep proper books, records and accounts of all Qualifying Expenses and all transactions affecting the Commitment Amount and the Qualifying Expenses, and upon reasonable notice, to make such books, records and accounts available for inspection and audit by or on behalf of the Agents, the CRA, or any governmental authority;

(v) the Company will renounce to the FT Purchasers on or before March 31, 2023 with an effective date or dates of no later than December 31, 2022, in accordance with subsections 66(12.6) and 66(12.66) of the Tax Act, CEE in an amount equal to the Qualifying Expenses incurred or deemed to be incurred by the Company up to and including the later of December 31, 2023 and the Company shall deliver to the FT Purchasers, on or before March 31, 2023, the Prescribed Forms, fully completed and executed, renouncing to the FT Purchasers Qualifying Expenses in an amount equal to the Commitment Amount with an effective date of no later than December 31, 2022, such delivery constituting authorization to the FT Purchasers to file such forms with the relevant taxation authorities;

(w) the Company will file with the CRA and, if applicable, and any other province or territory, within the time prescribed by subsection 66(12.68) of the Tax Act and any other applicable

provincial or territorial legislation, the forms prescribed for purposes of such legislation together with copies of the FT Subscription Agreements and any "selling instrument" contemplated by such legislation or by the FT Subscription Agreements;

(x) if the Company receives, or becomes entitled to receive, any government assistance which is described in the definition of "assistance" in subsection 66(15) of the Tax Act and the receipt of or entitlement to receive such government assistance has or will have the effect of reducing the amount of CEE validly renounced to the applicable FT Purchasers under the FT Subscription Agreements to less than the Commitment Amount, the Company shall incur additional CEE so that it will be able to renounce Qualifying Expenses in an amount not less than the Commitment Amount to the applicable FT Purchasers with an effective date of no later than December 31, 2022 in accordance with the terms of this Agreement and the FT Subscription Agreements;

(y) the Company will use an amount equal to the Commitment Amount to incur Qualifying Expenses on the Properties;

(z) the Company will maintain its status as a Principal Business Corporation until such time as all of the Qualifying Expenses required to be renounced under the FT Subscription Agreements have been incurred or have been deemed to be incurred and validly renounced pursuant to the Tax Act;

(aa) the Company will incur and renounce Qualifying Expenses pursuant to the FT Subscription Agreements, *pro rata* to the number of FT Units issued or to be issued pursuant thereto before incurring and renouncing Qualifying Expenses pursuant to any other agreement which the Company shall enter into after the date hereof with any person with respect to the issue of Common Shares which are "flow-through shares" as defined in subsection 66(15) of the Tax Act (including securities which are exchangeable or exercisable for, or convertible into, Common Shares which are "flow-through shares" as defined in subsection 66(15) of the Tax Act);

(bb) the Company will not enter, without the prior written consent of the Agents (which consent may be withheld in the sole discretion of the Agents) into any other agreement which would prevent or restrict its ability to renounce Qualifying Expenses to the FT Purchasers equal to the Commitment Amount;

(cc) if required under the Tax Act or otherwise, to reduce Qualifying Expenses previously renounced to the FT Purchasers, the Company will make the reduction *pro rata* to the number of FT Units issued pursuant to the FT Subscription Agreements; the Company shall not reduce Qualifying Expenses renounced to the FT Purchasers under the FT Subscription Agreements until it has first reduced to the extent possible all Qualifying Expenses renounced to persons who entered into agreements with the Company after the Closing Date;

(dd) if the Company does not renounce to the FT Purchasers, effective on or before December 31, 2022, Qualifying Expenses equal to the Commitment Amount, the Company shall indemnify and hold harmless the FT Purchasers and each of the partners of any of the FT Purchasers if such FT Purchaser is a partnership or a limited partnership (for purposes of this paragraph, each an "**Indemnified Person**"), as to, and pay to the Indemnified Persons on or before the

20th Business Day following the date the amount is definitively determined, an amount equal to the amount of any tax (within the meaning of paragraph (c) of the definition of "excluded obligation" in subsection 6202.1(5) of the Regulations) payable under the Tax Act (and under any corresponding provincial legislation) by the Indemnified Persons as a consequence of such failure and to the extent that any person entitled to be indemnified hereunder is not a party to this Agreement, the Agents shall obtain and hold the rights and benefits of this Agreement in trust for, and on behalf of, such person and such person shall be entitled to enforce the provisions of this Section notwithstanding that such person is not a party to this Agreement;

(ee) in the event that the renounced Qualifying Expenses are reduced pursuant to subsection 66(12.73) of the Tax Act (or any corresponding provincial legislation), the Company shall indemnify and hold harmless the Indemnified Persons as to, and pay to the Indemnified Persons on or before the 20th Business Day following the date the amount is definitively determined, an amount equal to the amount of any tax (within the meaning of paragraph (c) of the definition of "excluded obligation" in subsection 6202.1(5) of the Regulations) payable under the Tax Act (and under any corresponding provincial legislation) by the Indemnified Persons as a consequence of such reduction and to the extent that any person entitled to be indemnified hereunder is not a party to this Agreement, the Agents shall obtain and hold the rights and benefits of this Agreement in trust for, and on behalf of, such person and such person shall be entitled to enforce the provisions of this Section notwithstanding that such person is not a party to this Agreement; and

(ff) the Company will comply with the Company's other covenants and representations contained, as the case may be, in the FT Subscription Agreements.

7. (a) Representations and Warranties of the Company. The Company hereby represents and warrants to the Agents and acknowledges that the Agents are relying upon such representations and warranties in connection with the Offering, that:

General Matters

(i) *Good Standing of the Company*. The Company (i) has been duly incorporated and is up-to-date in all material corporate filings and in good standing under the *Business Corporations Act* (British Columbia); (ii) has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its properties and assets; and (iii) has all requisite corporate power and capacity to create, issue and sell, as applicable, the Offered Securities, Additional Securities and the Agent Securities and to enter into and carry out its obligations under the Transaction Documents.

(ii) *Subsidiaries*. The Company does not have any subsidiaries within the meaning of the *Securities Act* (Ontario).

(iii) *Carrying on Business*. The Company is, in all material respects, conducting its business in compliance with all applicable laws, rules and regulations (including all applicable federal, provincial, municipal, and local environmental anti-pollution and licensing laws, regulations and other lawful requirements of any governmental or regulatory body, including but not limited to relevant exploration, concessions and permits) of each jurisdiction in which its business is carried on and is licensed, registered or qualified in

all jurisdictions in which it owns, leases or operates its properties or assets or carries on business to enable its business to be carried on as now conducted and as proposed to be conducted and its properties and assets to be owned, leased and operated and all such licences, registrations and qualifications are valid, subsisting and in good standing and it has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations, requirements, licences, registrations or qualifications.

(iv) *No Proceedings for Dissolution*. No acts or proceedings have been taken, instituted or, are pending or, to the knowledge of the Company, are threatened for the dissolution, liquidation or winding-up of the Company.

(v) *Freedom to Compete*. The Company is not a party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Company to compete in any line of business, transfer or move any of its assets or operations or which would have a Material Adverse Effect.

(vi) *Share Capital of the Company*. The authorized capital of the Company consists of an unlimited number of Common Shares of which, as of the close of business on May 31, 2022, 18,202,229 Common Shares were outstanding as fully paid and non-assessable shares in the capital of the Company.

(vii) *Absence of Rights*. Except as referred to in Schedule "B" hereto, no person now has any agreement or option or right or privilege (whether at law, preemptive or contractual) capable of becoming an agreement for the purchase, subscription or issuance of, or conversion into, any unissued shares, securities, warrants or convertible obligations of any nature of the Company and the Offered Securities, Additional Securities and Agent Securities, upon issuance, will not be issued in violation of or subject to any pre-emptive rights, participation rights or other contractual rights to purchase securities issued by the Company.

(viii) *Common Shares are Listed*. No order ceasing or suspending trading in the Common Shares or any other securities of the Company or prohibiting the sale or issuance of the Offered Securities, Additional Securities or the Agent Securities has been issued and to the knowledge of the Company, no proceedings for such purpose have been threatened or are pending.

(ix) *Stock Exchange Compliance.* The Company has not taken any action which would be reasonably expected to result in the delisting (once listed) or suspension of the Common Shares on or from the CSE, and the Company is in compliance with the rules and policies of the CSE. The Company has caused the Unit Shares, the FT Shares, the Warrant Shares and the Agent Shares to be conditionally approved for listing and trading on the CSE, subject only to customary post-Closing conditions required to be satisfied within the applicable time frame pursuant to the rules and policies of the CSE.

(x) *Reporting Issuer Status*. Upon issuance of the Final Receipt, the Company shall be a "reporting issuer", not included in a list of defaulting reporting issuers maintained by the Securities Regulators in each of the Qualifying Jurisdictions.

(xi) *No Voting Control.* The Company is not a party to, nor is the Company aware of, any shareholders' agreements, pooling agreements, voting agreements or voting trusts or other similar agreements with respect to the ownership or voting of any of the securities of the Company or, other than as disclosed in the Public Record, with respect to the nomination or appointment of any directors or officers of the Company or, other than as disclosed in the Public Record, pursuant to which any person may have any right or claim in connection with any existing or past equity interest in the Company. The Company has not adopted a shareholders' rights plan or any similar plan or agreement.

(xii) *Transfer Agent*. The Transfer Agent at its principal office in Vancouver, British Columbia has been duly appointed as the registrar and transfer agent in respect of the Common Shares, and TSX Trust Company, at its principal office in Vancouver, British Columbia, has been, or will be at the Closing Time, duly appointed as the warrant agent in respect of the Warrants.

(xiii) *Corporate Actions*. All necessary corporate action shall have been taken by the Company prior to Closing so as to (i) validly authorize the issuance of and issue the Unit Shares and FT Shares as fully paid and non-assessable Common Shares on Closing; (ii) validly create the Warrants and the Agent Warrants and authorize the issuance of and issue the Warrants and the Agent Warrants on Closing; and (iii) validly allot the Warrant Shares and Agent Shares and authorize the issuance of the Warrant Shares and Agent Shares as fully paid and non-assessable Common Shares upon the due exercise of the Warrants and Agent Warrants, respectively, in accordance with the terms of the Warrant Indenture and the Agent Warrant Certificates, respectively.

(xiv) *Valid and Binding Documents*. Each of the execution and delivery of each of the Transaction Documents and the performance of the transactions contemplated hereby and thereby have been authorized by all necessary corporate action of the Company and upon the execution and delivery thereof shall constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their respective terms, provided that enforcement thereof may be limited by bankruptcy, insolvency and other laws affecting creditors' rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, and that the provisions relating to indemnity, contribution and waiver of contribution may be unenforceable.

(xv) *All Consents and Approvals*. All consents, approvals, permits, authorizations or filings as may be required under Securities Laws necessary for: (i) the execution and delivery of this Agreement, (ii) the creation, issuance, sale and delivery, as applicable, of the Offered Securities and the Agent Securities, and (iii) the consummation of the transactions contemplated hereby and thereby, have been made or obtained, as applicable, other than post-Closing filings required to be submitted within the applicable time frame pursuant to applicable Securities Laws.

(xvi) *Offering Documents*. Each of the Preliminary Prospectus, the Final Prospectus, the U.S. Private Placement Memorandum and the Marketing Documents, the execution and filing of each of the Preliminary Prospectus and the Final Prospectus and the filing of the Marketing Documents with the Securities Regulators and the delivery of the U.S. Private Placement Memorandum have been or will be prior to the filing or use thereof duly

approved and authorized by all necessary corporate action of the Company, and the Preliminary Prospectus has been and the Final Prospectus will be duly executed by and filed on behalf of the Company.

(xvii) *Validly Issued Unit Shares*. The Unit Shares have been duly and validly authorized for issuance and sale and when issued and delivered by the Company pursuant to this Agreement, against payment of the consideration set forth herein, the Unit Shares will be validly issued as fully paid and non-assessable Common Shares.

(xviii) *Validly Issued FT Shares*. The FT Shares have been duly and validly authorized for issuance and sale and when issued and delivered by the Company pursuant to this Agreement, against payment of the consideration set forth herein, the FT Shares will be validly issued as fully paid and non-assessable Common Shares.

(xix) *Validly Issued Warrants*. The Warrants have been duly and validly created and authorized for issuance and sale and when issued and delivered by the Company pursuant to this Agreement and the Warrant Indenture, against payment of the consideration set forth herein, the Warrants will be validly issued.

(xx) *Validly Authorized Warrant Shares*. The Warrant Shares to be issued and sold have been duly and validly authorized and reserved for issuance and, upon exercise of the Warrants in accordance with their terms and when issued and delivered by the Company, the Warrant Shares will be validly issued as fully paid and non-assessable Common Shares.

(xxi) *Validly Issued Agent Warrants*. The Agent Warrants have been duly and validly created and authorized for issuance and when issued and delivered by the Company pursuant to this Agreement the Agent Warrants will be validly issued.

(xxii) *Validly Authorized Agent Shares*. The Agent Shares to be issued and sold have been duly and validly authorized and reserved for issuance and, upon exercise of the Agent Warrants in accordance with their terms and when issued and delivered by the Company, the Agent Shares will be validly issued as fully paid and non-assessable Common Shares.

(xxiii) *Material Agreements and Debt Instruments*. All of the Material Agreements and Debt Instruments of the Company have been disclosed in the Public Record and the Prospectus and each is valid, subsisting, in good standing and in full force and effect, enforceable in accordance with the terms thereof. The Company has performed all obligations (including payment obligations) in a timely manner under, and are in compliance with all terms and conditions contained in each Material Agreement and Debt Instrument. The Company is not in violation, breach or default nor has it received any notification from any party claiming that the Company is in violation, breach or default under any Material Agreement or Debt Instrument and no other party, to the knowledge of the Company, is in breach, violation or default of any term under any Material Agreement or Debt Instrument. The Company does not expect any Material Agreements to which the Company is a party or otherwise bound or the relationship with the counterparties thereto to be terminated or adversely modified, amended or varied or adversely enforced against the Company, other than in the ordinary course of business. The carrying out of the business of the Company as currently conducted and as proposed to be conducted does

not result in a material violation or breach of or default under any Material Agreement or Debt Instrument.

(xxiv) *Previous Corporate Transactions*. Except as which may not reasonably be expected to have a Material Adverse Effect, all previous corporate transactions completed by the Company, including the acquisition of the securities, business or assets of any other person, the acquisition of options to acquire the securities, business or assets of any other person, and the issuance of securities, were completed in compliance with all applicable corporate and securities laws and all related transaction agreements and all necessary corporate, regulatory and third party approvals, consents, authorizations, registrations, and filings required in connection therewith were obtained or made, as applicable, and complied with. The Company's due diligence review at the time of such previous corporate transactions being completed, including financial, legal and title due diligence and background reviews, as may have been determined appropriate by management to the Company, did not result in the discovery of any fact or circumstance which may reasonably be expected to have a Material Adverse Effect.

(xxv) *Absence of Breach or Default*. The Company is not in breach or default of, and the execution and delivery of the Transaction Documents and the performance by the Company of its obligations hereunder or thereunder, the creation, issue and sale, as applicable, of the Offered Securities, Additional Securities and Agent Securities and the consummation of the transactions contemplated hereby and thereby do not and will not conflict with or result in a breach or violation of any of the terms of or provisions of, or constitute a default under, whether after notice or lapse of time or both (i) any statute, rule or regulation applicable to the Company, including the Securities Laws; (ii) the constating documents or resolutions of the directors (including of committees thereof) or shareholders of the Company; (iii) any Debt Instrument or Material Agreement; or (iv) any judgment, decree or order binding the Company or the properties or assets of the Company.

(xxvi) *No Actions or Proceedings*. To the best of the Company's knowledge, there are no material actions, proceedings or investigations (whether or not purportedly by or on behalf of the Company) currently outstanding, threatened or pending, against or affecting the Company or any of their directors or officers at law or in equity (whether in any court, arbitration or similar tribunal) or before or by any Governmental Entity and, to the best of the Company's knowledge, there is no basis therefor. To the best of the Company's knowledge, there are no judgments, orders or awards against the Company which are unsatisfied, nor are there any consent decrees or injunctions to which the Company or their properties or assets are subject.

(xxvii) *Financial Statements*. The Financial Statements contain no misrepresentations, present fairly the financial position and condition of the Company (on a consolidated basis), as at the dates thereof and for the periods indicated and reflect all assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of the Company (on a consolidated basis) and the results of their operations and the changes in their financial position for the periods then ended and contain and reflect adequate provisions or allowance for all reasonably anticipated liabilities, expenses and losses of the Company (on a consolidated basis) and have been prepared in accordance with International

Financial Reporting Standards, applied on a consistent basis throughout the periods involved.

(xxviii) *No Material Changes*. Since December 31, 2021, except as disclosed in the Public Record:

A. there has not been any material change in the assets, properties, affairs, prospects, liabilities, obligations (absolute, accrued, contingent or otherwise), business, condition (financial or otherwise) or results of operations of the Company;

B. there has not been any material change in the capital stock or long-term debt of the Company; and

C. the Company has carried on its business in the ordinary course.

(xxix) *No Off-Balance Sheet Arrangements*. There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or liabilities of the Company.

(xxx) *Internal Accounting Controls*. The Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with International Financial Reporting Standards and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(xxxi) *Accounting Policies.* There has been no material change in accounting policies or practices of the Company since December 31, 2021 other than as disclosed in the Financial Statements.

(xxxii) *Purchases and Sales*. Since December 31, 2021, other than as disclosed in the Public Record and the Prospectus, the Company has not approved or entered into any agreement in respect of, or has any knowledge of:

A. the purchase of any material property or any interest therein, or the sale, transfer or other disposition of any material property or any interest therein currently owned, directly or indirectly, by the Company whether by asset sale, transfer of shares, or otherwise;

B. the change of control (by sale or transfer of voting or equity securities or sale of all or substantially all of the assets of the Company or otherwise) of the Company; or

C. a proposed or planned disposition of any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares of the Company.

(xxxiii) *No Loans or Non-Arm's Length Transactions.* The Company does not have any material loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at arm's length with the Company.

(xxxiv) *Dividends*. There is not, in the constating documents or in any Debt Instrument, Material Agreement, or other instrument or document to which the Company is a party, any restriction upon or impediment to, the declaration of dividends by the directors of the Company, or the payment of dividends by the Company to its respective shareholders.

(xxxv) *Independent Auditors*. The Company's Auditors are independent public accountants as required by the Canadian Securities Laws of the Qualifying Jurisdictions and there has not been any "reportable event" (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with respect to the present or any former auditor of the Company.

(xxxvi) *Leased Premises*. With respect to each of the Leased Premises, the Company occupies or will occupy the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Company occupies or proposes to occupy the Leased Premises is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement, and the completion of the transactions described herein by the Company, will not afford any of the parties to such leases or any other person the right to terminate any such lease or result in any additional or more onerous obligations under such leases.

(xxxvii) *Taxes*. All taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by the Company have been paid in all material respects. All tax returns, declarations, remittances and filings required to be filed by the Company have been filed with all appropriate Governmental Entities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading. To the knowledge of the Company, no examination of any tax return of the Company is currently in progress and there are no issues or disputes outstanding with any Governmental Entity respecting any Taxes.

(xxxviii) *Issuance of FT Shares.* Except as a result of any Follow-On Transaction (as defined in the FT Subscription Agreements) or any agreement, arrangement, undertaking or understanding to which the Company is not a party and of which it has no knowledge, upon issue and payment therefor, the FT Shares and FT Unit Warrants will be "flow-through shares" as defined in subsection 66(15) of the Tax Act and are not and will not be "prescribed shares", within the meaning of subsection 6202.1 of the Regulations.

(xxxix) *Principal Business Corporation.* The Company is and will continue to be at all times which are relevant for the purpose of the Tax Act and the FT Subscription Agreements, a Principal Business Corporation.

(xl) *Commitment Amount and Renunciation.* The Company will use the Commitment Amount to incur or be deemed to incur Qualifying Expenses on or after the Closing Date, and on or before December 31, 2023. The Company has no reason to believe that it will be unable to incur, or be deemed to incur, on or after the Closing Date, and on or before December 31, 2023, or that it will be unable to renounce to the applicable FT Purchasers effective on or before December 31, 2022, Qualifying Expenses in an aggregate amount equal to the Commitment Amount and the Company has no reason to expect any reduction of such amount by virtue of subsection 66(12.73) of the Tax Act.

(xli) *Qualifying Expenses.* The expenses to be renounced by the Company to the applicable FT Purchasers:

A. will constitute Qualifying Expenses on the effective date of the renunciation;

B. will not include expenses that are "Canadian exploration and development overhead expenses" (as defined in the Regulations for purposes of paragraph 66(12.6)(b) of the Tax Act) of the Company, assistance as described in paragraph 66(12.6)(a) of the Tax Act, amounts which constitute specified expenses for seismic data described in paragraph 66(12.6)(b.1) of the Tax Act or any expenses for prepaid services or rent that do not qualify as outlays and expenses for the period as described in the definition of "expense" in subsection 66(15) of the Tax Act;

C. will not include any amount that has previously been renounced by the Company to the FT Purchasers or to any other person;

D. would be deductible by the Company in computing its income for the purposes of Part I of the Tax Act but for the renunciation thereof to the FT Purchasers; and

E. will not be subject to any reduction under subsection 66(12.73) of the Tax Act.

(xlii) *No Reduction.* Unless required pursuant to the Tax Act, the Company shall not reduce the amount renounced to the FT Purchasers pursuant to subsections 66(12.6) and 66(12.66) of the Tax Act.

(xliii) *No Impairment*. The Company shall not be subject to the provisions of subsection 66(12.67) of the Tax Act in a manner which impairs its ability to renounce Qualifying Expenses to the applicable FT Purchasers in an amount equal to the Commitment Amount.

(xliv) *No Restriction.* The Company has not entered into any agreements or made any covenants with any parties that would restrict the Company from entering into the FT Subscription Agreements and agreeing to incur and renounce CEE, nor that would require the prior renunciation to any other Person of CEE prior to the renunciation of the aggregate Commitment Amount in favour of the FT Purchasers.

(xlv) *Amalgamation.* If the Company amalgamates with any one or more companies, if any. securities issued to or held by a FT Purchaser as a replacement for the FT Shares or FT Unit Warrants as a result of such amalgamation will qualify, by virtue of subsection 87(4.4) of the Tax Act, as "flow-through shares" as defined in subsection 66(15) of the Tax Act and in particular will not be "prescribed shares" as defined in section 6202.1 of the Regulations, but for any agreement to which the Company is not a party and of which it has no knowledge.

(xlvi) *Compliance with Laws, Filings and Fees*. The Company has complied with all relevant statutory and regulatory requirements required to be complied with prior to the Closing Time in connection with the Offering. All filings and fees required to be made and paid by the Company pursuant to applicable Securities Laws and other applicable securities laws and general corporate law have been made and paid. The Company is not aware of any legislation or regulation, or proposed legislation or regulation published by a legislative or governmental body, which it anticipates will have a Material Adverse Effect.

(xlvii) *Anti-Bribery Laws.* The Company has not, nor to the knowledge of the Company, any director, officer, employee, consultant, representative or agent of the foregoing, has (i) violated any anti-bribery or anti-corruption laws applicable to the Company, including but not limited to the United States Foreign Corrupt Practices Act of 1977, as amended, and the *Corruption of Foreign Public Officials Act* (Canada), or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (X) to any Government Official, whether directly or through any other person, for the purpose of influencing any act or decision of a Government Official in his or her official capacity; inducing a Government Official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a Government Official to influence or affect any act or decision of any Governmental Entity; or assisting any representative of the Company in obtaining or retaining business for or with, or directing business to, any person; or (Y) to any person in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. The Company has not, nor to the knowledge of the Company, any director, officer, employee, consultant, representative or agent of the foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded the Company or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Entity responsible for enforcing anti-bribery or anti-corruption laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such laws, or received any notice, request, or citation from any person alleging non-compliance with any such laws.

(xlviii) *Anti-Money Laundering*. The operations of the Company are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued,

administered or enforced by any Governmental Entity (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or Governmental Entity or any arbitrator involving the Company with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(xlix) *Directors and Officers.* To the knowledge of the Company, none of the directors or officers of the Company (i) are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange, or (ii) in the last 10 years have been subject to an order preventing, ceasing or suspending trading in any securities of the Company or other public company.

(l) *Related Parties*. None of the directors, officers, employees, consultants or advisors of the Company, any known holder of more than 10% of any class of shares of the Company, or any known associate or affiliate of any of the foregoing persons, has had any material interest, direct or indirect, in any previous transaction or any proposed transaction with the Company which, as the case may be, materially affected, is material to or will materially affect the Company. All previous material transactions of the Company were completed on an arm's length basis and on commercially reasonable terms.

(li) *Fees and Commissions*. Other than the Agents (or any members of their Selling Group) pursuant to this Agreement, there is no person acting or purporting to act at the request of the Company who is entitled to any brokerage, finder, agency or other fiscal advisory or similar fee in connection with the Offering or transactions contemplated herein.

(lii) *Entitlement to Proceeds*. Other than the Company, there is no person that is or will be entitled to the proceeds of the Offering, including under the terms of any Debt Instrument, Material Agreement, or other instrument or document (written or unwritten);

(liii) *Minute Books and Records*. The minute books and records of the Company which the Company has made available to the Agents and their counsel Peterson McVicar LLP in connection with their due diligence investigation of the Company for the period of examination thereof are all of the minute books and all of the records of the Company and contain copies of all constating documents, including all amendments thereto, and all proceedings of securityholders and directors (and committees thereof) and are complete in all material respects.

(liv) *Forward-Looking Information*. With respect to forward-looking information contained in the Company's Public Record and the Offering Documents:

A. the Company had a reasonable basis for the forward-looking information at the time the disclosure was made;

B. all forward-looking information is identified as such, and all such documents caution users of forward-looking information that actual results may vary from the forward-looking information, identify material risk factors that could cause actual results to differ materially from the forward-looking information, and state the material factors or assumptions used to develop the forward-looking information;

C. the future-oriented financial information or financial outlook contained therein is limited to a period for which the information can be reasonably estimated; and

D. the Company has updated such forward-looking information as required by and in compliance with applicable Canadian Securities Laws.

(lv) *Full Disclosure.* All information relating to the Company, its business, properties and liabilities as provided to the Agents, including all financial, marketing, sales and operational information provided to the Agents, is, as of the date of such information, true and correct in all material respects, and no fact or facts have been omitted therefrom which would make such information misleading. The Company has not withheld from the Agents any material facts relating to the Company or the Offering.

Mining and Environmental Matters

(lvi) *Properties and Assets*. The Company is the legal and beneficial owner of, and has title to, or a proprietary interest or right to acquire title to, all of the properties or assets thereof as described in the Prospectus and the Public Record, except as described in the Prospectus or disclosed in public registries, such properties and assets are free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, and no other property rights (including surface or access rights) are necessary for the conduct of the business of the Company as currently conducted; to the best of the Company's knowledge the Company is not aware of any claim or basis for any claim that might or could adversely affect the right of the Company to use, transfer, access or otherwise exploit such property rights; and, except as disclosed in the Prospectus and the Public Record, the Company has no responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof. The title opinion of Osler, Hoskin & Harcourt LLP, in satisfaction of the closing condition in Section 9(g), hereof addresses all of the material claims in respect to the Drayton-Black Lake Project.

(lvii) *Material Property and Mining Rights*. The Company holds, or has the right to acquire, freehold title, mineral or mining leases, concessions or claims or other conventional property, proprietary or contractual interests or rights, including access and surface rights, recognized in the jurisdiction in which the Properties are located in respect of the specified minerals located in the Properties in which the Company has an interest under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit the Company to access the Properties and explore and exploit the minerals relating thereto as it is currently conducted, except where the failure to have such rights or interests would not have a Material Adverse Effect; all such properties, leases, concessions or claims in which the Company has any interests or rights have been validly located and recorded in accordance with all applicable laws and are valid, subsisting and in good standing.

(lviii) *Valid Title Documents*. Any and all of the agreements and other documents and instruments pursuant to which the Company holds its Properties and assets (including any option agreement or any interest in, or right to earn an interest in, any properties and

assets) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, the Company is not in default of any of the material provisions of any such agreements, documents or instruments, nor has any such default been alleged. Neither the properties or assets (nor any option agreement or any interest in, or right to earn an interest in, properties or assets) of the Company is subject to any right of first refusal or purchase or acquisition rights of a third party.

(lix) *Possession of Permits and Authorizations*. The Company has obtained, or filed to obtain, all Permits necessary to carry on the business of the Company as it is currently conducted. The Company is in compliance with the terms and conditions of all such Permits except where such non-compliance would not reasonably be expected to have a Material Adverse Effect. All of such Permits issued to date are valid, subsisting, in good standing and in full force and effect and the Company has not received any notice of proceedings relating to the revocation or modification of any such Permits or any notice advising of the refusal to grant or as to the adverse modification of any Permit that has been applied for or is in process of being granted and the Company anticipates receiving any such Permit that has been applied for or is in the process of being granted in the ordinary course of business.

(lx) *No Expropriation*. No part of the Properties, mining rights or Permits pertaining to the Properties have been taken, revoked, condemned or expropriated by any Governmental Entity nor has any written notice or proceedings in respect thereof been given or commenced, or to the knowledge of the Company, been threatened or is pending, nor does the Company have any knowledge of the intent or proposal to give such notice or commence any such proceedings.

(lxi) *No Indigenous Claims*. There are no claims or actions with respect to indigenous rights currently outstanding, or to the knowledge of the Company, threatened or pending, with respect to the Properties of the Company. There are no land entitlement claims having been asserted or any legal actions relating to indigenous issues having been instituted with respect to the Properties of the Company, and no dispute in respect of the Properties of the Company with any local or indigenous group exists or, to the knowledge of the Company, is threatened or imminent.

(lxii) *Environmental Matters*.

A. To the best of the Company's knowledge, there has not been a material breach of any applicable federal, provincial, state, municipal and local laws, statutes, ordinances, by-laws and regulations and orders, directives and decisions rendered by any ministry, department or administrative or regulatory agency, domestic or foreign, including laws, ordinances, regulations or orders, relating to the protection of the environment, occupational health and safety or the processing, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or hazardous wastes or substances (the "**Environmental Laws**").

B. The Company is in material compliance with all Environmental Laws and all operations on the Properties, carried on by or on behalf of the Company,

have been conducted in all respects in accordance with good exploration, mining and engineering practices.

C. The Company has not used, except in material compliance with all Environmental Laws and Permits, any properties or facilities which it owns or leases or previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any hazardous substance.

D. The Company has not, nor to the knowledge of the Company, any other company with an interest in the Properties, has received any notice of, or been prosecuted for an offence alleging, non-compliance with any Environmental Laws, and the Company has not settled any allegation of non-compliance short of prosecution. There are no orders or directions relating to environmental matters requiring any material work, repairs, construction or capital expenditures to be made with respect to any of the assets of the Company and the Company has not received notice of any of the same.

E. To the knowledge of the Company, there have been no past unresolved claims, complaints, notices or requests for information received with respect to any alleged material violation of any Environmental Laws on the Properties, and to the knowledge of the Company, none that are threatened or pending. No conditions exist at, on or under any Properties now or previously owned, operated or leased by the Company, with the passage of time, or the giving of notice or both, would give rise to liability under any law, statute, order, regulation, ordinance or decree that, individually or in the aggregate, has or would have a Material Adverse Effect.

F. Except as ordinarily or customarily required by applicable Permit with respect to the Properties, there has not been any notice wherein it is alleged or stated that local clean-up or corrective action under any law including any Environmental Laws is required in respect of the Properties. The Company has not received any request for information in connection with any federal, state, provincial, municipal or local inquiries as to disposal sites.

G. There are no environmental audits, evaluations, assessments, studies or tests relating to the Company any Properties or assets owned or leased by them, or in which the Company has an interest to acquire, except for ongoing assessments conducted by or on behalf of the Company in the ordinary course of business.

(lxiii) *Scientific and Technical Information*. The Company is in compliance with the provisions of NI 43-101 and has filed all technical reports in respect of its Properties (and Properties in respect of which it has a right to earn an interest) required thereby. The Technical Report remains current as at the date hereof. The Technical Report complies in all material respects with the requirements of NI 43-101 and there is no new scientific or technical information concerning the Properties since the date thereof that would require a new

technical report in respect of any of the Properties to be issued under NI 43-101. The Company has made available to the authors of the Technical Report, prior to the issuance thereof, for the purpose of preparing such report, all information requested by them and none of such information contained any misrepresentation at the time such information was provided. The information set forth in the Prospectus and the Public Record relating to scientific and technical information has been prepared in accordance with NI 43-101 and in compliance with the other Canadian Securities Laws of the Qualifying Jurisdictions.

Employment Matters

(lxiv) *Employment Laws*. The Company is in material compliance with all federal, national, regional, state, provincial and local laws and regulations respecting employment and employment practices, terms and conditions of employment, workers' compensation, occupational health and safety and pay equity and wages. To the best of the Company's knowledge, the Company is not subject to any claims, complaints, outstanding decisions, orders or settlements or pending claims, complaints, decisions, orders or settlements under any human rights legislation, employment standards legislation, workers' compensation legislation, occupational health and safety legislation or similar legislation nor has any event occurred which may give rise to any of the foregoing.

(lxv) *Employee Plans*. Each plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by the Company for the benefit of any current or former director, officer, employee or consultant of the Company (the "**Employee Plans**") has been maintained in compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans, in each case in all material respects.

(lxvi) *Labour Matters*. There is not currently any labour disruption, dispute, slowdown, stoppage, complaint or grievance outstanding, or to the knowledge of the Company, threatened or pending, against the Company which is adversely affecting or could adversely affect, in a material manner, the carrying on of the business of the Company and no union representation question exists respecting the employees of the Company and no collective bargaining agreement is in place or being negotiated by the Company. The Company has sufficient personnel with the requisite skills to effectively conduct its business as currently conducted and as proposed to be conducted.

(b) Representations and Warranties of the Agents. Each Agent hereby severally, and not jointly, nor jointly and severally, represents and warrants to the Company and acknowledges that the Company is relying upon such representations and warranties in connection with the Offering, that:

(i) in respect of the offer and sale of the Offered Securities, it will comply with all Canadian Securities Laws and all applicable laws of the jurisdictions outside Canada and the United States in which it offered the Offered Securities;

(ii) upon the Company obtaining the necessary receipts therefor from each of the Securities Regulators, it will deliver one copy of the Final Prospectus and any Supplementary Material thereto to each of the Purchasers in the Qualifying Jurisdictions;

(iii) it is, and will remain so, until the completion of the Offering, appropriately registered under Canadian Securities Laws so as to permit it to lawfully fulfill its obligations hereunder;

(iv) it is a valid and subsisting corporation or entity under the laws of the jurisdiction in which it was incorporated, amalgamated or formed; and

(v) it has good and sufficient right and authority to enter into this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein.

Notwithstanding any other provisions of this Agreement, an Agent will not be liable to the Company under this Agreement with respect to a breach of a representation or warranty contained in this Agreement by another Agent, another Agent's U.S. Affiliate, or a Selling Firm appointed by another Agent, as the case may be.

8. Closing Deliveries. The issuance and sale of the Offered Securities (and Additional Securities, if applicable) shall be completed at the Closing Time (and the Option Closing Time, if applicable) at the offices of Osler, Hoskin & Harcourt LLP, Toronto, Ontario or at such other place as the Agents and the Company may agree upon. At the Closing Time or the Option Closing Time, as applicable, the Company shall, subject to the terms and conditions of this Agreement, duly and validly deliver to the Agents (i) by way of electronic deposit or certificates in definitive form, registered as directed by the Lead Agent, on behalf of the Agents, the Offered Securities or the Additional Securities, as the case may be, and (ii) the Agent Warrant Certificates representing the Agent Warrants, registered as directed by the Lead Agent, on behalf of the Agents, in the City of Toronto, against payment at the direction of the Company of the aggregate subscription price for the Offered Securities or Additional Securities, as the case may be, in lawful money of Canada. The Agents may discharge their payment obligations under this Section 8 by the transfer of funds by electronic wire transfer from the Lead Agent to the Company's designated bank account, which shall be a bank account in Canada, equal to the aggregate subscription price for the Offered Securities or the Additional Securities, as the case may be, less: (i) the Commission; and (ii) the out-of-pocket costs and expenses of the Agents, including the fees and disbursements of counsel to the Agents, as set out in Section 12. Any Offered Securities (and Additional Securities, if applicable) sold to Purchasers in the United States shall be in certificated, physical form, if required, and such certificates shall include the legends required by the U.S. Private Placement Memorandum.

9. Conditions of Closing. The Agents' obligation to complete the Closing pursuant to this Agreement (including the obligation to arrange for the purchase and sale of the Offered Securities at the Closing Time) shall be conditional upon the fulfilment at or before the Closing Time of the following conditions:

(a) the Agents shall have received at the Closing Time a certificate, dated as of the Closing Date, signed by the Chief Executive Officer and Chief Financial Officer of the Company, or such other officers of the Company as the Agents may agree, without personal liability, certifying for and on behalf of the Company that:

(i) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company (including the Common Shares) has been issued by any Governmental Entity and is continuing in effect and no proceedings for that purpose have been instituted or are pending or are contemplated or threatened by any Governmental Entity;

(ii) to the knowledge of such officers, after due enquiry, there has been no Material Adverse Effect (actual, proposed or prospective, whether financial or otherwise) in the condition (financial or otherwise), properties, assets, liabilities (contingent or otherwise), obligations (whether absolute, accrued, conditional or otherwise), business, affairs, capital, ownership, control, management, operations, results of operations or prospects of the Company and its subsidiaries, on a consolidated basis, since the date hereof;

(iv) the Company has duly complied with all the terms, covenants and conditions of this Agreement on its part to be complied with up to the Closing Time; and

(v) the representations and warranties of the Company contained in this Agreement are true and correct in all material respects as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement, except in respect of any representations and warranties that are to be true and correct as of a specified date, in which case they were true and correct as of that date;

(b) the Agents shall have received at the Closing Time a certificate, dated as of the Closing Date, signed by appropriate officers of the Company addressed to the Agents with respect to the articles and notice of articles of the Company, all resolutions of the Company's board of directors and, as applicable, shareholders relating to the Transaction Documents and the transactions contemplated hereby and thereby, the incumbency and specimen signatures of signing officers of the Company and such other matters as the Agents may reasonably request;

(c) the Company shall have made and/or obtained all necessary filings, approvals, permits, consents and authorizations to or from, as the case may be, the board of directors and shareholders of the Company, the Securities Regulators, the CSE, and any other applicable person required to be made or obtained by the Company in connection with the transactions contemplated by this Agreement, on terms which are acceptable to the Agents, acting reasonably;

(d) the Unit Shares, the FT Shares, the Warrant Shares and the Agent Shares shall have been conditionally approved for listing and posting for trading on the CSE, subject only to satisfaction by the Company of certain standard post-closing conditions imposed by the CSE;

(e) the Agents shall have received favourable legal opinions addressed to the Agents, dated the Closing Date, from Osler, Hoskin & Harcourt LLP, counsel to the Company, and where appropriate local counsel to the Company (it being understood that such counsel may rely to the extent appropriate in the circumstances (i) as to matters of fact, on certificates of the Company executed on its behalf by a senior officer of the Company and on certificates of the transfer agent and registrar of the Company, as to the issued capital of the Company; and (ii) as to matters of fact not independently established, on certificates of the Company's Auditors or a public official) with respect to the following matters:

(i) as to the subsistence of the Company under the laws of the Province of British Columbia and as to the corporate power and capacity of the Company to enter into and carry out its obligations under the Transaction Documents and to issue and sell the Offered Securities, Additional Securities, grant the Over-Allotment Option and issue the Agent Warrants;

(ii) as to the authorized and issued capital of the Company;

(iii) the Company has all requisite corporate power and capacity under the laws of its jurisdiction of existence to carry on its business as presently carried on and to own, lease and operate its properties and assets;

(iv) the execution and delivery of the Transaction Documents, the performance by the Company of its obligations thereunder, the creation, sale and issuance of the Offered Securities, the creation and issuance of the Agent Warrants and the grant of the Over-Allotment Option, do not and will not conflict with or result in any breach of the articles or notice of articles of the Company, any resolutions of the shareholders or directors (including committees of the board of directors) of the Company, any applicable corporate laws or any Canadian Securities Laws;

(v) the Transaction Documents have been duly authorized and executed and delivered by the Company, and constitute valid and legally binding obligations of the Company enforceable against it in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, liquidation, reorganization, moratorium or similar laws affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and the qualification that the enforceability of rights of indemnity and contribution may be limited by applicable law;

(vi) all necessary corporate action has been taken by the Company to authorize the execution and delivery of each of the Preliminary Prospectus and the Final Prospectus and the filing thereof with the Securities Regulators, the filing of the Marketing Documents with the Securities Regulators and the delivery of each of the preliminary and final U.S. Private Placement Memorandum;

(vii) the Unit Shares and FT Shares, other than the Unit Shares underlying Additional Securities issuable at any Option Closing Time, have been duly and validly issued as fully paid and non-assessable Common Shares in the capital of the Company;

(viii) the Warrants have been duly and validly created and, other than the Additional Warrants issuable at any Option Closing Time, issued and the Warrant Shares have been reserved and authorized and allotted for issuance and upon the receipt of payment therefor by the Company and the issue thereof upon exercise of the Warrants in accordance with the provisions of the Warrant Indenture, the Warrant Shares will be duly and validly issued as fully paid and non-assessable Common Shares in the capital of the Company;

(ix) the Agent Warrants have been duly and validly created and, other than the Agent Warrants issuable at any Option Closing Time, issued and the Agent Shares have been reserved and authorized and allotted for issuance and upon the receipt of payment therefor by the Company and the issue thereof upon exercise of the Agent Warrants in accordance with the provisions of the Agent Warrant Certificates, the Agent Shares will be duly and validly issued as fully paid and non-assessable Common Shares in the capital of the Company;

(x) all necessary corporate action has been taken by the Company to authorize the issuance of the Additional Securities, including the Additional Warrants and Unit Shares underlying Additional Securities and Additional Warrants, subject to receipt of payment in full for them, and the issuance of the additional Agent Warrants, and when issued and delivered, the Unit Shares underlying Additional Securities, the Additional Warrants and the additional Agent Warrants will be duly and validly issued by the Company and the Unit Shares underlying Additional Securities will be outstanding as fully paid and non-assessable Common Shares in the capital of the Company;

(xi) the rights, privileges, restrictions and conditions attaching to the Offered Securities, Unit Shares, FT Shares, Warrants, FT Unit Warrants, Warrant Shares, Over-Allotment Option, Additional Securities, Additional Unit Shares, Additional Warrants, Additional Warrant Shares, Agent Warrants and Agent Shares conform in all material respects with the description thereof set forth in the Final Prospectus;

(xii) all necessary documents have been filed, all requisite proceedings have been taken and all approvals, permits, consents and authorizations of the Securities Regulators in each of the Qualifying Jurisdictions have been obtained by the Company to qualify the distribution to the public of the Offered Securities in each of the Qualifying Jurisdictions through persons who are registered under Canadian Securities Laws and to qualify the grant of the Over-Allotment Option and the issuance of the Agent Warrants to the Agents;

(xiii) the issuance by the Company of the Warrant Shares upon the due exercise of the Warrants and the issuance by the Company of the Agent Shares upon the due exercise of the Agent Warrants, is exempt from, or is not subject to, the prospectus requirements of Canadian Securities Laws in the Qualifying Jurisdictions and no prospectus or other documents are required to be filed, proceedings taken, or approvals, permits, consents or authorizations obtained under Canadian Securities Laws of the Qualifying Jurisdictions in connection therewith;

(xiv) the first trade in, or resale of, the Unit Shares, FT Shares, Warrants, FT Unit Warrants, Warrant Shares, Agent Warrants and Agent Shares is exempt from, or is not subject to, the prospectus requirements of Canadian Securities Laws in the Qualifying Jurisdictions and no filing, proceeding or approval will need to be made, taken or obtained under such laws in connection with any such trade or resale, provided that the trade or resale is not a "control distribution" (as defined in National Instrument 45-102 – *Resale of Securities*);

(xv) the Company is a "reporting issuer", or its equivalent, in each of the Qualifying Jurisdictions and it is not on the list of defaulting reporting issuers maintained by each of the Securities Regulators;

(xvi) the statements and opinions concerning tax matters set forth in the Final Prospectus under the headings (including for certainty, all subheadings under such headings) "Certain Canadian Federal Income Tax Considerations" and "Eligibility for Investment" insofar as they purport to describe the provisions of the laws referred to therein are fair and adequate summaries of the matters discussed therein subject to the qualifications, assumptions and limitations set out under such headings;

(xvii) the Unit Shares, FT Shares, Warrant Shares and Agent Shares have been conditionally approved for listing and posting for trading on the CSE, subject only to satisfaction by the Company of certain standard post-closing conditions imposed by the CSE;

(xviii) TSX Trust Company has been duly appointed as the warrant agent for the Warrants and FT Unit Warrants;

(xix) that the Company is a Principal Business Corporation and the FT Shares are "flow-through shares" as defined in subsection 66(15) of the Tax Act and are not "prescribed shares" within the meaning of subsection 6202.1 of the Regulations;

(xx) except as a result of any Follow-On Transaction or any agreement, arrangement, undertaking or understanding to which the Company is not a party and of which it has no knowledge, upon issue, the FT Shares will be "flow-through shares" as defined in subsection 66(15) of the Tax Act and will not be "prescribed shares" within the meaning of section 6202.1 of the Regulations; and

(xxi) as to such other matters as the Agents' legal counsel may reasonably request prior to the Closing Time;

(f) if any Units are offered and sold in the United States or to, or for the account or benefit of, U.S. Persons pursuant to Schedule "A" attached hereto, the Agents shall have received a favourable legal opinion addressed to the Agents, dated the Closing Date, from Osler, Hoskin & Harcourt LLP, United States counsel to the Company, such opinion to be subject to such qualifications and assumptions as the Agents may agree and in form satisfactory to the Agents and their counsel, acting reasonably, to the effect that no registration of the Units offered and sold in the United States or to, or for the account or benefit of, U.S. Persons will be required under the U.S. Securities Act in connection with such offer and sale, provided that the offer and sale of the Units in the United States or to, or for the

account or benefit of, U.S. Persons is made in accordance with Schedule "A" attached hereto, and it being understood that no opinion is expressed as to any subsequent resale of the Units;

(g) the Agents shall have received a favourable legal opinion addressed to the Agents, dated the Closing Date, in form and substance satisfactory to the Agents' counsel, acting reasonably, as to ownership of the Drayton-Black Lake Project and that the option agreement whereby the Company has the option to purchase the Drayton-Black Lake Project is a valid and subsisting agreement, in full force and effect, enforceable in accordance with its terms;

(h) the Agents shall have received from the Company's Auditors a letter, dated as of the Closing Date, in form and substance satisfactory to the Agents, acting reasonably, bringing forward to a date not more than two Business Days prior to the Closing Date the information contained in the comfort letter referred to in Section 4(a)(iv);

(i) the Agents shall have received certificates of good standing or similar certificates with respect to the jurisdiction in which the Company is existing;

(j) the Agents shall have received a certificate from the transfer agents and registrar of the Company as to the issued and outstanding Common Shares as at the close of business on the Business Day prior to the Closing Date;

(k) the Agent Warrant Certificates shall have been executed and delivered by the Company in form and substance satisfactory to the Agents and their counsel;

(l) the Agents shall have received an executed copy of the Warrant Indenture in form and substance satisfactory to the Agents, acting reasonably; and

(m) the Agents shall have received such other documents as the Agents or its counsel may reasonably request prior to the Closing Time.

10. Closing of the Over-Allotment Option. The Agents' obligation to complete the closing of the Over-Allotment Option (in the event that the Over-Allotment Option to offer and sell the Additional Securities is exercised by the Agents) shall be subject to the accuracy of the representations and warranties of the Company contained in this Agreement as of the Option Closing Date and the performance by the Company of its obligations under this Agreement. The Company agrees to fulfil or cause to be fulfilled the following conditions:

(a) if reasonably required by the Agents, the Agents shall have received a favourable legal opinion dated the Option Closing Date, in form and substance satisfactory to counsel to the Agents, addressed to the Agents from Osler, Hoskin & Harcourt LLP, counsel to the Company;

(b) the Agents shall have received a letter dated as of the Option Closing Date, in form and substance satisfactory to the Agents, addressed to the Agents and the directors of the Company from the Company's Auditors confirming the continued accuracy of the comfort letter to be delivered to the Agents pursuant to Section 4(a)(iv) with such changes as may

be necessary to bring the information in such letter forward to a date not more than two Business Days prior to the Option Closing Date, which changes shall be acceptable to the Agents, acting reasonably;

(c) the Agents shall have received a certificate dated as of the Option Closing Date, addressed to the Agents and signed by appropriate officers of the Company, with respect to the articles and notice of articles of the Company, all resolutions of the board of directors and, as applicable, shareholders of the Company relating to the Transaction Documents and the transactions contemplated hereby and thereby, the incumbency and specimen signatures of signing officers of the Company and such other matters as the Agents may reasonably request;

(d) the Agents shall have received a certificate dated as of the Option Closing Date, addressed to the Agents and signed on behalf of the Company by the Chief Executive Officer and the Chief Financial Officer of the Company or such other officers of the Company acceptable to the Agents, substantially in the form set out in Section 9(a); and

(e) the Agents shall have received such other certificates, agreements, materials or documents as they may reasonably request with respect to the good standing of the Company, the due authorization and issuance of the Additional Securities and the Agent Warrants issuable on the Option Closing Date and other matters related to the issuance of the Additional Securities.

11. Rights of Termination.

Each Agent shall be entitled, at its sole option, to terminate and cancel, without any liability on the part of such Agent, all of its obligations (and those of any Purchasers arranged by it) under this Agreement, by written notice to that effect given to the Company at or prior to the Closing Time, if at any time prior to the Closing:

(a) **Material Change.** There is any material change (actual, imminent or reasonably expected) in the business, affairs or financial condition of the Company or the Properties or change in any material fact or a new material fact shall arise in respect of the Company or the Properties which would be expected to have, in the opinion of the Agents (any one of them), acting reasonably, a material adverse effect on the market price or value of the Units, FT Units or Common Shares, or the Agents shall become aware of any material information with respect to the Company which had not been publicly disclosed at or prior to the date hereof and which in the sole opinion of the Agents (any one of them), acting reasonably, would be expected to have a material adverse effect on the market price or value of the Units, FT Units or the Common Shares, or any other securities of the Company;

(b) **Disaster.** (i) There should develop, occur or come into effect or existence any event, action, state, condition (including without limitation, terrorism or accident) or major financial occurrence of national or international consequence or a new or change in any law or regulation which in the sole opinion of the Agents (any one of them) seriously adversely affects or involves or may seriously adversely affect or involve the financial markets or the business, operations or affairs of the Company or market price or value of the securities of the Company; (ii) any inquiry, action, suit, proceeding or investigation (whether formal or informal) is commenced, announced or threatened in relation to the Company or any one

of the officers or directors of the Company or any of its principal shareholders where wrong-doing is alleged or any order is made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including without limitation the CSE or securities commission which involves a finding of wrong-doing; or (iii) any order, action or proceeding which cease trades or otherwise operates to prevent or restrict the trading of the Units, FT Units or Common Shares or any other securities of the Company is made or threatened by a securities regulatory authority;

(c) **Market**. The state of the financial markets in Canada or elsewhere where it is planned to market the Units and FT Units is such that, in the reasonable opinion of the Agents (any one of them), the Units and FT Units cannot be marketed profitably;

(d) **Breach.** The Company is in breach of any material term, condition or covenant of this Agreement that cannot be cured prior to the Closing Date or any material representation or warranty given by the Company in this Agreement becomes or is false and cannot be cured prior to the Closing Date; or

(e) **Due Diligence.** The Agents (any one of them) are not satisfied, acting reasonably, with the completion of their due diligence investigations.

(f) **Exercise of Termination Rights.** The rights of termination contained in Sections 11(a), (b), (c), (d) and (e) may be exercised by the Agents (or any one of them) and are in addition to any other rights or remedies the Agents (or any one of them) may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination by an Agent, there shall be no further liability on the part of such Agent to the Company or on the part of the Company to such Agent except in respect of any liability which may have arisen or may arise after such termination in respect of acts or omissions of the Company prior to such termination and in respect of Sections 12, 14, 23, 25 and 26.

12. Expenses. Whether or not the Offering is completed, the Company shall pay all expenses and fees in connection with the Offering, including all expenses of or incidental to the creation, issue, sale, qualification or distribution of the Offered Securities and the Agent Warrants, road shows, printing costs, the fees and disbursements and taxes thereon of the Company's counsel, all costs incurred in connection with the preparation of documents relating to the Offering, and all expenses and fees incurred by the Agents, which shall include the fees and disbursements and applicable taxes thereon of the Agents' counsel (to a maximum of $75,000 exclusive of disbursements and applicable taxes thereon) and all reasonable out-of-pocket fees and expenses of the Agents in connection with the Offering. All expenses and fees incurred by the Agents or on their behalf shall be deducted from the gross proceeds of the Offering at the Closing Time.

13. Survival of Representations and Warranties. All representations and warranties of the Company and the Agents herein contained or contained in any documents submitted pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Agents, shall continue in full force and effect for the benefit of the Agents for a period of three years following the Closing Date. For certainty, the provisions contained in this Agreement in any way related to the indemnification of the Agents by the Company or the contribution obligations

of the Agents or those of the Company shall survive and continue in full force and effect, indefinitely, subject only to the applicable limitation period prescribed by law.

14. Indemnity and Contribution

(a) The Company (the "**Indemnitor**") hereby covenants and agrees to indemnify and hold the Agents and each of their directors, officers, employees, agents and shareholders (collectively, the "**Personnel**") harmless from and against any and all expenses, losses (other than loss of profits), claims, actions, damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending any claim that may be made against the Agents to which the Agents and/or their Personnel may become subject or otherwise involved in any capacity under any statute or common law, or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Indemnitor by the Agents and their Personnel under this Agreement, or otherwise in connection with the matters referred to in this Agreement, provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

(i) the Agents or their Personnel have been grossly negligent or have committed any fraudulent act in the course of such performance; and

(ii) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the gross negligence or fraud referred to in Section 14(a)(i) above.

(b) If for any reason (other than the occurrence of any of the events itemized in Subsections 14(a)(i) and 14(a)(ii) above), the foregoing indemnification is unavailable to the Agents or any Personnel or insufficient to hold the Agents or any Personnel harmless, then the Indemnitor shall contribute to the amount paid or payable by the Agents or any Personnel as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Agents or any Personnel on the other hand but also the relative fault of the Indemnitor and the Agents or any Personnel, as well as any relevant equitable consideration, provided that the Indemnitor shall in any event contribute to the amount paid or payable by the Agents or any Personnel as a result of such expense, loss, claim, damage or liability and any excess of such amount over the amount of the fees received by the Agents pursuant to this Agreement.

(c) The Indemnitor agrees that in case: (i) any legal proceeding shall be brought against the Indemnitor and/or the Agents or any Personnel by any government commission or regulatory authority of any stock exchange; (ii) an entity having regulatory authority, either domestic or foreign, shall investigate the Indemnitor and/or the Agents; or (iii) any Personnel shall be required to testify in connection therewith or to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Indemnitor by the Agents, the Agents shall have the right to employ their own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agents for time spent by their Personnel in connection therewith) and out-of-pocket expenses incurred at competitive rates by their

Personnel in connection therewith shall be paid by the Indemnitor as they occur, provided that in no circumstances will the Indemnitor be required to pay the fees and expenses of more than one legal counsel for all of the Agents and their Personnel (collectively the "**Indemnified Persons**"), unless:

(i) the Indemnitor and the Agents have mutually agreed to the retention of more than one legal counsel for the Indemnified Persons; or

(ii) the Indemnified Persons have or any of them has been advised in writing by legal counsel that representation of all of the Indemnified Persons by the same legal counsel would be inappropriate due to actual or potential differing interests between them.

(d) No admission of liability and no settlement, compromise or termination of any action, suit, proceeding, claim or investigation shall be made without the Indemnitor's consent and the consent of the Indemnified Persons affected, such consents not to be unreasonably withheld or delayed. The Indemnitor will not, without the Lead Agent's prior written consent, settle, compromise, consent to the entry of any judgment in or otherwise seek to terminate any action, suit, proceeding, investigation or claim in respect of which indemnification may be sought hereunder (whether or not any Indemnified Person is a party thereto) unless such settlement, compromise, consent or termination includes a release of each Indemnified Person from any liabilities arising out of such action, suit, proceeding, investigation or claim.

(e) The Indemnitor agrees to waive any right the Indemnitor may have of first requiring the Indemnified Persons to proceed against or enforce any right, power, remedy or security or claim payment from any other person before claiming under this Section 14 of the Agreement.

(f) The Indemnitor agrees that, in no event, will any Indemnified Person be liable or obligated in any manner for any damages (including, without limitation, actual, consequential, exemplary or punitive damages or lost profits) in excess of the fees actually received by the Agents pursuant to this Agreement and the Indemnitor agrees not to seek or cause to seek any claim for such damages or profits in any circumstance.

(g) Promptly after receipt of notice of the commencement of any legal proceeding against the Agents or the Personnel or after receipt of notice of the commencement or any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Agents will notify the Indemnitor in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed.

(h) The indemnity and contribution obligations of the Indemnitor under this Section 14 shall be in addition to, and not in substitution for, any liability which the Indemnitor may otherwise have at law or in equity, shall extend upon the same terms and conditions to the Agents and the Personnel and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor, the Agents and any of the Personnel. This Section 14 shall survive the completion of the professional services rendered under this Agreement or any termination of this Agreement.

15. Syndication of Agents.

(a) Subject to the terms and conditions hereof, the obligation of the Agents hereunder shall be several and neither joint nor joint and several. The sale of the Offered Securities by the Agents in connection with the Offering shall be in accordance with the following percentages:

Name of Agent	Syndicate Position
Red Cloud Securities Inc.	60%
Canaccord Genuity Corp.	20%
PI Financial Corp.	10%
M Partners Inc.	10%

(b) Nothing in this Agreement shall oblige any U.S. Affiliate of any of the Agents to purchase any Offered Securities. Any such U.S. Affiliate who makes any offers or sales of the Offered Securities in the United States will do so solely as an agent for an Agent.

16. Action by Agents. All steps which must or may be taken by the Agents in connection with the Offering, with the exception of the matters relating to (i) termination of purchase obligations contained in Section 11(f), or (ii) indemnification, contribution and settlement contained in Section 14, may be taken by the Lead Agent on behalf of the Agents and the execution of this Agreement by the other Agents and by the Company shall constitute the Company's authority and obligation for accepting notification of any such steps from, and for delivering the Offered Securities in certificated or electronic form to or to the order of, the Lead Agent. The Lead Agent shall fully consult with the other Agents with respect to all notices, waivers, extensions or other communications to or with the Company.

17. Advertisements. The Company acknowledges that the Agents shall have the right, at their own expense, to place such advertisement or advertisements relating to the sale of the Offered Securities contemplated herein as the Agents may consider desirable or appropriate and as may be permitted by applicable law. The Company and the Agents agree that they will not make or publish any advertisement in any media whatsoever relating to, or otherwise publicize, the transaction provided for herein so as to result in any exemption from the prospectus and registration requirements of applicable Securities Laws in any jurisdiction (other than the Qualifying Jurisdictions) in which the Offered Securities shall be offered or sold being unavailable in respect of the sale of the Offered Securities to potential Purchasers.

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

(a) If to the Company, to:

Heritage Mining Ltd.
1700 – 1055 West Hastings Street
Vancouver, British Columbia

Attention: Peter Schloo, President & Chief Executive Officer
E-mail: peter@heritagemining.ca

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

Osler, Hoskin & Harcourt LLP
1055 West Hastings Street|
Suite 1700, The Guinness Tower
Vancouver, BC V6E 2E9

Attention: Patrick Sullivan
Email: psullivan@osler.com

(b) If to the Agents, to (or on behalf of the Agents):

Red Cloud Securities Inc.
105 King St. E., 2nd Floor
Toronto, Ontario M5C 1G6

Attention: Mark Styles, Head of Investment Banking
E-mail: mstyles@redcloudsecurities.com

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

Peterson McVicar LLP
Suite 902, 18 King St. E.
Toronto, Ontario M5C 1C4

Attention: Dennis Peterson
E-mail: dhp@petelaw.com

or to such other address as any of the parties may designate by notice given to the others.

Each notice shall be personally delivered to the addressee or sent by electronic transmission to the addressee and (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by electronic transmission shall be deemed to be given and received on the first Business Day following the day on which it is sent.

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

20. Canadian Dollars. Except as otherwise noted, all references herein to dollar amounts are to lawful money of Canada.

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

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

23. Entire Agreement. This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings with respect to the subject matter hereof, including for greater certainty the Engagement Letter.

24. Amendments. This Agreement may be amended or modified in any respect by written instrument only executed by all parties hereto.

25. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

26. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

27. Successors and Assigns. The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Company and the Agents and their respective successors and permitted assigns; provided that, except as provided herein, this Agreement shall not be assignable by any party without the written consent of the others.

28. Further Assurances. Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

29. Market Stabilization Activities. In connection with the distribution of the Offered Securities, the Agents may over-allot or effect transactions which stabilize or maintain the market price of the Common Shares at levels other than those which might otherwise prevail in the open market, but in each case as permitted by Canadian Securities Laws. Such stabilizing transactions, if any, may be discontinued by the Agents at any time.

30. No Fiduciary Duty. The Company acknowledges that in connection with the Offering: (i) the Agents have acted at arm's length, are not agents of, and owe no fiduciary duties to, the Company or any other person, (ii) the Agents owe the Company only those duties and obligations set forth in this Agreement, and (iii) the Agents may have interests that differ from those of the Company. The Company waives to the full extent permitted by applicable law any claims it may have against the Agents arising from an alleged breach of fiduciary duty in connection with the Offering.

31. Other Agent Business. The Company acknowledges that the Agents and certain of their Affiliates: (i) act as traders of, and dealers in, securities both as principal and on behalf of their clients and, as such, may have had, and may in the future have, long or short positions in the securities of the Company or related entities and, from time to time, may have executed or may execute transactions on behalf of such persons; (ii) may provide research or investment advice or

portfolio management services to clients on investment matters, including the Company; (iii) may participate in securities transactions on a proprietary basis, including transactions in the Offering or other securities of the Company or related entities; and (iv) nothing in this Agreement shall restrict their ability to conduct business in the ordinary course and in compliance with applicable laws.

32. Several and not Joint. In performing their respective obligations under this Agreement, the Agents shall be acting severally and not jointly nor jointly and severally. Nothing in this Agreement is intended to create any relationship in the nature of a partnership or joint venture between the Agents.

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

34. Schedules. The following schedules are attached to this Agreement, which schedules are deemed to be incorporated into and form part of this Agreement:

Schedule "A" – "Compliance with United States Securities Laws"
Schedule "B" – "Details of Outstanding Convertible Securities and Rights to Acquire Securities"

35. Language. The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. *Les parties reconnaissent avoir expressment demandées que la présente Convention ainsi que tout avis, tout état de compte et tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.*

36. Counterparts. This Agreement may be executed in any number of counterparts and by facsimile or PDF copy, each of which so executed shall constitute an original and all of which taken together shall form one and the same agreement.

[Signature Page Follows]

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

Yours very truly,

RED CLOUD SECURITIES INC.

Per: *"Bruce Tatters"*
Name: Bruce Tatters
Title: Chief Executive Officer

CANACCORD GENUITY CORP.

Per: *"Earle McMaster*"
Name: Earle McMaster
Title: Managing Director, Investment Banking

PI FINANCIAL CORP.

Per: *"Tim Graham"*
Name: Tim Graham
Title: Managing Director, Investment Banking

M PARTNERS INC.

Per: *"Steve Isenberg"*
Name: Steve Isenberg
Title: Chief Executive Officer

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

DATED as of the 31st day of May, 2022.

HERITAGE MINING LTD.

Per: *"Peter Schloo"*
Name: Peter Schloo
Title: Chief Executive Officer

SCHEDULE "A"
COMPLIANCE WITH UNITED STATES SECURITIES LAWS

This is Schedule "A" to the Agency Agreement dated May 31, 2022 among Heritage Mining Ltd., Red Cloud Securities Inc., Canaccord Genuity Corp., PI Financial Corp and M Partners Inc. (the "Agency Agreement")

Capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Agency Agreement to which this Schedule "A" is annexed.

The following terms shall have the meanings indicated:

(a) "**Directed Selling Efforts**" means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule "A", it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Securities and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Offered Securities;

(b) "**Disqualification Event**" means any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) of Regulation D;

(c) "**Foreign Issuer**" means "foreign issuer" as defined in Rule 902(e) of Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means any issuer which is (i) the government of any country other than the United States or of any political subdivision of a country other than the United States; or (ii) a corporation or other organization incorporated under the laws of any country other than the United States, except an issuer meeting the following conditions as of the last business day of its most recently completed second fiscal quarter: (1) more than 50 percent of the outstanding voting securities of such issuer are directly or indirectly owned of record by residents of the United States; and (2) any of the following: (a) the majority of the executive officers or a majority of the directors are United States citizens or residents, (b) more than 50 percent of the assets of the issuer are located in the United States, or (c) the business of the issuer is administered principally in the United States;

(d) "**General Solicitation**" and "**General Advertising**" means "general solicitation" or "general advertising", as those terms are used under Rule 502(c) of Regulation D. Without limiting the foregoing, but for greater clarity, general solicitation or general advertising includes, but is not limited to, any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or on the internet, or broadcast over radio, television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

(e) "**Offshore Transaction**" means an "offshore transaction" as that term is defined in Rule 902(h) of Regulation S;

(f) "**Qualified Institutional Buyer Letter**" means the Qualified Institutional Buyer Letter in the form attached as Exhibit I to the U.S. Private Placement Memorandum;

(g) "**Subscription Agreement for Accredited Investors**" means the Subscription Agreement for Accredited Investors in the form attached as Exhibit II to the U.S. Private Placement Memorandum, including Schedule A thereto;

(h) "**Substantial U.S. Market Interest**" means substantial U.S. market interest as that term is defined in Rule 902(j) of Regulation S; and

(i) "**U.S. Purchaser**" means any Purchaser of Offered Securities that is, or is acting for the account or benefit of, a U.S. Person or a person in the United States, or any person offered the Offered Securities in the United States (except persons excluded from the definition of U.S. Person pursuant to Rule 902(k)(2)(vi) of Regulation S or persons holding accounts excluded from the definition of U.S. Person pursuant to Rule 902(k)(2)(i) of Regulation S), or that was in the United States when the buy order was made or when the Qualified Institutional Buyer Letter or the Subscription Agreement for Accredited Investors, as applicable, pursuant to which it is acquiring Offered Securities was executed or delivered.

Representations, Warranties and Covenants of the Agents

The Agents acknowledge that the Offered Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Offered Securities may not be offered or sold within the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States, except in accordance with an applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each Agent on behalf of itself and its U.S. Affiliate, if applicable, represents, warrants, covenants and agrees to and with the Company severally, but not jointly, that:

1. It has not offered or sold, and will not offer or sell, at any time any Offered Securities except (a) in Offshore Transactions to persons who are not, or are not acting for the account or benefit, of a U.S. Person in compliance with Rule 903 of Regulation S, or, in the case of Units only, (b) to U.S. Purchasers that are Qualified Institutional Buyers or U.S. Accredited Investors, purchasing in each case for sale directly by the Company in compliance with the exemption afforded by Section 4(a)(2) of the U.S. Securities Act and similar exemptions under state securities laws and/or pursuant to Rule 506(b) of Regulation D under the U.S. Securities Act and similar exemptions under applicable state securities laws and as provided in paragraphs 2 through 15 below. Accordingly, none of the Agents, their Affiliates (including in the U.S. Affiliates) or any person acting on any of their behalf, has made or will make (except as permitted in this Schedule "A"): (i) any offer to sell, or any solicitation of an offer to buy, any Offered Securities to any person in the United States or to, or for the account of, a U.S. Person or a person in the United States, (ii) any sale of Offered Securities to any Purchaser unless, at the time the buy order was or will have been originated, the Purchaser was outside the United States and not acting for the account or benefit of a U.S. Person or a person in the United States, or the Agent, its Affiliates (including the U.S. Affiliate) or any person acting on any of their behalf, reasonably believed that such Purchaser was outside the United States and not acting for the account or benefit of a U.S. Person or a person in the United States, or (iii) any Directed Selling Efforts.

2. It has not entered and will not enter into any contractual arrangement with respect to the offer and sale of the Offered Securities except with the U.S. Affiliate, any Selling Firm or with the prior written consent of the Company. The Agent shall require the U.S. Affiliate to agree, and each Selling Firm to agree, for the benefit of the Company, to comply with, and shall use its commercially reasonable efforts to ensure that the U.S. Affiliate and each Selling Firm complies with, the same provisions of this Schedule "A" as apply to the Agent as if such provisions applied to the U.S. Affiliate and such Selling Firm.

3. The Agent represents and warrants that all offers and sales of Offered Securities that have been or will be made by it in the United States or to or for the account or benefit of a U.S. Person, have or will be made through its U.S. Affiliate and in compliance with all applicable U.S. federal and state broker-dealer requirements. Any U.S. Affiliate that makes offers and sales in the United States or to, or for the account or benefit of, a U.S. Person, is on the date hereof, and will be on the date of each such offer and sale, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the securities laws of each state in which such offers and sales were or will be made (unless exempted from the respective state's broker-dealer registration requirements), and a member in good standing with the Financial Industry Regulatory Authority, Inc.

4. None of it, its Affiliates (including the U.S. Affiliate), or any person acting on any of their behalf has utilized, and none of such persons will utilize, any form of General Solicitation or General Advertising in connection with the offer and sale of the Offered Securities, or has offered or will offer any Offered Securities in any manner involving a public offering in the United States within the meaning of Section 4(a)(2) of the U.S. Securities Act.

5. Immediately prior to soliciting U.S. Purchasers, the Agent, its Affiliates (including the U.S. Affiliate), and any person acting on its or their behalf had reasonable grounds to believe and did believe that each potential Purchaser was either: (i) a U.S. Accredited Investor, or (ii) a Qualified Institutional Buyer, in each case with respect to which the Agent or its Affiliates (including the U.S. Affiliate) has a pre-existing business relationship; and at the time of completion of each sale to a person in the United States or to, or for the account or benefit of, U.S. Persons, the Agent, its Affiliates (including the U.S. Affiliate), and any person acting on its or their behalf will have reasonable grounds to believe and will believe, that each such Purchaser is a Qualified Institutional Buyer or a U.S. Accredited Investor.

6. All potential Purchasers of the Offered Securities in the United States or to, or for the account or benefit of, a U.S. Person, solicited by it shall be informed that the Offered Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and that the Offered Securities are being offered and sold to such U.S. Purchasers pursuant to the exemption afforded by Section 4(a)(2) of the U.S. Securities Act and similar exemptions under state securities laws and/or pursuant to Rule 506(b) of Regulation D under the U.S. Securities Act and similar exemptions under applicable state securities laws.

7. It agrees to deliver, through the U.S. Affiliate, to each person in the United States or to or for the account or benefit of a U.S. Person or a person in the United States to whom it offers to sell or from whom it solicits any offer to buy the Offered Securities the U.S. Private Placement Memorandum, including the Preliminary Prospectus and/or the Final Prospectus, as applicable. No other written material will be used in connection with the offer or sale of the Offered Securities in the United States or to or for the account or benefit of a U.S. Person or a person in the United States.

8. Prior to completion of any sale of Offered Securities in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States, each such Purchaser thereof that is purchasing Offered Securities will be required to provide to the Agent, or the U.S. Affiliate offering and selling the Offered Securities in the United States or to or for the account or benefit of a U.S. Person or a person in the United States, if applicable, either (i) an executed Qualified Institutional Buyer Letter, if such Purchaser is a Qualified Institutional Buyer, or (ii) an executed Subscription Agreement for Accredited Investors, if such Purchaser is a U.S. Accredited Investor. The Agent shall provide the Company with copies of all such completed and executed Qualified Institutional Buyer Letters and Subscription Agreements for Accredited Investors for acceptance by the Company.

9. At least two Business Days prior to the Closing Date, it will provide the Company with a list of all Purchasers that are U.S. Accredited Investors or Qualified Institutional Buyers.

10. At the Closing, the Agent will, together with the U.S. Affiliate, if applicable, provide a certificate, substantially in the form of Annex I to this Schedule "A", relating to the manner of the offer and sale of the Offered Securities in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States. Failure to deliver such a certificate shall constitute a representation by such Agent and such U.S. Affiliate, if applicable, that neither it nor anyone acting on its behalf has offered or sold Offered Securities to U.S. Purchasers.

11. None of it, any of its Affiliates (including, the U.S. Affiliate) or any person acting on any of their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Securities.

12. The Agent represents and warrants that with respect to Offered Securities to be sold in reliance on Rule 506(b) of Regulation D ("**Regulation D Securities**"), none of it, the U.S. Affiliate, or any of its or the U.S. Affiliate's directors, executive officers, general partners, managing members or other officers participating in the Offering, or any other person associated with the Agent who will receive, directly or indirectly, remuneration for solicitation of U.S. Purchasers of Offered Securities pursuant to Rule 506(b) of Regulation D (each, a "**Dealer Covered Person**" and, together, "**Dealer Covered Persons**"), is subject to any Disqualification Event except for a Disqualification Event (i) covered by Rule 506(d)(2) of Regulation D and (ii) a description of which has been furnished in writing to the Company prior to the date hereof or, in the case of a Disqualification Event occurring after the date hereof, prior to the Closing Date. Neither it nor its U.S. Affiliate, if applicable, has paid or will pay, nor is it aware of any other person that has paid or will pay, directly or indirectly, any remuneration to any person (other than the Dealer Covered Persons) for solicitation of purchasers of Regulation D Securities.

13. The Agent represents that it is not aware of any person other than a Dealer Covered Person that has been or will be paid (directly or indirectly) remuneration for solicitation of U.S. Purchasers in connection with the sale of any Offered Securities pursuant to Rule 506(b) of Regulation D. It will notify the Company, prior to the Closing Date of any agreement entered into between it and any such person in connection with such sale.

14. The Agent will notify the Company, in writing, prior to the Closing Date, of (i) any Disqualification Event relating to any Dealer Covered Person not previously disclosed to the Company in accordance with Section 12 above, and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Dealer Covered Person.

15. It is acquiring the Agent Warrants and Agent Shares as principal for its own account and not for the benefit of any other person. Furthermore, in connection with the issuance of the Agent Warrants and Agent Shares i) it is not a U.S. Person and it is not acquiring the Agent Securities in the United States, or on behalf of a U.S. Person or a person located in the United States, and (ii) the Agreement was executed and delivered outside the United States. It agrees that it will not engage in any Directed Selling Efforts with respect to any Agent Securities.

Representations, Warranties and Covenants of the Company

The Company represents, warrants, covenants and agrees as at the date hereof and as at the Closing Date that:

1. The Company is, and at the Closing Date will be, a Foreign Issuer and reasonably believes that there is no Substantial U.S. Market Interest in the Offered Securities.

2. The Company is not, and following the application of the proceeds from the sale of the Offered Securities will not be, registered or required to be registered as an "investment company" under the United States Investment Company Act of 1940, as amended.

3. The offering of the Offered Securities in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States by the U.S. Affiliates, if applicable, is not prohibited pursuant to a court order issued pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated thereunder.

4. Except with respect to offers and sales in accordance with this Agreement (including this Schedule "A") to, or for the account or benefit of, persons in the United States or U.S. Persons that are Qualified Institutional Buyers or U.S. Accredited Investors in reliance upon the exemption from registration afforded by Section 4(a)(2) of the U.S. Securities Act or as set forth in Rule 506(b) of Regulation D, none of the Company, its affiliates, or any person acting on any of their behalf (other than the Agents, the U.S. Affiliates, their respective affiliates or any person acting on any of their behalf, in respect of which no representation, warranty, covenant or agreement is made), has made or will make: (a) any offer to sell, or any solicitation of an offer to buy, any Offered Securities to a person in the United States or to, or for the account or benefit of, a U.S. Person or a person in the United States; or (b) any sale of Offered Securities unless, at the time the buy order was or will have been originated, (i) the Purchaser is outside the United States and not acting to or for the account or benefit of a U.S. Person or a person in the United States or (ii) the Company, its affiliates, and any person acting on any of their behalf reasonably believe that the Purchaser is outside the United States and not acting to or for the account or benefit of a U.S. Person or a person in the United States.

5. During the period in which Offered Securities are offered for sale, none of the Company, its affiliates, or any person acting on any of their behalf (other than the Agents, the U.S. Affiliates, their respective affiliates or any person acting on their behalf, in respect of which no representation, warranty, covenant or agreement is made) has engaged in or will engage in any Directed Selling Efforts or has taken or will take any action that would cause the exemptions afforded by Rule 506(b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of Offered Securities outside the United States to non-U.S. Persons in accordance with the Agency Agreement, including this Schedule "A".

6. None of the Company, its affiliates or any person acting on any of their behalf (other than the Agents, the U.S. Affiliates, their respective affiliates or any person acting on their behalf, in respect of which no representation, warranty, covenant or agreement is made) has offered or will offer to sell, or has solicited or will solicit offers to buy, Offered Securities in the United States or to or for the account or benefit of a U.S. Person or a person in the United States by means of any form of General Solicitation or General Advertising or has taken or will take any action that would constitute a public offering of the Offered Securities in the United States within the meaning of Section 4(a)(2) of the U.S. Securities Act.

7. During the period beginning six months prior to the commencement of the Offering and during the six-month period commencing on the Closing Date, (i) it has not sold, offered for sale or solicited any offer to buy, and it will not sell, offer for sale or solicit any offer to buy, any of its securities in a manner that would be integrated with the offer and sale of the Offered Securities and would cause the exemption from registration set forth in Rule 506(b) of Regulation D to become unavailable with respect to the offer and sale of the Offered Securities, and (ii) neither it nor any person acting on its behalf has engaged or will engage in any General Solicitation or General Advertising in connection with any offer or sale of its securities in reliance upon Rule 506(b) of Regulation D or otherwise in a manner that would be integrated with the offer and sale of the Offered Securities and would cause the exemption from registration set forth in Rule 506(b) of Regulation D to become unavailable with respect to the offer and sale of the Offered Securities in the United States or to, or for the account or benefit of, persons in the United States or U.S. Persons.

8. None of the Company, any of its affiliates or any person acting on any of their behalf (other than the Agents, the U.S. Affiliates, their respective affiliates, or any person acting on their behalf, in respect of which no representation, warranty, covenant or agreement is made) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Securities.

9. None of the Company or any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.

10. The Company will complete and file with the SEC a Notice on Form D within 15 days after the first sale of Offered Securities pursuant to Rule 506(b) of Regulation D, and will make such filings with any applicable state securities commission as may be required by state law.

11. With respect to Regulation D Securities, none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Company participating in the Offering, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Company in any capacity at the time of sale (each, an "**Issuer Covered Person**" and, together, "**Issuer Covered Persons**") is subject to any Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) of Regulation D. The Company has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Company has complied, to the extent applicable, with its disclosure obligations under Rule 506(e) of Regulation D. The Company has not paid and will not pay, nor is it aware of any person that has paid or will pay, directly or indirectly, any remuneration to any person (other than the Dealer Covered Persons) for solicitation of purchasers of Regulation D Securities.

12. The Company is not aware of any person (other than any Issuer Covered Person or Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of Purchasers in connection with the sale of any Offered Securities pursuant to Rule 506(b) of Regulation D.

13. The Company will notify the Agents, in writing, prior to the Closing Date of (i) any Disqualification Event relating to any Issuer Covered Person and (ii) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person.

14. Upon receipt of a written request from a purchaser in the United States or who is a U.S. Person, the Company shall make a determination if the Company is a "passive foreign investment company" (a "**PFIC**") within the meaning of section 1297(a) of the United States Internal Revenue Code of 1986, as amended (the "**Code**"), during any calendar year following the purchase of the Offered Securities by such purchaser, and if the Company determines that it is a PFIC during such year, the Company will provide to such purchaser, upon written request, all information that would be required to permit a United States shareholder to make an election to treat the Company as a "qualified electing fund" for the purposes of the Code.

General

Each of the Agents (and their U.S. Affiliates) on the one hand and the Company on the other hand understand and acknowledge that the other parties hereto will rely on the truth and accuracy of the representations, warranties, covenants and agreements contained herein.

ANNEX I TO SCHEDULE "A"

AGENT'S CERTIFICATE

In connection with the private placement in the United States or to or for the account or benefit of a U.S. Person or a person in the United States of Offered Securities of the Company pursuant to the Agency Agreement, the undersigned Agent and [●], its U.S. Affiliate, do hereby certify as follows:

(a) the Offered Securities have been offered and sold by us in the United States or to or for the account or benefit of a U.S. Person or a person in the United States only by the U.S. Affiliate which was on the dates of such offers and sales, and is on the date hereof, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act, and under the securities laws of each state in which such offers and sales were made (unless exempted from the respective state's broker-dealer registration requirements) and was and is a member in good standing with the Financial Industry Regulatory Authority, Inc.;

(b) immediately prior to transmitting the U.S. Private Placement Memorandum to offerees in the United States or to or for the account or benefit of a U.S. Person or a person in the United States, we had reasonable grounds to believe and did believe that each such person was either a U.S. Accredited Investor or a Qualified Institutional Buyer, and we continue to believe that each U.S. Purchaser of Offered Securities that we have arranged is either a U.S. Accredited Investor or a Qualified Institutional Buyer on the date hereof;

(c) all offers and sales of the Offered Securities by us in the United States or to or for the account or benefit of a U.S. Person or a person in the United States have been effected in accordance with all applicable U.S. federal and state broker-dealer requirements;

(d) no form of Directed Selling Efforts or General Solicitation and General Advertising was used by us in connection with the offer and sale of the Offered Securities;

(e) prior any sale of Offered Securities in the United States or to, or for the account or benefit of, a U.S. Person, each such Purchaser thereof that is purchasing Offered Securities provided either (i) an executed Qualified Institutional Buyer Letter, if such Purchaser is a Qualified Institutional Buyer or (ii) an executed Subscription Agreement for Accredited Investors, if such Purchaser is a U.S. Accredited Investor, and we provided the Company with copies of all such completed and executed exhibits and schedules for acceptance by the Company;

(f) neither we, nor our affiliates or any person acting on any of our behalf have taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Securities;

(g) prior to the purchase of any Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons, each such offeree was provided with a copy of the U.S. Placement Memorandum, and no other written material, other than any Supplementary Material approved by the Company for use in presentations to prospective purchasers, was used by us in connection with the Offering of the Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons;

(h) all purchasers in the United States or who are, or purchased for the account or benefit of, U.S. Persons who were offered the Offered Securities have been informed that the Offered Securities have not been and will not be registered under the U.S. Securities Act and are being offered and sold to such purchasers without registration in reliance on available exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws;

(i) with respect to the Offered Securities to be offered and sold hereunder in reliance upon Rule 506(b) of Regulation D, none of the Dealer Covered Persons is subject to any Disqualification Event except for a Disqualification Event covered by Rule 506(d)(2) of Regulation D and a description of which has been furnished in writing to the Company prior to the date hereof, or in the case of a Disqualification Event occurring after the date hereof, prior to the Closing Date, and we have not paid or nor will we pay, nor are we aware of any other person that has paid or will pay, directly or indirectly, any remuneration to any person (other than the Dealer Covered Persons or Issuer Covered Persons) for solicitation of purchasers of the Offered Securities; and

(j) the offering of the Offered Securities has been conducted by us in accordance with the terms of the Agency Agreement, including Schedule "A" attached thereto.

Terms used in this certificate have the meanings given to them in the Agency Agreement (including Schedule "A" attached thereto) unless defined herein.

DATED as of this _____ day of _____, 2022.

[NAME OF AGENT]

By: _____

Authorized Signing Officer

[NAME OF U.S. AFFILIATE]

By: _____

Authorized Signing Officer

SCHEDULE "B"
DETAILS OF OUTSTANDING CONVERTIBLE SECURITIES AND RIGHTS TO ACQUIRE SECURITIES

This is Schedule "B" to the Agency Agreement dated May 31, 2022 among Heritage Mining Ltd., Red Cloud Securities Inc., Canaccord Genuity Corp., PI Financial Corp. and M Partners Inc.

1. **Stock Options Outstanding as at May 31, 2022**

The Company has 946,666 options to acquire Common Shares outstanding, each exercisable for one Common Share, as follows:

Number of Options	Number Vested	Exercise Price	Issuance Date	Expiry Date
946,666	631,110	$0.075	August 29, 2020	August 29, 2025

2. **Warrants Outstanding as at May 31, 2022**

The Company has 10,337,501 warrants to acquire Common Shares outstanding, each exercisable for one Common Share, as follows:

Number of Warrants	Exercise Price	Issuance Date	Expiry Date
2,399,993	$0.075	May 22, 2020 Unit Private Placement	Expire May 22, 2025
109,600	$0.05	August 14, 2020 Broker Warrants	Expire August 14, 2022
571,758	$0.20	October 30, 2020 Flow Through Unit Placement	Expire October 30, 2023
140,001	$0.20	October 30, 2020 Unit Placement	Expire October 30, 2023
89,667	$0.20	November 19, 2020 Unit Placement	Expire November 19, 2023
483,253	$0.20	November 19, 2020 Flow Through Unit Placement	Expire November 19, 2023
3,271,340	$0.20	February 19, 2021 Unit Placement	Expire February 19, 2024
551,902	$0.20	February 19, 2021 Flow Through Unit Placement	Expire February 19, 2024
105,084	$0.20	February 19, 2021 Broker Warrants	Expire February 19, 2024

1,047,003	$0.40	December 31, 2021 Flow Through Unit Placement	Expire December 31, 2024
11,900	$0.40	December 31, 2021 Broker Warrants	Expire December 31, 2024
1,514,000	$0.40	January 26, 2022 Unit Placement	Expire January 26, 2025
42,000	$0.40	January 26, 2022 Broker Warrants	Expire January 26, 2025