

**STANDBY PURCHASE AGREEMENT**

**THIS STANDBY PURCHASE AGREEMENT** is made as of the 2<sup>nd</sup> day of February, 2021.

**B E T W E E N:**

**S2 MINERALS INC.**, a corporation incorporated pursuant to the laws of the Province of Ontario, Canada

(**"S2"**)

- and -

**PATRICK SHERIDAN**, an individual resident in Surrey, United Kingdom

(**"Mr. Sheridan"**)

- and -

**DANIEL NOONE**, an individual resident in Ontario, Canada

(**"Mr. Noone"** and together with Mr. Sheridan, the **"Standby Purchasers"**)

- and -

**G2 GOLDFIELDS INC.**, a corporation incorporated pursuant to the laws of Canada

(**"G2"**)

**RECITALS:**

- A. G2 and S2 entered into an arrangement agreement (the **"Arrangement Agreement"**) concurrently with entering into this Agreement, pursuant to which G2 and S2 agreed to proceed with a reorganization transaction by way of Plan of Arrangement whereby, among other things, G2 will undertake a reorganization and spin-out S2 Common Shares (as defined below) to the G2 Shareholders (as defined below) as a return of capital and S2 will then issue S2 Rights (as defined below) to purchase S2 Common Shares, with the result that G2 Shareholders as of the Effective Date (as defined below) will receive S2 Common Shares and S2 Rights in connection with the Arrangement (as defined below).
- B. The Standby Purchasers have agreed to purchase S2 Common Shares that are not otherwise purchased upon exercise of the S2 Rights in connection with the Arrangement, subject to the limits and the terms and conditions set forth in this Agreement.

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

## ARTICLE 1 INTERPRETATION

### Section 1.1 Definitions

In this Agreement, including the recitals hereto, unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

**“Additional Subscription Privilege”** means the entitlement of a holder of S2 Rights, who has exercised in full the Basic Subscription Privilege attaching to such holder’s S2 Rights, to subscribe for additional S2 Common Shares (if such are available);

**“Arrangement”** means the arrangement under Section 192 of the CBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the Arrangement Agreement or the Plan of Arrangement or made at the direction of the Court in the Final Order with the consent of G2;

**“Arrangement Agreement”** has the meaning ascribed thereto in the recitals;

**“Arrangement Resolution”** means the special resolution of the G2 Shareholders in respect of the Arrangement to be considered at the Meeting, substantially in the form set out in Schedule “B” to the Arrangement Agreement;

**“Basic Subscription Privilege”** means the entitlement of a holder of S2 Rights to subscribe for one S2 Common Share at the Subscription Price per S2 Common Share for each S2 Right held;

**“Business Day”** means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open in the City of Toronto, Ontario for the transaction of banking business;

**“CBCA”** means the *Canada Business Corporations Act* and the regulations made thereunder, as promulgated or amended from time to time;

**“Circular”** means the management information circular of G2 to be prepared and sent to the G2 Shareholders in connection with the Meeting;

**“Closing”** has the meaning set forth in Section 6.1;

**“Closing Date”** has the meaning set forth in Section 6.1;

**“Closing Time”** has the meaning set forth in Section 6.1;

**“Court”** means the Ontario Superior Court of Justice (Commercial List);

**“CSE”** means the Canadian Securities Exchange;

**“Effective Date”** means the date of certification of the Articles of Arrangement by the Director in accordance with Section 192(8) of the CBCA;

**“Expiry Date”** means the date on which the S2 Rights expire and become null and void, such date to be no earlier than the 21<sup>st</sup> day following the day after the date on which the Offering Notice is mailed to Persons who are holders of S2 Common Shares as of the Effective Date;

**“Expiry Time”** means 5:00 p.m. (Toronto time) on the Expiry Date;

**“Final Order”** means the final order of the Court pursuant to Section 192(3) of the CBCA, after a hearing upon the fairness of the terms and conditions of the Arrangement, in a form acceptable to G2 approving the Arrangement as such order may be amended by the Court (with the consent of G2) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to G2) on appeal, and after notice and a hearing at which all G2 Shareholders have the right to appear;

**“G2 Common Shares”** means the common shares of G2;

**“G2 Shareholders”** means the holders of G2 Common Shares at the applicable time;

**“Governmental Entity”** means any: (i) multinational, federal, provincial, territorial, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the foregoing; or (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;

**“Interim Order”** means the interim order of the Court containing declarations and directions with respect to the Arrangement and the holding of the Meeting, as such order may be affirmed, amended and modified;

**“Laws”** means any and all applicable laws including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, instruments, policies, guidelines, and general principles of common law and equity, binding on or affecting the Person referred to in the context in which the word is used;

**“Material Adverse Change”** means any change, development, event or occurrence with respect to the condition (financial or otherwise), properties, assets, liabilities (contingent or otherwise), capital, cash flow, operations, or results of operations of S2, that is, or would reasonably be expected to be, material and adverse to S2, provided, however, that a Material Adverse Change shall not include and shall be deemed to exclude the impact of any fact, event, change, occurrence, circumstance or condition resulting from or relating to: (a) changes in Laws of general applicability or interpretations thereof by courts or Governmental Entities or regulatory authorities, which changes do not have a material disproportionate effect on S2; (b) any change in the mining industry generally, which does not have a material disproportionate effect on S2; (c) actions or omissions of S2 expressly required pursuant to this Agreement or taken with the prior written consent of the Standby Purchasers; (d) the execution, delivery, performance, consummation or public announcement of this Agreement or the transactions contemplated by the Arrangement Agreement; (e) the impact of COVID-19 on the business, operations or financial condition of S2; and (f) general political, economic or financial conditions in Canada which do not have a material disproportionate effect on S2 on a consolidated basis;

**“Material Change”** has the meaning ascribed thereto in the Securities Act;

**“Meeting”** means the special meeting of G2 Shareholders and any adjournment(s) or postponement(s) thereof, to be called and held in accordance with the Interim Order to consider and to vote on the Arrangement Resolution and the Stated Capital Resolution and any other matters set out in the Notice of Meeting;

**“Misrepresentation”** has the meaning ascribed thereto in the Securities Act;

“**Offering Notice**” means the notice of S2 to be sent to holders of S2 Common Shares following completion of the Arrangement in connection with the distribution of the S2 Rights;

“**Person**” means an individual, corporation, partnership, limited partnership, limited liability partnership, limited liability company, association, trust, estate, custodian, trustee, executor, administrator, nominee or other entity or organization, including (without limitation) a Governmental Entity or political subdivision or an agency or instrumentality thereof;

“**Qualified Jurisdictions**” means all provinces and territories of Canada in which a holder of S2 Common Shares is resident;

“**S2 Right**” means the right to subscribe at the Subscription Price for an S2 Common Share under the Basic Subscription Privilege and the Additional Subscription Privilege;

“**S2 Common Shares**” means the common shares of S2, including the common shares of S2 issuable under the S2 Rights;

“**Securities**” means, collectively, the S2 Rights and the S2 Common Shares issuable upon the exercise of the S2 Rights, and the Standby Shares;

“**Securities Act**” means the *Securities Act* (Ontario), as amended;

“**Securities Commissions**” means, collectively, the securities commissions or similar securities regulatory authorities of the Qualified Jurisdictions;

“**Securities Laws**” means all applicable securities Laws of each of the Qualified Jurisdictions, including the respective regulations thereunder and the published policy statements, instruments, blanket orders and decisions of the Securities Commissions and the applicable rules of the TSXV;

“**Standby Commitment**” has the meaning set forth in Section 2.4;

“**Standby Shares**” has the meaning set forth in Section 2.4;

“**Stated Capital Resolution**” means the special resolution of the G2 Shareholders approving a reduction in the stated capital of the G2 Common Shares by such amount as the board of directors of G2 determines at the relevant time is required so that the realizable value of G2’s assets is not less than the aggregate of G2’s liabilities and the stated capital of the G2 Common Shares;

“**Subscription Price**” has the meaning set forth in Section 2.3; and

“**TSXV**” means the TSX Venture Exchange.

## **Section 1.1 Interpretation Not Affected by Headings**

The division of this Agreement into articles, sections, paragraphs and other portions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. The terms “this Agreement”, “hereof”, “hereunder” and similar expressions refer to this Agreement as a whole and not to any particular article, section, paragraph or other portion hereof and include any agreement, document or instrument supplementary or ancillary hereto. Unless something in the subject matter or context is inconsistent therewith, all references herein to articles, sections, paragraphs and other portions are to articles, sections, paragraphs and other portions of this Agreement.

## **Section 1.2 Construction**

In this Agreement, unless something in the context is inconsistent therewith:

- (a) the words “include” or “including” when following any general term or statement are not to be construed as limiting the general term or statement to the specific items or matters set forth or to similar items or matters, but rather as permitting it to refer to all other items or matters that could reasonably fall within its broadest possible scope;
- (b) a reference to time or date is to the time or date in Toronto, Ontario, unless specifically indicated otherwise;
- (c) a word importing the masculine gender includes the feminine gender or neuter and a word importing the singular includes the plural and *vice versa*; and
- (d) a reference to “approval”, “authorization”, “consent”, “designation” or “notice” means written approval, authorization, consent, designation or notice unless specifically indicated otherwise.

## **Section 1.3 Date for Any Action**

In the event that any date on which any action is required to be taken hereunder by either of the parties hereto is not a Business Day in the place where the action is required to be taken, such action shall be required to be taken on the next succeeding day which is a Business Day at such place, unless otherwise agreed to by the parties hereto.

## **Section 1.4 Currency**

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

## **Section 1.5 Severability**

If any provision of this Agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability will attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof will continue in full force and effect. The invalidity or unenforceability of any provision in any particular jurisdiction will not affect its validity or enforceability in any other jurisdiction where it is valid or enforceable.

## **Section 1.6 Statutes**

Any reference to a statute, act or law will include and will be deemed to be a reference to such statute, act or law and to the regulations, instruments and policies made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute, act or law that may be passed which has the effect of supplementing or superseding such statute, act or law so referred to.

## **ARTICLE 2 S2 RIGHTS AND STANDBY COMMITMENT**

### **Section 2.1 S2 Rights**

Subject to the terms of the Arrangement Agreement and the terms hereof, S2 agrees to offer the S2 Rights and the S2 Common Shares issuable upon the exercise of the S2 Rights to the Persons that are the holders of record of S2 Common Shares as of the Effective Date:

- (a) resident in the Qualified Jurisdictions; or
- (b) resident in any other jurisdiction that S2 has satisfied itself is entitled to receive the Securities in connection with the Arrangement in accordance with the laws of such jurisdiction and

without obliging S2 to register the Securities or file a prospectus or other disclosure document or to make any other filings or become subject to any reporting or disclosure obligations that S2 would not otherwise be obligated to make.

S2 hereby confirms that the Standby Purchasers are entitled to exercise the S2 Rights and to be issued S2 Common Shares on exercise thereof and payment of the Subscription Price therefor, which shall be paid to S2 or as S2 and the Standby Purchasers may alternatively agree. S2 will provide or cause the rights agent for the S2 Rights to provide, any cooperation, assistance and documentation reasonably required by the Standby Purchasers to exercise their S2 Rights prior to the Expiry Time.

### **Section 2.2 Additional Subscription Privilege**

Each holder of S2 Rights who has exercised in full the Basic Subscription Privilege attaching to its S2 Rights by the Expiry Time on the Expiry Date, and only such holders, shall have the right to the Additional Subscription Privilege, to subscribe for any S2 Common Shares in respect of S2 Rights not otherwise exercised.

### **Section 2.3 Subscription Price**

The exercise price per S2 Common Share under each S2 Right (the “**Subscription Price**”) is \$0.10.

### **Section 2.4 Standby Commitment**

Subject to and in accordance with the terms hereof, each of the Standby Purchasers hereby agrees to purchase from S2, and S2 hereby agrees to sell to each of the Standby Purchasers, at the Subscription Price and on the Closing Date, one-half of:

- (a) such number of S2 Common Shares that results from the Standby Purchasers fully subscribing and exercising their S2 Rights under the Basic Subscription Privilege; and
- (b) such number of S2 Common Shares, if any, that are not purchased upon exercise of the S2 Rights.

For certainty, the aggregate number of S2 Common Shares to be purchased pursuant to this Section 2.4 (the “**Standby Shares**”) will be equal to: (A) the number of S2 Common Shares authorized to be issued on the Effective Date pursuant to the exercise of the S2 Rights; minus (B) the number of S2 Common Shares subscribed for and taken up by holders of S2 Rights (including, for greater certainty and without limitation, pursuant to the Additional Subscription Privilege and any S2 Common Shares subscribed for by the Standby Purchasers), with each Standby Purchaser agreeing to purchase one-half of the Standby Shares (such commitment referred to as the “**Standby Commitment**”).

### **Section 2.5 Payment for Standby Shares**

Immediately after Expiry Time on the Expiry Date, S2 shall advise the Standby Purchasers as to the number of Standby Shares to be acquired by each of the Standby Purchasers and the aggregate Subscription Price payable by each of the Standby Purchasers. Subject to and in accordance with the terms hereof, on the Closing Date, each of the Standby Purchasers shall pay to S2, or as S2 and the Standby Purchasers may alternatively agree,

the aggregate Subscription Price that is payable for the Standby Shares to be purchased by each of the Standby Purchasers pursuant to this Agreement, and S2 shall issue the Standby Shares to the Standby Purchasers against payment of such amounts.

### **ARTICLE 3 COVENANTS**

#### **Section 3.1 Covenants of G2 and S2.**

Subject to and in accordance with the terms hereof, each of G2 and S2 undertakes and agrees with and in favour of each of the Standby Purchasers that:

- (a) **Amendments to Arrangement Agreement.** It shall not amend the material terms of the Arrangement Agreement, including for greater certainty the Plan of Arrangement and the terms of the S2 Rights, without the written consent of the Standby Purchasers, such consent not to be unreasonably conditioned, withheld or delayed.
- (b) **Consents and Approvals.** It will use commercially reasonable efforts to obtain all necessary consents, approvals or exemptions for the creation, offering and issuance of the Securities in all Qualified Jurisdictions as contemplated herein and in the Arrangement Agreement and the entering into and performance by it of this Agreement.
- (c) **Cease Trade Order or Other Investigation.** From the date hereof through the earlier of the Closing Date and the date of termination of this Agreement, it will immediately notify the Standby Purchasers in writing of any written demand, request or inquiry (formal or informal) by any Securities Commission, the TSXV, or other Governmental Entity that concerns any matter relating to its affairs that may affect the Arrangement or the transactions contemplated in the Arrangement Agreement, or that relates to the issuance, or threatened issuance, by any such authority of any cease trading or similar order or ruling relating to any of its securities.
- (d) **Securities Laws.** It will take all action as may be necessary and appropriate so that the distribution of the S2 Rights and the transactions contemplated in this Agreement and the Arrangement Agreement will be effected in accordance with, and on the basis that is exempt from the prospectus requirements of, Securities Laws.

#### **Section 3.2 Covenants of S2.**

Subject to and in accordance with the terms hereof, S2 undertakes and agrees with and in favour of each of the Standby Purchasers that:

- (a) **Obtaining of Report.** It will, or will cause its transfer agent to, deliver to the Standby Purchasers, as soon as is practicable following the Expiry Time, details concerning the total number of S2 Common Shares duly subscribed and paid for by holders of S2 Rights, including those S2 Common Shares subscribed and paid for pursuant to the Additional Subscription Privilege.
- (b) **Depository.** It will appoint TSX Trust Company as rights agent in accordance with a rights agency and custodial agreement to hold all funds received upon the exercise of the S2 Rights until conditions in respect of the S2 Rights and the Standby Commitment have been satisfied in accordance with this Agreement.

- (c) **Mailing of Materials.** It will use commercially reasonable efforts to effect and complete the mailing of the Offering Notice to each of the registered holders of S2 Common Shares as of the Effective Date in the Qualified Jurisdictions as soon as reasonably possible following the Effective Date and will arrange for delivery of the Offering Notice to the beneficial holders of S2 Common Shares as of the Effective Date in the Qualified Jurisdictions in the manner contemplated by National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* as soon as reasonably possible following the Effective Date.

### **Section 3.3 Covenants of the Standby Purchasers**

Subject to and in accordance with the terms hereof, each of the Standby Purchasers undertakes and agrees with and in favour of G2 and S2 that it will cooperate with G2 and S2, as applicable, in the preparation and filing of the Circular and Offering Notice, and submissions to the TSXV and CSE. To the extent information is required from the Standby Purchasers or is otherwise contemplated hereunder, all such information in respect of the Standby Purchasers that is provided by the Standby Purchasers will not contain any Misrepresentation, and the Standby Purchasers will provide such information and make all such filings as may be required under Securities Laws in order for S2 to issue the S2 Common Shares on exercise of the S2 Rights and pursuant to the Standby Commitment in accordance with applicable Securities Laws.

## **ARTICLE 4 CHANGES**

### **Section 4.1 Material Change During Distribution**

- (a) During the period from the date of this Agreement to the Closing Date, each of G2 and S2 will promptly notify the Standby Purchasers in writing of any Material Change with respect to it.
- (b) During the period from the date hereof to the Closing Date, each of G2 and S2 will promptly notify the Standby Purchasers in writing of:
  - (i) any material fact that has arisen or been discovered; and
  - (ii) any change in any material fact contained in the Circular or Offering Notice which fact or change is, or may be, of such a nature as to result in a Misrepresentation in the Circular and Offering Notice or that would result in the Circular or Offering Notice not complying with applicable Securities Laws.
- (c) Each of G2 and S2 will promptly, and in any event within any applicable time limitation, comply with all applicable filings and other requirements under Securities Laws as a result of such fact or change. Each of G2 and S2 will in good faith discuss with the Standby Purchasers any fact or change in circumstances that is of such a nature that there is reasonable doubt whether written notice need be given under this Section 4.1.
- (d) Each of G2 and S2 shall notify the Standby Purchasers forthwith if it becomes aware of a material fact or circumstance which has caused or is reasonably likely to cause a representation or warranty set out in Section 5.1 or Section 5.2, as applicable, to become untrue, inaccurate or misleading at any time (by reference to circumstances subsisting at that time) before the Closing Date.



## **ARTICLE 5 REPRESENTATIONS AND WARRANTIES**

### **Section 5.1 Representations and Warranties of G2**

G2 hereby represents and warrants to S2 and the Standby Purchasers as follows and acknowledges that S2 and the Standby Purchasers are relying on such representations and warranties in entering into this Agreement:

- (a) it is a corporation incorporated and subsisting under the laws of Canada and has full capacity and authority to enter into this Agreement and to perform its obligations hereunder;
- (b) it has taken all corporate action necessary to authorize the execution and delivery, and the performance of the provisions, of this Agreement and this Agreement has been duly authorized by it;
- (c) neither the execution and delivery of this Agreement nor the performance of any of its obligations hereunder will constitute a material default under, or be in any material contravention or breach of: (i) any provision of its articles and by-laws; (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it; or (iii) any agreement or instrument to which it is a party or by which it is bound; and
- (d) no dissolution, winding-up, bankruptcy, liquidation or similar proceedings have been commenced or are pending or proposed in respect of it.

### **Section 5.2 Representations and Warranties of S2**

S2 hereby represents and warrants to G2 and the Standby Purchasers as follows and acknowledges that G2 and the Standby Purchasers are relying on such representations and warranties in entering into this Agreement:

- (a) it is a corporation incorporated and subsisting under the laws of the Province of Ontario and has full capacity and authority to enter into this Agreement and, subject to obtaining the requisite approvals and consents contemplated in the Arrangement Agreement, to perform its obligations hereunder;
- (b) it has taken all corporate action necessary to authorize the execution and delivery, and the performance of the provisions, of this Agreement and this Agreement has been duly authorized by it;
- (c) neither the execution and delivery of this Agreement nor the performance of any of its obligations hereunder will constitute a material default under, or be in any material contravention or breach of: (i) any provision of its articles and by-laws; (ii) any judgment, decree, order, law, statute, rule or regulation applicable to it; or (iii) any agreement or instrument to which it is a party or by which it is bound;
- (d) no dissolution, winding-up, bankruptcy, liquidation or similar proceedings have been commenced or are pending or proposed in respect of it; and
- (e) when issued and delivered to the respective purchaser and, in the case of S2 Common Shares and Standby Shares, paid for by the respective purchaser in accordance with the terms and conditions of the S2 Rights and/or the terms and conditions of this Agreement, as applicable, the Securities will be validly issued, fully paid and non-assessable and will be free and clear of all liens,

pledges, claims, encumbrances, security interests and other restrictions, except for any restrictions on resale or transfer imposed by applicable Securities Laws, if any.

### **Section 5.3 Representations and Warranties of the Standby Purchasers**

Each of the Standby Purchasers hereby represents and warrants to G2 and S2 as follows and acknowledges that G2 and S2 are relying on such representations and warranties in entering into this Agreement:

- (a) it has the legal capacity to enter into this Agreement and to perform its obligations hereunder and this Agreement constitutes a legal, valid and binding obligation, enforceable against it by G2 and S2 in accordance with its terms;
- (b) neither the execution and delivery of this Agreement nor the performance of any of its obligations hereunder will constitute a material default under, or be in any material contravention or breach of: (i) any judgment, decree, order, law, statute, rule or regulation applicable to it; or (ii) any agreement or instrument to which it is a party or by which it is bound;
- (c) no consent, approval, order or authorization of, or declaration with, any Governmental Entity is required by or with respect to the Standby Purchaser in connection with the execution and delivery of this Agreement or the consummation of the transactions by the Standby Purchaser contemplated hereby;
- (d) it is acquiring S2 Rights and the Standby Shares, if applicable, as principal and for investment and not with a view to and has not offered or sold any S2 Rights or Standby Shares, if applicable, in connection with, the sale or distribution thereof; and
- (e) it has, and as at the Closing Date, will have the financial ability and sufficient funds to make and complete the payment for all of the S2 Common Shares (including the Standby Shares) that it has committed to purchase hereunder and the availability of such funds is not and will not be subject to the consent, approval or authorization of any Person(s) other than those which will have been obtained by the Standby Purchaser on or prior to the Closing Date.

## **ARTICLE 6 CLOSING AND CONDITIONS**

### **Section 6.1 Closing Time**

Except as otherwise provided for in this Agreement or as may be agreed between S2 and the Standby Purchasers, the closing of the purchase (or only the issuance of the S2 Common Shares if paid for by the Standby Purchasers prior to the Closing Date as contemplated in this Agreement) by the Standby Purchasers and sale by S2 of the S2 Common Shares to be purchased by the Standby Purchasers hereunder (the “**Closing**”) will be completed remotely at 5:00 p.m. (Toronto time) (the “**Closing Time**”), on the same day as closing occurs under the Basic Subscription Privilege and the Additional Subscription Privilege which shall be no later than the 4th Business Day following the Expiry Time on the Expiry Date (the “**Closing Date**”) or at such other time and/or on such other date and/or at such other place as S2 and the Standby Purchasers may agree upon.

On such date or such other date as may be agreed between S2 and Standby Purchasers, and upon payment being made by the Standby Purchasers in accordance with Section 2.5, definitive certificates or advice statements representing the number of S2

Common Shares that is equal to the number of S2 Common Shares to be purchased by the Standby Purchasers hereunder will be delivered to the Standby Purchasers by S2, such S2 Common Shares to be registered in the name of each of the Standby Purchasers, as applicable, or one or more designees of the Standby Purchasers, as applicable.

#### **Section 6.2 Mutual Conditions Precedent**

The obligation of each of S2 and the Standby Purchasers to complete the closing of the transactions set out in this Agreement is subject to the fulfillment, on or before the Closing Time on the Closing Date, of each of the following conditions precedent (each of which may only be waived by mutual consent):

- (a) there will be no inquiry, investigation (whether formal or informal) or other proceeding commenced by a Governmental Entity pursuant to applicable Laws in relation to S2 or in relation to any of the directors and officers of S2, any of which operates to prevent or restrict the lawful distribution of the S2 Rights, S2 Common Shares or the Standby Shares (which prevention or restriction is continuing); and
- (b) there will be no order issued by a Governmental Entity pursuant to applicable Laws and no change of Law, either of which operates to prevent or restrict the lawful distribution of the S2 Rights or S2 Common Shares or the Standby Shares (which prevention or restriction is continuing).

#### **Section 6.3 Additional Conditions Precedent to the Obligations of S2**

The obligations of S2 to complete the transactions contemplated hereby will also be subject to the fulfillment, on or before the Closing Time on the Closing Date, of each of the following conditions precedent (each of which is for the exclusive benefit of S2 and may be waived by S2):

- (a) the Standby Purchasers have duly compiled in all material respects with all the terms, conditions, obligations and covenants under this Agreement on their part that are to be complied with or performed on or before the Closing Time on the Closing Date; and
- (b) the representations and warranties of the Standby Purchasers set forth in this Agreement will be true and correct in all material respects as of the date hereof and as of the Closing Time on the Closing Date, as though made on and as of the Closing Time on the Closing Date.

#### **Section 6.4 Additional Conditions Precedent to the Obligations of the Standby Purchasers**

The obligations of the Standby Purchasers to complete the transactions contemplated hereby will also be subject to the fulfillment, on or before the Closing Time on the Closing Date, of each of the following conditions precedent (each of which is for the exclusive benefit of the Standby Purchasers and may be waived by the Standby Purchasers):

- (a) the representations and warranties of S2 contained in this Agreement shall be true and correct in all material respects as of the Closing Time on the Closing Date (except to the extent such representations and warranties expressly relate to an earlier time, in which case, such representations and warranties shall have been true and correct in all material respects on and as of such earlier time) with the same force and effect as if made at and as of the Closing Time on the Closing Date, except for such representations and warranties which are stated to be qualified as to materiality, in which case such representations and

warranties will be true and correct as of the Closing Time or the applicable earlier time, as the case may be;

- (b) S2 shall have performed or complied with, in all material respects, each of its covenants contained in this Agreement to be performed at or prior to the Closing Time on the Closing Date;
- (c) there shall not have occurred a change in the material terms of the Arrangement Agreement, including for greater certainty any change to the Subscription Price, except with the written consent of the Standby Purchasers; and
- (d) the Standby Purchasers shall have received a certificate dated the Closing Date and signed by an officer of S2, addressed to the Standby Purchasers, certifying for and on behalf of S2 after having made due enquiry that the conditions in this Section 6.4 have been satisfied as of the Closing Time on the Closing Date.

## **ARTICLE 7 TERMINATION**

### **Section 7.1 Termination by S2 or the Standby Purchasers**

Each of S2 or either of the Standby Purchasers may terminate this Agreement, without any liability on the terminating party's part, if any of the conditions set out in Section 6.2 are not satisfied as at the Closing Time.

### **Section 7.2 Termination by S2**

S2 may terminate this Agreement, without any liability on its part, if:

- (a) the Arrangement Agreement is terminated in accordance with its terms;
- (b) either of the Standby Purchasers is in material default of the representations and warranties or the obligations of the Standby Purchasers hereunder and fails to remedy such breach on or before the date that is five Business Days following the date upon which S2 has provided written notice of such breach, other than a breach with regards to the payment obligations under this Agreement, which will be subject to a cure period of two Business Days; and
- (c) any of the conditions set out in Section 6.3 are not satisfied on or before the Closing Time on the Closing Date,

provided, however, that S2 cannot terminate this Agreement under this Section 7.2 if it is in material breach of any of its obligations under this Agreement.

### **Section 7.3 Termination by the Standby Purchasers**

Each of the Standby Purchasers may terminate this Agreement, without any liability on its part, if:

- (a) the Arrangement Agreement is terminated in accordance with its terms;
- (b) any Material Adverse Change occurs at any time following the execution of this Agreement;
- (c) S2 or G2 is in material default of its obligations hereunder and fails to remedy such breach on or before the date that is five Business Days following the date

upon which S2 or G2, as applicable, has been provided written notice of such breach; or

- (d) any of the conditions set out in Section 6.4 are not satisfied on or before the Closing Time on the Closing Date,

provided however, that the Standby Purchaser cannot terminate this Agreement under this Section 7.3 if it is in material breach of any of its obligations under this Agreement.

#### **Section 7.4 Effect of Termination**

Should S2 or the Standby Purchasers validly terminate this Agreement pursuant to, and in accordance with this Article 7, the obligations of the parties under this Agreement will terminate and there will be no further liability on the part of any of the parties to any of the other parties.

### **ARTICLE 8 GENERAL**

#### **Section 8.1 Notices**

All notices to any of the parties hereto which may or are required to be given pursuant to any provision of this Agreement shall be given or made in writing and shall be deemed to be validly given if served personally or by email, in each case to the attention of the senior officer at the following address or at such other address as shall be specified by a party hereto by like notice:

- (a) if to G2:

Suite 1101  
141 Adelaide Street West  
Toronto, ON M5H 3L5

Attention: Paul Murphy, Chief Financial Officer  
Email: [Redacted]

- (b) if to S2:

Suite 1101  
141 Adelaide Street West  
Toronto, ON M5H 3L5

Attention: Dan Noone, Director and Chief Executive Officer  
Email: [Redacted]

- (c) if to the Standby Purchasers:

c/o Suite 1101  
141 Adelaide Street West  
Toronto, ON M5H 3L5

Attention: Standby Purchasers  
Email: [Redacted]

Any notice that is delivered to such address shall be deemed to be delivered on the date of delivery if delivered on a Business Day prior to 5:00 p.m. (local time at the place of

receipt) or on the next Business Day if delivered after 5:00 p.m. or on a non-Business Day. Any notice delivered by email shall be deemed to be delivered on the date of transmission.

Any notice or other communication required or permitted to be given hereunder will be in writing and will be delivered by email as set forth below or personally delivered to the address listed below, or to such other address, email or Person as may be designated by notice.

#### **Section 8.2 Time of the Essence**

Time shall be of the essence of this Agreement.

#### **Section 8.3 Assignment**

None of the parties hereto may assign its rights or obligations under this Agreement without the prior written consent of the other parties hereto.

#### **Section 8.4 Binding Effect**

This Agreement shall be binding upon and shall enure to the benefit of each of the parties hereto and the respective successors and permitted assigns thereof.

#### **Section 8.5 Waiver**

Any waiver or release of any of the provisions of this Agreement, to be effective, must be in writing executed by the party hereto granting such waiver or release.

#### **Section 8.6 Further Assurances**

Each party hereto shall, from time to time, and at all times hereafter, at the request of the other, but without further consideration, do, or cause to be done, all such other acts, and execute and deliver, or cause to be executed and delivered, all such further agreements, transfers, assurances, instruments or documents as may be reasonably required in order to fully perform and carry out the terms and intent hereof including, without limitation, the Arrangement.

#### **Section 8.7 Governing Law**

This Agreement shall be governed by, and be construed in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein but the reference to such laws shall not, by conflict of laws rules or otherwise, require the application of the law of any jurisdiction other than the Province of Ontario.

#### **Section 8.8 Expenses**

All expenses incurred in connection with this Agreement and the transactions contemplated hereby and thereby shall be borne by G2.

#### **Section 8.9 Counterparts**

This Agreement may be executed in one or more counterparts, by original, facsimile or pdf signature, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

*[Remainder of page intentionally left blank. Signature page follows.]*

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

**S2 MINERALS INC.**

*"Daniel Noone"*  
By: \_\_\_\_\_  
Authorized Signatory

*"Patrick Sheridan"*  
\_\_\_\_\_  
**PATRICK SHERIDAN**

*"Daniel Noone"*  
\_\_\_\_\_  
**DANIEL NOONE**

**G2 GOLDFIELDS INC.**

*"Paul Murphy"*  
By: \_\_\_\_\_  
Authorized Signatory