

AGENCY AGREEMENT

December 15, 2021

Mayo Lake Minerals Inc.
Unit 1, 110 Westhunt Drive
Carp, Ontario K0A 1L0

Attention: Dr. Vern Rampton, President and Chief Executive Officer

Dear Sir/Madames:

Stephen Avenue Securities Inc. (the "**Agent**") understands that Mayo Lake Minerals Inc. ("**Mayo Lake**" or the "**Company**") is contemplating an initial public offering (the "**IPO**") of (i) up to 7,000,000 flow-through units of the Company ("**FT Units**") to be issued at a price of \$0.15 per FT Unit (the "**FT Unit Offering Price**") and (ii) up to 12,500,000 units of the Company ("**Units**" together with the FT Units, the "**Offered Securities**") to be issued at a price of \$0.12 per Unit (the "**Unit Offering Price**"), in any combination thereof to raise minimum aggregate gross proceeds of \$800,000 (the "**Minimum Offering**") or maximum aggregate gross proceeds of \$1,500,000 (the "**Maximum Offering**", together with the Minimum Offering, the "**Offering**").and concurrent listing (the "**Listing**") of the common shares (each, a "**Common Share**") in the capital of the Company on the Canadian Securities Exchange (the "**CSE**").

Each FT Unit will consist of one common share of the Company (each a "**Flow-Through Share**"), each of which will qualify as a "flow-through share" as defined in subsection 66(15) of the *Income Tax Act* (Canada) (the "**Tax Act**"), and one-half of one warrant of the Company (each whole such warrant, a "**FT Unit Warrant**") to acquire one common share of the Company (each a "**FT Warrant Share**") at an exercise price of \$0.20 until 5:00 p.m. (Toronto time) on the date which is 36 months after the date of the closing of the Offering (the "**Closing Date**"). The FT Unit Warrant will qualify as a "flow-through share" as defined in subsection 66(15) of the Tax Act. The FT Warrant Share will not qualify as a "flow-through share" as defined in subsection 66(15) of the Tax Act. The FT Unit Warrants are subject to an acceleration provision whereby if the closing price of the common shares of the Company (the "**Common Shares**") on a national stock exchange in Canada is at least \$0.30 for a minimum of ten consecutive trading days, the FT Unit Warrants will expire 30 days after the Company provides notice of such accelerated expiry to the holders of the FT Unit Warrants.

Each Unit will consist of one common share of the Company (each a "**Unit Share**") and one-half of one warrant of the Company (each whole such warrant, a "**Unit Warrant**") to acquire one common share of the Company (each a "**Unit Warrant Share**") at an exercise price of \$0.18 until 5:00 p.m. (Toronto time) on the date which is 36 months after the date of the Closing Date. The Unit Warrants are subject to an acceleration provision whereby if the closing price of the Common Shares on a national stock exchange in Canada is at least \$0.30 for a minimum of ten consecutive trading days, the Unit Warrants will expire 30 days after the Company provides notice of such accelerated expiry to the holders of the Unit Warrants.

The FT Unit Warrants and the Unit Warrants will be governed by warrant indentures to be entered into on or before the Closing Date between the Company and TSX Trust Company, as warrant agent (the "**Warrant Agent**").

The Company appoints the Agent as its exclusive agent with respect to the Offering and the Agent accepts the appointment and agrees to act as the exclusive agent of the Company to offer the Offered Securities for sale under the Final Prospectus (as defined below) in the Selling Jurisdictions (as defined below) at the Offering Price. The Agent shall use its commercially reasonable efforts to sell the Offered Securities but it is understood and agreed that the Agent shall act as agent only and is under no obligation to purchase any Offered Securities under the Offering.

All subscription funds received by the Agent will be held by the Agent until the minimum subscription has been attained. Notwithstanding any other term of this Agreement, all subscription funds received by the Agent will be returned to the subscribers if the minimum subscription is not attained by the Closing Date.

The FT Shares shall be offered and sold in the IPO Jurisdictions.

In consideration of the Agent's services to be rendered in connection with the Offering, including assisting in preparing documentation relating to the sale of the Offered Securities including the Preliminary Prospectus, the Final Prospectus (and any Supplementary Material (as defined below)) and distributing the Offered Securities, directly and through other investment dealers and brokers, the Company agrees to pay the Agent's Commission (as defined herein) to the Agent at the Time of Closing.

The following are the terms and conditions of the agreement between the Company and the Agent:

TERM AND CONDITIONS

1. Definitions and Interpretation

1.1 In this Agreement:

"Act" means the *Business Company Act* (Ontario);

"Affiliate" means an affiliated entity for purposes of the *Securities Act* (Ontario);

"Agent's Commission" means the aggregate cash fee equal to 7% of the gross proceeds of the Offering payable to the Agent pursuant to this Agreement;

"Agent Shares" means the Common Shares issuable upon exercise of the Agent Warrants.

"Agent Warrants" means the warrant of the Company issuable to the Agent in connection with the Offering, entitling the holder to acquire one Agent Share at an exercise price equal to the Unit Offering Price per Agent Share until the date which is 36 months after the Closing Date, all pursuant to the terms of this Agreement;

"Agreement" means this Agreement as the same may be amended and/or restated from time to time;

"Ancillary Documents" means all agreements (including the Flow-Through Subscription Agreements), certificates and documents executed and delivered, or to be executed and delivered, by the Company in connection with the transactions contemplated by this Agreement;

“Applicable Securities Laws” means the Canadian Securities Laws;

“Auditor” means Grant Thornton LLP;

“Business Day” means a day other than a Saturday, Sunday or any other day on which the principal offices of Canadian Schedule I banks located in the City of Toronto, Ontario, are not open for business;

“Canadian Securities Laws” means, collectively, all applicable securities laws of each of the IPO Jurisdictions and the respective rules and regulations under such laws together with applicable published instruments, notices and orders of the securities regulatory authorities in the IPO Jurisdictions;

“CEE” means an expense described in paragraph (f) of the definition of Canadian exploration expense in subsection 66.1(6) of the ITA, or which would be included in paragraph (h) of that definition if the reference therein to “paragraphs (a) to (d) and (f) to (g.4)” were read as “paragraph (f),” other than amounts which are prescribed to be “Canadian exploration and development overhead expense” for the purposes of paragraph 66(12.6)(b) of the ITA, the cost of acquiring or obtaining the use of seismic data described in paragraph 66(12.6)(b.1) of the ITA, the amount of assistance described in paragraph 66(12.6)(a) of the ITA 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 the term “expense” in subsection 66(15) of the ITA;

“Closing Date” means the date on which the Offering closes, which date will be no earlier than 10 Business Days after the Effective Date as agreed by the Agent and the Company;

“Commitment Amount” means the aggregate FT Unit Offering Price paid to purchase the FT Units pursuant to the Offering;

“Common Shares” means the common shares in the capital of the Company;

“Corporate Financial Information” means the audited annual financial statements of the Company for the years ended December 31, 2020 and 2019, including the notes thereto, together with the report of the Auditor thereon;

“CRA” means the Canada Revenue Agency;

“CSE” means the Canadian Securities Exchange;

“Debt Instrument” means any note, loan, bond, debenture, indenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money;

“Distribution” means distribution or distribution to the public, as the case may be, for the purposes of Canadian Securities Laws or any of them;

“Effective Date” means the date on which a receipt for the Final Prospectus qualifying the Offering and all other securities required by this Agreement to be qualified is issued by the securities commission that is designated as the Principal Regulator in accordance with National Policy 11-202;

“Engagement Letter” means the engagement letter dated July 6, 2021, entered into between the Company and the Agent with respect to the Offering;

“Environmental Laws” means all applicable federal, provincial, state, municipal and local laws, statutes, ordinances, bylaws 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;

“Environmental Permits” means all material licences, permits, approvals, consents, certificates, registrations and other authorizations under all applicable Environmental Laws;

“Final Prospectus” means the (final) long form prospectus of the Company for which a receipt is issued by the securities commission that is designated as the Principal Regulator in accordance with National Policy 11-202 qualifying the Offering and all other securities required by this Agreement to be qualified;

“Financial Material” means, collectively, (i) the Corporate Financial Information and (ii) the Company’s management’s discussion and analysis relating to the Corporate Financial Information

“Flow-Through Mining Expenditure” means an expense that will, once renounced by the Company pursuant to the ITA to a Flow-Through Purchaser, who is an individual (other than a trust or estate), qualify as a “flow-through mining expenditure” as defined in subsection 127(9) of the ITA of the Flow-Through Purchaser or, where the Flow-Through Purchaser is a partnership, of the members of the Flow-Through Purchaser who are individuals (other than a trust or estate) to the extent of their respective shares of the expense so renounced;

“Flow-Through Purchasers” means the persons who, as purchasers, acquire from the Company the FT Units;

“Flow-Through Subscription Agreements” means the subscription and renunciation agreements for the FT Units, to be entered into by the Company and by the Agent (or one or more sub-agents of the Agent) on behalf of the Flow-Through Purchasers;

“Governmental Authority” means any: (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, bureau or agency, domestic or foreign; (b) any subdivision, agent, commission, board, or authority of any of the foregoing; or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, and any stock exchange or self-regulatory authority and, for greater certainty, includes the Securities Commissions, the CSE and the Investment Industry Regulatory Organization of Canada;

“IFRS” means International Financial Reporting Standards, as issued by the International Accounting Standards Board;

“Indemnified Party” or **“Indemnified Parties”** has the meaning given to that term in Section 14.1;

“IPO Jurisdictions” means British Columbia, Alberta, Manitoba, Ontario and the Yukon Territory;

“ITA” means the *Income Tax Act* (Canada), the regulations thereunder, and any proposed amendments thereto announced publicly by or on behalf of the Minister of Finance (Canada) on or prior to the date of this Agreement;

“Laws” means Canadian Securities Laws and all other statutes, regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or licence, or any judgment, order, decision, ruling, award, policy or guideline, of any Governmental Authority, and the term “applicable” with respect to such Laws and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, subsidiaries, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

“Leased Premises” means the office premises which are material to the Company and which the Company occupies as a tenant;

“Liens” means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or the right to use or occupy such property or assets;

“Limited-use version” has the meaning given to that term in NI 41-101;

“Listing Date” means the date that the Common Shares commence trading on the CSE;

“Material Adverse Effect” means the effect resulting from any change in fact, event or change which has a material adverse effect on a Person’s business, affairs, capital, operations, financial condition, prospects, properties or assets, in all cases, considered on a consolidated basis, or any fact, event or change which would result in the Offering Documents containing a misrepresentation;

“Material Agreement” means any contract, commitment, agreement (written or oral), instrument, lease or other document (including option agreements), to which the Company is a party or otherwise bound and which is material to the Company;

“Material change” has the meaning given to that term in the *Securities Act* (Ontario);

“Material fact” has the meaning given to that term in the *Securities Act* (Ontario);

“Misrepresentation” has the meaning given to that term in the *Securities Act* (Ontario);

“NI 41-101” means National Instrument 41-101 – *General Prospectus Requirements* or Regulation 41-101 respecting *General Prospectus Requirements*;

“NI 43-101” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* or Regulation 43-101 respecting *Standards Disclosure for Mineral Projects*;

“NI 44-101” means National Instrument 44-101 – *Short Form Prospectus Distributions* or Regulation 44-101 respecting *Short Form Prospectus Distributions*;

“NI 51-102” means National Instrument 51-102 – *Continuous Disclosure Obligations* or Regulation 51-102 respecting *Continuous Disclosure Obligations*;

“Offering Documents” means, collectively, the Preliminary Prospectus, the Final Prospectus and any Supplementary Material;

“Passport Procedures” means the procedures provided for under National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions* among the securities commissions and other securities regulatory authorities in each of the provinces and territories of Canada, or Policy Statement 11-202 respecting *Process for Prospectus Reviews in Multiple Jurisdictions*;

“Person” means an individual, a firm, a Company, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency or political subdivision thereof and every other form of legal or business entity of any nature or kind whatsoever;

“Preliminary Prospectus” means the preliminary long form prospectus of the Company dated July 7, 2021;

“Prescribed Forms” means the forms prescribed from time to time under subsection 66(12.7) of the ITA, filed or to be filed by the Company within the prescribed time renouncing to the Flow-Through Purchasers the Qualifying Expenditures and all parts or copies of such forms required by the CRA and any applicable provincial tax authority to be delivered to the Flow-Through Purchaser;

“Principal Business Company” means a “principal-business Company” as defined in subsection 66(15) of the ITA;

“Principal Regulator” has the meaning set out in Multilateral Instrument 11-102;

“Prospectuses” means, collectively, the Preliminary Prospectus and the Final Prospectus;

“Qualifying Expenditure” means an expense which is a CEE incurred on or after the Closing Date and on or before the Termination Date, which may be renounced by the Company pursuant to subsection 66(12.6) of the ITA, in conjunction with subsection (12.66) of the ITA, as necessary, with an effective date not later than December 31, 2021 and in respect of which, but for the renunciation, the Company would be entitled to a deduction from income for income tax purposes, and on the date it is renounced is a Flow-Through Mining Expenditure;

“Securities Commissions” means the applicable securities commission or regulatory authority in each of the IPO Jurisdictions;

“Selling Firms” has the meaning given to that term in Section 10.1(a);

“**Standard Listing Conditions**” has the meaning given to that term in Section 3.4(c);

“**Subsidiary**” and “**subsidiaries**” have the meaning given to such terms in the Act;

“**Supplementary Material**” means, collectively: (a) any amendment or supplement to the Offering Document; (b) any amendment or supplemental prospectus or ancillary materials that may be filed under Canadian Securities Laws relating to the qualification for distribution of the Offered Securities; or (c) any other document that is delivered or intended to be delivered to a purchaser of Offered Securities; including, for greater certainty, any marketing material and any standard term sheet approved by the Company in accordance with Section 2.1;

“**Time of Closing**” means: (a) 8:00 a.m. (Toronto time) on the Closing Date; or (b) any other time on the Closing Date as may be agreed to by Mayo Lake and the Agent;

“**Transfer Agent**” means TSX Trust Company, at its principal offices in the City of Toronto, Ontario;

- 1.2 *Incorporation of Schedules.* The Agent and the Company acknowledge that Schedule A attached hereto shall form part of this Agreement.
- 1.3 *Headings, etc.* The division of this Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to sections, subsections, paragraphs and other subdivisions are to sections, subsections, paragraphs and other subdivisions of this Agreement.
- 1.4 *Currency.* Except as otherwise indicated, all amounts expressed herein in terms of money refer to lawful currency of Canada and all payments to be made hereunder shall be made in such currency.
- 1.5 *Knowledge.* In this Agreement, a reference to “knowledge” of Mayo Lake means to the best knowledge of Dr. Vern Rampton after due and reasonable inquiry, but without personal liability.
- 1.6 *Information Relating to Agent.* Where this Agreement references information and statements relating solely to the Agent and furnished by them specifically for use in the Offering Documents, or any part thereof, the statements set forth under the heading “Plan of Distribution” in the Preliminary Prospectus, Final Prospectus or any Supplementary Material, or that relate to over-allotment and stabilization activities that may be undertaken by the Agent, constitute the only such information and statements.

2. Qualification for Distribution

2.1 During the distribution of the Offered Securities:

- (a) the Company shall prepare, in consultation with the Agent, any marketing materials (including any template version thereof) to be provided to potential investors in the Offered Securities, and approve in writing any such marketing materials (including any template version thereof), as may reasonably be requested by the Agent, such marketing materials

to comply with Canadian Securities Laws and to be acceptable in form and substance to the Agent and their counsel, acting reasonably; and

- (b) the Agent shall, on behalf of the Agent, approve in writing any such marketing materials, as contemplated by the Canadian Securities Laws, prior to any marketing materials being provided to potential investors of Offered Securities and/or filed with the Securities Commissions; provided, for greater certainty.

2.2 The Company and agent, on a several basis, covenants and agrees that, during the distribution of the Offered Securities, it will not provide any potential investor with any materials or information in relation to the distribution of the Offered Securities or the Company other than the Offering Document, any Supplementary Material in accordance with this Agreement, provided that: (a) any such materials that constitute marketing materials have been approved and filed in accordance with Section 2.1; and (b) any such materials that constitute standard term sheets have been approved in writing by the Company and the Agent and are provided in compliance with Canadian Securities Laws in each case only in the IPO Jurisdictions.

2.3 Until the date on which the distribution of the Offered Securities is completed, the Company will promptly take, or cause to be taken, all 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 or, in the event that the Offered Securities or any of them, have, for any reason, ceased to so qualify, to so qualify again such securities, as applicable, for distribution.

3. Delivery of Offering Documents and Related Matters

3.1 The Company shall deliver without charge to the Agent, as soon as practicable and in any event within one (1) Business Day for deliveries within Toronto, Ontario and two (2) Business Days for deliveries outside of Toronto, Ontario of the date of the receipt (or deemed receipt) of the Final Prospectus, and thereafter from time to time during the distribution of the Offered Securities, in such cities in the IPO Jurisdictions as the Agent shall notify the Company, as many commercial copies of the Final Prospectus as the Agent may request for the purposes contemplated by the Applicable Securities Laws. The Company will similarly cause to be delivered to the Agent, in such cities in the IPO Jurisdictions as the Agent may request commercial copies of any Supplementary Material required or intended to be delivered to purchasers or prospective purchasers of the Offered Securities.

3.2 Each delivery of the Final Prospectus or any Supplementary Material will have constituted and will constitute the Company's consent to the use of the Final Prospectus and any Supplementary Material by the Agent, and the Selling Firms for the distribution of the Offered Securities in the IPO Jurisdictions in compliance with the provisions of this Agreement.

3.3 Each delivery of the Final Prospectus and any Supplementary Material to the Agent by, or on behalf of, Mayo Lake will constitute the representation and warranty of Mayo Lake to the Agent that (except for information and statements relating solely to the Agent and furnished by them specifically for use in the Final Prospectus), at the respective times of delivery:

- (a) all information and statements contained therein 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 Mayo Lake and the Offered Securities, as required by Canadian Securities Laws;

- (b) no material fact or information has been omitted from such document which is required to be stated therein or is necessary to make the statements or information contained therein not misleading in light of the circumstances in which they were made; and
- (c) such document fully complies with the requirements of Canadian Securities Laws pursuant to which it was filed.

3.4 Mayo Lake will also deliver to the Agent without charge contemporaneously with, or prior to, the filing of the Final Prospectus:

- (a) a copy of the Final Prospectus, manually signed on behalf of the Company by the Persons and in the form required by Canadian Securities Laws, including copies of any documents incorporated by reference therein which have not previously been delivered to the Agent (provided that any documents incorporated by reference therein which are publicly available on SEDAR shall be deemed to be delivered to the Agent);
- (b) a copy of any other document filed with, or delivered to, the Securities Commissions by Mayo Lake under Canadian Securities Laws in connection with the Offering;
- (c) evidence satisfactory to the Agent of the approval (or conditional approval) of the listing and posting for trading on the CSE of the Common Shares, subject only to satisfaction by Mayo Lake of customary post-closing conditions imposed by the CSE in similar circumstances (the “**Standard Listing Conditions**”);
- (d) a “long-form” comfort letter dated the date of the Final Prospectus in a form and substance acceptable to the Agent, acting reasonably, addressed to the Agent, from the Auditor, and based on a review completed no more than two (2) Business Days prior to the date of the Final Prospectus, with respect to financial and accounting information relating to the Corporate Financial Information in the Final Prospectus or incorporated therein, which letter shall be in addition to the auditor’s consent and any auditor’s comfort letter addressed to the Securities Commissions and filed with or delivered to the Securities Commissions under Canadian Securities Laws; and
- (e) a copy of the warrant indentures entered into between the Company and the Warrant Agent with respect to the FT Unit Warrants and the Unit Warrants.

3.5 Comfort letters and other documents substantially similar to those referred to in this section will be delivered, as required, to the Agent and Mayo Lake, and their respective counsel, as applicable, with respect to any Supplementary Material, contemporaneously with, or prior to the filing or delivery of, any Supplementary Material.

3.6 Any press release announcing or otherwise referring to the Offering disseminated in the United States shall comply with the requirements of Rule 135c under the U.S. Securities Act and any press release announcing or otherwise referring to the Offering disseminated outside the United States shall include (i) an appropriate notation on each page as follows: “*Not for distribution to the U.S.*”

news wire services, or dissemination in the United States” and (ii) the following (or similar) disclosure:

“The securities referred to in this news release 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 (as such term is defined in Regulation S under the U.S. Securities Act) absent such registration or an applicable exemption from the registration requirements of the U.S. Securities Act. This news release does not constitute an offer for sale of securities for sale, nor a solicitation for offers to buy any securities.”

4. Material Changes During the Distribution of the Offered Securities

4.1 Mayo Lake will immediately inform the Agent at first orally, and then in writing, during the period prior to the completion of the distribution of the Offered Securities of the full particulars of:

- (a) any material change (whether actual, anticipated, threatened, contemplated) in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or ownership of Mayo Lake, in each case on a consolidated basis; or
- (b) any material fact (whether actual, anticipated, threatened, contemplated, or proposed) that has arisen or would have been required to have been stated in any of the Offering Documents had that fact arisen or been discovered on, or prior to, the date of the Offering Documents, as the case may be; or
- (c) any change (whether actual, anticipated, threatened, contemplated, or proposed by, to, or against) in any material fact or any misstatement of any material fact contained or incorporated by reference in any of the Offering Documents, or the coming into existence of any new material fact,

in all cases which change or material fact is, or could reasonably be expected to be, of such a nature as:

- (d) to render any of the Offering Documents, as they exist taken together in their entirety immediately prior to such change or material fact, misleading or untrue in any material respect or could result in any of such documents, as they exist taken together in their entirety immediately prior to such change or material fact, containing a misrepresentation; or
- (e) could result in any of the Offering Documents, as they exist taken together in their entirety immediately prior to such change or material fact, not complying with any Applicable Securities Laws; or
- (f) to constitute a Material Adverse Effect as it relates to Mayo Lake.

4.2 Mayo Lake shall comply with Part 6 of NI 41-101 and with the comparable provisions of Canadian Securities Laws, and Mayo Lake will prepare and will file or deliver promptly at the request of the

Agent, any Supplementary Material, which, in the opinion of the Agent and their counsel, acting reasonably, may be necessary, and will, until the distribution of the Offered Securities is complete, otherwise comply with all applicable filing, delivery and other requirements under Canadian Securities Laws arising as a result of such fact or change necessary to continue to qualify the Offered Securities for distribution in each of the IPO Jurisdictions.

- 4.3 The Company and the Agent acknowledge that if the Final Prospectus (prior to amendment) contains a misrepresentation, the Company will promptly prepare and file with the Securities Commissions in the IPO Jurisdictions any amendment or supplement thereto which in the opinion of the Agent and the Company, acting reasonably, may be necessary or advisable to correct such misrepresentation.
- 4.4 In addition, if, during the period from the date hereof to the later of (i) the Closing Date and (ii) the date of the completion of the distribution of the Offered Securities, it shall be necessary to file or deliver any Supplementary Material to comply with any Applicable Securities Laws, the Company shall, in co-operation with the Agent, make any such filing and/or delivery as soon as reasonably possible.
- 4.5 In addition to the provisions of Section 4.1 and Section 4.2, Mayo Lake will, acting reasonably, discuss with the Agent, any change, event, development or fact, contemplated, anticipated, threatened, or proposed which is of such a nature that there may be reasonable doubt as to whether written notice should be given to the Agent under Section 4 of this Agreement and will consult with the Agent with respect to the form and substance of any Supplementary Material proposed to be filed or delivered by Mayo Lake, it being understood and agreed that no such Supplementary Material will be filed by Mayo Lake with any Securities Commission or delivered to any purchaser or prospective purchaser until the Agent and their legal counsel: (a) have been given a reasonable opportunity to review; and (b) approve such material, acting reasonably.

5. Due Diligence

Prior to the Time of Closing, and, if applicable, prior to the filing or delivery of any Supplementary Material, the Agent, their legal counsel, and technical consultants will be provided with timely access to all information required to permit them to conduct a full due diligence investigation of Mayo Lake and its business operations, properties, assets, affairs, prospects and financial condition. In particular, the Agent shall be permitted to conduct all due diligence that they may reasonably require in order to fulfil their obligations under Applicable Securities Laws, and in that regard, Mayo Lake will make available to the Agent, their legal counsel and technical consultants, on a timely basis, all corporate and operating records, contracts, resource and reserve reports, technical reports, feasibility studies, financial information, transaction record books, current budgets, current forecasts, reports, key officers, as applicable, and other relevant documentation or information necessary in order to complete the due diligence investigation of Mayo Lake, and its business operations, properties, assets, affairs, prospects and financial condition for this purpose, and without limiting the scope of the due diligence inquiries the Agent may conduct, to participate in one or more due diligence sessions to be held prior to the Time of Closing at which management of the Company, the Auditor, the authors of the Technical Report and the legal counsel of the Company shall participate. It shall be a condition precedent to: (a) the Agent's execution of any certificate in any Offering Document that the Agent be satisfied as to the form and substance of the document.

6. Conditions of Closing

The Agent's obligations under this Agreement to purchase the Offered Securities or any of them, are conditional upon (which conditions may be waived by the Agent in their sole discretion) and subject to:

- 6.1 *Canadian Legal Opinion.* The Agent receiving at the Time of Closing on the Closing Date a favorable legal opinion from Irwin Lowy LLP, counsel to Mayo Lake, who may rely on, or alternatively provide directly to the Agent, the opinions of local counsel acceptable to counsel to the Agent, acting reasonably, as to the qualification of the Offered Securities for sale to the public and as to other matters governed by the laws of jurisdictions in Canada other than the Province of Ontario, and may rely as to matters of fact on certificates of officers, public and exchange officials or of the Auditor or Transfer Agent, to the effect set forth below:
- (a) Mayo Lake has been incorporated and is existing under the laws of the Province of Ontario and has the corporate capacity and power to own and lease its properties and assets and to conduct its business as described in the Final Prospectus;
 - (b) the Company having the corporate power to execute and deliver this Agreement and the Flow-Through Subscription Agreements, and to carry out the transactions contemplated hereby and thereby, under the laws of the Province of Ontario;
 - (c) as to the authorized and issued share capital of Mayo Lake;
 - (d) all necessary corporate actions having been taken by Mayo Lake to authorize the execution and delivery of the Agency Agreement and the Flow-Through Subscription Agreements, and the performance of its obligations hereunder and thereunder;
 - (e) the Agency Agreement and each of the Flow-Through Subscription Agreements having been duly executed and delivered by Mayo Lake and constituting a legal, valid and binding obligation of, and being enforceable against, Mayo Lake in accordance with its terms (subject to bankruptcy, insolvency or other Laws affecting the rights of creditors generally, general equitable principles including the availability of equitable remedies and the qualification that no opinion need be expressed as to rights to indemnity or contribution) and such other customary qualifications for an opinion of this nature;
 - (f) the execution and delivery by Mayo Lake of the Agency Agreement and each of the Flow-Through Subscription Agreements, the fulfilment of the terms thereof by Mayo Lake, and the issue, sale and delivery on the Closing Date of the Offered Securities to the Agent as contemplated herein and therein, not constituting or resulting in a breach of or a default under, and not creating a state of facts which, after notice or lapse of time or both, will constitute or result in a breach of, and will not conflict with, any of the terms, conditions or provisions of the articles and by-laws of Mayo Lake or any applicable Law of Ontario, and the federal Laws of Canada;
 - (g) all necessary corporate actions having been taken by Mayo Lake to authorize the creation, issuance and delivery of the Offered Securities, the Agents Warrants and the Agent Shares;

- (h) all documents required to be filed with or delivered to the Securities Commissions by Mayo Lake, and all proceedings required to be taken by Mayo Lake under Applicable Securities Laws, have been filed or delivered and taken in order to qualify the distribution of the Offered Securities in each of the IPO Jurisdictions through investment dealers or brokers registered under the applicable Laws thereof who have complied with the relevant provisions thereof and no other documents will be required to be filed, proceedings taken, or approvals, permits, consents or authorizations obtained by Mayo Lake under Applicable Securities Laws to permit the trading in the IPO Jurisdictions of the Offered Securities, through registrants duly registered under Applicable Securities Laws or in circumstances in which there is an exemption from the registration requirements of such applicable laws;
- (i) the Offering Documents having been duly authorized and executed by the Company;
- (j) the Common Shares having been conditionally approved, or approved, for listing on the CSE, subject only to the Standard Listing Conditions;
- (k) the Unit Shares, Flow-Through Shares, Common Shares, Unit Warrant Shares and Agent Shares being validly issued by the Company as fully paid and non-assessable shares in the capital of the Company;
- (l) the Company being a reporting issuer (or the equivalent) under the Canadian Securities Laws of all of the IPO Jurisdictions, and not being included on a list of defaulting reporting issuers maintained by the securities regulators of such jurisdictions;
- (m) the statements under the heading "Certain Canadian Federal and Provincial Income Tax Considerations" in the Final Prospectus in so far as they purport to describe the provisions of the laws referred to therein, are fair and accurate summaries of the matters discussed therein;
- (n) upon issue, and except for any Common Shares, Unit Shares, Unit Warrant Shares and Agent Shares will be "flow-through shares" as defined in subsection 66(15) of the ITA and will not be "prescribed shares" within the meaning of section 6202.1 of the regulations to the ITA except as a result of (i) any agreement, arrangement, undertaking or understanding to which the Company is not a party and of which it has no knowledge and (ii) any other action taken by a purchaser which causes any the Flow-Through Shares to be or become "prescribed shares" within the meaning of section 6202.1 of the regulations to the ITA;
- (o) the Company qualifies as a "principal business Company" within the meaning of subsection 66(15) of the ITA;
- (p) the expenditures to be renounced in respect of the Flow-Through Shares, except in respect of any Agent Share, under the Flow-Through Subscription Agreements will be:
 - (i) "flow-through mining expenditures" as defined in subsection 127(9) of the ITA; and
 - (ii) expenses that qualify as "Canadian Exploration Expense" as described in paragraph (f) of the definition of "Canadian Exploration Expense" in subsection

66.1(6) of the ITA, or would be described in paragraph (h) of that definition if the reference therein to paragraphs (a) to (d) and (f) to (g.4) was a reference to paragraph (f), excluding amounts which are (A) prescribed to constitute “Canadian Exploration and Development Overhead Expense” for the purposes of paragraph 66(12.6)(b) of the ITA, (B) any assistance described in paragraph 66(12.6)(a) of the ITA, (C) any specified expenses described in paragraph 66(12.6)(b.1) of the ITA, or (D) 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 ITA.

- 6.2 *Opinion of Counsel for the Agent.* The Agent receiving at the Time of Closing on the Closing Date a favorable legal opinion from Nauth LPC, counsel to the Agent, in form and substance acceptable to the Agent, as to such matters as the Agent may reasonably request;
- 6.3 *Officer’s Certificate of Mayo Lake.* The Agent having received at the Time of Closing on the Closing Date, a certificate dated such date signed by the President and Chief Executive Officer and Chief Financial Officer of Mayo Lake or another officer acceptable to the Agent in form and substance acceptable to the Agent with respect to:
- (a) the constating documents of Mayo Lake;
 - (b) the resolutions of the directors of Mayo Lake relevant to the Offering, the authorization of this Agreement, the Flow-Through Subscription Agreements and the other agreements and transactions contemplated by this Agreement; and
 - (c) the incumbency and signatures of signing officers of Mayo Lake.
- 6.4 *Certificate of Transfer Agent and Registrar.* The Company having delivered to the Agent a certificate of the Transfer Agent, which certifies the number of common shares issued and outstanding on the day prior to the Closing Date.
- 6.5 *Certificates of Status.* The Agent having received on the Closing Date, certificates of status and/or compliance (or the equivalent), for Mayo Lake, dated no earlier than the date prior to the Closing Date.
- 6.6 *Closing Certificate of Mayo Lake.* Mayo Lake having delivered to the Agent a certificate dated the Closing Date, addressed to the Agent and signed by the President and Chief Executive Officer and Chief Financial Officer of Mayo Lake, certifying for and on behalf of Mayo Lake, and not in their personal capacities, after having made due inquiries, with respect to the following matters:
- (a) Mayo Lake having complied with all the covenants, in all material respects, and satisfied all the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to such Time of Closing;
 - (b) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Company or prohibiting the sale of the Offered Securities or any of the Company’s issued securities having been issued, and no proceeding for such purpose, to the knowledge of such officers, being pending or threatened;

- (c) subsequent to the date of this Agreement, there having not occurred a material change, or any change or development that could reasonably be expected to result in a Material Adverse Effect, or the coming into existence or discovery of a material fact, other than as disclosed in the Final Prospectus or any Supplementary Material, as the case may be;
 - (d) subsequent to the date of this Agreement, no material change relating to the Company having occurred since the date of this Agreement other than as disclosed in the Final Prospectus or in any Supplementary Material; and
 - (e) the representations and warranties of Mayo Lake contained in this Agreement, any Ancillary Documents and in any certificates of Mayo Lake delivered pursuant to or in connection with this Agreement, being true and correct in all material respects (or, as regards specific representations and warranties if qualified by materiality, in all respects) as at the Time of Closing, with the same force and effect as if made on and as at such Time of Closing, except for such representations and warranties which are in respect of a specific date in which case such representations and warranties shall be true and correct in all material respects (or, as regards specific representations and warranties if qualified by materiality, in all respects), as of such date, after giving effect to the transactions contemplated by this Agreement.
- 6.7 *“Bring-Down” Comfort Letters.* The Agent shall have received comfort letters of the Auditor in form and substance satisfactory to the Agent and their counsel, acting reasonably, similar to the comfort letter to be delivered to the Agent pursuant to Section 3.4(d) hereof, with any modifications necessary in the event additional information is incorporated by reference into the Final Prospectus, and updated to a date not less than two days prior to the Closing Date.
- 6.8 *Flow-Through Subscription Agreements.* The Company shall have accepted the Flow-Through Subscription Agreements.
- 6.9 *CSE Listing of Common Shares.* On the Closing Date, Mayo Lake having delivered to the Agent evidence of the approval (or conditional approval) of the listing and posting for trading of the Common Shares on the CSE, subject only to satisfaction by Mayo Lake of the Standard Listing Conditions.
- 6.10 *Electronic Deposit.* The Company shall have confirmed the electronic deposit of the Offered Securities through the facilities of CDS as specified in Section 11.2 hereof.
- 6.11 *Commission.* The Agent shall have received the Agency Fee in the manner specified in Section 12 hereof.
- 6.12 *No Termination.* The Agent not having exercised any rights of termination set forth in Section 13.
- 6.13 *No Cease Trade Order.* At the Time of Closing, the Company not being the subject of a cease trading order made by any Securities Commission or other competent authority which has not been rescinded.
- 6.14 *Representations and Warranties.* At the Time of Closing, the representations and warranties of Mayo Lake contained in this Agreement, any Ancillary Documents and in any certificates of Mayo

Lake delivered pursuant to or in connection with this Agreement, being true and correct in all material respects (or, as regards specific representations and warranties if qualified by materiality, in all respects) as at the Time of Closing, with the same force and effect as if made on and as at the Time of Closing, except for such representations and warranties which are in respect of a specific date in which case such representations and warranties shall be true and correct, in all material respects (or, as regards specific representations and warranties if qualified by materiality, in all respects), as of such date, after giving effect to the transactions contemplated by this Agreement, and Mayo Lake having complied with all terms and conditions of this Agreement to be complied with by Mayo Lake at or prior to the Time of Closing.

- 6.15 *Other Documentation.* The Agent having received at the Time of Closing such further certificates, opinions of counsel and other documentation from Mayo Lake as may be contemplated herein or as the Agent may reasonably require, provided, however, that the Agent shall request any such certificate or document within a reasonable period prior to the Time of Closing that is sufficient for Mayo Lake to obtain and deliver such certificate, opinion or document.

7. Representations and Warranties of Mayo Lake

General Matters

- (a) the Company (i) has been duly organized and is validly existing under the laws of the province of Ontario and is in good standing under the Act; (ii) has all requisite corporate power and capacity to carry on its business as now conducted and to own or lease and operate its properties and assets; and (iii) has all requisite corporate power and authority to create, issue and sell Offered Securities and to enter into and carry out its obligations under this Agreement and the Flow-Through Subscription Agreements;
- (b) no proceedings have been taken, instituted or, to the knowledge of the Company, are pending for the dissolution or liquidation of the Company;
- (c) the Company has no subsidiaries;
- (d) the Company is, in all material respects, conducting its business in compliance with all applicable laws, rules and regulations (including all material applicable federal, provincial, municipal, and local laws, regulations and other lawful requirements of any governmental or regulatory body) 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 property or carries on business to enable its business to be carried on as now conducted and its property and assets to be owned or 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 or permits which would reasonably be expected to result in a Material Adverse Effect in respect of the Company;
- (e) the execution and delivery of this Agreement and each of the Flow-Through Subscription Agreements 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 hereof and thereof, this Agreement and each of the Flow-Through Subscription Agreements shall constitute a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, provided that enforcement thereof may be limited by 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, that the provisions relating to indemnity, contribution and waiver of contribution may be unenforceable and that enforceability is subject to the provisions of the *Limitations Act, 2002* (Ontario);

- (f) all consents, approvals, permits, authorizations or filings as may be required under Applicable Securities Laws necessary for the execution and delivery of this Agreement and the Flow-Through Subscription Agreements and the valid sale and delivery of the Offered Securities have been made or obtained or will be obtained prior to the Closing Date, as applicable, other than post-closing filings required to be made to the CSE relating to the Standard Listing Conditions;
- (g) the execution and delivery of this Agreement and the Flow-Through Subscription Agreements by the Company, the performance by the Company of its obligations hereunder and thereunder (including the issue and sale of the Offered 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), and the Company is not currently in breach or default of, (A) any statute, rule or regulation applicable to the Company; (B) the constating documents or resolutions of the Company which are in effect at the date of hereof; (C) any Debt Instrument or Material Agreement; or (D) any judgment, decree or order binding the Company or the properties or assets thereof, except where such breach, violation or default would not reasonably be expected to result in a Material Adverse Effect in respect of the Company;
- (h) the Offered Securities to be issued and sold as described in this Agreement and the Offering Documents have been, or prior to the Time of Closing, will be validly authorized for issuance and upon their issuance and delivery against payment in full of the aggregate Offer Price, will be validly issued as fully paid and non-assessable securities;
- (i) the authorized and issued capital of the Company conform to the description thereof contained in the Offering Documents;
- (j) the Company is not aware of any legislation, or proposed legislation published by a legislative body, which it anticipates will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of the Company;
- (k) except as mandated by or in conformity with the recommendations of a Governmental Authority, there has been no closure or suspension of operations or reduction in workforce productivity of the Company or any of its former subsidiaries as a result of the COVID-19 pandemic. The Company has been monitoring the COVID-19 pandemic and the present and potential impacts at all of its operations and has put appropriate control measures, limitations, restrictions and procedures in place to ensure the wellness of all of its

employees and surrounding communities where the Company operates while continuing to operate;

- (l) 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 except as disclosed in the Offering Documents, and the number of common shares reserved for issue pursuant to outstanding options, warrants, share incentive plans, convertible, exercisable and exchangeable securities and other rights to acquire common shares conform to the description thereof in the Offering Documents;
- (m) since December 31, 2020, other than as disclosed in the Offering Documents:
 - (i) there has not been any material change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise), business, condition (financial or otherwise) or results of operations of the Company;
 - (ii) there has not been any material change in the capital stock or long-term debt of the Company; and
 - (iii) the Company has carried on its businesses in the ordinary course;
- (n) the Corporate Financial Information, presents fairly, in all material respects, the financial condition of the Company, on a consolidated basis, for the periods referred to therein and have been prepared in accordance with IFRS;
- (o) there are no material off-balance sheet transactions, arrangements or obligations (including contingent obligations) of the Company or other persons that would reasonably be expected to result in a Material Adverse Effect in respect of the Company;
- (p) there are no actions, proceedings or investigations (whether or not purportedly by or on behalf of the Company) commenced or, to the knowledge of the Company, threatened or pending against the Company or any of its former subsidiaries at law or in equity (whether in any court, arbitration or similar tribunal) or before or by any federal, provincial, state, municipal or other governmental department, commission, board or agency, domestic or foreign, that would reasonably be expected to result in an adverse material change in respect of the Company;
- (q) the Company is (or will prior to the Time of Closing be) a “reporting issuer”, not included in a list of defaulting reporting issuers maintained by the Securities Commissions in each of the IPO Jurisdictions and, without limiting the foregoing, the Company has at all times complied, in all material respects, with its obligations to make timely disclosure of all material changes relating to it and there is no material change relating to the Company which has occurred and with respect to which the requisite news release has not been disseminated or material change report has not been filed with such Securities Commissions (except a material change report in respect of the offer and sale of the Agent shares hereunder);

- (r) all material filings and fees required to be made and paid by the Company pursuant to Applicable Securities Laws and general corporate law have been made and paid and the information and statements set forth in the material incorporated by reference in the Offering Documents were accurate in all material respects and did not contain any misrepresentation as of the date of such information or statement, and the Company has not filed any confidential material change report with any Securities Commissions that is still maintained on a confidential basis;
- (s) the Auditor is an independent public accountant as required by Canadian Securities Laws;
- (t) there has not been any “reportable event” (within the meaning of NI 51-102) with the Auditor or any former auditor of the Company;
- (u) the Company is not 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 materially or adversely affects the business practices, operations or condition of the Company;
- (v) other than the Company or as otherwise contemplated herein, there is no Person that is or will be entitled to the proceeds of the Offering under the terms of any Debt Instrument, Material Agreement, or other instrument or document (written or unwritten);
- (w) the Company is not party to any agreement, nor is the Company aware of any agreement, which in any manner affects the voting control of any of the securities of the Company;
- (x) the Company has not completed any “significant acquisition” nor is it proposing any “probable acquisitions” (within the meaning of such terms under NI 51-102) that would require the inclusion or incorporation by reference of any additional financial statements or pro forma financial statements in the Offering Documents or the filing of a Business Acquisition Report pursuant to Securities Laws.
- (y) 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 due and payable by the Company and any of its former subsidiaries, have been paid except where the failure to pay such taxes would not reasonably be expected to result in a Material Adverse Effect in respect of the Company. All tax returns, declarations, remittances and filings required to be filed by the Company and any of its former subsidiaries have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings did not contain a misrepresentation as at the respective dates thereof except where the failure to file such documents or such misrepresentation would not reasonably be expected to result in a Material Adverse Effect in respect of the Company. To the knowledge of the Company, no examination of any tax return of the Company or any of its former subsidiaries is currently in progress other than as disclosed to the Agent and there are no issues or disputes outstanding with any Governmental Authority respecting any taxes that have been paid, or may be payable, by the Company or any of its

former subsidiaries, in any case, except where such examinations, issues or disputes would not reasonably be expected to result in a Material Adverse Effect in respect of the Company;

- (z) the Company, nor, to the Company's knowledge, any other person, is in default in any material respect in the observance or performance of any term, covenant or obligation to be performed by the Company or such other person under any Debt Instrument or Material Agreement, and no event has occurred which with notice or lapse of time or both would constitute such a default by the Company or, to the Company's knowledge, any other party, except where such default or event would not reasonably be expected to result in an adverse material change in respect of the Company;
- (aa) the Transfer Agent at its principal transfer office in the City of Toronto, Ontario has been duly appointed as the registrar and transfer agent in Canada in respect of the Common Shares;
- (bb) except as disclosed in the Offering Documents, other than Dr. Vern Rampton, none of the directors, officers or employees 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 or companies, has had any material interest, direct or indirect, in any material transaction within the previous two years or any proposed material transaction with the Company or any of its former subsidiaries which, as the case may be, materially affected, is material to or will materially affect the Company;
- (cc) other than the Agent pursuant to this Agreement or as otherwise contemplated herein, there is no person acting or purporting to act at the request of the Company who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the transactions contemplated herein;
- (dd) except as disclosed in the Offering Documents, the Company has no material loans or other material 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 them other than for the reimbursement of ordinary course business expenses;
- (ee) the assets of the Company and its businesses and operations are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and the Company has not failed to promptly give any notice or present any material claim thereunder;
- (ff) with respect to each of the Leased Premises, the Company occupies the Leased Premises and has the right to occupy and use the Leased Premises, subject to the terms of the respective leases, and each of the leases pursuant to which the Company occupies the Leased Premises is in good standing and in full force and effect;
- (gg) all information that has been prepared by the Company relating to the Company and its business, property and liabilities and provided to the Agent, and that may be provided to the Agent prior to the Time of Closing, including all financial, marketing, technical and

operational information, was, and will be, as of the date of such information, true and correct in all material respects, and no fact or facts have been or will be omitted therefrom which would make such information misleading in any material respect;

- (hh) if required under the Canadian Securities Laws, all of the Material Agreements have been disclosed in the Offering Documents and have or will be filed with the Securities Commissions. The Company has not received any notification from any party that it intends to terminate any such Material Agreement;
- (ii) no Securities Commission, stock exchange or comparable authority has issued any order preventing or suspending the use or effectiveness of the Offering Documents or preventing the distribution of the Offered Securities, if any, in any IPO Jurisdiction, nor instituted proceedings for that purpose and, to the knowledge of the Company, no such proceedings are pending or contemplated;
- (jj) the form and terms of the certificate for the common shares, Unit Warrants and FT Unit Warrants have been approved and adopted by the board of directors of the Company, and comply with the provisions of the constating documents of the Company, the Act and the rules of the CSE;
- (kk) the statements set out in the Offering Documents under the heading “Forward-Looking Information” has been prepared and disclosed in material compliance with Parts 4A and 4B of NI 51-102. The Company has no reason to believe that the actual results forecast or projected by such statements will not be achieved, and the Company does not expect to modify such forward-looking statements in any materially adverse manner during the period of distribution of the Offered Securities;
- (ll) none of the directors or officers of the Company 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 exchange;

Due Diligence Matters

- (mm) the minute books and records of the Company which the Company has made available to the Agent and their counsel, Nauth LPC, in connection with their due diligence investigation of the Company for the period requested to the date of examination thereof are all of the minute books of the Company, 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;

Employment Matters

- (nn) each material 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 or any of its former subsidiaries (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 and has been publicly disclosed to the extent required by Canadian Securities Laws;

- (oo) all material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or state pension plan premiums, accrued wages, salaries and commissions and employee benefit plan payments have been reflected in the books and records of the Company;
- (pp) there is not currently any labour disruption, dispute, slowdown, stoppage, complaint or grievance or, to the knowledge of the Company, threatened or pending which is adversely affecting or would reasonably be expected to have a Material Adverse Effect on, the carrying on of the business of the Company, and the Company is not aware of any proposal to unionize its employees and no collective bargaining agreements are in place or currently being negotiated by the Company;

Compliance Matters

- (qq) neither the Company nor, to the knowledge of the Company, any director, officer, agent, employee, affiliate or other person acting on behalf of the Company, is aware of or has taken any action, directly or indirectly, that has resulted or would result in a violation of the *Corruption of Foreign Public Officials Act* (Canada) (the “**CFPOA**”) including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any “foreign public official” (as such term is defined in the CFPOA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the CFPOA; and the Company will monitor its businesses to ensure compliance with the CFPOA and, if violations of the CFPOA are found, will take remedial action to remedy such violations;
- (rr) the operations of the Company and any of its former subsidiaries are, and have been conducted at all times, in compliance with all material applicable financial recordkeeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar applicable rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its former subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened;

Flow-Through Matters

- (ss) the Company has not entered into any agreements or made any covenants with any parties that would restrict the Company from entering into the Flow-Through Subscription

Agreements and agreeing to incur and renounce Qualifying Expenditures between the Closing Date and the Termination Date, inclusive, in accordance with the Flow-Through Subscription Agreements, nor that would require the prior renunciation to any other person of Qualifying Expenditures prior to the renunciation of the aggregate Commitment Amount in favour of the Flow-Through Purchasers;

- (tt) the Company has no reason to believe that it will be unable to incur, on or after the Closing Date and on or before the Termination Date, or that it will be unable to renounce to the Flow-Through Purchasers effective on or before December 31, 2022, Qualifying Expenditures 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 ITA;
- (uu) the Company is and will continue to be a Principal Business Company until such time as all of the Qualifying Expenditures required to be renounced under this Agreement and the Flow-Through Subscription Agreements have been incurred or have been deemed to be incurred and validly renounced pursuant to the ITA;
- (vv) except for any Agent Share or as a result of any agreement, arrangement, undertaking, or understanding to which the Company is not a party and of which it has no knowledge, upon issue Flow-Through Shares will be “flow-through shares” as defined in subsection 66(15) of the ITA and will not be “prescribed shares” within the meaning of section 6202.1 of the regulations to the ITA;
- (ww) if the Company amalgamates with any one or more companies, any shares issued to or held by the Flow-Through Purchasers as a replacement for Flow-Through Shares as a result of such amalgamation will qualify, by virtue of subsection 87(4.4) of the ITA, as “flow-through shares” as defined in subsection 66(15) of the ITA and in particular will not be “prescribed shares” as defined in section 6202.1 of the regulations to the ITA;
- (xx) the Company has never been in default of any of its legal obligations in respect of any flow-through share financings previously undertaken by the Company, including entering into any agreements or making any covenants with any parties with respect to the renunciation of CEE, which amounts have not been fully expended and renounced as required under such agreements or covenants;
- (yy) the Company will renounce the Qualifying Expenditures pursuant to the ITA to all Flow-Through Purchasers; the Company will not renounce any Qualifying Expenditures to any Flow-Through Purchaser; and

the Company has never been in default of any of its legal obligations in respect of any flow-through share financings previously undertaken by the Company

8. Representations and Warranties of the Agent

8.1 Agent hereby severally, and not jointly, nor jointly and severally, represents and warrants that:

- (a) it is, and will remain so, until the completion of the Offering, appropriately registered under applicable Canadian Securities Laws so as to permit it to lawfully fulfil its obligations hereunder;
- (b) it has all requisite corporate power and authority to enter into this Agreement and to carry out the transactions contemplated under this Agreement on the terms and conditions set forth herein; and
- (c) it has the authority to execute and deliver the Flow-Through Subscription Agreements on behalf of the Flow-Through Purchasers.

8.2 The representations and warranties of each of the Agent contained in this Agreement shall be true at the Time of Closing as though they were made at the Time of Closing and they shall not survive the completion of the transactions contemplated under this Agreement but shall terminate on the completion of the distribution of the the Agent shares.

9. Additional Covenants of Mayo Lake

In addition to any other covenant of Mayo Lake set forth in this Agreement, Mayo Lake covenants with the Agent that:

- (a) *Stock Exchange Listings.* Prior to the filing of the Final Prospectus with the Securities Commissions, Mayo Lake will file or cause to be filed with the CSE all necessary documents and will take, or cause to be taken, all commercially reasonable steps necessary to ensure that the Offered Securities have been approved (or conditionally approved) for listing and for trading on the CSE, subject only to satisfaction by Mayo Lake of the Standard Listing Conditions, and Mayo Lake shall thereafter, fulfill the Standard Listing Conditions, if any, within the time period prescribed by the CSE;
- (b) *Other Filings.* Mayo Lake will make all necessary filings, use commercially reasonable efforts to obtain all necessary regulatory consents and approvals (if any) and Mayo Lake will pay all filing fees required to be paid in connection with the transactions contemplated in this Agreement;
- (c) *Press Releases.* Subject to compliance with applicable Law, any press release of Mayo Lake relating to the Offering will be provided in advance to the Agent, on behalf of the Agent, and Mayo Lake will agree to the form and substance thereof with the Agent, on behalf of the Agent, each acting reasonably, prior to the release thereof;
- (d) *Use of Proceeds.* Mayo Lake shall use the net proceeds from the purchase and sale of the the Agent shares in accordance with the description set forth under the headings "Use of Proceeds" in the Final Prospectus;

Flow-Through Matters

- (e) Mayo Lake shall use the entire Commitment Amount to incur Qualifying Expenditures.

- (f) Mayo Lake shall incur (or be deemed to have incurred) Qualifying Expenditures in an amount equal to the Commitment Amount, during the period from and after the Closing Date to and including the Termination Date in accordance with this Agreement and the Flow-Through Subscription Agreements and agrees to renounce to the Flow-Through Purchasers, with an effective date no later than December 31, 2021, pursuant to subsection 66(12.6) of the ITA and in respect of Qualifying Expenditures incurred by the Company in 2022, in conjunction with subsection 66(12.66) of the ITA, Qualifying Expenditures incurred (or deemed to be incurred) by the Company during the period from and after the Closing Date to and including the Termination Date, in an amount equal to the Commitment Amount;
- (g) If Mayo Lake receives, or becomes entitled to receive, or may reasonably be expected to receive, any assistance which is described in the definition of “assistance” in subsection 66(15) of the ITA and the receipt of, or entitlement or reasonable expectation to receive, such assistance has or will have the effect of reducing the amount of Qualifying Expenditures validly renounced to the Flow-Through Purchasers to less than the Commitment Amount, the Company will incur additional Qualifying Expenditures using funds from sources other than the Commitment Amount in an amount equal to such assistance, such that the aggregate Qualifying Expenditures renounced to the applicable Flow-Through Purchasers effective no later than December 31, 2021 pursuant to the terms of this Agreement and the Flow-Through Subscription Agreements will not be less than nor exceed the Commitment Amount;
- (h) Mayo Lake will not be subject to the provisions of subsection 66(12.67) of the ITA in a manner which impairs its ability to renounce Qualifying Expenditures to the Flow-Through Purchasers in an amount equal to the Commitment Amount;
- (i) If Mayo Lake does not renounce to the Flow-Through Purchasers effective on or before December 31, 2021 Qualifying Expenditures equal to the Commitment Amount, it shall indemnify and hold harmless each Flow-Through Purchaser and each of the partners thereof if the Flow-Through Purchaser is a partnership or a limited partnership (for the purposes of this paragraph each an “**Indemnified Person**”) as to, and pay to the Indemnified Person on or before the 20th Business Day following the date the amount is definitively determined, an amount equal to the amount of any tax payable (within the meaning of subparagraph (c) of the definition of “excluded obligation” at subsection 6202.1(5) of the regulations to the ITA) under the ITA (and under the corresponding provincial legislation) by any Indemnified Person as a consequence of such failure. In the event that the amount renounced by the Company to the Flow-Through Purchasers is reduced pursuant to subsection 66(12.73) of the ITA or under corresponding provincial legislation, the Company shall indemnify and hold harmless each Indemnified Person as to, and pay to the Indemnified Person on or before the 20th Business Day following the date that Mayo Lake is provided with a copy of the notice of assessment or reassessment issued by the CRA to the Flow-Through Purchaser pursuant to which such amount of tax is determined, an amount equal to the amount of any tax payable (within the meaning of subparagraph (c) of the definition of “excluded obligation” at subsection 6202.1(5) of the regulations to the ITA) payable under the ITA (and under the corresponding provincial legislation) by the Indemnified Person as a consequence of such reduction provided that nothing in this paragraph shall derogate from any rights or remedies the Subscriber may

have at common law or civil law with respect to liabilities other than those payable under the ITA;

- (j) Mayo Lake shall file with the CRA (or any applicable provincial authority), within the time prescribed by subsection 66(12.68) of the ITA (or the corresponding provisions of any provincial legislation), the forms prescribed for the purposes of such legislation together with a copy of the Flow-Through Subscription Agreements or any “selling instrument” contemplated by such legislation and shall forthwith following such filing provide to the Flow-Through Purchasers a copy of such form certified by an officer of the Company;
- (k) Mayo Lake shall file with the CRA and with any applicable provincial tax authority, before March of the year following a particular year, any return required to be filed under Part XII.6 of the ITA (or any corresponding provision of applicable provincial law) in respect of the particular year, and will pay any tax or other amount owing in respect of that return on a timely basis;
- (l) Mayo Lake shall deliver to the Flow-Through Purchasers, on or before March 1, 2022, the relevant Prescribed Forms (including form T101), fully completed and executed, renouncing to the Flow-Through Purchasers, Qualifying Expenditures in an amount equal to the Commitment Amount with an effective date of no later than December 31, 2021, and such delivery shall constitute the authorization of the Company to the Flow-Through Purchasers to file such Prescribed Forms with the relevant taxation authorities;
- (m) Mayo Lake shall incur and renounce Qualifying Expenditures pursuant to the Flow-Through Subscription Agreements before incurring and renouncing Qualifying Expenditures pursuant to any other agreement which the Company may subsequently enter into after the Closing Date with any Person with respect to the issue of shares or rights which qualify “flow-through shares” as defined in subsection 66(15) of the ITA. If the Company is required under the ITA or otherwise to reduce Qualifying Expenditures previously renounced to the Flow-Through Purchasers and unless any such Flow-Through Purchaser would not be adversely affected or otherwise agrees, the reduction shall be made pro rata by the Commitment Amount allocable to each Flow-Through Purchaser in relation to the aggregate Commitment Amount under the Flow-Through Subscription Agreements only after the Company has first reduced to the extent possible all CEE renounced to Persons (other than the Flow-Through Purchasers) under any agreements relating to shares or rights which qualify “flow-through shares” as defined in subsection 66(15) of the ITA entered into after the Closing Date;
- (n) Upon Mayo Lake becoming aware of the fact that an amount purportedly renounced pursuant to the Flow-Through Subscription Agreements exceeds the amount that it is entitled to renounce under the ITA, it will notify the Flow-Through Purchasers and comply with subsection 66(12.73) of the ITA, including the filing with the CRA of the statements contemplated therein, a copy of which will be sent concurrently to the Flow-Through Purchasers;
- (o) Mayo Lake will not enter into any other agreement which would prevent or restrict its ability to renounce Qualifying Expenditures to the Flow-Through Purchasers in the amount of the Commitment Amount;

- (p) Mayo Lake shall maintain proper, complete and accurate accounting books and records relating to the Commitment Amount, the Qualifying Expenditures and the amounts renounced to the Flow-Through Purchasers under this Agreement and the Flow-Through Subscription Agreements. The Company shall retain all such books and records as may be required to support the renunciation of Qualifying Expenditures contemplated by this Agreement and the Flow-Through Subscription Agreements and shall make such books and records available for inspection and audit by or on behalf of the Flow-Through Purchasers, at such Flow-Through Purchaser's sole expense;
- (q) Mayo Lake covenants that the expenditures to be renounced by the Company to the Flow-Through Purchasers:
 - (i) will constitute Qualifying Expenditures on the effective date of the renunciation;
 - (ii) will not include any amount that has previously been renounced by the Company to the Flow-Through Purchasers or to any other Person;
 - (iii) would be deductible by the Company in computing its income for the purposes of Part I of the ITA but for the renunciation; and
 - (iv) will not be subject to any reduction under subsection 66(12.73) of the ITA;
- (r) Mayo Lake will not knowingly renounce any of the Qualifying Expenditures to a trust, Company or partnership with which the Company has a prohibited relationship as defined in subsection 66(12.671) of the ITA; and
- (s) Mayo Lake will not reduce the amount renounced to any Flow-Through Purchaser pursuant to subsection 66(12.6) of the ITA or subsection 66(12.66) of the ITA
- (t) .

10. Covenants of the Agent

10.1 The Agent hereby covenant and agree with Mayo Lake the following:

- (a) *IPO Jurisdictions and Offering Price.* During the period of distribution of the Offered Securities by or through the Agent, the Agent will offer and sell Offered Securities to the public only in the IPO Jurisdictions or where they may lawfully be offered for sale or sold directly and through other duly registered investment dealers and brokers (the Agent, together with such other investment dealers and brokers, are referred to herein as the "**Selling Firms**"), upon the terms and conditions set forth in the Final Prospectus and in this Agreement. For the purposes of this Section 10.1(a), the Agent shall be entitled to assume that the Offered Securities are qualified for distribution in any IPO Jurisdiction where a receipt (or deemed receipt) has been obtained under the Passport Procedures for the Final Prospectus from the applicable Securities Commission following the filing of the Final Prospectus.

- (b) *Compliance with Applicable Securities Laws.* The Agent shall comply with, and will instruct any Selling Firms to comply with, the applicable Canadian Securities Laws in connection with the offer to sell and distribution of the Offered Securities and shall not, directly or indirectly, solicit offers to purchase or sell the Offered Securities or deliver any Offering Documents so as to require registration of the Offered Securities or filing of a prospectus or registration statement with respect to the Offered Securities or compliance by the Company with regulatory requirements (including any continuous disclosure obligations or similar reporting obligations) under the laws of any jurisdiction other than the IPO Jurisdictions, including, without limitation, the United States and the Agent shall not, and shall not instruct any Selling Firm to not, make any representations or warranties with respect to the Company or the Offered Securities, other than as set forth in the Offering Documents.
 - (c) *Completion of Distribution.* The Agent will use their reasonable best efforts to complete the distribution of the Offered Securities as promptly as possible after the Time of Closing and will notify Mayo Lake when, in the Agent's opinion, the Agent have ceased the distribution of the Offered Securities, and, within 30 days after completion of the distribution, will provide Mayo Lake, in writing, with a breakdown of the number of the Agent shares distributed in each of the IPO Jurisdictions where that breakdown is required by a Securities Commission for the purpose of calculating fees payable to, or making filings with, that Securities Commission.
 - (d) *Flow-Through Subscription Agreements.* The Agent will obtain from each Flow-Through Purchaser and deliver to the Company a Flow-Through Subscription Agreement in respect of any the Agent shares purchased by Flow-Through Purchasers.
- 10.2 *Liability on Default.* No Agent shall be liable to Mayo Lake under this Agreement with respect to any act, omission or default by any of the other Agent, as the case may be, or for any default resulting from the Company's failure to comply with Applicable Securities Laws.
- 11. Closing**
- 11.1 *Location of Closing.* The purchase and sale of the Offered Securities will be completed at the offices of Irwin Lowy LLP in Toronto, Ontario at the Time of Closing on the Closing Date.
- 11.2 *Certificates.* At the Time of Closing on the Closing Date, subject to the terms and conditions contained in this Agreement, Mayo Lake shall deliver to the Agent a certificate or certificates representing Offered Securities against payment of the Offer Price set out in this Agreement by wire transfer on the Closing Date payable to Mayo Lake or if requested, utilize the non-certificated inventory system of CDS Clearing and Depository Service Inc. (the "**NCI System**"). Mayo Lake will, at the Time of Closing on the Closing Date and upon such payment of the aggregate Offer Price to Mayo Lake, make payment in full of the Agency Fee by wire transfer on the Closing Date to the Agent. Certificates representing the Offered Securities, if any, shall be registered in such names as the Agent may request provided such request is made at least two (2) Business Days prior to the Closing Date.

12. Compensation of the Agent

In consideration of the Agent's services to be rendered in connection with the Offering, the Company shall pay to the Agent a fee (the "**Agent's Fee**"), at the applicable Time of Closing, a cash commission of 7% of the gross amount raised pursuant to the Offering. In addition, the Agent will receive Agent's Warrants entitling the Agent to purchase that number of Agent Shares that is equal to 7% of the number of Offered Securities issued pursuant to the Offering, being a maximum of 805,000 Agent Warrants assuming the completion of the Maximum Offering. The Company shall be entitled to sell the Offered Securities in the IPO to certain "president's list" purchasers to a maximum of \$1,000,000 (the "**President's List**"). The Agent shall not be entitled to receive any Agent's Fee with respect to the Offered Securities issued pursuant to the President's List.

13. Termination Rights

13.1 It is understood that any Agent may waive in whole or in part, or extend the time for compliance with any of the terms and conditions in this Agreement without prejudice to its rights in respect of any subsequent breach, provided that to be binding on an Agent any such waiver or extension must be in writing and executed by such Agent.

13.2 In addition to any other remedies which may be available to the Agent in respect of any default, act or failure to act, or non-compliance with the terms of this Agreement by Mayo Lake, any Agent shall be entitled, at such Agent's option, to terminate and cancel, without any liability on such Agent's part, such Agent's obligations under this Agreement to purchase the Offered Securities, at or at any time prior to the applicable Time of Closing:

- (a) (i) except for any inquiry, action, suit, investigation or other proceeding based solely upon the activities of the Agent in connection with the Offering, in relation to Mayo Lake, any inquiry, action, suit, investigation or other proceeding, whether formal or informal, is commenced, announced, or threatened or any order or ruling is issued by any exchange or market, or any other regulatory authority in Canada or the United States; or (ii) any law or regulation under or pursuant to any statute of Canada or of any province thereof, or of the United States or any state or territory thereof, is promulgated or changed which inquiry, action, suit, investigation, proceeding, order, ruling, law or regulation, in the opinion of the Agent, acting reasonably, operates to prevent or materially restrict the distribution or trading of the Offered Securities or which, in the opinion of the Agent, in its sole discretion, acting reasonably, would reasonably be expected to have a significant adverse effect on the market price or value of the Offered Securities;
- (b) there is a material change or a change in any material fact or a new material fact arises or is discovered that in the opinion of the Agent, in its sole discretion, acting reasonably, would be expected to have a significant adverse effect on the business, operations or capital of Mayo Lake, or a significant adverse effect on the market price or value of the Offered Securities;
- (c) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, including, without limiting the generality of the foregoing, any natural catastrophe, act of war, civil insurrection, pandemic (including, without limitation, matters caused by, relating

to or resulting from the COVID-19 pandemic, to the extent that there is any material adverse development related thereto, in such Agent's opinion, or similar event or any escalation thereof), terrorist action or similar event (whether or not in connection with such conflict or insurrection) or any governmental action, change of applicable law or regulation (or in the judicial interpretation thereof), inquiry or other occurrence of any nature whatsoever which, in such Agent's opinion, in its sole discretion, acting reasonably, seriously adversely affects the market price or value of the Offered Securities, or will seriously adversely affect the financial markets or the business, operations or affairs of the Company;

- (d) Mayo Lake is in breach of any material term, condition or covenant of this Agreement, or any representation or warranty given by Mayo Lake in this Agreement becomes, is discovered to be (whether by due diligence of the Agent or otherwise) or is materially false, and such breach or such materially false representation is: (i) in the reasonable opinion of such Agent (acting reasonably) not capable of being cured prior to the Closing Date; (ii) would result in the failure of any condition precedent set out in Section 6 hereof; or (iii) has not been rectified to the reasonable satisfaction of the Agent (acting reasonably) within 24 hours of when such Agent provides notice to Mayo Lake of the same; or
- (e) Mayo Lake is in breach of the requirements of Section 2.1.

- 13.3 The rights of termination contained in this section may be exercised by any Agent giving written notice thereof to the Company and the other Agent at any time prior to the applicable Time of Closing and are in addition to any other rights or remedies the Agent 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, there shall be no further liability or obligation on the part of such Agent to the Company or on the part of the Company to the Agent except in respect of any liability or obligation under any of Section 14, Section 15 and Section 16, which will remain in full force and effect.

14. Indemnity

- 14.1 Mayo Lake covenants and agrees to protect, indemnify, and save harmless, each of the Agent and each of their respective directors, officers, and employees (individually, an "**Indemnified Party**" and, collectively, the "**Indemnified Parties**"), against all losses (other than loss of profits and any other indirect or consequential damages arising in connection with such loss of profits), claims, suits, demands, liabilities, costs, damages, or expenses caused or incurred, whether directly or indirectly, by reason of:

- (a) any of the Offering Documents, or any certificate of Mayo Lake delivered hereunder, containing, or being alleged to contain, a misrepresentation (as defined herein) or any misstatement of a material fact or any omission or alleged omission to state in the Offering Documents any material fact (except for any information and statements relating solely to the Agent and furnished by them specifically for use in the Offering Documents) required to be stated in the Offering Documents for such Offering Documents to contain full, true and plain disclosure of all material facts as required by Applicable Securities Laws or necessary to make any of the statements therein not misleading in light of the circumstances in which they were made;

- (b) any order made, or inquiry, action, suit, investigation or proceeding commenced or threatened by any court, securities regulatory authority, stock exchange or other competent authority or any change of law or the interpretation or administration thereof based upon any misrepresentation, untrue statement or omission or any alleged misrepresentation, untrue statement or omission in the Offering Documents (except for information and statements relating solely to the Agent and furnished by them specifically for use in such documents) that operates or prevents or restricts the trading in any of Mayo Lake's securities or the distribution of any of the Offered Securities in any of the IPO Jurisdictions;
- (c) Mayo Lake not complying, or alleged to have not complied, with any Applicable Securities Laws or stock exchange requirements in connection with the transactions herein contemplated including Mayo Lake's non-compliance or alleged non-compliance with any statutory requirement to make any document available for inspection or to file or deliver any such document with or to a securities regulatory authority; or
- (d) any breach of or default under a representation, warranty, covenant or agreement of Mayo Lake contained in this Agreement or any other document delivered pursuant to this Agreement or under Applicable Securities Laws, or the failure of Mayo Lake to comply with any of its obligations under this Agreement or under Applicable Securities Laws,

provided that, if and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made determines that such losses, claims, damages, suits, liabilities, costs or expenses resulted from the fraud, gross negligence, or wilful misconduct of the Indemnified Party claiming indemnity, such Indemnified Party shall promptly reimburse to the Company any funds advanced to the Indemnified Party in respect of such losses, claims, damages, suits, liabilities, costs or expenses and the indemnity provided for in this Section 14 shall cease to apply to such Indemnified Party in respect of such losses, claims, damages, suits, liabilities, costs or expenses; provided that for greater certainty, the foregoing shall not disentitle an Agent from indemnification hereunder to the extent that gross negligence, if any, relates to the Agent's failure to conduct adequate "due diligence".

- 14.2 If any Indemnified Party receives notice of any formal proceeding commenced against it in a court of competent jurisdiction in respect of which indemnification is or might reasonably be considered to be provided under any of Section 14.1, such Indemnified Party will notify the indemnifying party (the "**Indemnifier**") as soon as possible of the nature of such claim (provided that the omission to so notify the Indemnifier will not relieve the Indemnifier of any liability that it may otherwise have to the Indemnified Party hereunder, except and only to the extent the Indemnifier is materially prejudiced by such omission) and the Indemnifier shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim; provided, however, that the defence shall be through legal counsel reasonably acceptable to such Indemnified Party and that no settlement may be made by the Indemnifier or such Indemnified Party without the prior written consent of the other, such consent not to be unreasonably withheld.
- 14.3 In any such claim, such Indemnified Party shall have the right to retain other legal counsel to act on such Indemnified Party's behalf, provided that the reasonable fees and disbursements of such other legal counsel shall be paid by such Indemnified Party, unless: (i) the Indemnifier fails to assume the defence of such suit on behalf of the Indemnified Party within ten (10) Business Days of receiving actual notice of such suit or having assumed such defense, fails to pursue it; (ii) the

employment of such counsel has been authorized by the Indemnifier; or (iii) the named parties to any such suit (including any added or third parties) include both the Indemnified Party and the Indemnifier, and the Indemnified Party has been advised in writing by counsel that there may be one or more legal defences available to the Indemnified Party which are different from or in addition to those available to the Indemnifier or the Indemnified Party is advised by counsel that there is an actual or potential conflict between the interests of the Indemnified Party and the Indemnifier (in each of which cases the Indemnifier shall not have the right to assume the defence of such suit on behalf of the Indemnified Party), in any of which circumstances the Indemnified Party shall be required to keep the Indemnifier apprised of the developments of the claim (except in the case where there is actual or potential conflict), including providing copies of any material documents related thereto to the Indemnifier, and the Indemnifier shall be liable to pay the reasonable fees and expenses of the counsel for the Indemnified Party, provided that in no circumstances will the Indemnifier be required to pay the fees and expenses of more than one set of legal counsel for all the Indemnified Parties.

- 14.4 To the extent that any Indemnified Party is not a party to this Agreement, the Agent shall obtain and hold the right and benefit of this section in trust for and on behalf of such Indemnified Party.
- 14.5 The Indemnifier hereby consents to personal jurisdiction in any court in which any claim that is subject to indemnification hereunder is brought against the Agent or any Indemnified Party and to the assignment of the benefit of this section to any Indemnified Party for the purpose of enforcement provided that nothing herein shall limit the Indemnifier's right or ability to contest the appropriate jurisdiction or forum for the determination of any such claims.
- 14.6 Except as contemplated in this section, no Indemnifier shall be liable under this section for any settlement of any claim or action effected without its prior written consent, which shall not be unreasonably withheld.

15. Contribution

In order to provide for just and equitable contribution in circumstances in which the indemnity provided in Section 14 would otherwise be available in accordance with its terms but is, for any reason not attributable to any one or more of the Indemnified Parties, held to be unavailable to or unenforceable by an Indemnified Party or is insufficient to hold the Indemnified Party harmless, the Company shall contribute to the amount paid or payable (or, if such indemnity is unavailable only in respect of a portion of the amount so paid or payable, such portion of the amount so paid or payable) by such Indemnified Party as a result of such liabilities, claims, suits, demands, losses, costs, damages and expenses:

- (a) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Agent on the other from the offering of the Offered Securities; or
- (b) if the allocation provided by clause (a) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (a) above but also the relative fault of the Company on the one hand and the Agent on the other hand in connection with the matters or things referred to in which resulted in such liabilities, claims, suits, demands, losses, costs, damages or expenses, as well as any other relevant equitable considerations,

provided that the Agent shall not in any event be liable to contribute, in the aggregate, any amount in excess of the Agency Fee or any portion thereof actually received.

The relative benefits received by the Company on the one hand and the Agent on the other shall be deemed to be in the same ratio as the total proceeds from the offering of the Offered Securities (net of the Agency Fee payable to the Agent but before deducting expenses) received by the Company is to the Agency Fee received by the Agent. Notwithstanding the foregoing, a Person guilty of fraud, gross negligence or willful misconduct shall not be entitled to contribution from any other party.

The relative fault of the Company on the one hand and of the Agent on the other shall be determined by reference to, among other things, whether the matters or things referred to in Section 14 which resulted in such liabilities, claims, suits, demands, losses, costs, damages and expenses relate to information supplied by or steps or actions taken or done or not taken or done by or on behalf of the Company or to information supplied by or steps or actions taken or done or not taken or done by or on behalf of the Agent and the relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission or misrepresentation, or other matter or thing referred to in Section 14. The amount paid or payable by an Indemnified Party as a result of the liabilities, claims, suits, demands, losses, costs, damages and expenses referred to above shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such liabilities, claims, suits, demands, losses, costs, damages and expenses, whether or not resulting in an action, suit, proceeding or claim.

The parties agree that it would not be just and equitable if contribution pursuant to this Section 15 were determined by any method of allocation which does not take into account the equitable considerations referred to in this section.

16. Expenses

Whether or not the Offering is completed, the Company will be responsible for all of its expenses incurred in relation to the Offering, including the fees and disbursements of its legal counsel, the fees and disbursements of the Agent's counsel (provided that such fees shall be capped at \$25,000 plus applicable taxes and disbursements) the "out of pocket" costs and expenses of the Agent, the fees and disbursements of the Auditor, and technical consultants, Prospectus filing fees, stock exchange listing fees and printing costs.

For greater certainty, if the Offering is not completed due to any failure on the part of the Company to comply with the terms and conditions of this Agreement the Company will reimburse the Agent for all costs and expenses.

17. Action by Agent

All steps which must or may be taken by the Agent in connection with this Agreement, with the exception of: (a) the matters relating to termination contemplated by Section 13; (b) settlement of any indemnity claim contemplated by Section 14; and (c) waiver of a condition of closing as contemplated by Section 6, shall be taken by the Agent, on behalf of itself and the other Agent, and the execution of this Agreement shall constitute Mayo Lake's authority for accepting notification of any such steps from, and for delivering the definitive certificates or electronic deposit representing the Offered Securities to, or to the account of, the Agent.

18. Governing Law

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

19. Survival of Warranties, Representations, Covenants and Agreements

Except as expressly provided for in this Agreement, all warranties, representations, covenants and agreements of Mayo Lake and the Agent herein contained, or contained in documents submitted or required to be submitted pursuant to this Agreement, shall survive the purchase by the Agent of the the Agent shares and shall continue in full force and effect, regardless of the closing of the sale of the the Agent shares and regardless of any investigation which may be carried on by the Agent, or on their behalf, for a period of three years following the Closing Date. Without limitation of the foregoing, the provisions contained in this Agreement in any way related to the indemnification or the contribution obligations shall survive and continue in full force and effect, indefinitely, subject only to the limitation requirements of applicable law.

20. No Fiduciary Relationship

The Company hereby acknowledges that the Agent are acting solely as agent in connection with the purchase and sale of the Offered Securities. The Company further acknowledges that the Agent are acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis, and in no event do the parties intend that the Agent act or be responsible as a fiduciary to the Company, its management, shareholders or creditors or any other Person in connection with any activity that the Agent may undertake or have undertaken in furtherance of the purchase and sale of the Offered Securities, either before or after the date hereof. The Agent hereby expressly disclaim any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to that effect. The Company and the Agent agree that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Agent to the Company regarding such transactions, including, but not limited to, any opinions or views with respect to the price or market for the Offered Securities, do not constitute advice or recommendations to the Company. The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Agent with respect to any breach or alleged breach of any fiduciary or similar duty to the Company in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions.

21. Notices

All notices or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by facsimile delivered or facsimile to such other party as follows:

- (a) to Mayo Lake at:

Mayo Lake Mineral Inc.
110 West Hunt Drive
Carp, Ontario K0A 1L0

Attention: Dr. Vern Rampton, President and Chief Executive Officer
Email: vrampton@rogers.com

(b) to the Agent at:

Stephen Avenue Securities Inc.
217 Queen Street West, Suite 402

Toronto, ON M5V 0R2

Attention: Michael Cappuccitti
Email: MCappuccitti@stephenavenue.com

or at such other address or facsimile number as may be given by either of them to the other in writing from time to time and such notices or other communications shall be deemed to have been received when delivered or, if facsimile, on the next Business Day after such notice or other communication has been facsimile (with receipt confirmed).

22. Counterpart Signature

This Agency Agreement may be executed in one or more counterparts (including counterparts by facsimile or PDF), which together shall constitute an original copy hereof as of the date first noted above.

23. Time of the Essence

Time shall be of the essence in this Agreement.

24. Severability

If any provision of this Agreement is determined to be void or unenforceable, in whole or in part, such void or unenforceable provision shall not affect or impair the validity of any other provision of this Agreement and shall be severable from this Agreement.

25. Entire Agreement

This Agency Agreement constitutes the entire agreement among the Agent and Mayo Lake relating to the subject matter hereof.

26. Acceptance

If this Agreement accurately reflects the terms of the transaction which we are to enter into and if such terms are agreed to by Mayo Lake, please communicate your acceptance by executing where indicated below and returning by facsimile or PDF one copy and returning by an originally executed copy to the Agent.

Yours very truly,

STEPHEN AVENUE SECURITIES INC.

By: “Michael Cappuccitti”
Name: Michael Cappuccitti
Title: Chief Executive Officer

The foregoing accurately reflects the terms of the transaction that we are to enter into and such terms are agreed to.

ACCEPTED as of this 15th day of December, 2021

MAYO LAKE MINERALS INC.

By: “Dr. Vern Rampton”

Name: Dr. Vern Rampton

Title: President and Chief Executive Officer

SCHEDULE A
FORM OF SUBSCRIPTION AND RENUNCIATION AGREEMENT

MAYO LAKE MINERALS INC.
SUBSCRIPTION AND RENUNCIATION AGREEMENT
FOR FLOW-THROUGH SHARES

TO: MAYO LAKE MINERALS INC. (the “Corporation”)

1. Each of those persons listed on Appendix “A” attached hereto (each a “**Subscriber**” and collectively, the “**Subscribers**”) by _____, as their duly authorized agent (the “**Agent**”) hereby subscribes for their respective number set out on Appendix “A” of flow-through units in the capital of the Corporation (“**FT Units**”). Each FT Units will be comprised of one common share issued on a “flow-through” bases (each, a “**Flow Through Share**”) and one-half of one whole common share purchase warrant (each whole warrant, a “**Warrant**”). Each Warrant shall entitle the holder thereof to acquire one common share in the capital of the Corporation at a price of \$0.20 per common share until the date that is thirty-six (36) months from the date of issuance, subject to an acceleration provision whereby if the closing price of the Common Shares on a national stock exchange in Canada is at least \$0.30 for a minimum of ten consecutive trading days, the Warrants will expire 30 days after the Corporation provides notice of such accelerated expiry to the holders of the Warrants. The Flow Through Shares to be issued as “flow-through shares” as defined in the ITA (as defined herein), upon the terms and subject to the conditions set forth in the agreement constituted by the acceptance hereof (the “**Subscription Agreement**”) and as described in the Corporation’s (final) long form prospectus dated December 15, 2021 (the “**Final Prospectus**”). The Agent shall tender payment on behalf of the Subscribers of the aggregate subscription price for _____ FT Units in the sum of \$ _____ on the Closing Date (as defined herein), such amount forming the aggregate gross proceeds payable to the Corporation on the Closing Date pursuant to an agency agreement among the Corporation and StephenAvenue Securities Inc. dated December 15, 2021 (the “**Agency Agreement**”).
2. In this Subscription Agreement:
 - (a) “**Aggregate Commitment Amount**” means an amount equal to \$0.15 multiplied by the aggregate number of FT Units subscribed for and paid for pursuant to this Subscription Agreement and received by the Corporation.
 - (b) “**Agent**” has the meaning given to that term in Section 1.
 - (c) “**Business Day**” means a day other than a Saturday, Sunday or any other day on which the principal offices of Canadian Schedule I banks located in the City of Toronto, Ontario, are not open for business.
 - (d) “**CEE**” means an expense described in paragraph (f) of the definition of Canadian exploration expense in subsection 66.1(6) of the ITA, or which would be included in paragraph (h) of that definition if the reference therein to “paragraphs (a) to (d) and (f) to (g.4)” were read as “paragraph (f),” other than amounts which are prescribed to be “Canadian exploration and development overhead expense” for the purposes of paragraph 66(12.6)(b)

of the ITA, the cost of acquiring or obtaining the use of seismic data described in paragraph 66(12.6)(b.1) of the ITA, the amount of assistance described in paragraph 66(12.6)(a) of the ITA 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 the term “expense” in subsection 66(15) of the ITA.

- (e) “**Closing Date**” means December 30, 2021 or any earlier or later date as may be agreed to by the Corporation and the Agent in accordance with the Agency Agreement.
- (f) “**Common Shares**” means the common shares in the capital of the Corporation.
- (g) “**Corporation**” means Mayo Lake Minerals Inc. and includes any successor corporation to, or of, the Corporation.
- (h) “**CRA**” means the Canada Revenue Agency.
- (i) “**Final Prospectus**” has the meaning given to that term in Section 1.
- (j) “**Flow-Through Mining Expenditure**” means an expense that will, once renounced by the Corporation pursuant to the ITA to a Subscriber, who is an individual (other than a trust or estate), qualify as a “flow-through mining expenditure” as defined in subsection 127(9) of the ITA of the Subscriber or, where the Subscriber is a partnership, of the members of the Subscriber who are individuals (other than a trust or estate) to the extent of their respective shares of the expense so renounced.
- (k) “**Flow-Through Shares**” has the meaning given to that term in Section 1.
- (l) “**including**” means “including, without limitation”.
- (m) “**Indemnified Person**” has the meaning given to that term in Section 4(q).
- (n) “**ITA**” means the *Income Tax Act* (Canada), together with any and all regulations promulgated thereunder, as amended, re-enacted or replaced from time to time and any proposed amendments thereto announced publicly by or on behalf of the Minister of Finance (Canada) from time to time.
- (o) “**Other Agreements**” has the meaning given to that term in Section 4(s).
- (p) “**Person**” includes any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning.
- (q) “**Prescribed Forms**” means the forms prescribed from time to time under subsection 66(12.7) of the ITA to be filed by the Corporation within the prescribed time renouncing to the Subscriber the Qualifying Expenditures incurred pursuant to this Subscription Agreement and all parts or copies of such forms required by the CRA to be delivered to the Subscriber.
- (r) “**Qualifying Expenditure**” means an expense which is a CEE incurred on or after the Closing Date and on or before the Termination Date, which may be renounced by the

Corporation pursuant to subsection 66(12.6) of the ITA, in conjunction with subsection 66(12.66) of the ITA, as necessary, with an effective date not later than December 31, 2021 and in respect of which, but for the renunciation, the Corporation would be entitled to a deduction from income for income tax purposes, and on the date it is renounced is a Flow-Through Mining Expenditure.

- (s) “**Subscriber**” and “**Subscribers**” have the meanings given to those terms in Section 1.
 - (t) “**Subscription Agreement**” has the meaning given to that term in Section 1; “**hereof**”, “**hereto**”, “**hereunder**”, “**herein**” and similar expressions mean and refer to this Subscription Agreement and not to a particular Article or Section; and the expression “**Article**” or “**Section**” followed by a number means and refers to the specified Article or Section of this Subscription Agreement.
 - (u) “**Subscription Amount**” means, in respect of a Subscriber, the respective portion of the Aggregate Commitment Amount paid by such Subscriber and as indicated for such Subscriber under the heading “Aggregate Subscription Amount” on Appendix “A”.
 - (v) “**Termination Date**” means December 31, 2022.
 - (w) “**United States**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.
 - (x) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended.
 - (y) “**U.S. Person**” means a “U.S. person” as such term is defined in Regulation S under the U.S. Securities Act.
3. Except as a result of any agreement, arrangement, undertaking or understanding to which the Corporation is not party and of which it has no knowledge, upon issue, the Flow-Through Shares will be “flow-through shares” as such term is defined in subsection 66(15) of the ITA and will not be “prescribed shares” within the meaning of section 6202.1 of the regulations to the ITA. The Corporation agrees to:
- (a) incur (or be deemed to incur) Qualifying Expenditures in an amount equal to the Aggregate Commitment Amount during the period from and after the Closing Date to and including the Termination Date; and
 - (b) renounce to each Subscriber Qualifying Expenditures equal to the Subscription Amount of such Subscriber with an effective date no later than December 31, 2021,
- in connection with exploration work on the Corporation’s general exploration expenditures on properties located in the Yukon Territory, Canada.
4. In addition, the Corporation hereby represents and warrants to, and covenants with each Subscriber as follows and acknowledges that the Subscriber is relying on such representations, warranties and covenants in connection with the transactions contemplated herein:
- (a) The Corporation has been duly incorporated and is validly subsisting and in good standing under the laws of the Province of Ontario and has all requisite corporate power and capacity to enter into and carry out its obligations under this Subscription Agreement.

- (b) The Corporation has the full corporate right, power and authority to execute and deliver this Subscription Agreement, to issue the FT Units to the Subscriber and to incur and renounce to the Subscriber Qualifying Expenditures in an amount equal to the Subscription Amount.
- (c) This Subscription Agreement constitutes a binding obligation of the Corporation enforceable in accordance with its terms.
- (d) The Corporation has not entered into any agreements or made any covenants with any parties that would restrict the Corporation from entering into this Subscription Agreement and agreeing to incur and renounce Qualifying Expenditures between the Closing Date and the Termination Date, inclusive, in accordance with this Subscription Agreement, nor that would require the prior renunciation to any other Person of Qualifying Expenditures prior to the renunciation of the Aggregate Commitment Amount in favour of the Subscribers hereunder.
- (e) Except for any agreement, arrangement, undertaking or understanding to which the Corporation is not a party and of which it has no knowledge, upon issue the Flow-Through Shares will be “flow-through shares” as defined in subsection 66(15) of the ITA and will not be “prescribed shares” within the meaning of section 6202.1 of the regulations to the ITA.
- (f) The Corporation is and will continue to be a “principal-business corporation” as defined in subsection 66(15) of the ITA, until such time as all of the Qualifying Expenditures required to be renounced under this Subscription Agreement have been incurred (or deemed to be incurred) and validly renounced pursuant to the ITA.
- (g) The Corporation shall use the Aggregate Commitment Amount to incur Qualifying Expenditures.
- (h) The Corporation hereby agrees to incur Qualifying Expenditures in an amount equal to the Subscription Amount during the period from and after the Closing Date to and including the Termination Date in accordance with this Subscription Agreement and agrees to renounce to the Subscriber, pursuant to subsection 66(12.6) or 66(12.66) of the ITA, such Qualifying Expenditures, with an effective date no later than December 31, 2021.
- (i) The Corporation has no reason to believe that it will be unable to incur, on or after the Closing Date and on or before the Termination Date or that it will be unable to renounce to the Subscriber effective on or before December 31, 2021, Qualifying Expenditures in an amount equal to the Subscription Amount and the Corporation has no reason to expect any reduction of such amount by virtue of subsection 66(12.73) of the ITA.
- (j) The Corporation shall deliver to the Subscriber, on or before March 1, 2022, the relevant Prescribed Forms (including form T101), fully completed and executed, renouncing to the Subscriber the Qualifying Expenditures in an amount equal to the Subscription Amount with an effective date of no later than December 31, 2021, such delivery constituting the authorization of the Corporation to the Subscriber to file such Prescribed Forms with the relevant taxation authorities.
- (k) The expenses to be renounced by the Corporation to the Subscriber: (i) will constitute Qualifying Expenditures on the effective date of the renunciation; (ii) will not include any

amount that has previously been renounced by the Corporation to the Subscriber or to any other Person; (iii) would be deductible by the Corporation in computing its income for the purposes of Part I of the ITA but for the renunciation to the Subscriber; (iv) will qualify as Flow-Through Mining Expenditures; and (v) will not be subject to any reduction under subsection 66(12.73) of the ITA.

- (l) The Corporation will not knowingly renounce any of the Qualifying Expenditures to a trust, corporation or partnership with which the Corporation has a prohibited relationship as defined in subsection 66(12.671) of the ITA.
- (m) The Corporation shall not reduce the amount renounced to the Subscriber pursuant to subsection 66(12.6) of the ITA or subsection 66(12.66) of the ITA.
- (n) The Corporation shall not be subject to the provisions of subsection 66(12.67) of the ITA in a manner which impairs its ability to renounce Qualifying Expenditures to the Subscriber in an amount equal to the Subscription Amount.
- (o) If the Corporation receives, or becomes entitled to receive, or may reasonably be expected to receive, any assistance which is described in the definition of “assistance” in subsection 66(15) of the ITA and the receipt of, or entitlement or reasonable expectation to receive, such assistance has or will have the effect of reducing the amount of Qualifying Expenditures validly renounced to the Subscriber hereunder to less than the Subscription Amount, the Corporation will incur additional Qualifying Expenditures using funds from sources other than the Subscription Amount in an amount equal to such assistance, such that the aggregate Qualifying Expenditures renounced to the Subscriber effective no later than December 31, 2021 pursuant to the terms of this Subscription Agreement will not be less than nor exceed the consideration paid by the Subscriber for the FT Units.
- (p) The Corporation shall file with the CRA and with any applicable provincial tax authority, before March of the year following a particular year, any return required to be filed under Part XII.6 of the ITA (or any corresponding provision of applicable provincial law) in respect of the particular year, and will pay any tax or other amount owing in respect of that return on a timely basis.
- (q) If the Corporation does not renounce to the Subscriber, effective no later than December 31, 2021, Qualifying Expenditures equal to the Subscription Amount, the Corporation shall indemnify and hold harmless the Subscriber and each of the partners thereof if the Subscriber is a partnership or a limited partnership (for the purposes of this paragraph each an “**Indemnified Person**”) as to, and pay to the Indemnified Person on or before the 20th Business Day following the date the amount is definitively determined, an amount equal to the amount of any tax payable (within the meaning of subparagraph (c) of the definition of “excluded obligation” at subsection 6202.1(5) of the regulations to the ITA) under the ITA (and under the corresponding provincial legislation) by any Indemnified Person as a consequence of such failure. In the event that the amount renounced by the Corporation to the Subscriber is reduced pursuant to subsection 66(12.73) of the ITA or under corresponding provincial legislation, the Corporation shall indemnify and hold harmless each Indemnified Person as to, and pay to the Indemnified Person on or before the 20th Business Day following the date that the Corporation is provided with a copy of the notice of assessment or reassessment issued by the CRA to the Subscriber pursuant to which such amount of tax is determined, an amount equal to the amount of any tax payable (within the meaning of subparagraph (c) of the definition of “excluded obligation” at subsection

6202.1(5) of the regulations to the ITA) under the ITA (and under the corresponding provincial legislation) by the Indemnified Person as a consequence of such reduction provided that nothing in this paragraph shall derogate from any rights or remedies the Subscriber may have at common law or civil law with respect to liabilities other than those payable under the ITA. The Corporation hereby appoints the Agent as trustee in respect of the rights and benefits of this paragraph for, and on behalf of, and the Agent hereby obtains and holds the rights and benefits of this paragraph in trust for, and on behalf of, each Indemnified Person and the Corporation hereby agrees that the Indemnified Persons shall be entitled to enforce the provisions of this paragraph notwithstanding that such Indemnified Persons may not be party to this Subscription Agreement.

- (r) The Corporation shall file with the CRA (or any applicable provincial authority) within the time prescribed by subsection 66(12.68) of the ITA (or the corresponding provisions of any provincial legislation), the forms prescribed for the purposes of such legislation together with a copy of this Subscription Agreement or any “selling instrument” contemplated by such legislation and shall forthwith following such filing provide to the Subscriber a copy of such form certified by an officer of the Corporation.
- (s) The Corporation shall incur and renounce Qualifying Expenditures pursuant to this Subscription Agreement and any other agreements (the “**Other Agreements**”) with other Persons providing for the issue of Common Shares that qualify as “flow-through shares” as defined in subsection 66(15) of the ITA entered into by the Corporation on the Closing Date before incurring and renouncing Qualifying Expenditures pursuant to any other agreement which the Corporation may subsequently enter into after the Closing Date with any Person with respect to the issue of shares or rights which qualify as “flow-through shares” as defined in subsection 66(15) of the ITA. If the Corporation is required under the ITA or otherwise to reduce Qualifying Expenditures previously renounced to the Subscriber, and unless the Subscriber would not be adversely affected or otherwise agrees, the reduction shall be made pro rata by the number of Flow-Through Shares issued or to be issued to each Subscriber pursuant to this Subscription Agreement and each subscriber pursuant to any Other Agreements only after it has first reduced to the extent possible all CEE renounced to Persons (other than the Subscribers and the subscribers under the Other Agreements) under any agreements relating to shares or rights which qualify as “flow-through shares” as defined in subsection 66(15) of the ITA entered into after the Closing Date.
- (t) Upon the Corporation becoming aware of the fact that an amount purportedly renounced pursuant to this Subscription Agreements exceeds the amount that it is entitled to renounce under the ITA, it will notify the Subscriber and comply with subsection 66(12.73) of the ITA, including the filing with the CRA of the statements contemplated therein, a copy of which will be sent concurrently to the Subscriber.
- (u) The Corporation will maintain proper, complete and accurate accounting books and records relating to the Qualifying Expenditures and the amounts renounced to the Subscriber under this Agreement. The Corporation will retain all such books and records as may be required to support the renunciation of Qualifying Expenditures contemplated by this Subscription Agreement and shall make such books and records available for inspection and audit by or on behalf of the Subscriber (at the Subscriber’s sole expense).

- (v) The Corporation shall not enter into any other agreement which would prevent or restrict its ability to renounce Qualifying Expenditures to the Subscriber in the amount of the Subscription Amount payable by the Subscriber.
 - (w) The Corporation shall perform and carry out all acts and things to be completed by it as provided in this Subscription Agreement.
 - (x) If the Corporation amalgamates with any one or more companies, any shares issued to or held by the Subscriber as a replacement for the Flow-Through Shares as a result of such amalgamation will qualify, by virtue of subsection 87(4.4) of the ITA, as “flow-through shares” as defined in subsection 66(15) of the ITA and in particular will not be “prescribed shares” as defined in section 6202.1 of the regulations to the ITA.
 - (y) The Corporation has never been in default of any of its legal obligations in respect of any flow-through share financings previously undertaken by the Corporation, including entering into any agreements or making any covenants with any parties with respect to the renunciation of CEE, which amounts have not been fully expended and renounced as required under such agreements or covenants.
 - (z) The representations, warranties, obligations and agreements of the Corporation contained in this Subscription Agreement or in connection with the purchase and sale of the FT Units shall survive the purchase of the FT Units, the termination of this Subscription Agreement and the distribution of the Flow-Through Shares pursuant to the Prospectus and shall continue in full force and effect for such maximum period of time as any Subscriber may be entitled to commence an action, or exercise a right of rescission, with respect to a misrepresentation contained or incorporated by reference in the Prospectus pursuant to applicable securities laws, for the benefit of the Subscriber, provided that with respect to those representations, warranties, obligations and agreements of the Corporation relating to tax matters contained in this Subscription Agreement, such representations, warranties, obligations and agreements shall survive and continue in full force and effect until the expiry of a period of 60 days after the date on which the applicable limitation period expires for action by the applicable taxation authorities.
5. Each Subscriber hereby represents and warrants to, and covenants with the Corporation as follows and acknowledges that the Corporation is relying on such representations and warranties in connection with the transactions contemplated herein:
- (a) The Subscriber has received and reviewed a copy of the Prospectus.
 - (b) The Subscriber:
 - (i) has such knowledge, or has received advice, in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the FT Units, including the potential loss of its entire investment;
 - (ii) is aware of the characteristics of the FT Units and understands the risks relating to an investment therein; and
 - (iii) is able to bear the economic risk of loss of its investment in the FT units and understands that it may lose its entire investment in the FT units.

- (c) The Subscriber is not a non-resident of Canada for purposes of the ITA.
- (d) The Subscriber is aware that the FT Units have not been and will not be registered under the U.S. Securities Act or the securities laws of any state and that the FT Units may not be offered or sold, directly or indirectly, in the United States without registration under the U.S. Securities Act and applicable state securities laws or compliance with the requirements of an exemption from registration therefrom and it acknowledges that the Corporation has no present intention of filing a registration statement under the U.S. Securities Act or applicable state securities laws in respect of the FT Units.
- (e) The Subscriber is not a U.S. Person and is not acquiring the FT units for the account or benefit of a U.S. Person or a person in the United States.
- (f) The FT units have not been offered to the Subscriber in the United States, and the individuals making the order to purchase the FT Units were not in the United States when the order was placed and this Subscription Agreement was executed and delivered by the Agent.
- (g) The Subscriber undertakes and agrees that it will not offer or sell any of the FT Units in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, or an exemption from such registration requirement is available.
- (h) The Agent is executing this Subscription Agreement on behalf of the Subscriber, as beneficial purchaser, and is the duly authorized agent of the Subscriber with due and proper power and authority to execute and deliver, on behalf of the Subscriber, this Subscription Agreement, any supplement or amendment thereto, and all other documentation in connection with the purchase of the FT Units hereunder, to agree to the terms and conditions herein set out and to make the representations, warranties, acknowledgments, and covenants herein contained, all as if the Subscriber were subscribing as principal for its own account and not for the benefit of any other Person and the actions of the Agent as agent are in compliance with applicable law and the Subscriber acknowledges that the Corporation may be required by law to disclose to certain regulatory authorities the identity of the Subscriber.
- (i) The entering into of this Subscription Agreement, the performance and compliance with the terms hereof, the subscription for the FT Units and the completion of the transactions described herein by the Subscriber will not result in any material breach of, or be in conflict with or constitute a material default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a material default under any term or provision of the constating documents, by-laws or resolutions of the Subscriber, if applicable, or any laws applicable to the Subscriber, any agreement to which the Subscriber is a party, or any judgment, decree, order, statute, rule or regulation applicable to the Subscriber.
- (j) If the Subscriber is:
 - (i) a corporation, the Subscriber is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to enter into this Subscription Agreement, to subscribe for the FT Units as contemplated herein and to carry out and perform its obligations under the terms of this Subscription Agreement;

- (ii) a partnership, syndicate or other form of unincorporated organization, the Subscriber has the necessary legal capacity and authority to enter into this Subscription Agreement and to observe and perform its covenants and obligations hereunder and has obtained all necessary approvals in respect thereof; or
 - (iii) an individual, the Subscriber is of the full age of majority in his or her jurisdiction of residence and is legally competent to enter into and be bound by this Subscription Agreement and to observe and perform his or her covenants and obligations hereunder.
- (k) The Subscriber deals, and until the Termination Date will continue to deal at all relevant times, at arm's length (within the meaning of the ITA) with the Corporation and is not a promoter of the Corporation.
- (l) The funds representing the Subscription Amount which will be advanced by the Subscriber to the Corporation hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "**PCMLTFA**"), the United Kingdom's *Proceeds of Crime Act 2002* (the "**POCA**") or the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (the "**PATRIOT Act**"), and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA, POCA or the PATRIOT Act. To the best of its knowledge: (a) none of the subscription funds to be provided by the Subscriber (i) have been or will be derived from or related to any activity that is deemed criminal under the law of Canada, the United States, or any other jurisdiction, or (ii) are being tendered on behalf of a Person who has not been identified to the Subscriber; and, (b) the Subscriber shall promptly notify the Corporation if the Subscriber discovers that any of such representations ceases to be true, and to provide the Corporation with appropriate information in connection therewith.
- (m) The Subscriber has not and will not enter into any agreement or arrangement which will cause the FT Shares to be or become "prescribed shares" for purposes of regulation 6202.1 to the ITA. The Corporation shall not be liable or responsible for any breach of any covenant or representation given in this Subscription Agreement if the FT Shares are prescribed shares as a result of any transaction or other agreement entered into by the Subscriber other than this Subscription Agreement.
- (n) For certainty and notwithstanding any other provisions of this Subscription Agreement, if the Subscriber is a Person entitled to an indemnity provided for under the Agency Agreement, such Person acknowledges that the FT Shares may not qualify as "flow-through shares" for purposes of subsection 66(15) of the ITA and accordingly may not be entitled to any of the tax benefits associated with the purchase of FT Shares.
- (o) If the Subscriber is a corporation, trust or partnership, it does not and will not have, in respect of a renunciation of Qualifying Expenditures hereunder, a "prohibited relationship" with the Corporation within the meaning of subsection 66(12.671) of the ITA.
- (p) The Subscriber acknowledges that if it is not dealing at arm's length (within the meaning of the ITA, including, if the Subscriber is a partnership, having regard to subsection 66(17) of the ITA) with the Corporation or ceases to be dealing at arm's length with the

Corporation prior to the Termination Date (i) the renunciation to the Subscriber of any Qualifying Expenditures incurred in 2022 will not be effective in 2021 but such Qualifying Expenditures should be deductible in 2022 and (ii) the Subscriber may be required to file appropriate amendments to the Subscriber's income tax returns. In addition, notwithstanding any other provisions contained in this Subscription Agreement, the indemnity contained in subsection 4(q) of this Subscription Agreement shall not apply in relation to any loss to the Subscriber in respect of Qualifying Expenditures that could not be renounced to the Subscriber effective December 31, 2021 because the Subscriber is not dealing at arm's length (within the meaning of the ITA including, if the Subscriber is a partnership, having regard to subsection 66(17) of the ITA) with the Corporation.

- (q) The Subscriber acknowledges that Appendix "A" contains certain personal information of the Subscriber which is being collected by the Corporation for the purposes of completing the offering of the FT Units, which includes, without limitation, completing filings required by any stock exchange or securities regulatory authority. The Subscriber's personal information may be disclosed by the Corporation to: (a) stock exchanges or securities regulatory authorities, (b) the CRA or other taxing authorities, and (c) any of the other parties involved in the offering of the Flow-Through Shares, including legal counsel to the Corporation and the Agent and may be included in record books in connection with the Offering. By authorizing the Agent to execute this Subscription Agreement on behalf of the Subscriber, the Subscriber is deemed to be consenting to the foregoing collection, use and disclosure of the Subscriber's personal information. The Subscriber also consents to the filing of copies or originals of the Subscription Agreement as may be required to be filed with any stock exchange or securities regulatory authority in connection with the transactions contemplated hereby.
 - (r) The covenants, representations and warranties of the Subscriber stated or referred to herein will survive the completion of the issuance of the FT Units and the completion of the transactions contemplated under this Subscription Agreement and the Agency Agreement.
- 6. Time shall be of the essence of this Subscription Agreement and every part hereof.
 - 7. This Subscription Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Ontario and the laws of Canada applicable therein. Any and all disputes arising under this Subscription Agreement, whether as to interpretation, performance or otherwise, shall be subject to the non-exclusive jurisdiction of the courts of the Province of Ontario and each of the parties hereto hereby irrevocably attorns to the jurisdiction of the courts of such Province.
 - 8. This Subscription Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same Subscription Agreement. Counterparts may be delivered either in original, PDF or faxed form and the parties adopt any signatures received by PDF or a receiving fax machine as original signatures of the parties.
 - 9. This Subscription Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors (including any successor by reason of the amalgamation or merger of any party), administrators and permitted assigns.
 - 10. It is the express wish of the Subscribers and the Agent that this Subscription Agreement and any related documentation be drawn up in English only. *Il est de la volonté expresse du souscripteur*

que la convention de souscription ainsi que tout document connexe soient rédigés en langue anglaise uniquement.

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DATED at the City of _____, in the Province of _____, this _____ day of December 2021.

as the duly authorized agent of the
Subscribers

Per: _____

This Subscription Agreement is accepted and agreed to by the Corporation at the City of Toronto, in the Province of Ontario, this _____ day of December, 2021.

MAYO LAKE MINERALS INC.

Per: _____
Name:
Title:

APPENDIX “A”
TO THE SUBSCRIPTION AND RENUNCIATION
AGREEMENT FOR CHARITY FLOW-THROUGH SHARES

[illegible]