

PROPERTY PURCHASE AGREEMENT

-BETWEEN-

GALLOPER GOLD CORP.

-AND-

VORTEX ENERGY CORP.

July 17, 2023

TABLE OF CONTENTS

ARTICLE 1 INTERPRETATION	1
1.1 Defined Terms.....	1
1.2 Certain Rules of Interpretation	7
ARTICLE 2 PURCHASED ASSETS AND PURCHASE PRICE	8
2.1 Purchase and Sale	8
2.2 Purchase Price	8
2.3 The Purchaser Common Shares	8
2.4 Adjustments to Purchaser Common Shares	11
2.5 Allocation of Purchase Price	12
ARTICLE 3 REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS	13
3.1 Representations and Warranties of the Vendor	13
3.2 Representations and Warranties of the Purchaser	19
ARTICLE 4 COVENANTS	20
4.1 Conduct of Business of the Vendor	20
4.2 Certain Covenants of the Vendor Relating to the Transaction	21
4.3 Covenants of the Purchaser Relating to the Transaction	22
4.4 Access to Information and Access for Due Diligence	22
4.5 Exclusive Dealing	22
4.6 Public Communications.....	22
4.7 Taxes.....	22
ARTICLE 5 CONDITIONS TO CLOSING	23
5.1 Conditions Precedent to the Obligations of the Purchaser	23
5.2 Conditions Precedent to the Obligations of the Vendor	24
ARTICLE 6 TERM AND TERMINATION	25
6.1 Termination	25
6.2 Effect of Termination	26
ARTICLE 7 CLOSING	26
7.1 Date, Time and Place of Closing	26
ARTICLE 8 INDEMNITY	26
8.1 Continuation of Representations, Warranties and Covenants and Indemnity	26
ARTICLE 9 GENERAL PROVISIONS	27
9.1 Amendments	27
9.2 Expenses	27
9.3 Further Assurances	27
9.4 Notices	28
9.5 Time of the Essence	28
9.6 Third Party Beneficiaries	28
9.7 Waiver	28
9.8 Entire Agreement	29
9.9 Successors and Assigns	29
9.10 Severability.....	29
9.11 Governing Law	29
9.12 Counterparts	29

SCHEDULES	DESCRIPTION
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Schedule "A"	Property
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PROPERTY PURCHASE AGREEMENT

THIS AGREEMENT is made as of July 17, 2023,

BETWEEN:

VORTEX ENERGY CORP., a corporation existing under the laws of British Columbia
(the "**Purchaser**")

- and -

GALLOPER GOLD CORP., a corporation existing under the laws of British Columbia
(the "**Vendor**")

WHEREAS the Vendor is the beneficial and registered owner of the Purchased Assets (as defined herein);

AND WHEREAS the Vendor desires to sell, and the Purchaser desires to purchase, the Purchased Assets upon and subject to the terms and conditions set out in this Agreement;

NOW THEREFORE, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Defined Terms

As used in this Agreement, the following terms have the following meanings:

"affiliate" has the meaning specified in Section 1.3 of National Instrument 45-106 — *Prospectus Exemptions*.

"Agreement" means this property purchase agreement, including the schedules attached hereto.

"Authorization" means with respect to any Person, any Order, permit, approval, consent, waiver, licence, registration or similar authorization of any Governmental Entity having jurisdiction over the Person, including any exploration approvals issued by the Department of Industry, Energy and Technology under the *Mineral Act* (Newfoundland and Labrador).

"Books and Records" means all information in any form relating directly or indirectly to the Purchased Assets, including, without limitation, books of account, sales and purchase records, customer and supplier lists, lists of potential customers, referral sources, research and development reports and records, production reports and records, geological information and studies, reports, models, assays, drill hole data, geochemical reports, business reports, plans and projections, marketing and advertising materials, equipment logs, operating guides and manuals and all other documents, files, correspondence, e-mails, Authorizations, environmental management systems (including data collected for the purpose of compliance with Environmental Laws and the preparation of reports to Governmental Entities) and other information relating to the Purchased Assets (whether in written, printed, electronic or computer printout form, or stored on computer discs or other data and software storage and media devices).

"Business Day" means any day of the year, other than a Saturday, Sunday or statutory holiday in Vancouver, British Columbia or St. John's, Newfoundland and Labrador.

"Closing" means the closing of the purchase and sale of the Purchased Assets.

"Closing Date" means five (5) Business Days following the date on which all of the conditions precedent to the completion of the Transaction as set out in Article 5 of this Agreement have been satisfied or waived in accordance with this Agreement, or such earlier or later date as the Parties may agree in writing, such date to occur not later than the Outside Date.

"Closing Time" means 1:30 p.m. (Vancouver time) or such other time as the Parties may agree in writing on the Closing Date.

"Contract" means any agreement, commitment, engagement, contract, franchise, licence, lease, obligation, undertaking or joint venture (written or oral) relating to the Purchased Assets and to which the Vendor is a party or by which the Vendor is bound or under which it has rights or obligations.

"Encumbrance" means, whether or not recorded or recordable, and regardless of how created or arising, any lien, Liability, trust (statutory or otherwise), charge, hypothecation, pledge, mortgage, debt, deed of trust, interest or estate, right to acquire, or to acquire any interest in, title retention agreement or arrangement, conditional sale agreement, right of set-off, option or earn-in, covenant, condition, lease, license, security interest of any nature, claim, exception, reservation, easement, encroachment, right of occupation, right-of-way, right-of-entry, matter capable of registration against title, assignment, right of pre-emption, royalty (including any future royalty imposed by a Governmental Authority), production payment, privilege or any other encumbrance or other adverse third party interest of any nature (including any execution, seizure, attachment or garnishment), regardless of form, whether or not consensual or arising by any Law, or any agreement to give or create any of the foregoing.

"Environment" means soil, land surface or subsurface strata, surface waters (including navigable waters, ocean waters, streams, ponds, drainage basins and wetlands), groundwater, drinking water supply, stream sediments, ambient air (including indoor air), plant and animal life, sewer system and any other environmental medium or natural resource and the environment or natural environment as defined in any Environmental Laws.

"Environmental Laws" means all Laws and all other statutory requirements relating to the Environment, public health and safety, noise control, pollution, reclamation or the protection of the Environment or the generation, production, installation, processing, use, storage, treatment, disposal, handling, transportation, Release or threatened Release of Hazardous Substances, and all Authorizations issued pursuant to such Laws or other statutory requirements.

"ETA" means the *Excise Tax Act* (Canada), as amended, and the regulations thereunder.

"Exchange" means the Canadian Securities Exchange or any other recognized stock exchange on which the Purchaser Common Shares are listed or quoted.

"Excluded Assets" means any assets not included in the definition of Purchased Assets and, for greater certainty, Purchased Assets shall not include the following property and assets of the Vendor:

- (a) the minute books and other corporate records of the Vendor;
- (b) the rights of the Vendor under this Agreement or any other agreement, certificate or instrument executed and delivered pursuant to this Agreement; and
- (c) Books and Records that the Vendor is required by Law to retain in its possession.

"Governmental Entity" or "Governmental Authority" means (i) any international, multinational, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any Exchange.

"Hazardous Substances" means any element, waste or other substance, whether natural or artificial and whether consisting of gas, liquid, solid or vapour that is prohibited, listed, defined, judicially interpreted, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials or any substance which is regulated under Environmental Laws.

"IFRS" means generally accepted accounting principles as set out in the CPA Canada Handbook — Accounting for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis.

"Interim Period" has the meaning ascribed thereto in Section 4.1(a).

"Law" means, with respect to any Person, any and all applicable laws (statutory, common or otherwise), constitutions, treaties, conventions, ordinances, codes, rules, regulations, Orders, injunctions, judgments, decrees, rulings or other similar requirements, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, in each case as amended unless expressly specified otherwise.

"Liability" or "Liabilities" means any and all debts, liabilities and obligations, whether accrued or fixed, absolute or contingent, matured or unmatured or determined or determinable, including, without limitation, those arising under any Law, under any contract, agreement, arrangement, commitment or undertaking or under any claim, action, suit, arbitration, inquiry, proceeding or investigation by or before any Governmental Entity.

"Material Adverse Effect" means any fact or state of facts, circumstance, change, effect, occurrence or event (each an **"Effect"**) which individually or in the aggregate with all other Effects is, or individually or in the aggregate with all other Effects could reasonably be expected to: (i) be material and adverse to the Purchased Assets, the business or operations contemplated to be carried on or in respect thereof or the Liabilities or obligations related thereto; or (ii) prevent, or materially delay or hinder the Vendor from performing its obligations under this Agreement; provided, however, that none of the following, and no Effect resulting from or arising out of the following, shall constitute or be taken into account in determining whether a Material Adverse Effect has occurred: (i) acts of war (whether or not declared), hostilities, military actions or acts of terrorism; (ii) acts of God (including storms, earthquakes, tsunamis, tornados, hurricanes, pandemics, epidemics, floods or other natural disasters); (iii) any changes affecting the mining industry generally; (iv) any change in applicable Laws; (v) general economic, financial, currency exchange, security or commodity market conditions in Canada; (vii) the announcement of this Agreement or the transactions contemplated hereby; or (viii) any action taken (or omitted to be taken) by the Vendor which is required to be taken (or omitted to be taken) pursuant to this Agreement; provided, however, that with respect to clauses (i) through (v), such Effect does not relate primarily to the Purchased Assets, taken as a whole, or does not have a disproportionate effect on the Purchased Assets, taken as a whole.

"Mineral Rights" means the rights to prospect and explore for and the exclusive right to acquire, on satisfaction of conditions of the *Mineral Act* (Newfoundland and Labrador), mineral titles enabling the holder to develop and to mine all minerals or mineral bearing material in whatever form or state on, in, or under any lands.

"officer" has the meaning ascribed thereto in the Securities Act.

"Orders" means orders, injunctions, judgments, edicts, decrees, rulings, pronouncements, determinations, decisions, opinions, verdicts, sentences, subpoenas, writs, awards, assessments, directions, instructions, penalties or sanctions issued, made, entered, rendered, filed, imposed or otherwise put into effect by or under the authority of any court, administrative agency or other Governmental Entity or arbitrator or arbitration panel.

"Ordinary Course" means, with respect to an action taken by the Vendor, that such action is consistent with the past practices of the Vendor with respect to the Purchased Assets and is taken in the ordinary course of the normal day-to-day operations of the business of the Vendor.

"Outside Date" ninety (90) days from the date hereof.

"Parties" means, collectively, the Purchaser and the Vendor, and **"Party"** means either of them.

"Permitted Encumbrance" means:

- (a) Encumbrances for Taxes not yet due and payable;
- (b) easements, rights of way, servitudes and other similar rights in land, including, without limitation, rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph or cable television conduits, poles, towers, wires and cables;
- (c) rights reserved to, or vested in, any Governmental Entity:
 - (i) to regulate the Purchased Assets;
 - (ii) by the terms of any mineral license forming part of the Purchased Assets, or by any statutory provision, to terminate any such license or to require annual or other periodic payments as a condition of the continuance thereof; or
 - (iii) to levy Taxes on the minerals, ores or other products and substances produced from the Property or the revenue therefrom;
- (d) public and statutory obligations which are not due or delinquent, and Encumbrances or security incurred, created, granted or imposed in connection therewith by applicable Laws, payable to a Governmental Entity in connection with the Purchased Assets or operations thereon;
- (e) all exceptions, limitations, provisos, reservations and conditions, including royalties, contained in the original or other grants or dispositions from the Crown of all or part of the Property or any interest therein and all statutory exceptions, limitations, provisos, reservations and conditions, including royalties, currently applicable to the Property; and
- (f) any minor defects, irregularities or deficiencies in the record of title to any of the mineral licenses comprising the Property or any part thereof, which do not affect the validity of such licenses or the underlying claims.

"Person" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

"Property" means the mineral license described in Schedule "A", together with all renewals or extensions thereof and all surface, water and ancillary or appurtenant rights attached or accruing thereto, if any, and all Authorizations, approvals, consents and licenses to access and/or explore the surface areas of the mineral license.

"Property Rights" has the meaning ascribed thereto in Section 3.1(i)(i).

"Purchased Assets" means all property, assets and rights of every description whether real, personal or mixed, comprising or relating to:

- (a) a 100% interest in the Property, including the Mineral Rights in or with respect to the Property;
- (b) all easements appurtenant to the Property;
- (c) all subsisting rights to enter upon, use and occupy the surface of any lands forming part of the Property or of any lands to be traversed in order to gain access to any of the lands forming part of the Property;
- (d) all pre-paid expenses and deposits relating to the Property, including all pre-paid Taxes, rentals, licence fees and water rates, as well as pre-paid purchases of gas, oil and hydro;
- (e) all right, title, benefit and interest of the Vendor in and to all of the patents, trademarks, copyrights, designs, inventions, licences, sub-licences, processes, technology and other industrial property and intellectual property in relation to the Property;
- (f) all geological, geophysical, geochemical and test data and all other information (including internal and external studies, analyses and other work products) in relation to the Property acquired, proved, gained or developed heretofore or in the possession or under the control of the Vendor;
- (g) all drill core and samples from the Property;
- (h) all improvements to the Property, all fixtures, plant, machinery, equipment, supplies, infrastructure and any other properties or rights of any description whether real or personal, in relation to the Property or the business of the Vendor in relation to the Property;
- (i) all rights, benefits and entitlements of the Vendor under the Contracts and any Authorizations relating to the Property; and
- (j) the Books and Records;

and for greater certainty does not include the Excluded Assets.

"Purchaser" means Vortex Energy Corp., a corporation existing under the laws of British Columbia.

"Purchaser Common Shares" means the common shares in the capital of the Purchaser, as the same may be reorganized, reclassified, redesignated, exchanged, replaced or otherwise adjusted pursuant to any of the events set out in Section 2.4 of this Agreement from time to time, and after any such reorganization, reclassification, redesignation, exchange, replacement or other adjustment, pursuant to Section 2.4, the term "Purchaser Common Share" with respect to the Purchaser Common Shares remaining to be issued pursuant to Section 2.2 of this Agreement is interpreted to mean securities of any class or classes which, as a result of such reorganization, reclassification, redesignation, exchange, replacement or other adjustment, and all prior reorganizations, reclassifications, redesignations, exchanges

replacements or other adjustments, remain issuable pursuant to Section 2.2 and Section 2.4 of this Agreement.

"Reclamation" means the reclamation, remediation, restoration or closure of any facility or land utilized in any exploration, mining or processing operation required by any Law or any Authorizations, franchises, approvals, authorizations, permits, licenses, easements, registrations, qualifications, leases, variances and similar rights obtained from any Governmental Authority, including those required under Environmental Law.

"Release" has the meaning prescribed in any Environmental Law and includes any sudden, intermittent or gradual release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, migration, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement or introduction of a Hazardous Substance, whether accidental or intentional, into the Environment or migration of a Hazardous Substance into or through the Environment or into or out of any lands or waters, including the movement of a Hazardous Substance through or in any part of the Environment.

"Representatives" means, with respect to a Person, such Person's affiliates or any officer, director, employee, consultant representative or agent of such Person or any of its affiliates.

"Securities Act" means the *Securities Act* (British Columbia).

"Securities Laws" means the Securities Act and all rules, regulations, published notices and instruments thereunder, and all comparable securities Laws in Alberta and Ontario.

"Subsidiary" means, with respect to a Person, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such Person and shall include any body corporate, partnership, joint venture or other entity over which it exercises direction or control or which is in a like relation to subsidiary.

"Tax Act" means the *Income Tax Act* (Canada), as amended, and the regulations thereunder.

"Taxes" means (a) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, unclaimed property, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (b) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of or in lieu of amounts of the type described in clause (i) above or this clause (ii); (c) any Liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (d) any Liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

"Transaction" means, collectively, the transactions contemplated by this Agreement in relation to the purchase of the Purchased Assets by the Purchaser and the sale of the Purchased Assets by the Vendor, as contemplated herein.

"Vendor" means Galloper Gold Corp., a corporation existing under the laws of British Columbia.

"Wilful Breach" means a breach of this Agreement that is a consequence of an act undertaken by the breaching Party with the actual knowledge that the taking of such act would, or would be reasonably expected to, cause a breach of this Agreement.

1.2 Certain Rules of Interpretation

In this Agreement, unless otherwise specified:

- (a) **Headings, etc.** The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and do not affect the construction or interpretation of this Agreement.
- (b) **Currency.** All references to dollars or to \$ are references to Canadian dollars, unless specified otherwise.
- (c) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (d) **Certain Phrases, etc.** The words (i) "including", "includes" and "include" mean "including (or includes or include) without limitation," (ii) "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of," and (iii) unless stated otherwise, "Article", "Section", and "Schedule" followed by a number or letter mean and refer to the specified Article or Section of or Schedule to this Agreement.
- (e) **Capitalized Terms.** Unless expressly indicated otherwise, all capitalized terms used in any Schedule have the meanings ascribed to them in this Agreement.
- (f) **Knowledge.** Where any representation or warranty is expressly qualified by reference to the knowledge of the Vendor, it is deemed to refer to the actual knowledge of the management of the Vendor, after due enquiry.
- (g) **Accounting Terms.** All accounting terms are to be interpreted in accordance with IFRS and all determinations of an accounting nature in respect of the Vendor required to be made shall be made in a manner consistent with IFRS.
- (h) **Statutes.** Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.
- (i) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day.
- (j) **Time References.** References to time are to local time, Vancouver, British Columbia.
- (k) **Rule of Construction.** The Parties waive the application of any Law or rule of construction providing that ambiguities in any agreement or other document shall be construed against the Party drafting such agreement or other document.

- (l) **Consent.** If any provision requires approval or consent of a Party and such approval or consent is not delivered within the specified time limit, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.
- (m) **Schedules.** The following schedules are attached to this Agreement and form an integral part of this Agreement for all purposes of it:

SCHEDULES	DESCRIPTION
Schedule "A"	Property

ARTICLE 2

PURCHASED ASSETS AND PURCHASE PRICE

2.1 Purchase and Sale

On and subject to the terms and conditions of this Agreement, including the representations, warranties covenants and conditions contained herein, on the Closing Date, the Vendor shall sell, assign, transfer and convey unto the Purchaser and the Purchaser shall purchase from the Vendor a 100% interest in the Purchased Assets, free and clear of all Encumbrances, other than Permitted Encumbrances.

2.2 Purchase Price

In consideration for the purchase and sale of the Purchased Assets pursuant to Section 2.1, subject in all cases to Section 2.3, the Purchaser agrees:

- (a) to issue to the Vendor 750,000 Purchaser Common Shares, subject to adjustment in accordance with Section 2.4, on the Closing Date, such Purchaser Common Shares being subject to the terms of Section 2.3;
- (b) to pay to the Vendor \$162,800 on the Closing Date in cash by wire transfer of immediately available funds to the bank account specified in writing by the Vendor to the Purchaser;
- (c) provided the Vendor is in compliance with its obligations pursuant to Section 2.3(c) and 2.3(e) of this Agreement on the relevant date, to issue to the Vendor 1,000,000 Purchaser Common Shares, subject to adjustment in accordance with Section 2.4, within ten (10) Business Days of the date on which the Purchaser completes a drill hole on the Property which intersects a core length of at least 300 meters with an average grade of at least 90% Sodium Chloride (NaCl), such Purchaser Common Shares being subject to the terms of Section 2.3; and
- (d) provided that the Vendor is in compliance with its obligations pursuant to Section 2.3(c) and 2.3(e) of this Agreement on the relevant date, to issue to the Vendor 3,000,000 Purchaser Common Shares, subject to adjustment in accordance with Section 2.4, and pay to the Vendor \$1,000,000 within ten (10) Business Days of the date on which the Purchaser first utilizes, on a commercial basis, any salt caverns on the Property for underground energy storage, such Purchaser Common Shares being subject to the terms of Section 2.3 and such cash amount to be paid in cash by wire transfer of immediately available funds to the bank account specified in writing by the Vendor to the Purchaser.

2.3 The Purchaser Common Shares

- (a) The Vendor understands, acknowledges and agrees that the Purchaser Common Shares will be issued pursuant to exemptions from the registration and prospectus requirements

of Securities Laws and, as a result, the Purchaser Common Shares will be subject to statutory restrictions on resale prescribed by Securities Laws.

- (b) The Vendor understands, acknowledges and agrees that the issuance of the Purchaser Common Shares to the Vendor pursuant to this Agreement is conditional upon compliance with applicable Law, including Securities Laws (and specifically, the provisions of the Securities Act prohibiting the issuance of Common Shares when the Purchaser is in possession of material non-public information), and applicable Exchange Policy, and that the Purchaser Common Shares will be legended with the following legend pursuant to the Securities Act, in addition to any other required legends, including the legend provided for pursuant to Section 2.3(c):

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [INSERT THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE ISSUANCE DATE OF THE PURCHASER COMMON SHARES].”

In addition, the Vendor understands that, pursuant to applicable Law, including Securities Laws, or the policies of the Exchange, the Vendor may be required to enter into an escrow or pooling agreement with respect to Purchaser Common Shares held by it from time to time, and/or that any Purchaser Common Shares held by it from time to time may be subject to escrow, pooling or resale restrictions in addition to those set forth herein. The Vendor irrevocably and unconditionally agrees that it will enter into any escrow or pooling agreement with respect to Purchaser Common Shares held by it from time to time that may be required by applicable Law, and any “lock-up” agreement with respect to Purchaser Common Shares held by it from time to time requested by any underwriter, broker, agent, investment dealer or sponsor in connection with applicable Law, the policies of the Exchange or the sale of any Purchaser Common Shares following the date hereof.

- (c) During the period beginning on the date of issuance of any Purchaser Common Shares issued pursuant to this Agreement, and ending on the date any such Purchaser Common Shares are released from the restrictions provided in this Section 2.3(c) pursuant to the release schedule below, but subject to Section 2.3(d), the Vendor shall not, directly or indirectly, offer, sell, contract to offer or sell, transfer, assign, grant or sell any option or warrant to purchase, lend, hypothecate, secure, pledge or otherwise transfer or dispose of any of such Purchaser Common Shares, whether through the facilities of a stock exchange, by private placement or otherwise, or agree to do any of the foregoing or publicly announce any intention to do any of the foregoing. The restrictions provided in this Section 2.3(c) shall cease to apply with respect to the Purchaser Common Shares issued hereunder (i) as to 1/3rd of such Purchaser Common Shares, on the date that is six (6) months after their date of issuance; (ii) as to another 1/3rd of such Purchaser Common Shares, on the date that is twelve (12) months after their date of issuance and (iii) as to the remaining 1/3rd of such Purchaser Common Shares, on the date that is eighteen (18) months after their date of issuance. The Vendor hereby irrevocably and unconditionally authorizes the Purchaser to cause any transfer agent for the Purchaser Common Shares to apply a legend to the Purchaser Common Shares issued hereunder noting the foregoing transfer restrictions and, subject to the release schedule provided in this Section 2.3(c), to decline to transfer and to note stop transfer restrictions on the share registers and other records relating to Purchaser Common Shares for which the Vendor is the registered or beneficial holder.
- (d) Notwithstanding Section 2.3(c) or Section 2.3(e), the Vendor may transfer, sell or otherwise dispose of Purchaser Common Shares issued pursuant to the terms of this Agreement pursuant to a third party take-over bid made to all holders of Purchaser Common Shares or in connection with a merger, business combination, arrangement, consolidation, reorganization, restructuring or similar transaction of all the Purchaser Common Shares outstanding at any time provided that in the event that such take-over bid or similar

acquisition or transaction is not completed, the Vendor's Purchaser Common Shares shall remain subject to the restrictions contained herein.

- (e) Subject to Section 2.3(c) and Section 2.3(d), and only applying to Purchaser Common Shares issued pursuant to Sections 2.2 (c) and 2.2 (d), if the Vendor wishes to sell or transfer any or all of the Purchaser Common Shares then owned by the Vendor, the Purchaser shall have the option to arrange for the purchase of such Purchaser Common Shares by a purchaser selected by the Purchaser pursuant to the following process and on the following terms:
- (i) the Vendor shall give written notice (the "**Sale Notice**") to the Purchaser of the proposed sale or transfer of the Purchaser Common Shares. The Sale Notice shall specify (A) the proposed price per Purchaser Common Share, (B) the number of Purchaser Common Shares proposed to be sold (the "**Offered Shares**") and (C) any other relevant terms and conditions with respect to the sale of the Offered Shares;
 - (ii) the Purchaser shall have the option to arrange for the purchase of all but not less than all of the Offered Shares by one or more purchasers selected by the Purchaser on the terms and conditions contained in the Sale Notice. The Purchaser shall notify the Vendor of its intention to arrange for the purchase of the Offered Shares within five (5) Business Days of the delivery of the Sale Notice (the "**Corporation Notice**"). If the Corporation Notice is not received by the Vendor within five (5) Business Days of delivery of the Sale Notice to the Purchaser, or the Purchaser otherwise notifies the Vendor that it does not wish to arrange for the purchase of the Offered Shares, then, subject to Section 2.3(c), the Vendor may sell any or all of the Offered Shares on the terms set out in the Sale Notice to a purchaser of its choosing within thirty (30) days of the expiration of such five (5) Business Day period. If any such Offered Shares are not sold within the thirty (30) day period on such terms, the rights of the Purchaser pursuant to this Section 2.3(e) shall again take effect;
 - (iii) if the Purchaser delivers to the Vendor the Corporation Notice in accordance with Section 2.3(e)(ii), the Purchaser shall have thirty (30) days (or such longer period as the Purchaser and the Vendor may agree) to arrange for the purchase of all but not less than all of the Offered Shares on the terms set out in the Sale Notice;
 - (iv) if the Purchaser obtains a binding commitment (a "**Binding Commitment**") from one or more third party purchasers (each, a "**Third Party Purchaser**") to purchase all but not less than all of the Offered Shares, on the terms set out in the Sale Notice, the Purchaser shall notify the Vendor (the "**Purchase Notice**") and provide the Vendor with the Binding Commitment. Upon receipt of the Purchase Notice and the Binding Commitment, the Vendor shall complete the sale of the Offered Shares to the Third Party Purchaser(s). The sale of the Offered Shares to the Third Party Purchaser(s) shall close not later than twenty (20) days after the date on which the Purchase Notice is received by the Vendor; and
 - (v) if, after having completed the procedures described above, the Purchaser does not deliver to the Vendor a Purchase Notice in respect of all of the Offered Shares in accordance with Section 2.3(e)(iv), the Vendor may, subject to Section 2.3(c), sell any or all of the Offered Shares on the same terms as set out in the Sale Notice to any third party within thirty (30) days of such failure to deliver a Purchase Notice or expiration of such twenty (20) day period. If such Offered Shares are not sold within the thirty (30) day period on such terms, the rights of the Purchaser pursuant to this Section 2.3(e) shall again take effect.

2.4 Adjustments to Purchaser Common Shares

The Purchaser's obligation to issue Purchaser Common Shares pursuant to Section 2.2 is subject to adjustment from time to time, as follows:

- (a) if and whenever at any time from the date hereof and prior to the issuance of any Purchaser Common Shares hereunder:
 - (i) subdivides its outstanding Purchaser Common Shares into a greater number of Purchaser Common Shares;
 - (ii) consolidates its outstanding Purchaser Common Shares into a smaller number of Purchaser Common Shares; or
 - (iii) issues Purchaser Common Shares or securities exchangeable for or convertible into Purchaser Common Shares ("**Convertible Securities**") to the holders of all or substantially all of the outstanding Purchaser Common Shares by way of a stock distribution, stock dividend or otherwise,

(any of such events in these subsections 2.4(a)(i),(ii) or (iii) being called a "**Common Share Reorganization**") the number of Purchaser Common Shares remaining issuable by the Purchaser pursuant to Section 2.2 shall be adjusted immediately after the effective date of the subdivisions or consolidation or on the record date for the issue of Purchaser Common Shares or Convertible Securities by way of a stock distribution, stock dividend or otherwise by multiplying the number of Purchaser Common Shares theretofore issuable by a fraction, the numerator of which is the total number of Purchaser Common Shares outstanding immediately after such effective or record date or, in the case of the issuance of Convertible Securities, the total number of Purchaser Common Shares outstanding immediately after such date plus the total number of Purchaser Common Shares issuable upon conversion or exchange of such Convertible Securities, and the denominator of which is the total number of Purchaser Common Shares outstanding immediately prior to the applicable effective or record date.
- (b) if and whenever at any time from the date hereof and prior to the issuance of any Purchaser Common Shares hereunder there is a reclassification of the Purchaser Common Shares or a capital reorganization of the Purchaser or a consolidation, amalgamation, arrangement or merger of the Purchaser with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Purchaser as an entirety or substantially as an entirety (any such event being herein called a "**Capital Reorganization**"), the Vendor shall be entitled to receive and shall accept, in lieu of the Purchaser Common Shares otherwise remaining issuable by the Purchaser pursuant to Section 2.2, upon the satisfaction of the conditions set out in Section 2.2, the kind and number of shares or other securities or property that the Vendor would have been entitled to receive on such Capital Reorganization if, on the record date or the effective date thereof, as the case may be, the Vendor had been the registered holder of the number of Purchaser Common Shares remaining issuable pursuant to Section 2.2.
- (c) if and whenever at any time from the date hereof and prior to the issuance of any Purchaser Common Shares hereunder the Purchaser takes any action affecting the Purchaser Common Shares, other than an action described in Section 2.4(a) or Section 2.4(b), which, in the opinion of the Purchaser's board of directors, requires the adjustment of the number of Purchaser Common Shares, the number of Purchaser Common Shares shall be adjusted in such manner, if any, and at such time as the Purchaser's board of directors

shall determine, subject in all cases to any Exchange or other regulatory approval as may be required.

- (d) any adjustments to the number of Purchaser Common Shares remaining issuable hereunder effected pursuant to Sections 2.4(a), 2.4(b) or 2.4(c) shall be successive whenever any of the aforementioned events occur, to the extent such Purchaser Common Shares remain unissued, with any stock dividend being deemed to have occurred on the record date for the stock dividend; provided, however, that no adjustment in the number of Purchaser Common Shares remaining issuable by the Purchaser hereunder shall be required unless the adjustment would result in a change of at least 1% in the number of Purchaser Common Shares remaining issuable hereunder; provided further, however, that any adjustment that, except for the provisions of this Section 2.4(d) would otherwise have been required to be made, shall be carried forward and taken into account in any subsequent adjustment.
- (e) any Purchaser Common Shares owned or held for the account of the Purchaser shall be deemed not to be outstanding for the purposes of calculating the number of outstanding Purchaser Common Shares under this Section 2.4.
- (f) to the extent that any Convertible Securities are not converted into or exchanged for Purchaser Common Shares, the number of Purchaser Common Shares remaining issuable (as adjusted pursuant to Section 2.4(a), 2.4(b) and/or 2.4(c) hereunder) shall be readjusted (in accordance with the formulas or determinations set out in Section 2.4(a), 2.4(b) or 2.4(c), as applicable) based on the number of Purchaser Common Shares actually issued on the conversion or exchange of such Convertible Securities.
- (g) no adjustment in the number of Purchaser Common Shares remaining issuable pursuant to Section 2.2 of this Agreement shall be made in respect of any event described in this Section 2.4 (other than Subsection 2.4(a)(i) and 2.4(a)(ii)) if the Vendor is entitled to participate in such event on the same terms, *mutatis mutandis*, as if the Vendor had been issued the Purchaser Common Shares remaining issuable prior to or on the effective date or record date of such event, subject in all cases to such Exchange or other regulatory approval as may be required.
- (h) for greater certainty, the adjustments in this Section 2.4 are intended to be prospective and not retrospective and, as such, the occurrence of an event described in this Section 2.4 following the issuance of Purchaser Common Shares pursuant to Section 2.2 of this Agreement shall not require the retrospective adjustment of the number or kind of Purchaser Common Shares previously issued pursuant to Section 2.2 of this Agreement.

2.5 Allocation of Purchase Price

The consideration described in Section 2.2 shall be allocated entirely to the Property and the Mineral Rights. The Purchaser and the Vendor shall report an allocation of the consideration entirely to the Property and the Mineral Rights and shall not take any position inconsistent therewith in the filing of any Tax returns or in the course of any audit by any Governmental Authority, Tax review or Tax proceeding relating to any Tax returns.

ARTICLE 3 REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGMENTS

3.1 Representations and Warranties of the Vendor

The Vendor represents and warrants to the Purchaser as set forth below and acknowledges and agrees that the Purchaser is relying upon such representations and warranties in connection with the entering into of this Agreement and the completion of the Closing of the Transaction.

- (a) *Organization and Qualification.* The Vendor is a corporation incorporated, validly existing and in good standing under the Laws of British Columbia, and has all requisite power and authority to own, lease and operate its assets and properties and conduct its business as now owned and conducted. The Vendor is qualified, licensed or registered to carry on business and is in good standing in each jurisdiction in which such qualification, licensing or registration is necessary except to the extent that any failure of the Vendor to be so qualified, licensed or registered or to be in good standing would not affect the Purchased Assets, the business or operations contemplated to be carried on in respect thereof or the Liabilities, obligations or prospects related thereto, and has all Authorizations required to own, lease and operate the Purchased Assets and to conduct its business as now conducted in respect of the Purchased Assets. No act or proceeding has been taken or authorized by or against the Vendor by any other Person in connection with the dissolution, liquidation, winding up, bankruptcy or insolvency of the Vendor or with respect to any amalgamation, merger, consolidation, arrangement or reorganization of, or relating to, the Vendor and, to the knowledge of the Vendor, no such proceedings have been threatened by any other Person.
- (b) *Corporate Authorization.* The Vendor has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance by the Vendor of its obligations under this Agreement and the consummation of the Transaction and the other transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Vendor and no other corporate proceedings on the part of the Vendor are necessary to authorize this Agreement or the consummation of the Transaction and the other transactions contemplated hereby.
- (c) *Execution and Binding Obligation.* This Agreement has been duly executed and delivered by the Vendor, and constitutes a legal, valid and binding agreement of the Vendor, enforceable against it in accordance with its terms subject only to any limitation under bankruptcy, insolvency or other Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
- (d) *Governmental Authorization.* The execution, delivery and performance by the Vendor of its obligations under this Agreement and the consummation of the Transaction and the other transactions contemplated hereby do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity by the Vendor.
- (e) *Non-Contravention.* The execution, delivery and performance by the Vendor of its obligations under this Agreement and the consummation of the Transaction and the other transactions contemplated hereby do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):
 - (i) contravene, conflict with, or result in any violation or breach of the Vendor's constating documents;
 - (ii) contravene, conflict with or result in a violation or breach of Law;

- (iii) allow any Person to exercise any rights, require any consent or other action by any Person or constitute a default under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which the Vendor is entitled (including by triggering any rights of first refusal or first offer, change in control provision or other restriction or limitation) under any Contract or any Authorization to which the Vendor is a party or by which the Vendor is bound, relating to the Purchased Assets or the business or operations contemplated to be carried on in respect thereof; or
 - (iv) result in the creation or imposition of any Encumbrance upon any of the Purchased Assets.
- (f) *No Undisclosed Liabilities.* To the knowledge of the Vendor, there are no Liabilities or obligations of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, which relate in any way to the Purchased Assets, the business or operations contemplated to be carried on in respect thereof or the prospects related thereto, other than Liabilities or obligations relating to Permitted Encumbrances.
- (g) *Absence of Certain Changes or Events.* Other than the Transaction and the other transactions contemplated in this Agreement, the business of the Vendor as it relates to the Purchased Assets has been conducted in the Ordinary Course and there has not been any event, circumstance or occurrence which has had or would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.
- (h) *Compliance with Laws.* The Vendor has been in compliance with applicable Laws in connection with the ownership, use, maintenance and operation of the Purchased Assets and, to the knowledge of the Vendor, each previous owner of the Property or any Person who had an option or interest in respect of the Property, was in compliance with applicable Laws in connection with their ownership, use, maintenance and operation of the Property. The Vendor has not been charged with or threatened to be charged with, nor has the Vendor received notice of, nor, to the knowledge of the Vendor, is it under any investigation with respect to, any violation or potential violation of any Law or disqualification by a Governmental Entity in connection with the ownership, use, maintenance and operation of the Purchased Assets.
- (i) *Property Matters.*
 - (i) Other than Permitted Encumbrances, the Vendor is the absolute 100% legal, registered and beneficial owner of the Purchased Assets and holds mineral licenses and exploration approvals in Newfoundland and Labrador (collectively, "**Property Rights**") in respect of the Mineral Rights located in the Property under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments and, except for Permitted Encumbrances, the Vendor holds its interest in the Property free and clear of any Encumbrances.
 - (ii) All Authorizations owned, held, possessed or lawfully used by the Vendor in the operation of its business with respect to the Purchased Assets are valid, subsisting and in good standing, the Vendor is not in default or breach of any Authorization and no proceeding is pending or, to the knowledge of the Vendor, threatened to revoke or limit any Authorization. All such Authorizations are assignable to the Purchaser and renewable by their terms or in the ordinary course of business without the need for the Vendor or the Purchaser to comply with any special rules or procedures, agree to any different terms or conditions or pay any amounts other than routine filing fees.

- (iii) Schedule "A" sets forth a true and complete list of all Property Rights comprising the Property.
- (iv) Subject to any limitations imposed by applicable Law, the Vendor has access to the Property to enable it to explore for minerals and the exclusive right under the *Mineral Act* (Newfoundland and Labrador) to acquire mineral titles where conditions of the *Mineral Act* (Newfoundland and Labrador) have been met and to develop a mining project thereon, and the terms of the Property Rights comprising the Property and applicable Law permit full, legal, binding and valid consent to access the surface area covered by the Property to explore for minerals and develop a mining project thereon.
- (v) There are no royalty or similar obligations in place with respect to the Property and no Person other than the Vendor has any interest in the Property or any of the Property Rights or the production or profits therefrom.
- (vi) There are no back-in rights, earn-in rights, rights of first refusal or similar provisions or rights which would affect the Property.
- (vii) All of the Property Rights have been properly located and recorded in compliance with applicable Law and are comprised of valid and subsisting mineral licenses.
- (viii) The Property Rights are in good standing under Law, and all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, rentals, fees, expenditures and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made. The Vendor has not received any notices, whether written or oral, of any revocation or intention to revoke any interest of the Vendor in the Property or any of the Property Rights.
- (ix) There is no adverse claim against or challenge to the title to or ownership of any of the Property Rights, Mineral Rights or Authorizations, including any asserted aboriginal title or other rights from Indigenous peoples, Métis, first nations or treaty nations authorities, communities, councils or groups or Governmental Entities, and no such claim or challenge has been threatened or, to the knowledge of the Vendor, is in process.
- (x) No portion of the Purchased Assets is within any protected area, conservation area, rescued area, reserve, reservation, reserved area, resource management zone or special needs lands as designated by any Governmental Entity which could impair the operation and development of the Purchased Assets, and the Property does not lie within any other lands in which mineral rights cannot be acquired.
- (xi) All Property Rights in respect of the Property have been validly registered and recorded in accordance with Law and are valid and subsisting; and each of the Property Rights and each of the documents, agreements and instruments and obligations relating thereto is currently in good standing in the name of the Vendor.
- (xii) No restrictions have been imposed by any Governmental Authority on the rights of entry and exit to and from the Property nor has there been any interference from any other Person with respect to access rights.
- (xiii) Any assessment reports filed by the Vendor or its affiliates with the applicable Governmental Authority with respect to assessment work conducted on Property are accurate.

- (xiv) There is no claim or, to the knowledge of the Vendor, the basis for any claim that could reasonably be expected to adversely affect the right of the Vendor to use, transfer or otherwise explore, develop or mine mineral deposits on the Property.
- (xv) No legal or governmental proceedings or inquiries are pending to which the Vendor is a party or to which the Property is subject that would result in the revocation or modification of any Authorization related to the Property, or necessary for the business or operations contemplated to be carried on in respect thereof and no such legal or governmental proceedings or inquiries are pending, threatened or, to the knowledge of the Vendor, are being contemplated.
- (xvi) The Vendor has made available to the Purchaser all Books and Records, including all maps, assays, surveys, drill logs, samples, metallurgical, geological, geophysical, geochemical and engineering data and other operations records within its control (or the control of an affiliate or any Person that conducted operations on behalf of the Vendor), in respect of the Property, and all information supplied to the Purchaser or its advisors or its personnel in the course of the due diligence review in respect of the Transaction and the other transactions contemplated by this Agreement is accurate and correct in all respects and does not contain any untrue statement of material fact or omit to state any material fact necessary in order to make the statements contained therein not misleading.
- (j) *No Option on Assets.* No Person has any agreement or option, or any right or privilege capable of becoming an agreement or option, for the purchase from the Vendor of all or any portion of the Purchased Assets.
- (k) *Historic Agreements.* The Property was staked by a Representative of the Vendor and there are no agreements under which the Vendor acquired its rights and interests in the Purchased Assets or its predecessors in interest acquired their rights and interests in the Purchased Assets nor are there any agreements under which others hold rights, interests or entitlements in respect of the Purchased Assets which are presently in effect.
- (l) *Exploration, Development and Mining Activities.* All exploration, development and mining activities on the Property by the Vendor or its Representatives have been conducted in all respects in accordance with good exploration practices and all applicable workers' compensation and health and safety and workplace Laws, regulations and policies have been complied with in all respects by the Vendor and its Representatives.
- (m) *Environmental Matters.*
 - (i) Neither the Vendor nor any of its affiliates or Representatives has been or is currently in violation of, in connection with the ownership, use, maintenance, operation, closure or remediation of the Purchased Assets, any Environmental Laws.
 - (ii) Without limiting the generality of Section 3.1(m)(i), there is no claim, judicial or administrative proceeding or investigation, pending or, to the knowledge of the Vendor, threatened against, or which may affect, either the Vendor or any of its property, assets or operations, relating to, or alleging any violation of, any Environmental Laws in connection with the ownership, use, maintenance, operation, closure or remediation of the Purchased Assets. The Vendor is not aware of any facts or conditions which could give rise to any such claim or judicial or administrative proceeding in respect of the Purchased Assets. Neither the Vendor, the Purchased Assets nor any of the Vendor's property, assets or operations which relate to the Purchased Assets, is the subject of any investigation, evaluation, audit or review by any Governmental Entity to determine

whether any violation of any Environmental Laws has occurred or is occurring or whether any remedial action is needed in connection with a Release of any Hazardous Substances into the Environment, except for compliance inspections conducted in the normal course by any Governmental Entity.

- (iii) The Vendor and each of its affiliates and Representatives has duly obtained all Authorizations necessary in connection with the Property in accordance with all Environmental Laws, all such Authorizations are in full force and effect and neither the Vendor nor any of its affiliates or Representatives is in default or breach of any such permits, licenses or Authorizations.
- (iv) There has been no spill, discharge, leak, emission, ejection, escape or dumping, or any Release or threatened Release of any kind, of any Hazardous Substance from, on, in or under the Property or into the Environment, nor has any Hazardous Substance or waste been treated on or disposed of, or is located or stored, on the Property, as a result of activities by or on behalf of the Vendor, or to the knowledge of the Vendor, by or on behalf of any previous owner of the Property or any Person who had an option or interest in respect of the Property, except if expressly permitted by, and in compliance with, applicable Law.
- (v) The Vendor has occupied the Property and has received, handled, used, stored, treated, shipped and disposed of all hazardous or toxic substances or wastes, pollutants or contaminants, including Hazardous Substances, in compliance with all applicable Environmental Laws.
- (vi) There are no Orders, rulings or directives issued, pending or, to the knowledge of the Vendor, threatened against the Vendor, its affiliates or any of its Representatives in connection with the ownership, use, maintenance or operation of the Purchased Assets under or pursuant to any Environmental Laws, and the Vendor has not entered into or agreed to any consent, settlement or other agreement with a third party or Governmental Authority requiring any work, repairs, construction or capital expenditures with respect to the Purchased Assets.
- (vii) The Vendor has not received any notice alleging that the Vendor, its affiliates or any Representative has any Liability under any Environmental Law in respect of, or in relation to, the Property.
- (n) *Indigenous Title and Rights*
 - (i) The Vendor: (i) is not a party to any arrangement or understanding with Indigenous peoples, Métis, first nations or treaty nations authorities, communities, councils or groups in relation to the environment or the exploration or development of the Property, or in connection with the Purchased Assets; (ii) is not currently engaged or involved in any disputes, discussions or negotiations in relation to the Property with Indigenous peoples, Métis, tribal or native authorities, communities, councils or groups or any Governmental Entity; and (iii) has not received notice of any existing claim with respect to the Purchased Assets, either from Indigenous peoples, Métis, first nations or treaty nations authorities, communities, councils or groups or any Governmental Entity, indicating that any part of the Purchased Assets infringes upon or has an adverse effect on Indigenous rights or interests.
 - (ii) No specific requirements related to cultural or archaeological sites, resource management zones or reserve or traditional lands of Indigenous peoples, Métis, first nations or treaty nations authorities, communities, councils or groups located within the Property are currently having, or could reasonably be expected to have,

any impact on the mining, development or exploration activities or plans of the Vendor or any of its affiliates.

- (o) *Restrictions on Conduct of Business.* The Vendor and its affiliates are not a party to or bound by any non-competition agreement, any non-solicitation agreement or any other agreement, obligation, judgment, injunction, Order or decree which purports to limit the manner or the localities in which all or any portion of the business or operations contemplated to be carried on in respect of the Purchased Assets may be conducted.
- (p) *Litigation.* There are no claims, actions, suits, arbitrations, inquiries, investigations or proceedings by any Person, pending, or relating to, or, to the knowledge of the Vendor, threatened against, the Vendor or any of the Purchased Assets, and the Vendor knows of no valid basis for any such claims, actions, suits, proceedings, arbitrations, inquiries or investigations. The Vendor is not subject to any judgment, Order or decree entered in any lawsuit or proceeding with respect to any of the Purchased Assets.
- (q) *Taxes.* The Vendor has (i) duly and timely filed with the appropriate Governmental Authority all Tax returns required to be filed for taxable periods ending on or before the Closing Date, each of which Tax returns is true, correct and complete, (ii) fully and timely paid the appropriate Governmental Authority all Taxes (including all installments, assessments and reassessments) payable by it and (iii) duly and timely complied with all applicable Tax legislation and has paid, collected and remitted to the appropriate Governmental Authority all amounts required by such legislation. In respect of the Purchased Assets, (i) there are no Encumbrances for Taxes and no event has occurred that, with the passage of time or the giving of notice, or both, could reasonably be expected to result in an Encumbrance for Taxes and (ii) no taxing authority has threatened, proposed or is in the process of imposing any Encumbrances for Taxes. The Vendor is registered under Subdivision D of Division V of Part IX of the ETA and its registration number is 77308 6400 RT0001.
- (r) *Books and Records.* All accounting and financial Books and Records of the Vendor relating to the Purchased Assets have been fully, properly and accurately kept and completed. The Books and Records and other data and information relating to the Purchased Assets are not recorded, stored, maintained, operated or otherwise wholly or partly dependent upon or held by any means (including any electronic, mechanical or photographic process, whether computerized or not) which would not be available to a purchaser of the Purchased Assets in the ordinary course.
- (s) *Disclosure.* The representations and warranties of the Vendor contained in this Agreement and in any other document delivered under this Agreement are true and correct and do not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained in those representations and warranties not misleading to a prospective purchaser of the Purchased Assets.
- (t) *Residency.* The Vendor is not a non-resident of Canada for the purposes of the Tax Act.
- (u) *Securities Law Matters.* As at the date hereof, and as of the date of any issuance of Purchaser Common Shares hereunder, the Vendor is, or shall be, as the case may be, a resident in the jurisdiction of British Columbia. The Vendor understands that the Purchaser Common Shares issuable hereunder are being issued pursuant to exemptions from the registration and prospectus requirements of applicable Securities Laws and, in particular, are being issued to the Vendor on the basis of the exemption set forth in Section 2.13 of National Instrument 45-106 – *Prospectus Exemptions*. The Vendor understands that no securities commission or similar regulatory authority has reviewed or passed on the merits of the Purchaser Common Shares issuable hereunder, and in particular, no Governmental Entity or any other entity has made any finding or determination as to the merit for investment in, nor has any such entity made any recommendation or endorsement with

respect to, the Purchaser Common Shares issuable hereunder. The Vendor further understands that there are risks associated with the Purchaser Common Shares, being speculative investments which involve a substantial degree of risk.

3.2 Representations and Warranties of the Purchaser

The Purchaser represents and warrants to the Vendor as set forth below and acknowledges and agrees that the Vendor is relying upon such representations and warranties in connection with the entering into of this Agreement and the completion of the Closing of the Transaction.

- (a) *Organization and Qualification.* The Purchaser is a corporation incorporated, validly existing and in good standing under the Laws of British Columbia and has all requisite power and authority to own, lease and operate its assets and properties and conduct its business as now owned and conducted.
- (b) *Corporate Authorization.* The Purchaser has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance by the Purchaser of its obligations under this Agreement and the consummation of the Transaction and the other transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Purchaser and no other corporate proceedings on the part of the Purchaser are necessary to authorize this Agreement or the consummation of the Transaction and the other transactions contemplated hereby.
- (c) *Execution and Binding Obligation.* This Agreement has been duly executed and delivered by the Purchaser, and constitutes a legal, valid and binding agreement of the Purchaser enforceable against it in accordance with its terms subject only to any limitation under bankruptcy, insolvency or other Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
- (d) *Governmental Authorization.* The execution, delivery and performance by the Purchaser of its obligations under this Agreement and the consummation of the Transaction and the other transactions contemplated hereby do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity by the Purchaser other than: (i) filings with the Canadian securities authorities; (ii) filings with the Exchange; and (iii) any Authorizations which, if not obtained, or any other actions by or in respect of, or filings with, or notifications to, any Governmental Entity which, if not taken or made, would not, individually or in the aggregate, materially impede the ability of the Purchaser to consummate the Transaction and the transactions contemplated hereby.
- (e) *Non-Contravention.* The execution, delivery and performance by the Purchaser of its obligations under this Agreement and the consummation of the Transaction and the other transactions contemplated hereby do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):
 - (i) contravene, conflict with, or result in any violation or breach of the Purchaser's constating documents; or
 - (ii) assuming compliance with the matters referred to in Section 3.2(d), contravene, conflict with or result in a violation or breach of Law.
- (f) *Purchaser Common Shares.* The Purchaser Common Shares are listed for trading on the Exchange, and no order ceasing or suspending trading in any securities of the Purchaser

has been issued and no proceedings for such purpose are pending or, to the knowledge of the Purchaser, threatened.

- (g) *Reporting Issuer.* The Purchaser is a reporting issuer in each of the Provinces of British Columbia, Alberta and Ontario and not in material default under applicable Securities Laws or the rules, by-laws or policies of the Exchange.
- (h) *GST Registration.* The Purchaser is registered under Subdivision D of Division V of Part IX of the ETA and its registration number is 78836 9205 RT0001.

ARTICLE 4 COVENANTS

4.1 Conduct of Business of the Vendor

- (a) The Vendor covenants and agrees that, during the period from the date of this Agreement until the earlier of the Closing Date and the time that this Agreement is terminated in accordance with its terms (the "**Interim Period**"), except with the express prior written consent of the Purchaser, as required or permitted by this Agreement or as required by Law, the Vendor shall conduct its business in respect of the Purchased Assets in the Ordinary Course and the Vendor shall maintain and preserve the Purchased Assets and perform and comply with all of its obligations under all Contracts and Authorizations. For greater certainty, the Purchaser acknowledges that this Section 4.1 shall not apply to the conduct of business by the Vendor in respect of its operations, properties and assets other than the Purchased Assets.
- (b) Without limiting the generality of Section 4.1(a) and without derogating from the obligation of the Vendor in Section 5.1(a), during the Interim Period the Vendor shall:
 - (i) maintain the Purchased Assets in a state of good repair and condition and not sell or otherwise dispose of (or pledge as security) any of the Purchased Assets;
 - (ii) not create any Encumbrance upon any of the Purchased Assets;
 - (iii) maintain all Books and Records in the usual, regular and ordinary manner;
 - (iv) comply with and maintain all Authorizations;
 - (v) retain possession and control of the Purchased Assets and preserve the confidentiality of any confidential or proprietary information related to the Purchased Assets;
 - (vi) not enter into any Contract with respect to the Purchased Assets;
 - (vii) not terminate or waive any right with respect to the Purchased Assets;
 - (viii) take all reasonable action to preserve its business and the goodwill of the Vendor and its relationships with customers, suppliers, landlords, creditors, communities and others having business dealings with it, in each case as the same relates to the Purchased Assets; and
 - (ix) conduct its business and operations in such a manner such that, on the Closing Date, the representations and warranties of the Vendor contained in this Agreement shall be true, correct and complete as if such representations and warranties were made on and as of such date.

4.2 Certain Covenants of the Vendor Relating to the Transaction

- (a) The Vendor shall perform all obligations required or desirable to be performed by the Vendor under this Agreement, co-operate with the Purchaser in connection therewith and do all such other acts and things as may be necessary or desirable in order to consummate and make effective the Transaction and, without limiting the generality of the foregoing, the Vendor shall:
 - (i) use commercially reasonable efforts to satisfy all conditions precedent in this Agreement and comply promptly with all requirements imposed by Law on it with respect to this Agreement or the Transaction;
 - (ii) obtain and maintain all third party or other consents (including from Governmental Entities), waivers, permits, exemptions, Orders, approvals, agreements, amendments or confirmations that are (i) necessary or advisable in connection with the Transaction, (ii) required to be obtained under any Contracts, leases, permits, licenses or other Authorizations in respect of the Purchased Assets in connection with the Transaction or (iii) required in order to maintain any Contracts, leases, permits, licenses or other Authorizations in respect of the Purchased Assets in full force and effect following completion of the Transaction, in each case, on terms that are reasonably satisfactory to the Purchaser, and without committing the Purchased Assets or the Purchaser to pay any new consideration or incur any new Liability or obligation without the prior written consent of the Purchaser;
 - (iii) effect all necessary registrations, filings and submissions of information required by Governmental Entities relating to the Transaction and coordinating and cooperating with the Purchaser with respect thereto;
 - (iv) use commercially reasonable efforts to oppose, lift or rescind any injunction, restraining or other Order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Transaction and use commercially reasonable efforts to defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging the Transaction or this Agreement; and
 - (v) not take any action, or refrain from taking any commercially reasonable action, or permit any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to prevent, delay or otherwise impede the consummation of the Transaction.
- (b) The Vendor shall promptly notify the Purchaser in writing of:
 - (i) any Material Adverse Effect;
 - (ii) any notice or other communication from any Person or any Governmental Entity relating to or involving or otherwise affecting the Purchased Assets or that relates to this Agreement or the Transaction; or
 - (iii) any representation or warranty made by the Vendor contained in this Agreement becoming untrue or incorrect during the Interim Period, and for the purposes of this Section 4.2(b)(iii) each representation and warranty in Section 3.1 shall be deemed to be given at and as of all times during the Interim Period. Any such notification shall set out the particulars of the incorrectness or breach of the representation or warranty and details of any actions being taken by the Vendor to rectify such incorrectness or breach.

4.3 Covenants of the Purchaser Relating to the Transaction

The Purchaser shall perform all obligations required to be performed by the Purchaser under this Agreement, reasonably co-operate with the Vendor in connection therewith and do all such other acts and things as may be reasonably necessary or desirable in order to consummate and make effective the Transaction and, without limiting the generality of the foregoing, the Purchaser shall use commercially reasonable efforts to satisfy all conditions precedent in this Agreement and comply promptly with all requirements imposed by Law on it with respect to this Agreement or the Transaction.

4.4 Access to Information and Access for Due Diligence

From the date hereof until the Closing Date, unless this Agreement is terminated in accordance with its terms, subject to applicable Law, the Vendor shall, and shall cause its officers, directors, employees, auditors, advisors, Representatives and agents to, in respect of the business, operations, assets, properties and related rights comprising and relating to the Purchased Assets, afford the Purchaser and its officers, employees, agents and Representatives such access as the Purchaser may reasonably request, without disrupting the business and operations of the Vendor, during regular business hours of the Vendor, including for the purpose of environmental site assessments, environmental compliance audits, health and safety audits, facilitating post-Closing business planning and for indemnification purposes, to its officers, employees, agents, Representatives, properties, Books and Records and Contracts, and to the Purchased Assets themselves, and shall make available to the Purchaser all data and information as the Purchaser may reasonably request with respect thereto. Without limiting the foregoing, the Vendor shall, upon the Purchaser's reasonable request, facilitate discussions between the Purchaser and any third party from whom consent may be required in respect of the Transaction. Investigations made by or on behalf of the Purchaser, whether under this paragraph or otherwise, will not waive, diminish the scope of, or otherwise affect any representation or warranty made by the Vendor in this Agreement.

4.5 Exclusive Dealing

During the Interim Period, the Vendor shall not, directly or indirectly, solicit, initiate, or encourage any inquiries or proposals from, discuss or negotiate with, provide any non-public information to, or consider the merits of any inquiries or proposals from, any Person (other than Purchaser) relating to any transaction involving the sale of the Purchased Assets, howsoever structured or conceived.

4.6 Public Communications

All public notices to third parties and all other publicity concerning this Agreement and the Transaction shall be jointly planned and coordinated by the Vendor and the Purchaser, and neither Party shall act unilaterally in this regard without the prior approval of the other Party (such approval not to be unreasonably withheld), except where required to do so by Law or by the applicable regulations, rules or policies of any Governmental Entity having jurisdiction in respect of the Party, including the Exchange, in each case in circumstances where prior consultation with the other Party is not practicable and a copy of such disclosure is provided to the other Party.

4.7 Taxes

The Vendor shall be liable for and shall pay any and all applicable Taxes relating to the acquisition of the Purchased Assets by the Purchaser, including, without limitation, federal, provincial or municipal sales, use, excise, serves and land transfer Taxes and, upon reasonable request of the Purchaser, shall furnish proof of such payment.

ARTICLE 5 CONDITIONS TO CLOSING

5.1 Conditions Precedent to the Obligations of the Purchaser

The Purchaser is not required to complete the Transaction unless each of the following conditions is satisfied on or as of the Closing Date, which conditions are for the exclusive benefit of the Purchaser and may only be waived, in whole or in part, by the Purchaser in its sole discretion:

- (a) **Representations and Warranties.** The representations and warranties of the Vendor set forth in this Agreement shall be true and correct in all respects as of the Closing Date as if made on and as of such date, except to the extent that such representations and warranties speak as of an earlier date in which event such representations and warranties shall be accordingly true and correct as of such earlier date; and the Vendor shall have delivered a certificate confirming same to the Purchaser, executed by a senior officer of the Vendor (without personal liability), addressed to the Purchaser and dated the Closing Date.
- (b) **Performance of Covenants.** The Vendor shall have fulfilled or complied in all respects with each of the covenants and obligations of the Vendor contained in this Agreement to be fulfilled or complied with by it on or prior to the Closing Date and the Vendor shall have delivered a certificate confirming same to the Purchaser, executed by a senior officer of the Vendor, addressed to the Purchaser and dated the Closing Date.
- (c) **No Material Adverse Effect.** There shall not have occurred a Material Adverse Effect.
- (d) **No Legal Action.** There shall be no action or proceeding pending to prohibit or restrict the Transaction or prohibit or restrict the ownership or operation by the Purchaser or its affiliates of the Purchased Assets.
- (e) **Property in Good Standing.** The mineral licenses comprising the Property (as set out in Schedule "A") shall be in good standing as of the Closing Date.
- (f) **Deliveries to the Purchaser.** The Vendor shall have delivered, or caused to be delivered, to the Purchaser the following in form and substance satisfactory to the Purchaser, acting reasonably:
 - (i) the certificates referred to in Section 0 and Section 5.1(b);
 - (ii) certified copies of (i) the constating documents of the Vendor; (ii) the resolutions of the board of directors of the Vendor approving the execution, delivery and performance of this Agreement; and (iii) a list of the directors and officers of the Vendor authorized to sign this Agreement or other agreements and documents referred to in this Agreement to which the Vendor is a party, together with their specimen signatures;
 - (iii) a certificate of status with respect to the Vendor issued by appropriate government officials of its jurisdiction of incorporation, continuance or creation;
 - (iv) certificates of compliance for the mineral licenses comprising the Property, provided by the Department of Innovation, Energy and Technology;
 - (v) all deeds, conveyances, transfers, assignments, consents and other documents as may be required to convey to the Purchaser a 100% undivided interest in the Purchased Assets with good and marketable title, free and clear of all Encumbrances, other than the Permitted Encumbrances;

- (vi) forms of mineral license transfer from the Department of Innovation, Energy and Technology in original, notarized form;
 - (vii) evidence in form satisfactory to the Purchaser, acting reasonably, that the consents, waivers, permits, exemptions, Orders, approvals, agreements, amendments or confirmations required pursuant to Section 4.2(a)(ii) have been obtained;
 - (viii) all Books and Records;
 - (ix) all third-party consents and evidence of delivery of all third-party notices required in connection with the Transaction and the other transactions contemplated by this Agreement; and
 - (x) copies or originals of such other documents, instruments, agreements or certificates necessary or advisable to consummate the transactions contemplated by this Agreement, as the Purchaser shall reasonably request.
- (g) **Proceedings.** All corporate proceedings to be taken in connection with the transactions contemplated in this Agreement, including, without limitation, the Transaction, shall be satisfactory in form and substance to the Purchaser, acting reasonably, and the Purchaser shall have received copies of all instruments and other evidence as it may reasonably request in order to establish the consummation of such transactions and the taking of all necessary corporate proceedings in connection therewith.
- (h) **Illegality.** No Law is in effect that makes the consummation of the Transaction illegal or otherwise prohibits or enjoins the Purchaser from consummating the Transaction.

5.2 Conditions Precedent to the Obligations of the Vendor

The Vendor is not required to complete the Transaction unless each of the following conditions is satisfied on or as of the Closing Date, which conditions are for the exclusive benefit of the Vendor and may only be waived, in whole or in part, by the Vendor in its sole discretion:

- (a) **Representations and Warranties of the Purchaser.** The representations and warranties of the Purchaser set forth in this Agreement shall be true and correct in all respects as of the Closing Date as if made on and as of such date, except to the extent that such representations and warranties speak as of an earlier date in which event such representations and warranties shall be accordingly true and correct as of such earlier date; and the Purchaser shall have delivered a certificate confirming same to the Vendor, executed by a senior officer of the Purchaser (without personal liability), addressed to the Vendor and dated the Closing Date.
- (b) **Performance of Covenants of the Purchaser.** The Purchaser shall have fulfilled or complied in all respects with each of the covenants and obligations of the Purchaser contained in this Agreement to be fulfilled or complied with by it on or prior to the Closing Date and the Purchaser shall have delivered a certificate confirming same to the Vendor, executed by a senior officer of the Purchaser (without personal liability), addressed to the Vendor and dated the Closing Date.
- (c) **No Legal Action.** There is no action or proceeding pending in Canada to prohibit or restrict the Transaction.
- (d) **Deliveries by the Purchaser.** The Purchaser shall have delivered or caused to be delivered to the Vendor:

- (i) the certificates referred to in Section 5.2(a) and Section 5.2(b);
 - (ii) certified copies of (i) the constating documents of the Purchaser; (ii) the resolutions of the board of directors of the Purchaser approving the execution, delivery and performance of this Agreement; and (iii) a list of the directors and officers of the Purchaser authorized to sign this Agreement or other agreements and documents referred to in this Agreement to which the Purchaser is a party, together with their specimen signatures;
 - (iii) a certificate of status with respect to the Purchaser issued by appropriate government officials of its jurisdiction of incorporation, continuance or creation;
 - (iv) share certificates representing 750,000 Purchaser Common Shares, registered in the name of the Vendor; and
 - (v) payment of the amount required in Section 2.2(b).
- (e) **Illegality.** No Law is in effect that makes the consummation of the Transaction illegal or otherwise prohibits or enjoins the Vendor from consummating the Transaction.

ARTICLE 6 TERM AND TERMINATION

6.1 Termination

- (a) This Agreement may be terminated prior to the Closing Date:
 - (i) by the mutual written agreement of the Parties;
 - (ii) by either the Vendor or the Purchaser if: the closing of the Transaction does not occur on or prior to the Outside Date, provided that a Party may not terminate this Agreement pursuant to this Section 6.1(a)(ii) if the failure of the closing of the Transaction to so occur has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants under this Agreement;
 - (iii) by the Vendor, acting in good faith, if a breach of any representation or warranty or failure to perform any covenant on the part of the Purchaser under this Agreement occurs that would cause any condition in Section 5.2 not to be satisfied, and such breach or failure is incapable of being cured or is not cured by the Outside Date; provided that any Wilful Breach shall be deemed to be incurable;
 - (iv) by the Purchaser, acting in good faith, if a breach of any representation or warranty or failure to perform any covenant on the part of the Vendor under this Agreement occurs that would cause any condition in Section 5.1 not to be satisfied, and such breach or failure is incapable of being cured or is not cured by the Outside Date; provided that any Wilful Breach shall be deemed to be incurable; or
 - (v) by the Purchaser, if it is not satisfied, in its sole discretion, with the results of its due diligence investigation with respect to the Vendor and the Purchased Assets.
- (b) The Party desiring to terminate this Agreement pursuant to Section 6.1(a) shall give notice of such termination to the other Party, specifying in reasonable detail the basis for such Party's exercise of its termination right.

6.2 Effect of Termination

- (a) Subject to Section 6.2(b), if this Agreement is terminated pursuant to Section 6.1, all further obligations of the Parties under this Agreement shall terminate, except for the obligations under Section 4.6, Section 9.2 and Section 9.11, and the representations and warranties pursuant to Article 3, which shall survive termination; and
- (b) If this Agreement is terminated pursuant to Section 6.1(a)(ii), (iii), (iv) or (v) by a Party and the right to terminate arose because of a breach of this Agreement by the other Party, then such other Party shall remain fully liable for any and all Damages (as defined in Section 8.1) sustained or incurred by the terminating Party directly or indirectly as a result thereof, and such Party shall be entitled to claim for indemnification pursuant to Article 8 (and for that purpose, Article 8 and Section 9.6 shall survive termination of the Agreement).

ARTICLE 7 CLOSING

7.1 Date, Time and Place of Closing

The completion of the Transaction contemplated by this Agreement will take place at the Closing Time or on such other date and at such other time as may be agreed upon in writing between the Parties.

ARTICLE 8 INDEMNITY

8.1 Continuation of Representations, Warranties and Covenants and Indemnity

- (a) The representations, warranties, acknowledgments and covenants of the Vendor as set out in Section 3.1 of this Agreement are representations, warranties, acknowledgments and covenants on which the Purchaser has relied in entering into this Agreement and shall survive and continue in full force and effect for a period of two (2) years after the Closing Date.
- (b) The Vendor agrees to indemnify and save the Purchaser and its Representatives harmless from and against any loss, damages, Liability, claim, cost and expense (including without limiting the generality of the foregoing, legal fees) (collectively, "**Damages**") which may be suffered or incurred by the Purchaser or its Representatives as a result of or in connection with (i) any breach or non-fulfilment of any covenant or agreement on the part of the Vendor contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement, (ii) any breach of or incorrectness in any representation or warranty made by the Vendor hereunder or in any other document, certificate or instrument delivered pursuant hereto and (iii) subject to the terms and conditions set out herein, any failure of the Vendor to transfer or cause the transfer of the legal and beneficial ownership of the Purchased Assets, free and clear of all Encumbrances other than Permitted Encumbrances. The Vendor shall not have any right of indemnification, contribution or subrogation against the Purchaser or its Representatives with respect to any indemnification payment made by or on behalf of the Vendor under this Article 8.
- (c) The representations, warranties, acknowledgments and covenants of Purchaser as set out in Section 3.2 of this Agreement are representations, warranties, acknowledgments and covenants on which the Vendor has relied in entering into this Agreement and shall survive and continue in full force and effect for a period of two (2) years after the Closing Date.

- (d) The Purchaser agrees to indemnify and save the Vendor and its Representatives harmless from and against any Damages which may be suffered or incurred by the Vendor or its Representatives as a result of (i) any breach or non-fulfilment of any covenant or agreement on the part of the Purchaser contained in this Agreement or in any other agreement, certificate or instrument executed and delivered pursuant to this Agreement, and (ii) any breach of or incorrectness in any representation or warranty made by the Purchaser hereunder or in any other document, certificate or instrument delivered pursuant hereto. The Purchaser shall not have any right of indemnification, contribution or subrogation against the Vendor or its Representatives with respect to any indemnification payment made by or on behalf of the Purchaser under this Article 8.
- (e) The waiver of any condition based upon the accuracy of any representation and warranty or the performance of any covenant shall not affect the right to indemnification, reimbursement or other remedy based upon such representation, warranty or covenant.
- (f) Notwithstanding Section 9.6, each of the Purchaser and the Vendor hereby accepts each indemnity in favour of each of its Representatives who are not Parties and as agent and trustee of those Representatives. Each of the Purchaser and the Vendor may enforce an indemnity in favour of any of that Party's Representatives on behalf of such Representatives.
- (g) Subject to Section 8.1(a) and Section 8.1(c) with respect to the representations, warranties, acknowledgments and covenants and contained in Sections 3.1 and 3.2 of this Agreement, and Section 6.2 in the case of the termination of the Agreement, all provisions of this Agreement and of any other agreement, certificate or instrument delivered pursuant to this Agreement, other than the conditions contained in Article 5, shall survive the execution, delivery and performance of this Agreement in accordance with the terms hereof or thereof.

ARTICLE 9 GENERAL PROVISIONS

9.1 Amendments

This Agreement may only be amended by mutual written agreement of the Parties.

9.2 Expenses

Unless otherwise expressly set forth herein, each of the Vendor and the Purchaser will be responsible for and bear all of its own costs and expenses (including any broker's or finder's fees and the expenses of its Representatives) incurred at any time prior to or after the Closing Date in connection with negotiating, evaluating, pursuing, or completing of the Transaction, whether or not the Transaction is consummated.

9.3 Further Assurances

From time to time after the Closing Date, each Party shall, at the request of any other Party, execute and deliver such additional conveyances, transfers and other assurances as may be reasonably required to effectively undertake the transactions contemplated by this Agreement and to carry out the intent of this Agreement. Without limiting the generality of the foregoing, to the extent that any Purchased Asset is not, on and subject to the terms and conditions of this Agreement, transferred to the Purchaser, upon becoming aware or being notified of such failure to transfer any such Purchased Asset, the Vendor shall use its best efforts to transfer, or to cause the transfer of, such Purchased Asset to the Purchaser or take other appropriate steps to allow the Purchaser to enjoy the benefit of such arrangement or asset.

9.4 Notices

Any notice, or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier or email and addressed:

(a) to Vendor at:

Galloper Gold Corp.
900, 885 West Georgia Street
Vancouver, British Columbia
V6C 3H1

Attention: Mark Scott, CEO
Email: [REDACTED]

to the Purchaser at:

Vortex Energy Corp.
1930 - 1177 West Hastings Street
Vancouver, BC V6C 2Z7

Attention: Paul Sparkes
Email: [REDACTED]

Any notice or other communication is deemed to be given and received (i) if sent by personal delivery, email or same day courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (ii) if sent by overnight courier, on the next Business Day, or (iii) if sent by email, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt). Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

9.5 Time of the Essence

Time is of the essence in this Agreement.

9.6 Third Party Beneficiaries

Except as specifically provided in Section 8.1(f), the Parties intend that this Agreement will not benefit or create any right or cause of action in favour of any other Person, other than the Parties and that no Person, other than the Parties, shall be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum.

9.7 Waiver

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

9.8 Entire Agreement

This Agreement constitutes the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement or in any document delivered pursuant to this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

9.9 Successors and Assigns

- (a) This Agreement becomes effective only when executed by the Purchaser and the Vendor. After that time, it will be binding upon and enure to the benefit of the Purchaser and the Vendor and their respective successors and permitted assigns.
- (b) Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by the Vendor without the prior written consent of the Purchaser. Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by the Purchaser without the prior written consent of the Vendor.

9.10 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to affect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

9.11 Governing Law

This Agreement will be governed by and interpreted and enforced in accordance with the Laws of the Province of British Columbia and the federal Laws of Canada applicable therein.

Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the British Columbia courts situated in the City of Vancouver and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

9.12 Counterparts

This Agreement may be executed in any number of counterparts (including counterparts by electronic transmission) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed PDF or similar executed electronic copy of this Agreement, and such PDF or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

IN WITNESS WHEREOF the Parties have executed this Agreement as of the date first written above.

GALLOPER GOLD CORP.

Per: "Mark Scott" _____

Name: Mark Scott

Title: President & CEO

VORTEX ENERGY CORP.

Per: "Paul Sparkes" _____

Name: Paul Sparkes

Title: chief
Executive
officer

SCHEDULE "A"
PROPERTY

<u>License Number</u>	<u>Number of Claims</u>
034975M	256