

## SHARE EXCHANGE AGREEMENT

THIS SHARE EXCHANGE AGREEMENT (this “**Agreement**”) is made effective as of the 3<sup>rd</sup> day of January, 2024 (the “**Execution Date**”)

AMONG:

**1442160 B.C. LTD.**, a company incorporated under the laws of British Columbia and having a registered address at Suite 810, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2

(the “**Target**”)

AND:

**EACH OF THE SHAREHOLDERS OF THE TARGET**, as set out in Schedule A attached hereto

(each, a “**Target Shareholder**” and, collectively, the “**Target Shareholders**”)

AND:

**MOONBOUND MINING LTD.**, a company incorporated under the laws of British Columbia and having its head office located at Suite 200, 2820 Granville St., Vancouver, British Columbia, V6C 1S4

(the “**Purchaser**”)

WHEREAS:

A. The Purchaser is a corporation existing under laws of British Columbia and a reporting issuer in British Columbia and Ontario, and the Purchaser Shares (as defined herein) are listed for trading on the Exchange (as defined herein) under the symbol “MML”;

B. The Target is a private British Columbia corporation whose wholly-owned subsidiary, Norrabees Lithium (SA) Limited (“**Norrabees**”), a company incorporated under the company laws of the Republic of Mauritius, is party to a Sale of Shares Agreement (the “**Sale of Shares Agreement**”) dated December 13, 2023 among Norrabees, Dune Resources Proprietary Limited (“**Dune**”), and SPH Kundalila Proprietary Limited (“**SPH**”), pursuant to which Norrabees has the right to acquire all of the issued and outstanding share of Dune from SPH (the “**Dune Transaction**”);

C. In accordance with the Sale of Shares Agreement, the Dune Transaction is to be completed in three parts: part A to be comprised of the sale of 3,124 shares (each, a “**Dune Share**”) in the capital of Dune, constituting approximately 40% of the total issued and outstanding Dune Shares; part B to be comprised of the sale of 3,124 Dune Shares, constituting approximately 40% of the total issued and outstanding Dune Shares; and part C to be comprised of the sale of 3,124 Dune Shares, constituting approximately 20% of the total issued and outstanding Dune Shares;

D. As of the date of the Sale of Shares Agreement, Dune holds 65% of the issued and outstanding shares of Namli Exploration & Mining Proprietary Limited ("**Namli**"), a private limited liability company under the laws of the Republic of South Africa (the "**RSA**"), which company holds a mining permit bearing State Department of Mineral Resources and Energy ("**DMRE**") reference number NC30/5/3/10950MP, for the minerals lithium ore, nickel, manganese, lead, copper, iron, cobalt, gold, zinc, silver, tungsten, uranium, beryllium, rare earths and tantalum and a prospecting right, bearing DMRE reference number: NC30/5/1/1/2/11823PR, for the minerals beryllium ore, copper ore, lead, lithium ore, nickel ore, rare earths, silver ore, tantalum/niobium ore, tungsten ore, uranium ore and zinc ore, both in respect of that portion of the remainder of Farm Steinkopf No. 22, situated in the Magisterial District of Namaqualand, RSA (the "**Norrabees Lithium Project**") as further described in Schedule C attached hereto. In connection with the Dune Transaction, Dune will increase its ownership of Namli from 65% to 100% such that it will become a wholly-owned subsidiary of Dune;

E. On December 14, 2023, the Target and the Purchaser entered into a letter of intent (the "**LOI**"), pursuant to which the Target and the Purchaser agreed to conduct due diligence and agreed to an exclusivity provision;

F. Pursuant to the LOI, the Parties have agreed to enter into this Agreement, which shall seek to replace and supersede the LOI and formalize, confirm and provide certain additional standard terms and conditions in respect of the Transaction (as defined herein);

G. The Target Shareholders are, as at the date hereof, the registered and beneficial owners of all of the issued and outstanding Target Shares, which will constitute all of the issued and outstanding Target Securities as at the Closing (as defined herein); and

H. Upon the terms and subject to the conditions set forth in this Agreement, the Target Shareholders have agreed to sell to the Purchaser, and the Purchaser has agreed to purchase from the Target Shareholders, all of the Target Shareholders' legal and beneficial interest in the Target Shares, such that, immediately following the Closing, all of the Target Shares will be owned by the Purchaser, and the Target will be a wholly-owned subsidiary of the Purchaser.

**THIS AGREEMENT WITNESSES** that, in consideration of the mutual covenants and agreements herein contained, and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Target, the Target Shareholders and the Purchaser (each, a "**Party**" and, together, the "**Parties**") covenant and agree as follows:

## **ARTICLE 1** **INTERPRETATION**

### **1.1 Definitions**

In this Agreement, the following words and phrases will have the following meanings:

- (a) "**Affiliate**" means a company that is affiliated with another company as described below. A company is an Affiliate of another company if (a) one of them is the subsidiary of the other, or (b) each of them is controlled by the same person. A

company is “controlled” by a person if (a) voting securities of the company are held, other than by way of security only, by or for the benefit of that person, and (b) the voting securities, if voted, entitle the person to elect a majority of the directors of the company. A person beneficially owns securities that are beneficially owned by (a) a company controlled by that person, or (b) an Affiliate of that person or an Affiliate of any company controlled by that person;

- (b) “**Agreement**” means this Share Exchange Agreement, and all of the schedules and other documents attached hereto, as it may from time to time be supplemented or amended;
- (c) “**Applicable Laws**” means, with respect to any Person, any domestic (whether federal, provincial, state, territorial, municipal or local) or foreign statutes, laws, ordinances, rules, administrative interpretations, regulations, Orders, writs, injunctions, directives, judgments, decrees or other requirements of any Governmental Body applicable to such Person or any of its Affiliates or any of their respective properties, assets, Employees, consultants or agents (in connection with such Employee’s, consultant’s or agent’s activities on behalf of such Person or any of its Affiliates), including Applicable Securities Laws;
- (d) “**Applicable Securities Laws**” means all applicable securities laws in all jurisdictions relevant to the issuance of securities of the Purchaser pursuant to the terms of this Agreement, including the Exchange Policies;
- (e) “**Authorization**” means, with respect to any Person, any order, permit, approval, grant, consent, waiver, license, certificate, judgment, writ, award, determination, exemption, direction, decision, decree, bylaw, rule, regulation, registration or similar authorization of, from or required by any Governmental Body having jurisdiction over the Person;
- (f) “**Business Day**” means any day on which commercial banks are generally open for business in the City of Vancouver, British Columbia other than a Saturday, a Sunday or a day observed as a holiday in the City of Vancouver, British Columbia;
- (g) “**Closing**” means the closing of the Transaction pursuant to the terms of this Agreement;
- (h) “**Closing Date**” means the date of Closing, which is to be no later than February 29, 2024;
- (i) “**Consideration Securities**” means, together, the Consideration Shares and the Consideration Warrants;
- (j) “**Consideration Shares**” means the aggregate of 38,000,000 fully paid and non-assessable Purchaser Shares to be issued to the Target Shareholders at the Closing in accordance with Section 2.1, and “**Consideration Share**” means any one of them;

- (k) “**Consideration Warrants**” means the aggregate of 19,000,000 Purchaser Warrants, with each warrant entitling the holder to purchase one Purchaser Share at an exercise price of \$0.40 for a period of 3 years after the date of issuance of the Consideration Warrants, to be issued to the Target Shareholders at the Closing in accordance with Section 2.1, and “**Consideration Warrant**” means any of them;
- (l) “**Contract**” means any contract, agreement, option, lease, license, sale and purchase order, commitment, understanding or other right or obligation of any kind, whether written or oral, to which any Party, or any Affiliate thereof, is a party, or is bound or affected, or to which any of its respective properties or assets is subject;
- (m) “**Disclosure Record**” means the disclosure documents of the Purchaser as filed on SEDAR+ under the Purchaser’s profile at [www.sedarplus.ca](http://www.sedarplus.ca);
- (n) “**DMRE**” has the meaning set forth on page 2 of this Agreement;
- (o) “**Dune**” has the meaning set forth on page 1 of this Agreement;
- (p) “**Dune Share**” has the meaning set forth on page 1 of this Agreement;
- (q) “**Dune Transaction**” has the meaning set forth on page 1 of this Agreement;
- (r) “**Employee**” means, with respect to any Person, any current, former or retired employee, officer, manager, consultant or director of such Person;
- (s) “**Employee Plan**” refers to any plan, program, policy, practice, Contract or other arrangement providing for bonuses, severance, termination pay, performance awards, stock or stock-related awards, fringe benefits or other benefits of any kind, whether formal or informal, funded or unfunded, and whether or not legally binding, pursuant to which a Person has, or may have, any material Liability, contingent or otherwise;
- (t) “**Encumbrances**” means any encumbrance or restriction of any kind or nature whatsoever and howsoever arising (whether registered or unregistered) and includes a security interest, mortgage, easement, adverse ownership interest, defect on title, condition, right of first refusal, right of first offer, right-of-way, encroachment, building or use restriction, conditional sale agreement, hypothec, pledge, deposit by way of security, hypothecation, assignment, charge, security under Sections 426 or 427 of the *Bank Act* (Canada), trust or deemed trust, voting trust or pooling agreement with respect to securities, any adverse claim, grant of any exclusive licence or sole licence, or any other right, option or claim of others of any kind whatsoever, and includes any agreement to give any of the foregoing in the future, and any subsequent sale or other title retention agreement or lease in the nature thereof, affecting the Target or the Target Securities;
- (u) “**Exchange**” means the Canadian Securities Exchange;

- (v) “**Exchange Policies**” means the rules and policies of the Exchange in effect as at the Closing Date;
- (w) “**Execution Date**” has the meaning set forth on page 1 of this Agreement;
- (x) “**Exemptions**” has the meaning set forth in Section 2.5(a);
- (y) “**Finder’s Fee**” means the finder’s fee of 2,000,000 Purchaser Shares payable pursuant to the terms and conditions of the Finder’s Fee Agreement;
- (z) “**Finder’s Fee Agreement**” means the finder’s fee to be entered into prior to the Closing between the Purchaser and an eligible third party finder;
- (aa) “**GAAP**” means generally accepted accounting principles as set forth in the CPA Canada Handbook – *Accounting* for an entity that prepares its financial statements in accordance with Accounting Standards for Private Enterprises, at the relevant time, applied on a consistent basis;
- (bb) “**Governmental Body**” means: (a) any governing body of any nation, state, province, county, city, town, village, district or other jurisdiction of any nature, (b) federal, state, provincial, local, municipal, foreign or other government, (c) any governmental or quasi-governmental authority of any nature (including any governmental agency, branch, department, official or entity and any court or other tribunal), (d) any multi-national organization or body, or (e) anybody exercising, or entitled to exercise, any administrative, executive, judicial, legislative, police, regulatory or taxing authority or power of any nature, including any arbitrator;
- (cc) “**IFRS**” means International Financial Reporting Standards as adopted by the Canadian Accounting Standards Board, applied on a consistent basis with prior periods;
- (dd) “**Indemnified Party**” has the meaning set forth in Section 10.3(a);
- (ee) “**Indemnifying Party**” has the meaning set forth in Section 10.3(a);
- (ff) “**Intellectual Property**” means all intellectual property and industrial property rights and assets, and all rights, interests and protections that are associated with, similar to, or required for the exercise of, any of the foregoing, however arising, pursuant to the Applicable Laws of any jurisdiction throughout the world, whether registered or unregistered, including any and all: (a) trademarks, service marks, trade names, brand names, logos, slogans, trade dress, design rights and other similar designations of source, sponsorship, association or origin, together with the goodwill connected with the use of, and symbolized by, and all registrations, applications and renewals for, any of the foregoing, (b) internet domain names, whether or not trademarks, web addresses, web pages, websites and related content, URLs and accounts with Twitter, Facebook and other social media companies, and the content found thereon and related thereto, (c) works of authorship, expressions, recipes, formulas, designs and design registrations,

whether or not copyrightable, including copyrights, author, performer, moral and neighboring rights, and all registrations, applications for registration and renewals of such copyrights, (d) inventions, discoveries, trade secrets, business and technical information and know-how, databases, data collections and other confidential and proprietary information and all rights therein, (e) patents (including all reissues, divisionals, provisionals, continuations and continuations-in-part, re-examinations, renewals, substitutions and extensions thereof), patent applications, and other patent rights and any other Governmental Body-issued indicia of invention ownership (including inventor's certificates, petty patents and patent utility models), (f) all licenses for the listed intellectual property granted to third parties, (g) all future income and proceeds from any of the listed intellectual property and from the licenses listed in (f) above, and (h) all rights to damages, royalties and profits by reason of the past, present or future infringement or other misuse of any of the listed intellectual property;

- (gg) **“Liabilities”** means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person;
- (hh) **“Lien”** means any lien, claim, charge, pledge, hypothecation, security interest, mortgage, restriction, assignment, trust or deemed trust, title defect or objection, title retention agreement, option or encumbrance of any nature or kind whatsoever, whether contractual, statutory or otherwise arising, other than: (a) statutory liens for Taxes not yet due and payable, and (b) such imperfections of title, easements and Encumbrances, if any, that will not result in a Material Adverse Effect;
- (ii) **“LOI”** has the meaning set forth on page 2 of this Agreement;
- (jj) **“Losses”** means any and all demands, claims, actions or causes of action, assessments, losses, damages, Liabilities, costs or expenses, including interest, penalties, fines and reasonable attorneys, accountants and other professional fees and expenses, but excluding any indirect, consequential or punitive damages suffered by a Person, including damages for lost profits or lost business opportunities;
- (kk) **“Material Adverse Effect”** means, when used in connection with a Person, any change, event, violation, inaccuracy, circumstance or effect that is reasonably to be expected to result in losses, individually or in the aggregate, of at least \$10,000, or could reasonably be expected to be materially adverse to the business, assets (including intangible assets), Liabilities, capitalization, ownership, financial condition or results of operations of such Person or any Affiliate thereof, other than any change, event, circumstance or effect to the extent resulting from: (a) the announcement of the execution of this Agreement and the transactions contemplated hereby, (b) changes in legal or regulatory conditions generally

affecting the Target Business or the Purchaser Business, except that any such change, effect, event or occurrence will be considered in determining whether there has been, or will be, a Material Adverse Effect if the same disproportionately affects the Target, the Purchaser, the Purchaser Business or the Target Business, (c) changes in the capital markets generally, or (d) changes in GAAP or IFRS, as applicable;

- (ll) **“Material Contracts”** means any Contract or other obligation or right (and all amendments, modifications and supplements thereto to which either the Target or Norrabees is a party affecting the respective obligations of the Target or Norrabees thereunder) to which the Target or Norrabees is a party or by which any of its properties or assets are bound that are material to the Target Business or business of Norrabees, properties or assets of either the Target or Norrabees and to the extent any of the following are material to, as applicable, the Target Business or business of Norrabees, properties or assets of either the Target or Norrabees , all: (a) employment, severance, personal services, consulting, non-competition or indemnification Contracts (including any Contract to which the Target or Norrabees is a party involving Employees, as applicable), (b) Contracts granting a right of first refusal or first negotiation, (c) partnership or joint venture Contracts, (d) Contracts for the acquisition, sale, lease, exploration or production of material properties or assets of either the Target or Norrabees (by purchase or sale of assets, shares or otherwise), (e) Contracts with any Governmental Body, (f) loan or credit Contracts, instruments evidencing indebtedness for borrowed money by the Target or Norrabees or any such Contract pursuant to which indebtedness for borrowed money may be incurred, (g) Contracts that purport to limit, curtail or restrict the ability of either the Target or Norrabees to compete in any geographic area or line of business, as applicable, (h) commitments or understandings to enter into any of the foregoing, and (i) all Contracts that provide for annual payments to or from the Target or Norrabees in excess of \$10,000 per annum;
- (mm) **“Material Interest”** means direct or indirect beneficial ownership of: (a) voting securities or other voting interests representing at least 20% of the outstanding voting power of a Person, or (b) equity securities or other equity interests representing at least 20% of the outstanding equity securities or equity interests in a Person;
- (nn) **“Namli”** has the meaning set forth on page 2 of this Agreement;
- (oo) **“Norrabees”** has the meaning set forth on page 1 of this Agreement;
- (pp) **“Norrabees Shares”** means ordinary shares in the capital of Norrabees;
- (qq) **“Order”** means any award, decision, injunction, judgment, order, ruling, subpoena or verdict entered, issued, made or rendered by any Governmental Body;
- (rr) **“Organizational Documents”** means: (a) the certificate of incorporation, articles, bylaws or other constating documents of a Person, (b) any charter or similar

document adopted or filed in connection with the creation, formation or organization of a Person, and (c) any amendment to any of the foregoing;

- (ss) **"Party"** and **"Parties"** have the meaning set forth on page 2 of this Agreement;
- (tt) **"Person"** is to be construed broadly and includes an individual, sole proprietor, corporation, body corporate, partnership, joint venture, association, trust, unincorporated organization, Governmental Body, or any other entity, or any trustee, executor, administrator or other legal representative thereof;
- (uu) **"Principal Target Shareholder"** means Steve Mynott;
- (vv) **"Proceeding"** means any action, arbitration, audit, hearing, investigation, litigation or suit (whether civil, criminal, administrative, investigative or informal) commenced, brought, conducted, heard by or before, or otherwise involving, any Governmental Body;
- (ww) **"Purchase Price"** means the aggregate purchase price payable by the Purchaser to the Target Shareholders, which will be payable in accordance with Section 2.1 by the issuance of Consideration Securities;
- (xx) **"Purchaser"** has the meaning set forth on page 1 of this Agreement;
- (yy) **"Purchaser Board"** means the board of directors of the Purchaser;
- (zz) **"Purchaser Business"** means all business conducted by the Purchaser at any time prior to or following the Closing;
- (aaa) **"Purchaser Financing"** means non-brokered private placement of the Purchaser consisting of the issuance, directly or indirectly, of up to 16,666,666 Purchaser Shares at a price of \$0.30 per Purchaser Share for gross proceeds of up to \$5,000,000;
- (bbb) **"Purchaser Shares"** means the common shares in the capital of the Purchaser and **"Purchaser Share"** means any one of them;
- (ccc) **"Purchaser Warrants"** means common share purchase warrants of the Purchaser;
- (ddd) **"RSA"** has the meaning set forth on page 2 of this Agreement;
- (eee) **"Sale of Shares Agreement"** has the meaning set forth on page 1 of this Agreement;
- (fff) **"SEDAR+"** means the System for Electronic Document Analysis and Retrieval Plus;
- (ggg) **"SPH"** has the meaning set forth on page 1 of this Agreement;



- (hhh) **“Norrabees Lithium Project”** has the meaning set forth on page 2 of this Agreement;
- (iii) **“Target”** has the meaning set forth on page 1 of this Agreement;
- (jjj) **“Target Accounting Date”** means October 31, 2023;
- (kkk) **“Target Assets”** means all assets of the Target necessary for the operation of the Target Business;
- (lll) **“Target Board”** means the board of directors of the Target;
- (mmm) **“Target Business”** means all business conducted by the Target at any time prior to the Closing;
- (nnn) **“Target Disclosure Statement”** means the disclosure statement of the Target to be signed and dated by the Target and delivered by the Target to the Purchaser on the Execution Date;
- (ooo) **“Target Financial Statements”** means the management prepared financial statements of the Target from the date of incorporation on September 29, 2023 to December 31, 2023 prepared in accordance with IFRS;
- (ppp) **“Target Intellectual Property”** means: (a) any item of Intellectual Property solely owned by the Target, and (b) any item of Intellectual Property in which the Target has or purports to have a joint or shared ownership interest;
- (qqq) **“Target Securities”** means all of the Target Shares and any other securities or other indebtedness of the Target convertible or exercisable into, or exchangeable for, Target Shares;
- (rrr) **“Target Shareholder”** has the meaning set forth on page 1 of this Agreement;
- (sss) **“Target Shareholder Certificate”** means the Target Shareholder Certificate, in the form attached hereto as Schedule B;
- (ttt) **“Target Shares”** means all of the issued and outstanding shares in the capital of the Target, being 39,000,100 common shares in the capital of the Target as of the Execution Date;
- (uuu) **“Tax”** means, with respect to any Person, any tax, assessment, charge, dues, duty, rate, fee, impost, levy or similar charge of any kind, lawfully levied, assessed or imposed by any Governmental Body, including any income tax (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and capital tax, gross receipts tax, environmental tax or charge, sales tax, use tax, ad valorem tax, value added tax, transfer tax (including, without limitation, any tax relating to the transfer of interests in real property or entities holding interests therein), franchise

tax, license tax, withholding tax, health tax, payroll tax, employment tax, pension plan premium, excise tax, severance, social security, workers' compensation, employment insurance or compensation tax, mandatory pension or other social fund tax or premium, stamp tax, occupation tax, premium tax, property tax, windfall profits tax, alternative or add-on minimum tax, goods and services tax, harmonized sales tax, customs duties or other tax, fee, import, assessment or charge of any kind whatsoever, or any instalment in respect thereof, together with any interest and any penalty or additional amount imposed by any Governmental Body (domestic or foreign) on such Person, and any interest, penalty, additional tax or addition to tax imposed with respect to the foregoing, whether disputed by such Person or not;

- (vvv) "**Tax Act**" means the *Income Tax Act* (Canada), as amended and the regulations thereunder, as amended;
- (www) "**Tax Return**" means any return (including any information return), report, statement, schedule, notice, form or other document or information filed with or submitted to, or required to be filed with or submitted to, any Governmental Body in connection with the determination, assessment, collection or payment of any Tax, or in connection with the administration, implementation or enforcement of, or compliance with, any Applicable Laws;
- (xxx) "**Third-Party Claim**" has the meaning set forth in Section 10.3(a);
- (yyy) "**Transaction**" means the acquisition by the Purchaser of all of the Target Securities from the Target Shareholders and all other transactions contemplated by this Agreement; and
- (zzz) "**Transaction Documents**" means this Agreement and all such further documents, agreements and instruments required to be executed or filed by any Party or any Affiliate thereof to effect the consummation of the acquisition by the Purchaser of all of the Target Securities from the Target Shareholders (all of which will be in form and content reasonably satisfactory to each Party) pursuant to the requirements of Applicable Laws relating to the acquisition by the Purchaser of all of the Target Shares from the Target Shareholders, or by any other Governmental Body having jurisdiction, in order to carry out the terms and objectives of this Agreement.

## 1.2 Interpretation

For the purposes of this Agreement, except as otherwise expressly provided herein:

- (a) all references in this Agreement to a designated article, section or schedule is to the designated article, section or schedule of or to this Agreement, unless otherwise specifically stated;

- (b) the words “herein”, “hereof” and “hereunder”, and other words of similar import, refer to this Agreement as a whole and not to any particular article, section or schedule;
- (c) the singular of any term includes the plural and vice versa, and the use of any term is equally applicable to any gender and any Person;
- (d) the word “or” is not exclusive and the word “including” is not limiting (whether or not non-limiting language such as “without limitation” or “but not limited to” or other words of similar import are used with reference thereto);
- (e) all accounting terms not otherwise defined in this Agreement have the meanings assigned to them in accordance with GAAP or IFRS, as applicable, applied on a consistent basis with prior periods;
- (f) except as otherwise provided, any reference to a statute includes, and is a reference to, such statute and to the regulations made pursuant thereto with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which have the effect of supplementing or superseding such statute or such regulations;
- (g) where the phrase “to the best of the knowledge of” or phrases of similar import are used in this Agreement, it will be a requirement that the Person in respect of whom the phrase is used will have made such due enquiries as are reasonably necessary to enable such Person to make the statement or disclosure;
- (h) the headings to the articles and sections of this Agreement are inserted for convenience of reference only and do not form a part of this Agreement and are not intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision hereof;
- (i) any reference to a corporate entity includes, and is also a reference to, any corporate entity that is a successor to such entity;
- (j) the representations, warranties, covenants and agreements contained in this Agreement will not merge at the Closing and will continue in full force and effect from and after the Closing for the applicable period set out in this Agreement; and
- (k) unless otherwise specifically noted, all references to currency are to Canadian dollars (\$). If it is necessary to convert money from another currency to Canadian dollars, such money will be converted using the exchange rates in effect at the date of payment.

### **1.3 Schedules**

The following are the schedules to this Agreement:

- Schedule A – Target Shareholders and Consideration Securities
- Schedule B – Target Shareholder Certificate
- Schedule C – Description of the Norrabees Lithium Project

## **ARTICLE 2** **PURCHASE AND SALE**

### **2.1 Purchase of Target Shares**

Subject to the terms and conditions of this Agreement, the Purchaser irrevocably agrees to acquire the Target Shares (which will represent all of the Target Securities outstanding at the Closing) from the Target Shareholders, and each of the Target Shareholders irrevocably agrees to sell, assign and transfer its respective Target Shares to the Purchaser, free and clear of all Liens, on the terms and conditions set forth in this Agreement in consideration for the issuance by the Purchaser of 38,000,000 Consideration Shares and 19,000,000 Consideration Warrants to the Target Shareholders on a pro rata basis, as set out in Schedule A, at a deemed price equal to \$0.30 per Consideration Security, such that, immediately following the Closing, all of the issued and outstanding Target Securities will be owned by the Purchaser and the Target will become a wholly-owned subsidiary of the Purchaser.

### **2.2 No Fractional Consideration Shares**

Notwithstanding any other provision of this Agreement, no fractional Consideration Securities will be issued in the Transaction. In lieu of any such fractional securities, any Target Shareholder entitled to receive a fractional number of Consideration Securities will have such fraction rounded down to the nearest whole number of applicable Consideration Securities.

### **2.3 Restricted Securities**

Each of the Parties acknowledge and agree that the Consideration Securities issued pursuant to the terms and conditions set forth in this Agreement will have such hold periods as are required under Applicable Securities Laws, and, as a result, may not be sold, transferred or otherwise disposed of, except pursuant to an effective registration statement or prospectus, or pursuant to an exemption from, or in a transaction not subject to, the registration or prospectus requirements of Applicable Securities Laws, and in each case only in accordance with all Applicable Securities Laws.

### **2.4 Exchange Escrow**

Each Target Shareholder acknowledges and agrees that the Consideration Securities issued to such Target Shareholder may be subject to the escrow provisions imposed by the policies of the Exchange.

## 2.5 Exemptions

Each of the Target Shareholders hereby acknowledges and agrees with the Purchaser as follows:

- (a) the transfer of the Target Shares to the Purchaser and the issuance of the Consideration Securities, as applicable, to the Target Shareholders, will be made pursuant to appropriate exemptions (the “**Exemptions**”) from the formal takeover bid and registration and prospectus (or equivalent) requirements of Applicable Securities Laws;
- (b) as a consequence of acquiring the Target Shares and issuing the Consideration Securities pursuant to the Exemptions:
  - (i) the Purchaser is relying on exemptions from the requirements to provide the Target Shareholders with a prospectus and to sell securities through a Person registered to sell securities under Applicable Securities Laws and, as a consequence of acquiring securities pursuant to such exemptions, certain protections, rights and remedies provided by Applicable Securities Laws, including statutory rights of rescission or damages, will not be available to the Target Shareholders;
  - (ii) the Target Shareholders may not receive information that might otherwise be required to be provided to the Target Shareholders, and the Purchaser is relieved from certain obligations that would otherwise apply under Applicable Securities Laws if the Exemptions were not being relied upon by the Purchaser;
  - (iii) there is no government or other insurance covering the Consideration Securities;
  - (iv) there are risks associated with the acquisition by the Target Shareholders of the Consideration Securities; and
  - (v) no securities commission, stock exchange or similar regulatory authority has reviewed or passed on the merits of an investment in the Consideration Securities;
- (c) each of the Target Shareholders is knowledgeable of, or has been independently advised as to, the Applicable Laws of that jurisdiction which applies to the sale of the Target Shares and the issuance of the Consideration Securities and which may impose restrictions on the resale of such Consideration Securities in that jurisdiction and it is the responsibility of each Target Shareholder to become aware of what those trade restrictions are, and to comply with them before selling any Consideration Securities; and

- (d) the Consideration Securities (including those Purchaser Shares distributable upon exercise of the Consideration Warrants) may be subject to certain resale restrictions under Applicable Securities Law, and the Target Shareholders agree to comply with such restrictions and the Target Shareholders also acknowledge that the certificates for the Consideration Securities (including those Purchaser Shares distributable upon exercise of the Consideration Warrants) may bear an applicable legend or legends respecting restrictions on transfers as required under Applicable Securities Law (or legend notation on each applicable Consideration Securities issued electronically in a direct registration system), and that each Target Shareholder has been advised to consult the Target Shareholder's own legal advisor with respect to applicable resale restrictions and that each is solely responsible for complying with such restrictions.

## **2.6 Application of the Tax Act**

The Parties hereby acknowledge and agree that the Transaction is not intended to give rise to any income tax liability whatsoever, and it is their intention that the transactions contemplated hereby be effected pursuant to the provisions of section 85.1 of the Tax Act, unless that provision is inapplicable in respect of any particular Target Shareholder, in which case the non-application of section 85.1 to a particular Target Shareholder is not intended to alter the application of this provision to any other Target Shareholder.

### **ARTICLE 3** **REPRESENTATIONS AND WARRANTIES OF THE TARGET** **AND THE PRINCIPAL TARGET SHAREHOLDER**

As of the Execution Date and the Closing Date, and except as set forth in the Target Disclosure Statement, the Target and the Principal Target Shareholder make the following representations to the Purchaser and acknowledge and agree that the Purchaser is relying upon such representations and warranties, each of which is qualified in its entirety by the matters described in the Target Disclosure Statement, in connection with the execution, delivery and performance of this Agreement:

#### **3.1 Organization and Good Standing of the Target and Norrabees**

- (a) The Target is a corporation duly organized, validly existing and in good standing under the laws of the Province of British Columbia.
- (b) The Target has full corporate power, authority and capacity to conduct its business as it has been and is presently conducted, to own, operate or use the properties and assets that it purports to own, operate or use, and to perform all of its obligations under any applicable Contracts.
- (c) Norrabees is a corporation duly organized, validly existing and in good standing under the laws of the Republic of Mauritius.
- (d) Norrabees has full corporate power, authority and capacity to conduct its business as it has been and is presently conducted, to own, operate or use the properties

and assets that it purports to own, operate or use, and to perform all of its obligations under any applicable Contracts.

### **3.2 Capitalization of the Target and Norrabees**

- (a) The authorized share capital of the Target consists of an unlimited number of common shares, of which, as of the Execution Date, only the Target Shares are issued and outstanding and constitute the Target Shares to be purchased by the Purchaser subject to the terms and conditions of this Agreement. All of the Target Shares have been duly authorized, are validly issued, fully paid and non-assessable.
- (b) All Target Shares have been issued in compliance with all Applicable Laws. None of the Target Shares were issued in violation of any agreement, arrangement or commitment to which the Target is a party or is subject to or in violation of any pre-emptive or similar rights of any Person.
- (c) There are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to any shares or other securities in the capital of the Target or obligating the Target to issue or sell any shares or other securities of, or any other interest in, the Target. The Target does not have outstanding or authorized any share appreciation, phantom share, profit participation, equity compensation plans or similar rights. There are no voting trusts or agreements, pooling agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Target Shares.
- (d) The authorized share capital of Norrabees consists of 100 ordinary shares, of which, as of the Execution Date, 100 Norrabees Shares are issued and outstanding, all of which Norrabees Shares are owned by the Target. All of the Norrabees Shares have been duly authorized, are validly issued, fully paid and non-assessable.
- (e) All Norrabees Shares have been issued in compliance with all Applicable Laws. None of the Norrabees Shares were issued in violation of any agreement, arrangement or commitment to which Norrabees is a party or is subject to or in violation of any pre-emptive or similar rights of any Person.
- (f) There are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to any shares or other securities in the capital of Norrabees or obligating Norrabees to issue or sell any shares or other securities of, or any other interest in, Norrabees. Norrabees does not have outstanding or authorized any share appreciation, phantom share, profit participation, equity compensation plans or similar rights. There are no voting trusts or agreements, pooling agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Norrabees Shares.

### **3.3 Absence of Rights to Acquire Securities**

No Person has any Contract or right, present or future, contingent, absolute or capable of becoming a Contract, or right, or which, with the passage of time or the occurrence of any event could become a Contract or right:

- (a) to require either the Target or Norrabees to issue any further or other shares in its capital or any other security convertible or exchangeable into shares in their respective capital or to convert or exchange any securities into or for shares in their respective capital;
- (b) for the issue or allotment of any unissued shares in the capital of either the Target or Norrabees;
- (c) to require either the Target or Norrabees to purchase, redeem or otherwise acquire any of the issued and outstanding shares in the capital of the Target or Norrabees, as applicable; or
- (d) to acquire the Target Shares or any of them.

### **3.4 Authority**

The Target has all requisite power and authority to execute and deliver the Transaction Documents to be signed by it, to perform its obligations thereunder, and to consummate the transactions contemplated hereby. No other corporate or shareholder actions on the part of the Target are necessary to authorize the Transaction Documents or to consummate the Transaction. This Agreement has been, and the other Transaction Documents when executed and delivered by the Target as contemplated by this Agreement will be, duly executed and delivered by the Target, and this Agreement is, and the other Transaction Documents when executed and delivered by the Target as contemplated hereby will be, valid and binding obligations of the Target, enforceable against the Target in accordance with their respective terms, except as such enforcement may be limited by (i) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws of general application affecting the rights and remedies of creditors, and (ii) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

### **3.5 No Conflict**

Neither the execution and delivery of this Agreement, nor the consummation or performance of any of the transactions contemplated herein, will, directly or indirectly (with or without notice or lapse of time or both):

- (a) contravene, conflict with, or result in a violation of any provision of the Organizational Documents of either the Target, Norrabees or any resolution adopted by the Target Board or the board of directors of Norrabees;
- (b) contravene, conflict with, or result in a violation of, any Applicable Laws to which either the Target or Norrabees, or any of their respective assets, may be subject;



- (c) contravene, conflict with, or result in a violation of, any of the terms or requirements of, or give any Governmental Body the right to revoke, withdraw, suspend, cancel, terminate or modify, any governmental authorization that is held by either the Target or Norrabees, or that otherwise relates to the Target Business or business of Norrabees, as applicable;
- (d) contravene, conflict with, or result in a violation or breach of any provision of, or give any Person the right to declare a default or exercise any remedy under, or to accelerate the maturity or performance of, or to cancel, terminate, or modify, any Material Contract;
- (e) result in the imposition or creation of any Liens upon or with respect to any of the Target Shares or Norrabees Shares; or
- (f) require either the Target to obtain any consent from any Person in connection with the execution and delivery of this Agreement or the consummation or performance of any of the transactions contemplated herein and the consent of the Target's shareholders.

### **3.6 Subsidiaries**

Other than Norrabees, the Target has no subsidiaries and no Material Interest in any other Person.

### **3.7 Partnerships or Joint Ventures**

The Target is not a partner or participant in any partnership, joint venture, profit-sharing arrangement or other association of any kind, including as a beneficiary or trustee in any trust arrangement, and is not party to any agreement under which it agrees to carry on any part of the Target Business or any other activity in such manner, or by which the Target agrees to share any revenue or profit with any other Person.

### **3.8 Conduct Since Incorporation**

Since incorporation, the Target has not engaged in any business enterprise or other activity other than the Target Business.

### **3.9 Title to Personal Property**

Each of the Target and Norrabees possesses, and has good and marketable title to, all personal property reasonably necessary for the continued operation of the Target Business or the business of Norrabees, as applicable, as presently conducted and as represented to the Purchaser. All such property is in reasonably good operating condition (normal wear and tear excepted), and is reasonably fit for the purposes for which such property is presently used. All material equipment, furniture, fixtures and other tangible personal property and other Target Assets reasonably necessary for the continued operation of the Target Business or the business of Norrabees, as applicable, as presently conducted and as represented to the Purchaser are owned by the Target free and clear of all Liens.

### **3.10 Title to Real Property**

Other than those interests described in Schedule C attached hereto, the Target has no tangible real property.

### **3.11 Material Contracts**

The Target has made available to the Purchaser all the present outstanding Material Contracts, and aside from these Material Contracts, the Target is not party to or bound by any other Material Contract, whether oral or written, and all of the Material Contracts are all valid and subsisting, in full force and effect and unamended, no material default or violation exists in respect thereof on the part of the Target or Norrabees or, to the best of the knowledge of the Target, on the part of any of the other parties thereto. The Target is not aware of any intention on the part of any of the other parties thereto to terminate or materially alter any of the Material Contracts or any event that with notice or the lapse of time, or both, will create a material breach or violation thereof or default under any of the Material Contracts, including the Sale of Shares Agreement. To the best knowledge of the Target, the continuation, validity, and effectiveness of each Material Contract will in no way be affected by the consummation of the transactions contemplated by this Agreement, including the Sale of Shares Agreement. There exists no actual or threatened termination, cancellation, or limitation of, or any amendment, modification, or change to any Material Contract, including the Sale of Shares Agreement.

### **3.12 Intellectual Property**

- (a) To the knowledge of the Target and the Principal Target Shareholder, the Target Intellectual Property is subsisting, valid and enforceable, and neither the Target nor any Target Shareholder has received notice of any Proceeding challenging the extent, validity or enforceability of, or the Target's ownership of, any Target Intellectual Property, in whole or in part, and in the case of pending applications for Target Intellectual Property, neither the Target nor any Target Shareholder has received notice of any Proceeding seeking to oppose any such application, or have any such application canceled, re-examined or found invalid, in whole or in part.
- (b) Neither the Target nor any Target Shareholder has permitted or licensed any other Person to use any of the Target Intellectual Property. The Target has not agreed to indemnify any Person against any charge of infringement or other violation with respect to Target Intellectual Property.
- (c) The Target is the sole and exclusive legal and beneficial owner of all right, title and interest in and to the Target Intellectual Property.
- (d) Except as otherwise disclosed in this Agreement, the consummation of the Transaction will not result in the loss or impairment of, or payment of any additional amounts with respect to, nor require the consent of any other Person in respect of, the Target's right to own, use or hold for use any Target Intellectual Property as owned, used or held for use in the conduct of the Target Business.

- (e) The Target's rights in the Target Intellectual Property are valid, subsisting and enforceable.
- (f) To the knowledge of the Target and the Principal Target Shareholder, the conduct of the Target Business as currently and formerly conducted, and the products, processes and services of the Target, have not infringed, misappropriated, diluted or otherwise violated, and do not and will not infringe, dilute, misappropriate or otherwise violate, the Intellectual Property or other rights of any Person. To the knowledge of the Target and the Principal Target Shareholder, no Person has infringed, misappropriated, diluted or otherwise violated, or is currently infringing, misappropriating, diluting or otherwise violating, any Target Intellectual Property.
- (g) To the knowledge of the Target and the Principal Target Shareholder, all of the Target Intellectual Property is either: (i) owned solely by the Target, free and clear of any Encumbrances; or (ii) rightfully used and authorized for use by the Target pursuant to a valid and enforceable written license. To the knowledge of the Target and the Principal Target Shareholder, neither the Target nor any Target Shareholder is obligated to provide any consideration (whether financial or otherwise) to any other Person nor is any other Person otherwise entitled to any consideration, with respect to any exercise of rights by the Target or the Purchaser in the Target Intellectual Property.
- (h) To the knowledge of the Target and the Principal Target Shareholder, there is no Proceeding (including any oppositions, interferences or re-examinations) settled, pending or threatened (including in the form of offers to obtain a license): (i) alleging any infringement, misappropriation, dilution or violation of the Intellectual Property of any Person by the Target; (ii) challenging the validity, enforceability, registrability or ownership of any Target Intellectual Property or the Target's rights with respect to any Target Intellectual Property; or (iii) by the Target or any other Person alleging any infringement, misappropriation, dilution or other violation by any Person of the Target Intellectual Property, and neither the Target nor any Target Shareholder is party to any other Proceeding with respect to any Target Intellectual Property or any other rights arising with respect to any Intellectual Property.
- (i) The Target is not subject to any outstanding or prospective Order (including any motion or petition therefor) that does or would restrict or impair the use of any Target Intellectual Property.
- (j) The consummation of the Transaction will not alter, impair or otherwise adversely affect any rights or obligations of the Target in any of the Target Intellectual Property, and, to the knowledge of the Target and the Principal Target Shareholder from and after the Closing, the Purchaser will be able to maintain all of the Target's rights thereto as they existed at the Closing, without modification or impairment.

- (k) The Target is not required to pay any royalty or other fees to any other Person in respect of the Target Intellectual Property.

### 3.13 Financial Statements

- (a) The Target Financial Statements, as and when delivered, will:
  - (i) be in accordance with the books and records of the Target;
  - (ii) present fairly the financial condition of the Target as of the respective dates indicated and the results of operations for such periods; and
  - (iii) be prepared in accordance with IFRS and reflect the consistent application of IFRS throughout the periods involved.
- (b) All material financial transactions of the Target have been accurately recorded in the books and records of the Target and such books and records fairly present the financial position and the affairs of the Target.
- (c) Other than the costs and expenses incurred in connection with the negotiation and consummation of the Transaction, the Target has no material Liabilities, net of cash, which:
  - (i) to the knowledge of the Target and the Principal Target Shareholder will not be set forth in the Target Financial Statements, as and when delivered, or have not heretofore been paid or discharged;
  - (ii) did not arise in the regular and ordinary course of business under any Contract or plan specifically disclosed in writing to the Purchaser; or
  - (iii) have not been incurred in amounts and pursuant to practices consistent with past business practice, in or as a result of the regular and ordinary course of its business, and otherwise disclosed in writing to the Purchaser.
- (d) To the knowledge of the Target and the Principal Target Shareholder, except to the extent reflected or reserved against in the Target Financial Statements, as and when delivered, or otherwise disclosed to the Purchaser in writing, or incurred subsequent to the Target Accounting Date in the ordinary and usual course of the Target Business, the Target has no outstanding Liabilities, and any Liabilities incurred by the Target in the ordinary and usual course of business since the Target Accounting Date has not had a Material Adverse Effect on either of the Target or the Target Business.
- (e) Since the Target Accounting Date, there will have not been:
  - (i) any changes in the condition or operations of the Target Business, the Target Assets or the financial affairs of the Target which have caused, individually or in the aggregate, a Material Adverse Effect on the Target or the Target Business; or

- (ii) any damage, destruction or loss, labour trouble or other event, development or condition, of any character (whether or not covered by insurance), which has or may cause a Material Adverse Effect on the Target or the Target Business.
- (f) Since the Target Accounting Date, and other than as contemplated by this Agreement, the Target has not:
- (i) to the knowledge of the Target and the Principal Target Shareholder transferred, assigned, sold or otherwise disposed of any of the Target Assets as reflected in the Target Financial Statements, as and when delivered, or cancelled any debts or claims;
  - (ii) incurred or assumed any Liability;
  - (iii) issued or sold any Target Securities;
  - (iv) discharged or satisfied any Liens, or paid any Liabilities, other than current Liabilities or to the knowledge of the Target and the Principal Target Shareholder the current portion of long term Liabilities disclosed in the Target Financial Statements, as applicable, as and when delivered, or current Liabilities incurred since the date thereof in the ordinary and usual course of business;
  - (v) declared, made, or committed itself to make any payment of any dividend or other distribution in respect of any of the Target Securities, nor purchased, redeemed, subdivided, consolidated, or reclassified any Target Securities;
  - (vi) made any gift of money or of any Target Assets to any Person;
  - (vii) purchased or sold any Target Assets to any Person outside of the ordinary course of business;
  - (viii) made commitments or agreements for capital expenditures or capital additions or betterments exceeding \$5,000;
  - (ix) amended or changed, or taken any action to amend or change, their Organizational Documents;
  - (x) made payments of any kind to or on behalf of either a Target Shareholder or any Affiliates of a Target Shareholder, nor under any management agreement, save and except business related expenses and salaries in the ordinary and usual course of business and at the regular rates payable;
  - (xi) other than as contemplated by this Agreement, created, incurred, assumed or guaranteed any indebtedness for money borrowed, or subjected any of the Target Assets to any Lien of any nature whatsoever;

- (xii) made or suffered any amendment or termination of any Material Contract, or cancelled, modified or waived any substantial debts or claims held by it or waived any rights of substantial value, other than in the ordinary course of business;
  - (xiii) increased the salaries or other compensation of, or made any advance (excluding advances for ordinary and necessary business expenses) or loan to, any of its Employees, or made any increase in, or any addition to, other benefits to which any of its Employees may be entitled;
  - (xiv) adopted, or increased the payments to or benefits under, any Employee Plan; or
  - (xv) authorized or agreed, or otherwise have become committed, to do any of the foregoing.
- (g) The Target does not have any guarantees, indemnities or contingent or indirect obligations with respect to the Liabilities of any other Person, including any obligation to service the debt of, or otherwise acquire an obligation of, another Person, or to supply funds to, or otherwise maintain any working capital or other balance sheet condition of, any other Person.

### **3.14 Tax Matters**

- (a) The Target has filed, or caused to be filed, all Tax Returns that are or were required to be filed by, or with respect to, the Target, either separately or as a member of a group of corporations, pursuant to all Applicable Laws. The Target has made available to the Purchaser copies of all such Tax Returns filed by the Target. The Target has not given, or been requested to give, waivers or extensions (or is or would be subject to a waiver or extension given by any other Person) of any statute of limitations relating to the payment by the Target, or for which the Target may be liable. Norrabees has filed, or caused to be filed, all Tax Returns that are or were required to be filed by, or with respect to, Norrabees, either separately or as a member of a group of corporations, pursuant to all Applicable Laws.
- (b) To the knowledge of the Target and the Principal Target Shareholder, all Taxes that the Target is or was required to withhold or collect have been duly withheld or collected and, to the extent required, have been paid to the proper Governmental Body or other Person. To the knowledge of the Target and the Principal Target Shareholder, all Taxes that Norrabees is or was required to withhold or collect have been duly withheld or collected and, to the extent required, have been paid to the proper Governmental Body or other Person.
- (c) To the knowledge of the Target and the Principal Target Shareholder, all Tax Returns filed by (or that include on a consolidated basis) the Target and Norrabees are true, correct, and complete. There is no tax sharing agreement that will require any payment by the Target after the Execution Date.

- (d) The Target has paid all Taxes that have become or are due, if any, with respect to any period ended on or prior to the Execution Date, and has to the knowledge of the Target and the Principal Target Shareholder established an adequate reserve therefor in the Target Financial Statements for those Taxes not yet due and payable, except for any Taxes the non-payment of which will not have a Material Adverse Effect on the Target.
- (e) The Target is not presently under, nor has it received notice of, any contemplated investigation or audit by any Governmental Body concerning any fiscal year or period ended prior to the Closing.
- (f) The Target Financial Statements shall contain full provision for all Taxes, including any deferred Taxes that may be assessed to the Target, for the accounting period ended on the Target Accounting Date or for any period in respect of any transaction, event or omission occurring, or any profit earned, on or prior to the Target Accounting Date or for which the Target is accountable up to such date and all contingent Liabilities for Taxes have been provided for or disclosed in the Target Financial Statements.

### **3.15 Consents**

No authorization, approval, order, license, permit or consent of any Governmental Body or any other Person, and no registration, declaration or filing by the Target with any such Governmental Body or other Person, other than that of the Exchange, is required in order for the Target to:

- (a) consummate the Transaction;
- (b) execute and deliver all of the documents and instruments to be delivered by it or the Target Shareholders under this Agreement;
- (c) duly perform and observe the terms and provisions of this Agreement; or
- (d) render this Agreement legal, valid, binding and enforceable.

### **3.16 Compliance with Legal Requirements**

- (a) To the knowledge of the Target and the Principal Target Shareholder, the Target is, and at all times has been, in full compliance with all requirements of each Governmental Body required for the operation of the Target Business. To the knowledge of the Target and the Principal Target Shareholder, Norrabees is, and at all times has been, in full compliance with all requirements of each Governmental Body required for the operation of the business of Norrabees.
- (b) To the knowledge of the Target and the Principal Target Shareholder, no event has occurred or circumstance exists that may (with or without notice or lapse of time) constitute or result, directly or indirectly, in a violation of, or a failure to comply with, any requirement of any Governmental Body required for the operation of the Target Business or the business of Norrabees, or may result directly or

indirectly, in the revocation, withdrawal, suspension, cancellation or termination of, or any modification to, any authorization of any Governmental Body required for the operation of the Target Business or the business of Norrabees.

- (c) The Target has not received any notice or other communication (whether oral or written) from any Governmental Body or any other Person regarding any actual, alleged, possible, or potential violation of, or failure to comply with, any requirement of any Governmental Body, or any actual, proposed, possible, or potential revocation, withdrawal, suspension, cancellation, termination of, or modification of any authorization of any Governmental Body.
- (d) To the knowledge of the Target and the Principal Target Shareholder, all applications required to have been filed for the renewal of any authorizations required from any Governmental Body for the operation of the Target Business have been duly filed on a timely basis with each applicable Governmental Body, and all other filings required to have been made with respect to such authorizations have been duly made on a timely basis with each applicable Governmental Body.

### **3.17 Legal Proceedings**

- (a) To the knowledge of the Target and the Principal Target Shareholder, there is no pending Proceeding:
  - (i) that has been commenced by or against the Target or Norrabees or that otherwise relates to or may affect the Target Business or the business of Norrabees; or
  - (ii) that challenges, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the transactions contemplated herein.
- (b) To the knowledge of the Target and the Principal Target Shareholder, no Proceeding has been threatened against the Target or Norrabees or with respect to the Target Business or the business of Norrabees, and no event has occurred or circumstance exists, that may give rise to or serve as a basis for the commencement of any such Proceeding.
- (c) There is no Order to which any of the Target, Norrabees, the Target Business or the business of Norrabees is subject.
- (d) No Employee or agent of the Target is subject to any Order that prohibits such Employee or agent from engaging in or continuing any conduct, activity or practice relating to the Target Business.



### **3.18 Operating Permits and Licenses**

The Target owns or holds all material permits, licenses, consents, authorizations, approvals, privileges, waivers, exemptions, Orders (inclusionary or exclusionary) or other concessions required in connection with the conduct of the Target Business, except to the extent such failure would not reasonably be expected to result in a Material Adverse Effect with respect to the Target. All such permits and licenses are valid and enforceable, each in accordance with its respective terms, and no party to any of them is in default thereunder or in breach thereof, or would, with the giving of notice or the lapse of time or both, be in breach or default thereof, except to the extent such default would not reasonably be expected to result in a Material Adverse Effect with respect to the Target. Norrabees owns or holds all material permits, licenses, consents, authorizations, approvals, privileges, waivers, exemptions, Orders (inclusionary or exclusionary) or other concessions required in connection with the conduct of the business of Norrabees, except to the extent such failure would not reasonably be expected to result in a Material Adverse Effect with respect to Norrabees. All such permits and licenses are valid and enforceable, each in accordance with its respective terms, and no party to any of them is in default thereunder or in breach thereof, or would, with the giving of notice or the lapse of time or both, be in breach or default thereof, except to the extent such default would not reasonably be expected to result in a Material Adverse Effect with respect to Norrabees.

### **3.19 Disclosure Record**

The Target and the Principal Target Shareholder have had the ability to review the Disclosure Record.

### **3.20 Survival**

The representations and warranties of the Target and the Principal Target Shareholder under this Article 3 will survive the Closing for a period of 2 years.

### **3.21 Reliance**

The Target and the Principal Target Shareholder acknowledge and agree that the Purchaser has entered into this Agreement relying on the warranties and representations and other terms and conditions of the Target and the Principal Target Shareholder contained in this Agreement, notwithstanding any independent searches or investigations that have been, or may be, undertaken by or on behalf of the Purchaser, and that no information which is now known or should be known, or which may hereafter become known, by the Purchaser or its Employees or professional advisors prior to the Closing, will limit or extinguish the Purchaser's right to indemnification hereunder.

## **ARTICLE 4**

### **REPRESENTATIONS AND WARRANTIES OF THE PURCHASER**

As of the Execution Date and the Closing Date, and except as set forth in the Disclosure Record, the Purchaser makes the following representations to the Target and the Principal Target Shareholder and acknowledges and agrees that the Target and the Principal Target Shareholder are relying upon such representations and warranties, each of which is qualified in its entirety by

the matters described in the Disclosure Record, in connection with the execution, delivery and performance of this Agreement:

#### **4.1 Organization and Good Standing**

- (a) The Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the Province of British Columbia.
- (b) The Purchaser has full corporate power, authority and capacity to conduct its business as presently conducted, to own or use the properties and assets that it purports to own or use, and to perform all its obligations under any applicable Contracts.
- (c) The Purchaser is duly qualified to do business as a corporation and is in good standing under the laws of each province or other jurisdiction in which the failure to be so registered would be likely to result in a Material Adverse Effect on the Purchaser.

#### **4.2 Capitalization**

- (a) The authorized share capital of the Purchaser, as at the Execution Date, consists of an unlimited number of common shares without par value, of which 28,532,903 Purchaser Shares are currently issued and outstanding. All of the outstanding Purchaser Shares have been duly authorized and validly issued and are fully paid and non-assessable.
- (b) All of the outstanding Purchaser Shares have been issued in compliance with all Applicable Laws.
- (c) The Purchaser does not own, or have any contract to acquire, any equity securities or other securities of any Person, or any direct or indirect equity or ownership interest in any other business, other than as contemplated by this Agreement and the Disclosure Record. There are no Contracts purporting to restrict the transfer of any of the issued and outstanding Purchaser Shares, nor any Contracts restricting or affecting the voting of any of the securities of the Purchaser, to which the Purchaser is a party or of which the Purchaser is aware.

#### **4.3 Absence of Rights to Acquire Securities**

Except as set out in the Disclosure Record, this Agreement, and 26,395,903 Purchaser Warrants, each exercisable for one Purchaser Share and any rights to acquire securities of the Purchaser in connection with the Purchaser Financing and the Finder's Fee Agreement, there are no outstanding options, warrants, subscriptions, conversion rights, or other rights, agreements, resolutions or commitments obligating the Purchaser to issue any additional securities of the Purchaser, or any other securities convertible into, exchangeable for, or evidencing the right to subscribe for or acquire from the Purchaser any securities of the Purchaser.

#### **4.4 Authority**

The Purchaser has all requisite corporate power and authority to execute and deliver the Transaction Documents to be signed by the Purchaser, to perform its obligations thereunder, and to consummate the transactions contemplated thereby. The execution and delivery of each of the Transaction Documents by the Purchaser and the consummation of the transactions contemplated hereby have been duly authorized by the Purchaser Board. No other corporate or shareholder proceedings on the part of the Purchaser are necessary to authorize such documents or to consummate the transactions contemplated hereby. This Agreement has been, and the other Transaction Documents when executed and delivered by the Purchaser as contemplated by this Agreement will be, duly executed and delivered by the Purchaser, and this Agreement is, and the other Transaction Documents when executed and delivered by the Purchaser as contemplated hereby will be, valid and binding obligations of the Purchaser enforceable in accordance with their respective terms, except as such enforcement may be limited by (i) bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws of general application affecting the rights and remedies of creditors, and (ii) general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).

#### **4.5 Validity of Consideration Shares**

The Consideration Shares will, upon issuance in accordance with the terms of this Agreement, be duly and validly issued, fully paid and non-assessable.

#### **4.6 Non-Contravention**

Neither the execution, delivery and performance of this Agreement, nor the consummation of the transactions contemplated herein, will:

- (a) conflict with, result in a violation of, cause a default under (with or without notice, lapse of time or both) or give rise to a right of termination, amendment, cancellation or acceleration of any obligation contained in or the loss of any material benefit under, or result in the creation of any Lien upon any of the material properties or assets of the Purchaser under any term, condition or provision of any loan or credit agreement, note, debenture, bond, mortgage, indenture, lease or other agreement, instrument, permit, license, judgment, Order, decree, statute, law, ordinance, rule or regulation applicable to the Purchaser or its material property or assets;
- (b) violate any provision of the Organizational Documents of the Purchaser or any Applicable Laws; or
- (c) violate any Order of any Governmental Body applicable to the Purchaser or any of its material property or assets.

#### **4.7 Compliance**

- (a) To the best knowledge of the Purchaser, the Purchaser is in compliance with, is not in default or violation in any material respect under, and has not been charged

with or received any notice at any time of any material violation of, any Applicable Laws related to the Purchaser Business.

- (b) To the best knowledge of the Purchaser, the Purchaser is not subject to any Order entered in any Proceeding applicable to the Purchaser Business that would have a Material Adverse Effect on the Purchaser.
- (c) The Purchaser has duly filed all reports and returns required to be filed by it with any applicable Governmental Body and has obtained all governmental permits and other governmental consents, except as may be required after the Execution Date. All of such permits and consents are in full force and effect, and no Proceedings for the suspension or cancellation of any of them, and no investigation relating to any of them, is pending or, to the best knowledge of the Purchaser, threatened, and none of them will be affected in a material adverse manner by the consummation of the Transaction.

#### **4.8 Legal Proceedings**

- (a) There is no pending Proceeding:
  - (i) that has been commenced by or against the Purchaser or that otherwise relates to or may affect the Purchaser Business or any of Purchaser's assets; or
  - (ii) that challenges, or that may have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the transactions contemplated herein.
- (b) To the knowledge of the Purchaser, no Proceeding has been threatened against the Purchaser or with respect to the Purchaser Business, and no event has occurred or circumstance exists, that may give rise to or serve as a basis for the commencement of any such Proceeding.
- (c) There is no Order to which any of the Purchaser, the Purchaser Business or any of Purchaser's assets is subject.
- (d) No Employee or agent of the Purchaser is subject to any Order that prohibits such Employee or agent from engaging in or continuing any conduct, activity or practice relating to the Purchaser Business.

#### **4.9 Reporting Status**

The Purchaser is a reporting issuer in good standing in the provinces of British Columbia and Ontario. The Purchaser Shares are listed on the Exchange and the Purchaser is in material compliance with the Exchange Policies.

#### **4.10 Disclosure Record**

As of their respective dates, the documents comprising the Disclosure Record were filed and complied in all material respects with the requirements of the Applicable Securities Laws. The Disclosure Record includes all of the documents and reports that the Purchaser was required to file under Applicable Securities Laws. As of the time filed on SEDAR+ (or, if amended or suspended by a filing prior to the Execution Date, then on the date of such filing) none of the Disclosure Record contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

#### **4.11 Survival**

The representations and warranties of the Purchaser in this Article 4 will survive for a period of 2 years from the Closing Date.

#### **4.12 Reliance**

The Purchaser acknowledges and agrees that the Target and the Target Shareholders have entered into this Agreement relying on the warranties and representations and other terms and conditions of the Purchaser contained in this Agreement, notwithstanding any independent searches or investigations that have been or may be undertaken by or on behalf of the Target or the Target Shareholders, and that no information which is now known or should be known, or which may hereafter become known, by the Target or the Target Shareholders or their respective professional advisers prior to the Closing, will limit or extinguish the right to indemnification hereunder.

### **ARTICLE 5** **CLOSING**

#### **5.1 Closing Date and Location**

The Transaction will be completed on the Closing Date, at such location and time as is mutually agreed to by the Purchaser and the Target. Notwithstanding the location of the Closing, each Party agrees that the Closing may be completed by undertakings or the email exchange of documents between the respective legal counsel for the Purchaser and the Target, provided such undertakings and exchanges are satisfactory to each Party's respective legal counsel.

#### **5.2 Target and Target Shareholder Closing Documents**

At the Closing, the Target and the Target Shareholders will deliver, or cause to be delivered, to the Purchaser the documents set forth in Section 6.1, and such other documents as the Purchaser may reasonably require to effect the Transaction.

#### **5.3 Purchaser Closing Documents**

At the Closing, the Purchaser will deliver, or cause to be delivered, to the Target and the Target Shareholders the documents set forth in Section 7.1, and such other documents as the Target or the Target Shareholders may reasonably require to effect the Transaction.

**ARTICLE 6**  
**PURCHASER'S CONDITIONS PRECEDENT**

**6.1 Purchaser's Conditions Precedent**

The obligation of the Purchaser to complete the Transaction will be subject to the satisfaction or waiver of, at or before the Closing, the following conditions precedent:

- (a) the representations and warranties of the Target and the Principal Target Shareholder set forth in this Agreement and the applicable Target Shareholder Certificate being true, correct and complete in all material respects as of the Closing and with the same effect as if made at and as of the Closing;
- (b) the Target and the Target Shareholders having performed and complied with all of their respective material obligations, covenants and agreements required hereunder;
- (c) the Purchaser having been given reasonable opportunity to perform the searches and other due diligence reasonable or customary in a transaction of a similar nature to the Transaction, and the Purchaser and its advisors being satisfied with the results of such due diligence;
- (d) the Purchaser being satisfied that its due diligence, analysis and other customary examinations that it has performed regarding the financial position of the Target and the Target Business are consistent, in all material respects, with the representations and warranties of the Target and the Principal Target Shareholder set forth in this Agreement;
- (e) this Agreement, the Target Shareholder Certificates, and the Transaction Documents, all in form and substance reasonably satisfactory to the Purchaser, having been executed and delivered to the Purchaser;
- (f) all of the outstanding Target Shares will be exchanged for Consideration Securities in accordance with the terms hereof;
- (g) no injunction or restraining order of any court or administrative tribunal of competent jurisdiction being in effect prohibiting the Transaction, and no action or Proceeding having been instituted or be pending before any court or administrative tribunal to restrain or prohibit the Transaction;
- (h) no claim having been asserted or made that any Person (other than the Purchaser or the Target Shareholders) is the holder or the beneficial owner of, or has the right to acquire or to obtain beneficial ownership of, any of the Target Shares, or any other voting, equity, or ownership interest in, the Target, or (other than the Target Shareholders) are entitled to all or any portion of the Consideration Shares;
- (i) all consents, renunciations, authorizations or approvals of each applicable Governmental Body and any other Person which, in the Purchaser's reasonable

opinion, must be obtained prior to the Closing in order to give effect to: (i) the purchase of the Target Shares and the Transaction; (ii) all other transactions related to the foregoing having been obtained to the Purchaser's satisfaction or in accordance with any applicable Contracts or Applicable Laws;

- (j) the Purchaser Board having approved the entry into, and the Closing, of this Agreement and the Transaction, including the issuance of the Consideration Shares and the Consideration Warrants;
- (k) the Target and the Target Shareholders having taken all proper steps, actions and corporate proceedings to approve the Transaction, including passing any resolutions required to ensure that the Target Shares will be transferred to the Purchaser free and clear of any Encumbrances, adverse claim, right or interest;
- (l) an exemption from the prospectus requirements of Applicable Securities Laws being available for the issuance of the Consideration Securities, as applicable;
- (m) the Purchaser having received from the Target and the Target Shareholders the following Transaction Documents:
  - (i) certified copies of resolutions of the Target Board, approving: (A) the entry into, and the Closing of, this Agreement and the transactions contemplated hereby, (B) the transfer of the Target Shares to the Purchaser, (C) the registration of the Target Shares in the name of the Purchaser, (D) the issue of certificates representing the Target Shares registered in the name of the Purchaser, and (E) all other matters contemplated by this Agreement,
  - (ii) a certificate executed by an officer of the Target certifying that: (A) the representations and warranties of the Target set forth in this Agreement are true and correct in all material respects as at the Closing, (B) the Target has performed and complied with all of its material obligations, covenants and agreements required hereunder, and (C) all conditions precedent of the Target for completion of the transactions contemplated herein have been satisfied or waived,
  - (iii) all such instruments of transfer, duly executed, which in the opinion of the Purchaser acting reasonably are necessary to effect and evidence the transfer of the Target Shares to the Purchaser, free and clear of all Liens,
  - (iv) a certified copy of the central securities register of the Target evidencing the Purchaser as the sole registered owner of the Target Shares, and
  - (v) the corporate minute books and all other books and records of the Target;
- (n) no Material Adverse Effect having occurred in connection with the Target Business or the Target;

- (o) the Target shall not have any Liabilities immediately prior to the Closing, except for Liabilities incurred in the ordinary course of business and other costs and expenses incurred in connection with the negotiation and consummation of the transactions contemplated herein, which will not, in the aggregate, exceed \$25,000;
- (p) the Target Board shall have procured duly executed resignations and releases in the form and substance satisfactory to the Purchaser, acting reasonably, in favour of the Target effective at the Closing Date from each director and officer of the Target who will no longer be serving in such capacity or capacities following completion of the Transaction; and
- (q) the Exchange (or such other recognized Canadian securities exchange upon which the Purchaser Shares are then listed) shall have not objected to the Transaction including the listing on the Exchange of the Purchaser Shares to be issued pursuant to the Transaction, under the Exchange Policies and such other matters as may require Exchange approval in order to give effect to the transactions contemplated hereby, if applicable.

## **6.2 Waiver/Survival**

The conditions set forth in this Article 6 are for the exclusive benefit of the Purchaser and may be waived by the Purchaser in writing, in whole or in part, on or before the Closing, and the Closing will be deemed to mean a waiver of all conditions of the Purchaser to the Closing. Notwithstanding any such waiver, the completion of the transactions contemplated by this Agreement will not prejudice or affect in any way the rights of the Purchaser in respect of the warranties and representations of the Target in this Agreement, and the representations and warranties of the Target in this Agreement will survive the Closing for the applicable period set out in Section 3.20.

## **6.3 Covenant of the Target and the Target Shareholders**

The Target covenant to deliver to the Purchaser on or before the Closing Date all of the Closing documentation set out in Section 6.1, and such other documents as the Purchaser may reasonably require to effect the transactions contemplated hereby.

## **ARTICLE 7**

### **TARGET'S CONDITIONS PRECEDENT**

#### **7.1 Target's Conditions Precedent**

The obligation of the Target to complete the Transaction will be subject to the satisfaction of or waiver of, at or before the Closing, the following conditions precedent:

- (a) the representations and warranties of the Purchaser set forth in this Agreement being true, correct and complete in all respects as of the Closing and with the same effect as if made at and as of Closing, except for the representation as to the number of the Purchaser Shares issued and outstanding as set forth in Section 4.2(a);



- (b) the Purchaser having performed and complied with all of the obligations, covenants and agreements to be performed and complied with by it hereunder;
- (c) the Target having been given reasonable opportunity to perform the searches and other due diligence reasonable or customary in a transaction of a similar nature to the Transaction, and the Target and its advisors being satisfied with the results of such due diligence;
- (d) the Target being satisfied that its due diligence, analysis and other customary examinations that it has performed regarding the financial position of the Purchaser and the Purchaser Business are consistent, in all material respects, with the representations and warranties of the Purchaser set forth in this Agreement;
- (e) the Consideration Shares issuable as set forth in Section 2.1 being issued, as fully paid and non-assessable Purchaser Shares, free and clear of any and all Encumbrances, Liens, charges and demands of whatsoever nature under Applicable Laws, except those imposed pursuant to this Agreement, to the Target Shareholders pro rata as set out in Schedule A, and under to Applicable Securities Laws;
- (f) no inquiry or investigation (whether formal or informal) in relation to the Purchaser or its directors or officers, shall have been commenced or threatened by any officer or official of the Exchange or any securities commission, or similar regulatory body having jurisdiction such that the outcome of such inquiry or investigation could have a Material Adverse Effect on the Purchaser;
- (g) the Target having received from the Purchaser:
  - (i) certified copies of resolutions of the Purchaser Board and the holders of the Purchaser Shares, if applicable, authorizing the entry into, and the Closing, of this Agreement including the issuance of the Consideration Shares,
  - (ii) a certificate executed by an officer of the Purchaser certifying that: (A) the representations and warranties of the Purchaser set forth in this Agreement are true and correct in all material respects as at the Closing, (B) the Purchaser has performed and complied with all of its material obligations, covenants and agreements required hereunder, and (C) all conditions precedent of the Purchaser for completion of the transactions contemplated herein have been satisfied or waived;
- (h) the Purchaser Board and the holders of the Purchaser Shares, if applicable, having approved the entry into, and the Closing, of this Agreement and the Transaction, including the issuance of the Consideration Shares and the Consideration Warrants;
- (i) the Target and the Target Shareholders having taken all proper steps, actions and corporate proceedings to approve the Transaction, including passing any

resolutions required to ensure that the Target Shares will be transferred to the Purchaser free and clear of any Encumbrances, adverse claim, right or interest;

- (j) no Proceedings pending or threatened to enjoin, restrict or prohibit the Transaction;
- (k) no Material Adverse Effect having occurred in connection with the Purchaser Business or the Purchaser;
- (l) the Target having obtained any necessary consents from any third party, as applicable, in order to consummate the Transaction;
- (m) at the time of Closing, the Purchaser shall cause the current Chief Executive Officer of the Purchaser to resign, without payment or liability to the Purchaser or the Target, subject to the execution of customary mutual release, and in lieu thereof have appointed James Lumley as Chief Executive Officer of the Purchaser or such other individual as mutually agreed to by the Parties in writing; and
- (n) the Target and the Target Shareholders having reviewed, and being satisfied with, the tax and securities implications of the Transaction.

## **7.2 Waiver/Survival**

The conditions set forth in this Article 7 are for the exclusive benefit of the Target and may be waived in whole or in part, on or before the Closing, by written notice from the Target, and the Closing will be deemed to mean a waiver of all conditions of the Target to Closing. Notwithstanding any such waiver, completion of the transactions contemplated by this Agreement by the Target will not prejudice or affect in any way the rights of the Target in respect of the warranties and representations of the Purchaser set forth in this Agreement, and the representations and warranties of the Purchaser in this Agreement will survive the Closing for the applicable period set out in Section 4.11.

## **7.3 Covenant of the Purchaser**

The Purchaser covenants to deliver to the Target on or before the Closing Date all of the Closing documentation set out in Section 7.1, and such other documents as the Target may reasonably require to effect the transactions contemplated hereby.

# **ARTICLE 8**

## **ADDITIONAL COVENANTS OF THE PARTIES**

### **8.1 Mutual Covenants**

Each of the Parties hereby covenants and agrees as follows:

- (a) to use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder which are reasonably under its control and to take, or cause to be taken, all other actions and to do, or cause to be done, all other things necessary, proper or advisable under Applicable Laws to

complete the Transaction in accordance with the terms of this Agreement. Without limiting the generality of the foregoing, in the event that any person, including without limitation, any Governmental Authority, seeks to prevent, delay or hinder implementation of all or any portion of the Transaction or seeks to invalidate all or any portion of this Agreement, the Parties shall use commercially reasonable efforts to resist such proceedings and to lift or rescind any injunction or restraining order or other order or action seeking to stop or otherwise adversely affecting the ability of the Parties to complete the Transaction;

- (b) to use commercially reasonable efforts to obtain, before the Closing, all authorizations, waivers, exemptions, consents, orders and other approvals from domestic or foreign courts, Governmental Bodies, shareholders and third parties as are necessary for the consummation of the transactions contemplated herein;
- (c) to use commercially reasonable efforts to defend or cause to be defended any lawsuits or other legal proceedings brought against it challenging this Agreement or the completion of the Transaction; neither the Purchaser nor the Target will settle or compromise any claim brought against them in connection with the transactions contemplated by this Agreement prior to the Closing Date without the prior written consent of each of the other Parties, such consent not to be unreasonably withheld or delayed;
- (d) to promptly notify each of the other Parties if any representation or warranty made by it in this Agreement ceases to be true and correct in all respects (in the case of any representation or warranty containing any materiality or Material Adverse Effect qualifier) or in all material respects (in the case of any representation or warranty without any materiality or Material Adverse Effect qualifier) and of any failure to comply in any material respect with any of its obligations under this Agreement;
- (e) to co-operate with each of the other Parties hereto in good faith in order to ensure the timely completion of the Transaction; and
- (f) to use commercially reasonable efforts to co-operate with each of the other Parties hereto in connection with the performance by the other of its obligations under this Agreement.

## **8.2 Covenants of the Purchaser**

The Purchaser covenants and agrees with the Target and the Principal Target Shareholder that, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article 9, it will:

- (a) in a timely and expeditious manner:
  - (i) file and/or deliver any document or documents as may be required in order for the Transaction as contemplated herein to be effective; and

- (ii) file and/or deliver any document or documents required pursuant to Applicable Laws and/or the rules and policies of the Exchange in connection with the Transaction as contemplated herein after the Closing;
- (b) make available and afford the Target, the Principal Target Shareholder and their respective authorized representatives and, if requested by the Target or the Principal Target Shareholder, provide a copy of all title documents, Contracts, financial statements, minute books, share certificate books, if any, share registers, plans, reports, licences, orders, permits, books of account, accounting records, constating documents and all other documents, information and data relating to the Purchaser. The Purchaser will afford the Target, the Principal Target Shareholder and their respective authorized representatives every reasonable opportunity to have free and unrestricted access to the Purchaser's property, assets, undertaking, records and documents. At the request of the Target or the Principal Target Shareholder, the Purchaser will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of the Purchaser's business and any of its property or to enable the Target, the Principal Target Shareholder and their respective authorized representatives to obtain full access to all files and records relating to any of the assets of the Purchaser maintained by any Governmental Bodies. The obligations in this Section 8.2 are subject to any access or disclosure contemplated herein not being otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained, provided that in such circumstance the Purchaser will be required to disclose that information has been withheld on this basis. The exercise of any rights of inspection by or on behalf of the Target and the Principal Target Shareholder under this Section 8.2 will not mitigate or otherwise affect the representations and warranties of the Purchaser hereunder;
- (c) to the extent necessary, make the necessary filings with the Exchange;
- (d) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained (provided that in such circumstance the Purchaser will be required to disclose that information has been withheld on this basis), furnish promptly to the Target (on behalf of itself and the Shareholder) a copy of each notice, report, schedule or other document or communication delivered, filed or received by the Purchaser in connection with or related to the Transaction, any filings under Applicable Laws and any dealings with any Governmental Authority in connection with or in any way affecting the Transaction as contemplated herein;
- (e) subject to Applicable Laws or as authorized by this Agreement, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;

- (f) except as may be necessary or desirable in order to effect the Transaction as contemplated hereunder, not alter or amend its Organizational Documents as the same exist at the date of this Agreement;
- (g) not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization or arrangement with, or transfer its undertaking or assets as an entirety or substantially as an entirety to, any other person or perform any act which would render inaccurate in any material way any of its representations and warranties set forth herein as if such representations and warranties were made at a date subsequent to such act and all references to the date of this Agreement were deemed to be such later date, except as contemplated in this Agreement, and without limiting the generality of the foregoing, it will not make any distribution by way of dividend, distribution of property or assets, return of capital or otherwise to or for the benefit of its shareholders;
- (h) take all necessary corporate action and proceedings to approve and authorize the issuance of the Consideration Securities to the Target Shareholders; and
- (i) prepare and file with all applicable securities commissions such notifications and fees necessary to permit, or that are required in connection with, the issuance of the Consideration Securities to the Target Shareholders on a basis exempt from the prospectus and registration requirements of the Applicable Securities Laws of the province of Canada in which the Target Shareholder is resident.

### **8.3 Covenants of the Target and the Principal Target Shareholder**

Each of the Target and the Principal Target Shareholder covenants and agrees with the Purchaser that, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article 9, each of the Target and the Principal Target Shareholder will:

- (a) not to solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any non-public information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Transaction, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any shareholder proposal or "takeover bid," exempt or otherwise, within the meaning of the regulations promulgated under the *Securities Act* (British Columbia), for securities or assets of the Target, nor to undertake any transaction or negotiate any transaction which would be or potentially could be in conflict with the Transaction, including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to authorize such access, except as required by statutory obligations. In the event, the Target, including any of its officers, directors or shareholders, receives any form of offer or inquiry, the Target shall forthwith (in any event within one business day

following receipt) notify the Purchaser of such offer or inquiry and provide the Purchaser with such details as it may request;

- (b) make available and afford the Purchaser and its authorized representatives and, if requested by the Purchaser, provide a copy of all title documents, Contracts, financial statements, minute books, share certificate books, if any, share registers, plans, reports, licences, orders, permits, books of account, accounting records, constating documents and all other documents, information and data relating to the Target. The Target will afford the Purchaser and its authorized representatives every reasonable opportunity to have free and unrestricted access to the Target's property, assets, undertaking, records and documents. At the request of the Purchaser, the Target will execute or cause to be executed such consents, authorizations and directions as may be necessary to permit any inspection of the Target's business and any of its property or to enable the Purchaser or its authorized representatives to obtain full access to all files and records relating to any of the assets of the Target maintained by governmental or other public authorities. The obligations in this Section 8.3 are subject to any access or disclosure contemplated herein not being otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained, provided that in such circumstance the Target will be required to disclose that information has been withheld on this basis. The exercise of any rights of inspection by or on behalf of Purchaser under this Section 8.3 will not mitigate or otherwise affect the representations and warranties of the Target hereunder;
- (c) except for non-substantive communications, and provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver cannot be obtained (provided that in such circumstance the Target will be required to disclose that information has been withheld on this basis), furnish promptly to the Purchaser a copy of each notice, report, schedule or other document or communication delivered, filed or received by the Target in connection with or related to the Transaction, any filings under Applicable Laws and any dealings with any Governmental Authority in connection with or in any way affecting the Transaction as contemplated herein;
- (d) subject to Applicable Laws or as authorized by this Agreement, not take any action, refrain from taking any action, or permit any action to be taken or not taken inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;
- (e) except as otherwise contemplated or permitted by this Agreement, during the period from the Execution Date to the Closing Date, the Target will not do any of the following:
  - (i) enter into any transaction which would constitute a breach of the Target's or the Principal Target Shareholder's representations, warranties or agreements contained herein;

- (ii) increase the salaries or other compensation of, or make any advance (excluding advances for ordinary and necessary business expenses) or loan to, any of its directors or officers, or make any increase in, or any addition to, other benefits to which any of its directors or officers may be entitled;
- (iii) create, incur, assume or guarantee any indebtedness for money borrowed, or mortgaged or pledged by the Target or a third party, and will not subject any of the material assets or properties of the Target to any mortgage, lien, pledge, security interest, conditional sales contract or other Lien related to any such indebtedness for money borrowed;
- (iv) declare, set aside or pay any dividend or make or agree to make any other distribution or payment in respect of the Target Shares or redeem, repurchase or otherwise acquire or agree to redeem, purchase or acquire any of the Target Shares or other equity securities of the Target; or
- (v) pay any amount (other than salaries in the ordinary course of business) to any related party of the Target or the Principal Target Shareholder;
- (f) comply with all laws affecting the operation of the Target Business and pay all required Taxes;
- (g) not take any action or omit to take any action which would, or would reasonably be expected to, result in a breach of or render untrue any representation, warranty, covenant or other obligation of the Target or the Principal Target Shareholder contained herein;
- (h) use commercially reasonable efforts to preserve intact the Target Business and the assets, operations and affairs of the Target and carry on the Target Business and the affairs of the Target substantially as currently conducted, and use commercially reasonable efforts to promote and preserve for the Purchaser the goodwill of suppliers, customers and others having business relations with the Target;
- (i) except as may be necessary or desirable in order to effect the Transaction as contemplated hereunder, not alter or amend its Organizational Documents as the same exist at the date of this Agreement;
- (j) not merge into or with, or amalgamate or consolidate with, or enter into any other corporate reorganization or arrangement with, or transfer its undertaking or assets as an entirety or substantially as an entirety to, any other person or perform any act which would render inaccurate in any material way any of its representations and warranties set forth herein as if such representations and warranties were made at a date subsequent to such act and all references to the date of this Agreement were deemed to be such later date, except as contemplated in this Agreement, and without limiting the generality of the foregoing, it will not:

- (i) increase or decrease its paid-up capital or purchase or redeem any of the Target Shares;
  - (ii) issue or enter into any commitment to issue any Target Shares or securities convertible into, or rights, warrants or options to acquire any Target Shares;
  - (iii) not to authorize, sell or issue, or negotiate or enter into an agreement to sell or issue, any securities of the Target (including those that are convertible or exchangeable into securities of the Target), other than as contemplated under this Agreement; and
- (k) take all necessary corporate action and proceedings to approve and authorize the valid and effective transfer of the Target Shares to the Purchaser.

#### **8.4 Covenants of the Target Shareholders**

Each of the Target Shareholders covenants and agrees with the other Parties hereto that, until the earlier of the Closing Date and the date upon which this Agreement is terminated in accordance with Article 9, each will:

- (a) enter into such escrow arrangements in respect of the Consideration Shares as may be required in accordance with Applicable Securities Laws and/or the Exchange Policies and as mutually agreed by the Target Shareholders and the Purchaser;
- (b) subject to Applicable Laws or as otherwise authorized by this Agreement, not take any action, refrain from taking any action, or permit any action to be taken or not taken, inconsistent with this Agreement or which would reasonably be expected to significantly impede the consummation of the Transaction;
- (c) take all necessary corporate action and proceedings to approve and authorize the valid and effective transfer of the Target Shares to the Purchaser; and
- (d) not encumber in any manner the Target Shares and ensure that at the time of Closing the Target Shares are free and clear of all Liens, demands, claims and other Encumbrances whatsoever.

#### **8.5 Finder's Fee**

The Target acknowledges and agrees that the Purchaser will pay the Finder's Fee on Closing.

### **ARTICLE 9** **TERMINATION**

#### **9.1 Termination**

This Agreement may be terminated at any time prior to the Closing by:

- (a) mutual written agreement of the Purchaser and the Target;



- (b) the Purchaser, if there has been a breach by the Target or a Target Shareholder of any material representation, warranty, covenant or agreement set forth in this Agreement on the part of the Target or a Target Shareholder that is not cured, to the reasonable satisfaction of the Purchaser, within 10 Business Days after notice of such breach is given by the Purchaser to the Target (except that no cure period will be provided for a breach by the Target or a Target Shareholder that, by its nature, cannot be cured);
- (c) the Target, if there has been a breach by the Purchaser of any material representation, warranty, covenant or agreement set forth in this Agreement on the part of the Purchaser that is not cured, to the reasonable satisfaction of the Target within 10 Business Days after notice of such breach is given by the Target to the Purchaser (except that no cure period will be provided for a breach by the Purchaser that by its nature cannot be cured); or
- (d) either the Purchaser or the Target, if the Closing Date has not occurred on or before February 29, 2024, unless an extension to such date is agreed to in writing by the Purchaser and the Target, or if any Order of a Governmental Body of competent authority preventing the consummation of the transactions contemplated by this Agreement has become final and non-appealable.

## **9.2 Agreement of No Further Force or Effect**

If either the Purchaser or the Target wishes to terminate this Agreement pursuant to Section 9.1 (other than pursuant to Section 9.1(a)), such Party shall give written notice of such termination to the other Party. In the event of the termination of this Agreement as provided in Section 9.1, this Agreement will be of no further force or effect, except as otherwise expressly contemplated hereby and provided that the provisions in Sections 9.2, 11.1, 11.3, 11.6, 11.8 and 11.10 shall survive any termination hereof; and provided further that no termination of this Agreement will relieve any Party of liability for any breaches of this Agreement that are based on a wrongful refusal or failure to perform any obligations under this Agreement.

## **ARTICLE 10 INDEMNITIES**

### **10.1 Agreement of the Purchaser to Indemnify**

The Purchaser will indemnify, defend, and hold harmless, to the full extent of the law, the Target and the Target Shareholders from, against, and in respect of, any and all Losses asserted against, relating to, imposed upon, or incurred by the Target or the Target Shareholders, as applicable, by reason of, resulting from, based upon, or arising out of:

- (a) the material inaccuracy in or breach by the Purchaser of any representation or warranty of the Purchaser contained in, or made pursuant to, any Transaction Document; or
- (b) the breach or non-fulfillment by the Purchaser of any covenant or agreement of the Purchaser made in, or pursuant to any Transaction Document.

## 10.2 Agreement of the Target and Target Shareholders to Indemnify

The Target and the Target Shareholders will, jointly and severally, indemnify, defend, and hold harmless, to the full extent of the law, the Purchaser from, against, and in respect of any and all Losses asserted against, relating to, imposed upon, or incurred by the Purchaser by reason of, resulting from, based upon or arising out of:

- (a) the material inaccuracy in or breach by the Target and/or any Target Shareholder, as applicable, of any representation or warranty of the Target and/or any Target Shareholder contained in, or made pursuant to, any Transaction Document; or
- (b) the breach or non-fulfillment by the Target and/or any Target Shareholder, as applicable, of any covenant or agreement of the Target and/or any Target Shareholder made in, or made pursuant to, any Transaction Document.

## 10.3 Third Party Claims

- (a) If any third party notifies a Party entitled to indemnification under Sections 10.1 or 10.2 (each, an “**Indemnified Party**”) with respect to any matter (each, a “**Third-Party Claim**”) which may give rise to an indemnity claim against a Party required to indemnify such Indemnified Party under Section 10.1 or 10.2 (each, an “**Indemnifying Party**”), then the Indemnified Party will promptly give written notice to the Indemnifying Party; provided, however, that no delay on the part of the Indemnified Party in notifying the Indemnifying Party will relieve the Indemnifying Party from any obligation under this Article 10, except to the extent such delay actually and materially prejudices the Indemnifying Party.
- (b) The Indemnifying Party will be entitled to participate in the defense of any Third-Party Claim that is the subject of a notice given by the Indemnified Party pursuant to Section 10.3(a). In addition, the Indemnifying Party will have the right to defend the Indemnified Party against the Third-Party Claim with counsel of its choice reasonably satisfactory to the Indemnified Party so long as: (i) the Indemnifying Party gives written notice to the Indemnified Party within 15 days after the Indemnified Party has given notice of the Third-Party Claim that the Indemnifying Party elects to assume the defense of such Third-Party Claim; (ii) the Indemnifying Party provides the Indemnified Party with evidence reasonably acceptable to the Indemnified Party that the Indemnifying Party will have adequate financial resources to defend against the Third-Party Claim and fulfill its indemnification obligations hereunder; (iii) if the Indemnifying Party is a party to the Third-Party Claim or, in the reasonable opinion of the indemnified Party, some other actual or potential conflict of interest exists between the Indemnifying Party and the Indemnified Party, the Indemnified Party determines in good faith that joint representation would not be inappropriate; (iv) the Third-Party Claim does not relate to or otherwise arise in connection with Taxes or any criminal or regulatory enforcement action; (v) settlement of, an adverse judgment with respect to or the Indemnifying Party’s conduct of the defense of the Third-Party Claim is not, in the good faith judgment of the Indemnified Party, likely to be materially adverse to the Indemnified Party’s reputation or continuing business interests (including its

relationships with current or potential customers, suppliers or other parties material to the conduct of its business); and (vi) the Indemnifying Party conducts the defense of the Third-Party Claim actively and diligently. The Indemnified Party may retain separate co-counsel at its sole cost and expense and participate in the defense of the Third-Party Claim; provided, however, that the Indemnifying Party will pay the reasonable fees and expenses of separate co-counsel retained by the Indemnified Party that are incurred prior to the Indemnifying Party's assumption of control of the defense of the Third-Party Claim.

- (c) The Indemnifying Party will not consent to the entry of any judgment, or enter into any compromise or settlement, with respect to the Third-Party Claim without the prior written consent of the Indemnified Party, unless such judgment, compromise or settlement: (i) provides for the payment by the Indemnifying Party of money as sole relief for the claimant; (ii) results in the full and general release of the Indemnified Party from all Liabilities arising or relating to, or in connection with, the Third-Party Claim; and (iii) involves no finding or admission of any violation of Applicable Laws or the rights of any Person and has no effect on any other claims that may be made against the Indemnified Party.
- (d) If the Indemnifying Party does not deliver the notice contemplated by Section 10.3(b)(i), or the evidence contemplated by Section 10.3(b)(ii), within 15 days after the Indemnified Party has given notice of the Third-Party Claim, or otherwise at any time fails to conduct the defense of the Third-Party Claim actively and diligently, the Indemnified Party may defend, and may consent to the entry of any judgment or enter into any compromise or settlement with respect to, the Third-Party Claim in any manner it may deem appropriate; provided, however, that the Indemnifying Party will not be bound by the entry of any such judgment consented to, or any such compromise or settlement effected, without its prior written consent (which consent will not be unreasonably withheld or delayed). In the event that the Indemnified Party conducts the defense of the Third-Party Claim pursuant to this Section 10.3(d), the Indemnifying Party will: (i) advance the Indemnified Party promptly and periodically for the costs of defending against the Third-Party Claim (including reasonable attorneys' fees and expenses); and (ii) remain responsible for any and all other Losses that the Indemnified Party may incur or suffer resulting from, arising out of, relating to, in the nature of or caused by the Third-Party Claim to the fullest extent provided in this Article 10.

#### **10.4 Limitation of Liability**

- (a) The aggregate amount of all Losses for which the Purchaser shall be liable under Section 10.1 shall not exceed the Purchase Price.
- (b) The aggregate amount of all Losses for which the Target shall be liable under Section 10.2 shall not exceed the Purchase Price.
- (c) The Parties shall not be deemed to have made any representation or warranty other than as expressly made in Article 3 and Article 4 hereof. Notwithstanding anything to the contrary contained herein, no Party shall be liable for any Losses

resulting from or relating to any inaccuracy in or breach of any representation or warranty in this Agreement if the party seeking indemnification for such Losses had actual or constructive knowledge of such breach or inaccuracy before Closing.

**ARTICLE 11**  
**GENERAL**

**11.1 Expenses**

Each Party will be responsible for and bear all of its own costs and expenses (including those of such Party's Employees, representatives (including any financial or other advisers) agents, brokers and finders, and any Affiliates thereof) incurred in connection with the preparation of this Agreement and the transactions contemplated by this Agreement.

**11.2 Assignment**

No Party may assign any of its respective rights under this Agreement without the prior consent of each of the other Parties. Subject to the preceding sentence, this Agreement will apply to, be binding in all respects upon, and inure to the benefit of, the successors and permitted assigns of each of the Parties, as applicable. Nothing expressed or referred to in this Agreement will be construed to give any Person, other than the Parties, any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement. This Agreement and all of its provisions and conditions are for the sole and exclusive benefit of the Parties and their successors and assigns, as applicable.

**11.3 Notices**

Any notice required or permitted to be given under this Agreement will be in writing and may be given by delivering, sending by email or other means of electronic communication capable of producing a printed copy, or sending by prepaid registered mail, the notice to the following address or number:

If to the Purchaser:

Moonbound Mining Ltd.  
142 - 757 West Hastings Street  
Vancouver, British Columbia, V6C 1S4  
Attention: Eric Boehnke  
Email: eric@trenchantcapital.net

With a copy to (which will not constitute notice):

Clark Wilson LLP  
900 - 885 West Georgia Street  
Vancouver, British Columbia, V6C 3H1  
Attention: Virgil Hlus  
Email: VHlus@cwilson.com

If to the Target and the Target Shareholders:

1442160 B.C. Ltd.  
Suite 810, 789 West Pender Street  
Vancouver, British Columbia, V6C 1H2  
Attention: Steve Mynott  
Email: stevemynott@ymail.com

(or to such other address or email as any Party may specify by notice in writing to the others).

Any notice delivered or sent by email or other means of electronic communication capable of producing a printed copy on a Business Day will be deemed conclusively to have been effectively given on the day the notice was sent if received on or before 5:00 p.m. (Vancouver time) on such day; otherwise it shall be deemed to have been received by 9:00 a.m. (Vancouver time) on the next Business Day.

Any notice sent by prepaid registered mail will be deemed conclusively to have been effectively given on the third Business Day after posting; but if at the time of posting or between the time of posting and the third Business Day thereafter there is a strike, lockout, or other labour disturbance affecting postal service, then the notice will not be effectively given until actually delivered.

#### **11.4 Independent Legal Advice**

The Parties acknowledge that this Agreement is the product of arm's length negotiation among the Parties, each having obtained its own independent legal advice, and that this Agreement will be construed neither strictly for nor strictly against any Party, irrespective of which Party was responsible for drafting this Agreement.

Each of the Parties acknowledge and agree that Clark Wilson LLP ("**Clark Wilson**") has acted as legal counsel to both the Purchaser and the Target, but not to any other Party, and that Clark Wilson has not been engaged to protect the rights and interests of any of the Target Shareholders. Each of the Target Shareholders acknowledges and agrees that Clark Wilson has given them adequate opportunity to seek, and have recommended that they seek and obtain, independent legal and taxation advice with respect to the subject matter of this Agreement and for the purpose of ensuring their rights and interests are protected. Each of the Target Shareholders represents and warrants to the Purchaser, the Target, Clark Wilson that he/she/it has sought independent legal and taxation advice or consciously chosen not to do so with full knowledge of the risks associated with not obtaining such independent legal and taxation advice.

#### **11.5 Power of Attorney**

Each of the Target Shareholders hereby nominates, constitutes and appoints Simon Marcotte as such Target Shareholders true and lawful attorney-in-fact and agent, with full power of substitution and re-substitution, and in such Target Shareholder's name, place and stead, to execute any and all documents, instruments and agreements relating to the Transaction, including all documents, instruments and agreements that may be required to effect the exchange of the Target Shares, and the subsequent cancellation and termination of the Target Shares as contemplated hereby, with full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully and to all intents and purposes as each of the undersigned Target Shareholders might or could do in person, and each of the undersigned

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

#### **11.6 Governing Law; Venue**

This Agreement, the legal relations between the Parties, all matters relating hereto or arising herefrom, and the adjudication and the enforcement thereof, will be governed by and interpreted and construed in accordance with the substantive laws of the Province of British Columbia, and the federal laws of Canada applicable therein, without regard to applicable choice of law provisions thereof. The Parties agree that any action, suit or proceeding arising out of, or relating to, this Agreement or the transactions contemplated hereby will be brought in a suitable court located in the Province of British Columbia, and each Party irrevocably submits to the exclusive jurisdiction of such court.

#### **11.7 Severability**

If any covenant or other provision of this Agreement is invalid, illegal, or incapable of being enforced by reason of any rule of law or public policy, then such covenant or other provision will be severed from and will not affect any other covenant or other provision of this Agreement, and this Agreement will be construed as if such invalid, illegal, or unenforceable covenant or provision had never been contained in this Agreement. All other covenants and provisions of this Agreement will, nevertheless, remain in full force and effect, and no covenant or provision will be deemed dependent upon any other covenant or provision unless so expressed herein.

#### **11.8 Entire Agreement**

This Agreement, the schedules attached hereto, and the other Transaction Documents contain the entire agreement between the Parties with respect to the subject matter hereof and expressly supersede and terminate all prior offers, arrangements and understandings, both written and oral, expressed or implied, with respect thereto, including the LOI.

#### **11.9 Further Assurances**

The Parties will execute and deliver all such further documents, do or cause to be done all such further acts and things, and give all such further assurances, as may be necessary to give full effect to the provisions and intent of this Agreement.

#### **11.10 Enurement**

This Agreement and each of the terms and provisions hereof will enure to the benefit of, and be binding upon, the Parties and their respective heirs, executors, administrators, personal representatives, successors and permitted assigns, as applicable.

#### **11.11 Amendment**

No alteration, amendment, modification or interpretation of this Agreement or any provision of this Agreement shall be valid or binding upon the Parties hereto unless such alteration,

amendment, modification or interpretation is in a form executed by the Purchaser, the Target and the Target Shareholders.

**11.12 Schedules**

The schedules attached hereto are incorporated herein and expressly intended to be part of this Agreement.

**11.13 Counterparts**

This Agreement may be executed in several counterparts, each of which will be deemed to be an original, and all of which will together constitute one and the same instrument, and delivery of an executed copy of this Agreement by email transmission or other means of electronic communication capable of producing a printed copy will be deemed to be execution and delivery of this Agreement as of the Execution Date.

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IN WITNESS WHEREOF the Parties have duly executed this Agreement as of the Execution Date.

**MOONBOUND MINING LTD.**

Per: “Ann Fehr”  
Authorized Signatory

**1442160 B.C. LTD.**

Per: “Steve Mynott”  
Authorized Signatory



## SCHEDULE A

TARGET SHAREHOLDERS AND CONSIDERATION SHARES

Name and Address of Target Shareholder	Number of Target Shares Held at the Execution Date	Percentage of Target Shares held at the Execution Date (%)	Number of Consideration Shares Issuable to Target Shareholder at Closing	Number of Consideration Warrants Issuable to Target Shareholder at Closing
Steve Mynott [REDACTED]	100	0.0003	97	48
Fidelity Clearing Canada ULC ITF 2652736 Ontario Inc. [REDACTED]	1,200,000	3.0768	1,169,228	584,614
Dayshift Partners Ltd. [REDACTED]	10,000,000	25.6410	9,743,564	4,871,782
Gundyco ITF The K2 Principal Fund L.P. a/c 515-00018-23 [REDACTED]	1,000,000	2.5641	974,356	487,178
David Smithson [REDACTED]	200,000	0.5128	194,871	97,435
Francisco Goncalves [REDACTED]	3,000,000	7.6923	2,923,070	1,461,535
Thomas Fegan [REDACTED]	100,000	0.2564	97,436	48,718
Kyle de Jong [REDACTED]	2,000,000	5.1282	1,948,713	974,357

<b>Fidelity Clearing Canada ULC ITF N2N Solutions Ltd.</b> [REDACTED]	5,000,000	12.8205	4,871,782	2,435,891
<b>Erica Mary Lumley</b> [REDACTED]	3,000,000	7.6923	2,923,070	1,461,535
<b>Haywood Securities Inc.</b> [REDACTED]	500,000	1.2820	487,179	243,590
<b>OIG Overseas Financial Group Ltd.</b> [REDACTED]	10,000,000	25.6410	9,743,564	4,871,782
<b>Paloduro Investments Inc.</b> [REDACTED]	3,000,000	7.6923	2,923,070	1,461,535
<b>TOTAL:</b>	<b>39,000,100</b>	<b>100%</b>	<b>38,000,000</b>	<b>19,000,000</b>

## SCHEDULE B

### TARGET SHAREHOLDER CERTIFICATE

Capitalized terms used but not otherwise defined in this Target Shareholder Certificate (this “**Certificate**”) will have the meanings given to such terms in that certain share exchange agreement dated January 3, 2024 (the “**Agreement**”) among Moonbound Mining Ltd. (the “**Purchaser**”), 1442160 B.C. Ltd. (the “**Target**”) and the shareholders of the Target, including the undersigned (the “**Target Shareholder**”).

In connection with the issuance of the Consideration Shares to the Target Shareholder, the Target Shareholder hereby represents, warrants, acknowledges and agrees, as an integral part of the Agreement, that, as at the Execution Date (except to the extent that such representations and warranties speak as at the Closing, in which event such representations and warranties are true and accurate as at the Closing only) and as at the Closing:

1. it is resident in the jurisdiction set out under its name on Schedule A;
2. this Certificate forms part of the Agreement (a copy of which has been provided to the Target Shareholder), and by executing this Certificate, the Target Shareholder agrees to be bound by all terms, conditions and obligations of or relating to the Target Shareholder contained in the Agreement, and all of such terms, conditions and obligations, and any representations and warranties of the Target Shareholder contained in the Agreement, are expressly incorporated by reference herein;
3. it is the registered and beneficial owner of the number of Target Shares listed next to its name in Schedule A to the Agreement, free and clear of any Lien, and as at the Closing the Target Shareholder shall have no interest, legal or beneficial, direct or indirect, in any other Target Securities, or the assets of the Target Business;
4. no Person has or will have any Contract or option to acquire, or any right capable at any time of becoming a Contract to purchase or otherwise acquire, the Target Shares held by the Target Shareholder, or to require the Target Shareholder to sell, transfer, assign, pledge, charge, mortgage or in any other way dispose of or encumber any of the Target Shares held by the Target Shareholder, other than under the Agreement;
5. it has the legal capacity and competence to enter into the Agreement and execute this Certificate and to take all actions required pursuant hereto and, if it is a corporate entity, it is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation and all necessary approvals by its directors, shareholders and others have been obtained to authorize execution and performance of this Agreement on behalf of the Target Shareholder, and to transfer the beneficial title and ownership of the Target Shareholder’s respective Target Shares to the Purchaser;
6. all of the information which the Target Shareholder has provided to the Purchaser in this Certificate and in the Agreement is correct and complete, and if there should be any change in such information prior to the Closing, the Target Shareholder will immediately notify the Purchaser, in writing, of the details of any such change;

7. the Purchaser is entitled to rely on the acknowledgements, agreements, representations and warranties and the statements and answers of the Target Shareholder contained in the Agreement and this Certificate;
8. the entering into of the Agreement and the transactions contemplated thereunder do not result in the violation of any of the terms and provisions of any Applicable Laws, or, if applicable, the Organizational Documents of, the Target Shareholder or of any Contract or other arrangement, written or oral, to which the Target Shareholder may be a party or by which the Target Shareholder is or may be bound;
9. the representations and warranties of the Target Shareholder in this Certificate and in the Agreement (if applicable) will survive the Closing and the issuance of the Consideration Shares set forth in Section 2.1 of the Agreement and will continue in full force and effect for a period of 2 years, notwithstanding the Closing and the issuance of such Consideration Shares, or the waiver of any condition in the Agreement by the Purchaser;
10. it has been advised to consult its own legal, tax and other advisors with respect to the merits and risks of the acquisition of the Consideration Shares and applicable resale restrictions, and it is solely responsible (and neither the Purchaser nor the Target is in any way responsible) for compliance with applicable resale restrictions with respect to the Consideration Shares; and
11. the Target Shareholder hereby consents to the disclosure of his or her personal information in connection with the transactions contemplated by the Agreement, and acknowledges and consents to the fact that the Target and the Purchaser are collecting the personal information (as that term is defined under applicable privacy legislation, including the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or laws in effect in Canada from time to time) of the Target Shareholder for the purposes of completing the Agreement and the transactions contemplated thereby. The Target Shareholder acknowledges and consents to the Target and the Purchaser retaining such personal information for as long as permitted or required by law or business practices. The Target Shareholder further acknowledges and consents to the fact that the Target and the Purchaser may be required by Applicable Securities Laws to provide regulatory authorities with any personal information provided by the Target Shareholder in the Agreement and this Certificate and the Target Shareholder further consents to the public disclosure of such information by electronic filing or by any other means; and

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12. the address of the Target Shareholder set out below is the sole address of the Target Shareholder as of the Execution Date and will be the sole address of the Target Shareholder as of the Closing Date.

**IN WITNESS WHEREOF**, the Target Shareholder has executed this Certificate as of the Closing Date.

---

(Signature of Target Shareholder or Authorized Signatory of Target Shareholder if not an individual)

---

(Name of Target Shareholder)

---

(Name of Authorized Signatory - if the Target Shareholder is not an Individual)

---

(Title of Authorized Signatory - if the Target Shareholder is not an Individual)

---

(Address of Target Shareholder, including city, province of residence and postal code)

---

---

(Telephone Number)

---

(Email Address)

**Please indicate how you would like the Consideration Shares to be registered (if left blank, the Consideration Shares will be registered as DRS):**

- DRS
- PHYSICAL SHARE CERTIFICATE

**Register the Consideration Shares as set forth below:**

\_\_\_\_\_  
(Name to Appear on the DRS or Share Certificate)

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

\_\_\_\_\_  
(Address for Registration, including city, province of residence and postal code)

**Delivery Information (only complete where a physical share certificate will be issued):**

**If a DRS will be issued for the Consideration Shares, the DRS will be sent by mail to the Address for Registration.**

**If a physical share certificate will be issued for the Consideration Shares, please provide the following delivery information:**

\_\_\_\_\_  
(Name)

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

\_\_\_\_\_  
(Address)

\_\_\_\_\_  
(Contact Name)

\_\_\_\_\_  
(Telephone Number)

## SCHEDULE C

### DESCRIPTION OF THE NORRABEES LITHIUM PROJECT

#### **Location**

The licence areas are located in the Namakwa District Municipality, Northern Cape, RSA, some 80 km north of Springbok and directly south of the Orange River and the border with Namibia.

Access to the licence area is gained by following the N7 north from Springbok for 62km and then turning on to a spur road for approximately 21 km to the mine site.

#### **Description**

Prospecting Right: covers the majority of the eastern portion of the Namaqualand Pegmatite belt, extending to a total area of 167,000 ha. Thousands of pegmatites occur in this area, with a significant proportion (in excess of 40%) being zoned, mineralised heterogeneous pegmatites.

Mining Permit: covers a total area of 5ha, which has been demarcated to include the Norrabees 1 & 11 projects.

#### **Historical and Technical Work**

In November 2018, initial drilling program completed, consisting of a total of 10 PQ diameter holes totalling 321.77m at Norrabees 1.

The Norrabees 1 stockpile created, during the historic mining, was classified as an Inferred Resources in 2018, with a total tonnage of intermediate zone material 30,260 tons at between 1.14-2.30% Li<sub>2</sub>O.

The maiden minerals resource estimate for Norrabees 1 was published on 19th July 2019, which included both the in-situ pegmatite body and the stockpile resources as reported in 2018, which gives a total inferred resources of 71,679 tons at an average grade of 1.38%.

Full scale independent process analysis was carried out using a Dens Media Separation (“DMS”) process, which achieved the following results:

- Feed size 6mm ( av. grade 1.38%)
- Produces spodumene concentrate 6.41%
- Recovery rate 72%

These results have been verified by the company and the company is exploring additional processing technicals to extract lithium from the fines, which are found below the 6mm feed size in order to improve the recovery rate towards 90%.

Existing technical reports:

- Maiden Mineral Resources Estimate (SAMREC standards).
- Minerals Resources statement Inferred “stockpile area”

- Pre Feasibility Study.
- Full DMS processing report
- Full Environmental Study.

### **Asset**

- Exploration licence area 167,000 ha
- Mining permit covering Norrabees 1 & 2
- Current in situ plus stockpile area Inferred Resources 71,679 tons at average grade 1.38%
- Additional exploration upside to be explored at Norrabees 1, historic drilling to 32m depth, which did not confirm the boundaries of the mineralised zone.
- An additional 22 pegmatites have been identified as high grade mineralised zones.

### **Exploration Program**

The company will embark on a prudent exploration program at Norrabees 1, to confirm the extent of the mineralised zone and calculate the volume.

### ***Drill Program***

- Norrabees 1 - 960 m drilling to a depth of 80m
- Norrabees 2- 560 m to 80 m.
- Spodumene Kop - 560 m drilling to 80 m.
- Blue Sky - 560 m drilling to 80 m.
- Additional sample analysis.

In addition, the company will carry out drilling program on Norrabees 2, Spoduemene Kop and Blue Sky pegmatites, which have been identified as being highly prospective, following trenching and soil analysis.

### **Logistics**

The project benefits from a well defined haul route utilising the N7 motorway from the mine site to the Port of Cape Town, approximately 650 km distance.

The port of Cape Town, operates a well run container port, with additional capacity and loading capabilities. The Company is working with ARISE Shipping and Logistics to provide a efficient and costs effective logistics solution for the project.