

Eskay Mining Corp.
82 Richmond Street East
Toronto, ON M5C 1P1

June 4, 2024

P2 Gold Inc.
789, 999 West Hastings Street
Vancouver, BC
V6C 2W2

Attention: Joe Ovsenek, President & CEO

Dear Joe:

1. This letter of intent (the "**Letter of Intent**") is further to our discussions regarding an offer by Eskay Mining Corp. ("**Eskay**") to incorporate a wholly owned subsidiary ("**SubCo**") incorporated under the *Business Corporations Act* (British Columbia) ("**BCBCA**") that will amalgamate with P2 Gold Inc. ("**P2 Gold**") to form a new corporation ("**New P2 Gold**") (the "**Business Combination**"). The intention of the parties is to effect the Business Combination by way of a court-approved plan of arrangement (the "**POA**") pursuant to the BCBCA. Following the final order of the court under the POA and the Closing of the Business Combination, New P2 Gold will become a wholly owned subsidiary of Eskay.

This Letter of Intent will confirm our recent discussions regarding the Business Combination. The principal terms and conditions of the Business Combination are as follows:

1. Business Combination Structure - The proposed structure of the Business Combination is as follows:
 - (a) *Plan of Arrangement and Amalgamation* - Eskay shall acquire P2 Gold pursuant to the POA through a business combination whereby (A) Eskay will form a subsidiary which will amalgamate with P2 Gold under the laws of British Columbia, (B) in consideration for the amalgamation, the holders of securities of P2 Gold shall be issued securities of Eskay in accordance with the amalgamation ratios discussed below, (C) the resulting amalgamated corporation shall be a wholly owned subsidiary of Eskay, and (D) Eskay shall carry on the business of New P2 Gold. The common shares of Eskay issued to the shareholders of P2 Gold will be listed for trading on the TSX Venture Exchange and the OTCQX market.
 - (b) *Exchange Ratio* - Pursuant to the Business Combination, the shareholders of P2 Gold shall be issued the following securities of Eskay:
 - (i) holders of common shares in the capital of P2 Gold ("**P2 Gold Shares**"), as presently constituted, will receive 1 Eskay share (a "**Eskay Share**") for every [3.6] P2 Gold Shares (the "**Exchange Ratio**"); and
 - (ii) holders of common share purchase warrants and management incentive options in the capital of P2 Gold shall receive common share purchase

warrants and management incentive options in the capital of Eskay on the same terms and conditions after adjustment for the Exchange Ratio.

As a result of the Business Combination, the combined share capital of Eskay shall be as follows:

	Eskay	P2 Gold		Combined
		Pre-Business Combination	Post-Business Combination ⁽¹⁾	
Common Shares	183,617,123 ⁽⁹⁾	152,460,528	42,350,147	225,967,270
Warrants	-	52,627,472 ⁽²⁾	14,618,742 ⁽³⁾⁽⁴⁾	14,618,742
Options	12,985,000 ⁽⁵⁾	7,210,833 ⁽⁶⁾	2,003,009 ⁽⁷⁾⁽⁸⁾	14,988,009

Notes:

- (1) Adjusted for exchange ratio of [3.6] P2 Gold Shares for each one Eskay Share.
 - (2) Weighted average exercise price of \$0.25 and expiring at dates from December 8, 2024 to March 14, 2026.
 - (3) Weighted average exercise price of \$0.90 and expiring at dates from December 8, 2024 to March 14, 2026.
 - (4) The Exchange Ratio yields 14,618,742 P2 Gold Warrants, but 1,596,324 of these P2 Gold Warrants will expire pre-closing.
 - (5) Weighted average exercise price of \$1.32 and expiring at dates from September 9, 2024 to March 22, 2029.
 - (6) Weighted average exercise price of \$0.23 and expiring at dates from July 2, 2024 to March 27, 2026.
 - (7) Weighted average exercise price of \$0.828 and expiring at dates from July 2, 2024 to March 27, 2026.
 - (8) The Exchange Ratio yields 2,003,009 P2 Gold Options, but 425,695 of these P2 Gold Options will expire pre-closing.
 - (9) P2 Gold acknowledges and agrees that Eskay shall be free to proceed with a private placement financing by way of a charity flow-through on such terms as the Board of Directors of Eskay deems appropriate in its sole discretion.
- (c) *P2 Gold Shares for Debt* – Prior to Closing (as defined below), all debt (other than third-party payables, interest due on outstanding debentures from the Closing to January 31, 2025 and US\$250,000 owed by P2 Gold to Waterton Nevada Splitter, LLC) owed by P2 Gold shall be settled by the issuance of 10,321,032 P2 Gold Shares. Additionally, the outstanding debentures totaling \$1,665,000 shall be converted in accordance with their terms into a total of 23,785,714 P2 Gold Shares; and
- (d) *Management* –At Closing, Eskay shall appoint the P2 Gold executive team comprised of the President and CEO, CExO, EVP and CFO as the President and CEO, CExO, EVP and CFO of Eskay and appoint the President and CEO and CExO to the Board of Directors of Eskay and grant such number of incentive stock options of Eskay as determined by the Board of Eskay. Mac Balkam will become Chair of the Board of Directors and Rob Myhill will be appointed Executive VP – Finance.

2. Prohibition on Further Sales of Securities. P2 Gold shall not, prior to completion of the Business Combination, issue or agree to issue any securities or obligations convertible or exercisable into additional securities of P2 Gold, other than (i) securities which may

be issuable on the exercise or conversion of currently outstanding securities, (ii) securities which may be issued pursuant to the Business Combinations and (iii) as otherwise agreed to by Eskay.

3. Operation of P2 Gold. P2 Gold shall, prior to completion of the Business Combination, continue to operate its business and shall cause each of its subsidiaries to continue to operate their respective businesses in the normal course consistent with past practice and without limiting the generality of the foregoing, P2 Gold shall not without the prior written consent of Eskay:
 - (a) sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber (or permit any of its subsidiaries to sell, pledge, lease, dispose of, grant any interest in, encumber or agree to sell, pledge, lease, dispose of, grant any interest in or encumber) any assets of P2 Gold or any of its subsidiaries;
 - (b) set aside or pay any dividend or make or agree to make any other distribution payable in cash, stock, property or otherwise;
 - (c) redeem, purchase or offer to purchase (or permit any of its subsidiaries to redeem, purchase or offer to purchase) any common shares or other securities of P2 Gold or any of its subsidiaries;
 - (d) other than in the normal course of business or except in accordance with existing agreements, acquire, directly or indirectly (or permit any of its subsidiaries to acquire directly or indirectly) any assets, including but not limited to mining properties or interests therein or securities of other companies or enter into any joint venture, earn-in or similar agreements or arrangements;
 - (e) incur or commit to incur any indebtedness, other than in the ordinary course of business, for borrowed money or issue any debt securities; or
 - (f) enter into or modify any employment, severance, collective bargaining or similar agreements, policies or arrangements with, or grant any bonuses, salary increases, severance or termination pay to, any employees, officers or directors of P2 Gold other than pursuant to agreements in effect (without amendment) on the date hereof.

4. Closing – The Closing will occur at such time and place as the parties hereto may mutually agree, provided that in no event shall the closing of the Business Combination (the "**Closing**") occur later than October 31, 2024. Completion of the Business Combination is subject to a number of conditions, including but not limited to, approval by the board of directors of Eskay and P2 Gold, acceptance by the TSXV, approval by the shareholders of P2 Gold and final approval by the Court of the Plan of Arrangement.

5. Definitive Agreement – All terms and conditions concerning the Business Combination will be set forth in a definitive agreement (the "**POA Agreement**") between the parties hereto that will be subject to the approval of the parties. Those terms and conditions will include representations, warranties, and covenants that are mutually acceptable to the parties. Notwithstanding the foregoing, the parties hereto acknowledge and agree that if, in connection with finalizing the POA Agreement, a particular legal structure is determined by one or both parties hereto to be beneficial or advisable for

the purpose of addressing any liability, corporate or tax concerns of the parties, the parties shall, at such time, consider available alternatives that would best address such issues.

6. Expenses – Each party will pay its own expenses in connection with the Business Combination, whether or not the Business Combination is completed, but the parties hereto will come to an agreement on the assignment of duties for legal counsel, accountants, auditors and other professional advisors as the case may be, and budgets and fee caps shall be established for all such engagements.
7. Due Diligence – The parties shall have until June 28, 2024, to complete due diligence and each of the parties hereto shall provide information to the other for due diligence review purposes. All information obtained by the parties hereto in the course of their due diligence shall be subject to all terms and conditions hereof, including but not limited to the confidentiality provisions of the confidentiality agreements entered into by the parties.
8. Information Circular of P2 Gold - As promptly as practical following the execution of this Letter of Intent, and in compliance with applicable laws and the policies of the TSXV:
 - (a) As soon as reasonably practicable following the date hereof and in sufficient time to hold a shareholders' meeting (the "**Meeting**"), to approve the Business Combination and the related matters contemplated herein, P2 Gold shall prepare and complete an information circular (the "Circular"), together with any other documents required by applicable laws in connection with the Meeting. Eskay and P2 Gold shall cooperate in the preparation of the Circular and Eskay shall prepare such portions of the Circular, or information required therein, relating to Eskay as is reasonably requested by P2 Gold and shall provide such information to P2 Gold in a reasonably timely manner. P2 Gold shall provide Eskay and its counsel with reasonable opportunity to review and comment on the Circular. All information relating solely to Eskay included in the Circular must be in a form and content satisfactory to Eskay, acting reasonably. Each Party shall ensure that any portions of the Circular prepared or provided by it, and any amendments or supplements thereto, do not contain any misrepresentations, provide the P2 Gold Shareholders with sufficient information to permit them to form a reasonable judgment concerning the matters to be placed before the Meeting and otherwise comply with applicable securities laws.
9. Other Mutual Conditions to Closing – The completion of the Business Combination and related matters contemplated herein is subject to the following additional conditions in favour of each of Eskay and P2 Gold:
 - (a) approval of the Business Combination by the BC Supreme Court;
 - (b) Eskay shall obtain all director approvals necessary for completion of the Business Combination and the related matters contemplated herein;
 - (c) P2 Gold shall obtain all director and shareholder and any other securityholder approvals as applicable and as necessary for completion of the Business Combination and the related matters contemplated herein;

- (d) SabCo shall obtain all director and shareholder approvals necessary for completion of the Business Combination and the related matters contemplated herein;
 - (e) all required consents, approvals and acceptances from applicable securities regulatory authorities having been obtained, including, without limitation, the approval of the TSXV in respect of the Business Combination;
 - (f) P2 Gold and all its directors and officers shall recommend to the P2 Gold Shareholders that the Business Combination be approved and shall confirm that the Business Combination is fair, from a financial point of view, to the shareholders of P2 Gold and shall solicit shareholders to vote in favour of the Business Combination;
 - (g) All directors and officers of P2 Gold shall enter into voting and support agreements (including all amendments thereto) (the "**Voting Agreements**") whereby they agree, subject to the usual fiduciary out, to vote all of such Person's common shares of P2 Gold in favour of the Business Combination and the related matters contemplated herein; and
 - (h) the negotiation, execution and delivery of the POA Agreement between Eskay and P2 Gold, which POA Agreement is to supersede this Letter of Intent and contain covenants, representations, warranties, conditions, indemnities and provisions customary for Business Combinations of the nature of the Business Combination (and related matters).
10. Additional Conditions Precedent to the Obligations of Eskay – Eskay is not required to complete the Business Combination unless each of the following conditions is satisfied on or as of Closing, which conditions are for the exclusive benefit of Eskay and may only be waived, in whole or in part, by Eskay in its sole discretion:
- (a) P2 Gold shall have obtained a fairness opinion from its financial advisors in a form satisfactory to Eskay.
11. Additional Conditions Precedent to the Obligations of P2 Gold - P2 Gold is not required to complete the Business Combination unless each of the following conditions is satisfied on or as of Closing, which conditions are for the exclusive benefit of P2 Gold and may only be waived, in whole or in part, by P2 Gold in its sole discretion:
- (a) Eskay shall have completed a private placement of not less than \$500,000 prior to Closing.
12. No Solicitation
- (a) During the period commencing on the date hereof and ending on the Termination Date (as defined in paragraph 14), each party agrees that it will not without the written consent of the other, directly or indirectly, through any officer, director, employee, advisor, representative, agent or otherwise, take any direct or indirect action to: (a) solicit, initiate, encourage, engage in or respond to any inquiries, submissions, proposals or offers regarding any merger, amalgamation, share exchange, business combination, take-over bid, sale or other disposition of material assets, recapitalization, reorganization,

liquidation, sale or issuance of a material number of treasury securities (except upon the due exercise of convertible securities outstanding on the date hereof) or rights or interests therein or thereto or rights or options to acquire any material number of treasury securities or any type of similar Business Combination involving it or any of its subsidiaries other than with the other party (each an "**Alternative Proposal**"), (b) encourage or participate in any discussions or negotiations regarding any Alternative Proposal, (c) agree to, approve or recommend an Alternative Proposal, or (d) enter into any agreement related to an Alternative Proposal.

- (b) Each of P2 Gold and Eskay represents and warrants to the other that it is not currently in any discussions or negotiations with any person (other than with the other party) with respect to any potential Alternative Proposal. Each party shall promptly notify the other of any future Alternative Proposal of which any director, senior officer or agent of it is or becomes aware of, any amendment to any of the foregoing or any request for non-public information relating to it. Such notice shall include a description of the material terms and conditions of any such proposal and the identity of the person making such proposal, inquiry, request or contact.
 - (c) Notwithstanding the preceding subparagraph 12(a) and any other provisions of this Letter of Intent, the board of directors of P2 Gold may, prior to the approval of the Business Combination by the P2 Gold Shareholders, consider, participate in any discussions or negotiations with, or provide information to, any person who has delivered or issued a bona fide Alternative Proposal which was not solicited or encouraged after the date of this Letter of Intent and did not otherwise result from a breach of this paragraph 12 and that the board of directors of P2 Gold, determines in good faith, after consultation with its outside legal counsel, would, if consummated in accordance with its terms, result in a Business Combination more favourable to the P2 Gold Shareholders, from a financial point of view, than the terms of the Business Combination (any such Alternative Proposal a "**Superior Proposal**"), provided that any such determination shall only be made if the board of directors of P2 Gold, has received advice of outside legal counsel to the effect that the board of directors is required to do so in order to properly discharge its fiduciary duties, and provided further that, immediately upon receipt of such advice, P2 Gold advises Eskay in writing that it has received such advice and provides written details thereof.
 - (d) Notwithstanding the preceding subparagraphs 12(a) and 12(b), P2 Gold may respond to an Alternative Proposal that is not a Superior Proposal, provided that such proposal has not been solicited or initiated by it.
13. Confidentiality – The terms of this Letter of Intent shall be regarded as confidential by both parties and shall not be released and made known to any other party except as may be agreed between the parties or as required by law.
14. Termination –
- (a) Grounds for termination - This Letter of Intent may be terminated and be of no further force or effect:
 - (i) by mutual written agreement between P2 Gold and Eskay;

- (ii) if the POA Agreement has not been executed by June 28, 2024;
- (iii) by Eskay upon providing written notice to P2 Gold by no later than 5:00 p.m. (Vancouver time) on June 28, 2024 that having completed its due diligence review in good faith, it is not prepared to complete the Business Combination as a result of its due diligence review;
- (iv) by P2 upon providing written notice to Eskay by no later than 5:00 p.m. (Vancouver time) on June 28, 2024 that having completed its due diligence review in good faith, it is not prepared to complete the Business Combination as a result of its due diligence review;
- (v) by Eskay, if the board of directors of P2 Gold approves or recommends a Superior Proposal, if P2 Gold enters into a letter of intent or definitive written agreement with respect to a Superior Proposal, or if P2 Gold is subject to a take-over bid initiated by a third party in accordance with applicable securities laws which is completed in whole or in part, subject to the provisions of paragraph 12; or
- (vi) by P2 Gold in order to enter into a letter of intent or definitive written agreement with respect to a Superior Proposal or otherwise approve or recommend a Superior Proposal, subject to the provisions of paragraph 12.

The date upon which this Letter of Intent is terminated pursuant to this subparagraph 14(a) is referred to herein as the "**Termination Date**".

15. Miscellaneous

- (a) Public Announcements - Eskay and P2 Gold agree to jointly make a press release with respect to the Business Combination as soon as practicable after the date on which this Letter of Intent has become effective and to consult with each other prior to dissemination and to otherwise coordinate the public disclosure and presentations made by them with respect to the Business Combination. Eskay and P2 Gold further agree that there will be no public announcement or other disclosure of the Business Combination or of the matters dealt with herein unless they have mutually agreed thereto or unless otherwise required by applicable law or by regulatory instrument, rule or policy based on the advice of counsel. If either Eskay or P2 Gold is required by applicable law or regulatory instrument, rule or policy to make a public announcement with respect to the Business Combination, such party hereto will provide as much notice to the other of them as reasonably possible, including the proposed text of the announcement.
- (b) Business Day - For the purposes of this Letter of Intent, "**Business Day**" shall mean a day, other than a Saturday or Sunday or holiday, on which the principal commercial banks located in the cities of Toronto and Vancouver are open for business during normal banking hours.
- (c) Law - This Letter of Intent shall be governed by and be construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada

applicable therein. The parties hereto irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of British Columbia.

- (d) Amendment - This Letter of Intent may, at any time and from time to time, be amended by written agreement of the parties hereto.
- (e) Assignment - Neither party hereto may assign its rights or obligations under this Letter of Intent without the prior written consent of the other party hereto.
- (f) Binding Effect - This Letter of Intent shall be binding in respect of paragraphs 2, 3, 6, 10, 11, 12 and 13 and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns. Save and except for the foregoing binding provisions, this Letter of Intent is otherwise nonbinding.
- (g) Waiver - Any waiver or release of any of the provisions of this Letter of Intent, to be effective, must be in writing and executed by the party hereto granting such waiver or right.
- (h) Entire Agreement - This Letter of Intent contains the entire agreement between the parties hereto with respect to the subject matter hereof and thereof and supersedes all prior agreements and understandings with respect thereto.
- (i) Time of the Essence - Time shall be of the essence in this Letter of Intent.
- (j) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be effected, impaired or invalidated and the parties shall negotiate in good faith to modify the Agreement to preserve each party's anticipated benefits under the Agreement.
- (k) In the event that this Agreement is terminated, paragraphs 6 and 13 shall survive such termination.

Would you kindly signify your acceptance of the terms contained herein by executing the enclosed duplicate copy hereof in the place indicated and thereafter returning such executed copy by fax, email or otherwise to Eskay by no later than 5:00 p.m. (Toronto time) on **June 5, 2024**, failing which this Letter of Intent shall be of no force or effect.

Yours very truly,

ESKAY MINING CORP.

Per: 

Mac Balkam
Authorized Signing Officer

Acknowledged and agreed this 4th day of June 2024.

P2 GOLD INC.

Per:

Joe Ovsenek
Authorized Signing Officer