

## **AGENCY AGREEMENT**

**THIS AGREEMENT** made effective as of the 3<sup>rd</sup> day of October, 2017.

AMONG:

**VAL-D'OR MINING CORPORATION**, a corporation incorporated under the laws of the Province of British Columbia, having an office in the City of Val-d'Or, in the Province of Quebec

(the "**Corporation**")

- and -

**CANACCORD GENUITY CORP.**, a corporation with an office in the City of Calgary, in the Province of Alberta

(the "**Agent**")

### **WHEREAS:**

- A. Canaccord Genuity Corp. understands that Val-d'Or Mining Corporation wishes to raise gross proceeds of \$1,200,000 (excluding the exercise of the Over-allotment Option) for the purposes described in the Prospectus by way of public offering. The Agent further understands that the Offering will be completed through the sale and distribution (excluding the exercise of the Over-allotment Option) of 12,000,000 Units at a price of \$0.10 per Unit;
- B. The Corporation has agreed to file the Prospectus in accordance with Securities Legislation in the Qualifying Jurisdictions in order to qualify for distribution the Offered Securities and Additional Securities pursuant to the Offering and the Agent's Option; and
- C. The Corporation has agreed to retain the Agent as its exclusive agent to solicit subscriptions in the Qualifying Jurisdictions on a commercially reasonable efforts basis for the Offered Securities and Additional Securities offered pursuant to the Offering Documents, and the Agent has agreed to act in such capacity upon the terms and conditions hereinafter set out in this Agreement.

**NOW THEREFORE** in consideration of the mutual covenants and agreements contained herein, the parties hereto agree as follows:

### **ARTICLE 1 INTERPRETATION**

- 1.1 For the purposes of this Agreement, including the recitals and any amendment hereto, the following words and phrases shall have the following meanings:
  - (a) "**2017 Technical Report**" means a report relating to the Baden Property of the Corporation dated September 21, 2017 prepared by Géologica Group Conseil Inc. and titled "NI 43-101 Technical Report of Baden Property";

- (b) "**Additional Securities**" means the additional 1,800,000 Units granted to the Agent pursuant to the Over-allotment Option;
- (c) "**affiliate**", "**associate**", "**material change**", "**material fact**" and "**misrepresentation**" have the respective meanings given to them in the *Securities Act* (British Columbia);
- (d) "**Agent**" means Canaccord Genuity Corp.;
- (e) "**Agent's Commission**" has the meaning ascribed thereto in paragraph 3.1 herein;
- (f) "**Agent's Commission Shares**" means the Common Shares which may be issuable to the Agent as part of the Agent's Commission Units;
- (g) "**Agent's Commission Units**" means any Units issued to the Agent in payment of the Agent's Commission;
- (h) "**Agent's Commission Warrants**" means the Warrants issuable to the Agent as part of the Agent's Commission Units;
- (i) "**Agent's Option Agreement**" has the meaning ascribed thereto in paragraph 3.4 herein;
- (j) "**Agent's Option**" means the non-transferable compensation option entitling the Agent to purchase that number of Units equal in the aggregate to 10% of the number of Offered Securities and Additional Securities, should the Over-Allotment Option be exercised by the Agent, issued under the Offering at an exercise price of \$0.10 at any time for a period of three (3) years from the Closing Date;
- (k) "**Agent's Option Shares**" means the Common Shares issuable to the Agent upon exercise of the Agent's Option Units;
- (l) "**Agent's Option Units**" means the Units of the Corporation issuable to the Agent upon the exercise of the Agent's Option;
- (m) "**Agent's Option Warrants**" mean the Warrants issuable to the Agent upon the exercise of the Agent's Option Units;
- (n) "**Agreement**" means this agreement, the recitals, the schedules hereto and any amendments;
- (o) "**Agreements and Instruments**" means any and all obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease, license or other agreement to which the Corporation is a party or by which it or any of them may be bound, or to which any of the property or assets of the Corporation is subject;
- (p) "**Annual Information Form**" means the annual information form for the Corporation for the financial year ended December 31, 2016, as filed on SEDAR;

- (q) "**Authors**" has the meaning ascribed thereto in paragraph 7.1ii herein;
- (r) "**Baden Property**" means the four (4) contiguous mining claims covering approximately 256 hectares of land within the Baden Township, Larder Lake Mining Division, located approximately 15 km northwest of Matachewan, Ontario, as described in the 2017 Technical Report;
- (s) "**BCA**" means the *Business Corporations Act* (British Columbia), including the regulations promulgated thereunder;
- (t) "**Business**" means the business presently and heretofore carried on or proposed to be carried on, by the Corporation, as a going concern, all operations related thereto and the intangible goodwill associated therewith and any and all interests of whatsoever kind and nature related thereto;
- (u) "**Business Day**" means a day which is not Saturday or Sunday or a statutory holiday in the City of Calgary, in the Province of Alberta or in the City of Val d'Or, in the Province of Quebec;
- (v) "**Closing**" means the closing of the Offering which shall occur on such date as may be agreed upon by the Corporation and the Agent, but not later than the Termination Date;
- (w) "**Closing Date**" means the date on which Closing occurs, which date shall be agreed to between the Corporation and the Agent which shall occur no later than the Termination Date;
- (x) "**Commissions**" means the securities regulatory authorities in each of the Qualifying Jurisdictions;
- (y) "**Common Shares**" or "**Shares**" means the voting common shares without par value in the capital of the Corporation;
- (z) "**Corporate Finance Fee**" has the meaning ascribed thereto in paragraph 3.2 herein;
- (aa) "**Corporation**" means Val-d'Or Mining Corporation a company incorporated pursuant to the BCA;
- (bb) "**Due Diligence Session**" has the meaning ascribed thereto in paragraph 8.1h herein;
- (cc) "**Encumbrances**" means any lien, charge, security interest, burden, profits interest, option, conversion privilege, pledge, restriction, lease, mortgage, encumbrance, or other adverse claim of any kind or character whatsoever;
- (dd) "**Environmental Laws**" has the meaning ascribed thereto in paragraph 7.1nn herein;
- (ee) "**Exchange**" means the TSX Venture Exchange Inc.;

- (ff) **"Final Passport System Decision Document"** means a receipt for the Prospectus issued in accordance with the Passport System;
- (gg) **"Financial Information"** means, collectively, the financial statements of the Corporation included in or incorporated by reference into the Offering Documents, including the notes with respect thereto together with the respective auditors' report thereon, where such financial statements are audited, as at and for the periods included therein, and the accompanying Management's Discussion and Analysis of Financial Condition and Results of Operations in respect of the Corporation;
- (hh) **"Forward Looking Statements"** has the meaning ascribed thereto in paragraph 7.1bbb herein;
- (ii) **"Governmental Licenses"** has the meaning ascribed thereto in paragraph 7.1rr herein;
- (jj) **"Indemnified Person"** has the meaning ascribed thereto in paragraph 13.2 herein;
- (kk) **"Independent"** has the meaning ascribed thereto in paragraph 7.1mm herein;
- (ll) **"IFRS"** means International Financial Reporting Standards;
- (mm) **"Liens"** means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or the right to use or occupy such property or assets;
- (nn) **"Material Adverse Change"** or **"Material Adverse Effect"** means, a change or effect resulting from any event or change which is materially adverse to the financial condition, business, properties, assets, liabilities (including contingent liabilities) and results of operations of the Corporation;
- (oo) **"Material Agreements"** means, collectively, the agreements described under the heading "Material Contracts" in the Annual Information Form and the Prospectus, any agreements described under the heading "General Development of the Business" in the Annual Information Form and any agreements described under the heading "Summary Description of the Business" in the Prospectus;
- (pp) **"Mineral Rights"** has the meaning ascribed thereto in paragraph 7.1ff herein;

- (qq) "**MI 11-102**" means Multilateral Instrument 11-102 *Passport System* of the Canadian Securities Administrators, as amended or replaced from time to time;
- (rr) "**Non-Core Properties**" means the Corporation's interests in all mineral claims or projects as disclosed in the Public Record, other than the Baden Property;
- (ss) "**NP 11-202**" means National Policy 11-202 *Process for Prospectus Reviews in Multiple Jurisdictions* of the Canadian Securities Administrators, as amended or replaced from time to time;
- (tt) "**NI 41-101**" means National Instrument 41-101 *General Prospectus Requirements*, of the Canadian Securities Administrators, as amended or replaced from time to time
- (uu) "**NI 43-101**" means National Instrument 43-101 *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators, as amended or replaced from time to time;
- (vv) "**Offered Securities**" means the 12,000,000 Units being offered under the Offering Documents;
- (ww) "**Offering**" means the public offering by the Corporation of Offered Securities and Additional Securities;
- (xx) "**Offering Documents**" means, collectively, the Annual Information Form, the Preliminary Prospectus, the Prospectus and the Supplementary Material;
- (yy) "**Over-allotment Option**" has the meaning ascribed thereto in paragraph 2.3 herein;
- (zz) "**Passport System**" means the system and procedures for the filing of prospectuses and related materials in one or more Canadian jurisdictions pursuant to MI 11-102 and NP 11-202;
- (aaa) "**Preliminary Prospectus**" means the preliminary short form prospectus of the Corporation dated August 31, 2017 filed with the Commissions;
- (bbb) "**Prospectus**" means the final short form prospectus of the Corporation dated October 3, 2017 filed with the Commissions;
- (ccc) "**Public Record**" means all information filed by or on behalf of the Corporation with the Commissions, including without limitation, the Offering Documents and any other information filed with any Commissions (including SEDAR filings) in compliance, or intended compliance, with any Securities Legislation;
- (ddd) "**Purchasers**" means those subscribers whose offers to purchase Offered Securities are accepted by the Corporation and the Agent;

- (eee) **"Qualified Compensation Securities"** has the meaning ascribed thereto in paragraph 3.5 herein;
- (fff) **"Qualified Person"** has the meaning ascribed thereto in NI 43-101;
- (ggg) **"Qualifying Jurisdictions"** means the provinces of Alberta, British Columbia, Saskatchewan, Ontario and Quebec;
- (hhh) **"ROFR Amount"** has the meaning ascribed thereto in paragraph 8.1(j) herein;
- (iii) **"Securities Legislation"** means the applicable securities legislation, regulations, rules, policies, notices and orders of each of the Qualifying Jurisdictions and the policies and by laws of the Exchange, as amended from time to time;
- (jjj) **"Subscription Funds"** means the funds received in respect of subscriptions for Offered Securities (and Additional Securities, if any) pursuant to and in accordance with the terms of the Prospectus and this Agreement;
- (kkk) **"Successful Subscription"** means a subscription for Offered Securities by a Purchaser which has been accepted by the Corporation and the Agent;
- (III) **"Supplementary Material"** means all amended prospectuses or supplemental statements and related documents required to be filed by the Corporation under Securities Legislation and of any amendment to the, Annual Information Form, the Preliminary Prospectus or the Prospectus or other document required to be filed;
- (mmm) **"Taxes"** means all taxes, however denominated, including any interest, penalties or other additions thereto that are imposed by any government, agency or authority, or a subdivision thereof, which is entitled to impose taxes or administer any legislation relating to taxes, and shall for greater certainty include, but not be limited to, federal and provincial income and capital taxes, payroll and employee withholding taxes, employment insurance premiums, Canada Pension Plan contributions, the goods and services tax charged pursuant to the Excise Tax Act (Canada), sales and use taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business licence taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, workers' compensation premiums and all other amounts of the same or of a similar nature to any of the foregoing, whether or not such amounts are described as taxes;
- (nnn) **"Tax Act"** means the *Income Tax Act* (Canada), together with any and all regulations promulgated thereunder, as amended from time to time;
- (ooo) **"Termination Date"** means that date that is 90 days after a Final Passport System Decision Document is issued for the Prospectus unless an extension to that date is granted by applicable regulatory authorities, or such other date as the Purchasers and the parties hereto may agree and the Commissions may allow;

- (ppp) "**Time of Closing**" means 10:00 a.m. (Calgary time) on the Closing Date or such other time on the Closing Date as the Corporation and the Agent may agree;
- (qqq) "**Transfer Agent**" means Computershare Investor Services Inc. in its capacity as registrar and transfer agent of the Common Shares;
- (rrr) "**Units**" means the Units offered under the Offering, each Unit consisting of one Common Share and one-half of one Warrant;
- (sss) "**Unit Shares**" means the Common Shares comprised within the Units;
- (ttt) "**Warrants**" means the Common Share purchase warrants comprised within the Units, where each whole Common Share purchase warrant entitles the holder thereof to purchase one Common Share at a price of \$0.15 per share at any time on or before three (3) years from the Closing Date; and
- (uuu) "**Warrant Shares**" means each Common Share in the capital of the Company which may be purchased at a price of \$0.15, subject to certain adjustments in certain events, at any time on or before three (3) years from the Closing Date by the holder of a Warrant or an Agent's Commission Warrant or an Agent's Option Warrant.

"**misrepresentation**", "**material change**" and "**material fact**" shall have the meanings ascribed thereto under the Securities Legislation of the Qualifying Jurisdictions; "**distribution**" means "distribution" or "distribution to the public", as the case may be, as defined under the Securities Legislation of the Qualifying Jurisdictions; and "distribute" has a corresponding meaning.

In this Agreement, "**to the best of the knowledge of**", "**to the best of its knowledge**" or "**to its knowledge**" means, unless otherwise expressly stated, a statement of the declarant's knowledge of the facts or circumstances to which such phrase related, after having made due and applicable inquiries and investigations in connection with such facts and circumstances; and "**to the best of the knowledge of the Corporation**" or "**to the best of the Corporation's knowledge**" means, unless otherwise expressly stated, a statement as to the best knowledge of each of the senior officers of the Corporation about the facts or circumstances to which such phrase related, after having made due and applicable inquiries and investigations in connection with such facts and circumstances that would ordinarily be made in the discharge of each such officer's duties.

- 1.2 For the purposes of this Agreement, all references to "**Dollars**" or "**\$**" shall mean Canadian funds, unless otherwise specified.
- 1.3 The headings of the Articles of this Agreement are inserted for convenience of reference only and shall not in any manner affect the construction or meaning of anything herein contained or govern the rights or liabilities of the parties hereto.
- 1.4 Words importing the singular number only shall include the plural and vice versa and words importing the masculine gender shall include the feminine and neutral genders and words importing persons shall include companies, corporations, partnerships, syndicates, trusts and any number or aggregate of persons.

## **ARTICLE 2 APPOINTMENT OF AGENT**

- 2.1 Subject to the terms hereof, the Agent is hereby appointed by the Corporation, and the Agent hereby agrees to act as the exclusive agent of the Corporation to solicit proposed Purchasers of and to sell the Offered Securities and the Additional Securities pursuant to the Offering; provided, however, that the Agent may retain as sub-agents other registered securities dealers and may receive subscriptions from such securities dealers whose interest in the Offering will be limited to receiving the usual and customary commission payable by the Agent to any and all such sub-agents. The Agent will use its commercially reasonable efforts to solicit subscriptions for the Offered Securities pursuant to the Offering at the price set forth in the Prospectus. The Agent shall be under no liability for any failure to sell any or all of the Offered Securities or to engage sub-agents. The Agent shall act as agent only and shall be under no obligation or liability to purchase any of the Offered Securities pursuant to the Offering or to engage sub-agents.
- 2.2 The Agent shall secure from each proposed Purchaser of the Offered Securities hereunder such certificates, documents and forms as may be required by the Securities Legislation and such Subscription Agreement(s), questionnaires, undertakings and other material as may, in the opinion of the Agent, acting reasonably, be required under the Securities Legislation and the Act.
- 2.3 The Corporation grants the Agent the option, exercisable in whole or in part within 60 days following the Closing, to sell or acquire additional Units up to a maximum of 1,800,000 Units, on the same terms of the Offered Securities (the "**Over-allotment Option**"). The Agent is under no obligation to sell or acquire any of the securities subject to the Over-allotment Option.

## **ARTICLE 3 AGENT FEES**

- 3.1 In consideration of the Agent agreeing to act as agent for the Corporation in regards to the Offering, the Corporation agrees to pay to the Agent at the Time of Closing, upon due completion of the sale of the Offered Securities (and any Additional Securities, if applicable) offered pursuant to the Offering, a commission equal to 10% percent of the gross proceeds from such Closing (the "**Agent's Commission**"), payable (at the election of the Agent) in cash or Agent's Commission Units or any combination thereof. Any amount of the Agent's Commission elected to be taken as cash shall be paid at the Time of Closing by the Agent deducting such amounts from the Subscription Funds.
- 3.2 The Corporation will also pay to the Agent a corporate finance fee of \$20,000 (the "**Corporate Finance Fee**"), of which the Agent acknowledges receipt of \$10,000, with the balance to be paid on Closing.
- 3.3 If the Agent retains sub-agents or receives subscriptions from such sub-agents, the Agent, in its sole discretion, shall pay to such sub-agents a fee as may be agreed among the sub-agents and the Agent, but in no event shall the Corporation be required to pay a commission in excess of the fees indicated in Article 3.1 above.
- 3.4 Notwithstanding the fact that the Agent is not obligated to purchase any of the Offered Securities under the Offering, and on the express condition precedent that

Closing occurs for the Offering, the Corporation hereby agrees to grant to the Agent, at the Closing, the Agent's Option and to execute and deliver an agent's option agreement setting forth the terms and conditions of the Agent's Option, which shall be substantially in the form of the agreement appended hereto as Schedule "A" (the "**Agent's Option Agreement**").

- 3.5 The Agent's Option and Agent's Commission Units (if the Agent elects to receive Agent's Commission Units) shall be qualified under and distributed pursuant to the Offering Documents to the extent permitted by NI 41-101. The Agent hereby acknowledges that: (i) NI 41-101 restricts the maximum number of securities being issued to an agent as compensation which may be qualified under a prospectus ("**Qualified Compensation Securities**") to not more than 10% of the number of securities being offered; (ii) for the purposes of this Offering, any combination of Agent's Option and Agent's Commission Units totalling up to 10% of the number of Units sold are Qualified Compensation Securities and are qualified for distribution by the Prospectus; and (iii) to the extent that the Agent is entitled to receive securities as compensation exceeding 10% of the Units sold, those securities exceeding the 10% threshold will not be Qualified Compensation Securities, will not be qualified for distribution under the Prospectus, and will be subject to a four month hold period in accordance with applicable Securities Legislation.

#### **ARTICLE 4 SUBSCRIPTIONS**

- 4.1 The Corporation will, subject to the provisions of Article 4.3 hereof:
- (a) at such time as Successful Subscriptions for the Offered Securities (together with any Additional Securities, if applicable) have been received; or
  - (b) the Termination Date;
- whichever shall occur first, close the subscription books and thereafter shall not receive any further subscriptions for Offered Securities.
- 4.2 Purchasers in the Qualifying Jurisdictions may subscribe for Offered Securities by delivering to the Agent at or prior to the Time of Closing:
- (a) payment of the aggregate subscription price in respect of the Offered Securities subscribed for in a manner acceptable to the Agent; and
  - (b) such certificates, documents and forms as, in the opinion of the Agent and the Corporation, may be required.
- 4.3 Subscription Funds received by the Agent shall be held in trust by the Agent pursuant to the terms of this Agreement and shall be dealt with by the Agent as provided herein.

#### **ARTICLE 5 PROSPECTUS**

- 5.1 The Corporation shall, as soon as reasonably possible after all comments of the Commissions have been satisfied with respect to the Preliminary Prospectus, prepare

and file (and use its best efforts to obtain a Final Passport System Decision Document for) under Securities Legislation a Prospectus in form and substance satisfactory to the Corporation and the Agent, each acting reasonably, and fulfill and comply with all applicable Securities Legislation required to be fulfilled or complied with by the Corporation.

- 5.2 The Corporation shall deliver to the Agent contemporaneously with or prior to the filing of the Prospectus with the Commissions:
- (a) an executed copy of the Prospectus; and
  - (b) executed copies of any document required to be filed by the Corporation at such time under the laws of the Qualifying Jurisdictions in compliance with Securities Legislation.
- 5.3 The Corporation shall also prepare and deliver promptly to the Agent duly signed copies of all Supplementary Material. The Supplementary Material shall be in form and substance satisfactory to the Agent, acting reasonably.
- 5.4 The Corporation shall cause commercial copies of the Prospectus to be delivered to the Agent as directed by the Agent without charge in such numbers as the Agent may reasonably request. Such delivery shall be effected as soon as practicable and, in any event, on or before a date that is 3 Business Days after the receipt by the Corporation of a Final Passport System Decision Document for the Prospectus.
- 5.5 Delivery of the Offering Documents shall constitute a representation and warranty by the Corporation to the Agent that all information and statements (except information and statements relating solely to or provided solely by the Agent) contained therein, are true and correct in all material respects as at the date thereof and such document contains no misrepresentation as at the date of such delivery. Such delivery shall also constitute the Corporation's consent to the Agent for use of the Offering Documents with relation to the Offering.
- 5.6 The obligation of the Agent to execute any certificate or deliver any documents pertaining to the Offering Documents shall be conditional upon compliance by the Corporation to the date of such execution and delivery with each of its covenants contained in this Agreement to be complied with prior to the filing of the Offering Documents.

## **ARTICLE 6 RELEASE OF SUBSCRIPTION FUNDS**

- 6.1 The Agent shall not at any time deliver any Subscription Funds received by it to the Corporation until it shall have received a written request from the Corporation requesting the delivery of Subscription Funds, net of the payments set out in Article 3 and Article 15 hereof, to the Corporation or as directed by the Corporation.
- 6.2 Upon receiving the documentation referred to in Article 6.1 hereof, subject to Article 6.4 and Article 12 hereof, the Agent shall forthwith deliver to the Corporation or as directed in Article 6.1 hereof, the net Subscription Funds held by it pursuant to this Agreement.

- 6.3 If the Agent has not received the documentation referred to in Article 6.1 hereof at or prior to the Termination Date, the Agent shall promptly thereafter return to each Purchaser by ordinary mail without interest or deduction the Subscription Funds held for that Purchaser by the Agent, unless such Purchaser has otherwise instructed the Agent.
- 6.4 If a Subscription for Offered Securities is rejected (in whole or in part) by the Corporation or the Agent, any funds delivered to the Agent in connection therewith shall be returned to such Purchaser in the manner provided in Article 6.3 hereof.

**ARTICLE 7**  
**REPRESENTATIONS AND WARRANTIES OF THE CORPORATION**

- 7.1 The Corporation represents and warrants to the Agent and hereby acknowledges that the Agent is relying on such representations and warranties in entering into this Agreement, that:
- (a) the Corporation has been duly incorporated and organized and is valid and subsisting and in good standing under the laws of its jurisdiction of incorporation and has all the requisite corporate capacity and authority to carry on business as now conducted and as presently proposed to be conducted and to own, lease and operate its properties and assets and to carry out the transactions contemplated by this Agreement and as disclosed in the Offering Documents;
  - (b) the Corporation is licensed and registered in all jurisdictions where the character of the property or assets thereof owned or leased or the nature of the activities conducted by them make licensing, registration or qualification necessary and is carrying on the business thereof in compliance in all material aspects with all applicable laws, rules and regulations of each such jurisdiction;
  - (c) the Corporation has no Subsidiaries;
  - (d) the Corporation is not a holding corporation of any other body corporate, nor is it a partner of any partnership;
  - (e) the minute books of the Corporation, as provided to the Agent's legal counsel, are true, correct and up-to-date in all material respects and contain all of the minutes of all meetings and of the resolutions of the directors and shareholders thereof;
  - (f) the Corporation is conducting business in compliance with all applicable laws, rules and regulations and, in particular, all applicable licensing and environmental legislation, regulations or by-laws or other lawful requirement of any governmental or regulatory bodies in each jurisdiction in which Business is carried on by the Corporation except where non-compliance with such laws, rules or other regulations would not have a Material Adverse Effect;
  - (g) the Corporation holds all material licenses, registrations, qualifications, permits and consents necessary for carrying on business as presently carried on or as disclosed in the Offering Documents to be proposed to be

carried on and all such licenses, registrations, qualifications, permits and consents are valid and subsisting and in good standing, and the Corporation has entered into all agreements necessary to carry on the Business and all such agreements are valid and in good standing in all material respects and none of such licenses, registrations or qualifications contains any burdensome term, provision, condition or limitation which has or is likely to have any Material Adverse Effect on the Business;

- (h) the Corporation has no material liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent otherwise other than liabilities incurred in the ordinary course of business and liabilities or expenses incurred in connection with the Offering or as disclosed in the Offering Documents or the Financial Information;
- (i) the authorized capital of the Corporation consists of the share capital disclosed in the Offering Documents, and such number of Common Shares are issued and outstanding as disclosed in the Offering Documents and all of the issued and outstanding Common Shares have been duly issued and are fully paid and non-assessable and no other securities are authorized, issued or outstanding except as described in the Offering Documents. No person, firm, corporation or other entity has any agreement, or option, right or privilege, whether pre-emptive or contractual, capable of becoming an agreement, including convertible securities, for the purchase, subscription or issuance of any unissued shares or other securities of the Corporation, except as disclosed in the Offering Documents;
- (j) there is no action, proceeding or investigation in existence, or, to the best of the knowledge of the Corporation, pending or threatened against the Corporation, before or by any federal, provincial, state, municipal, county or other governmental department, commission, board or agency, domestic or foreign, which may (i) result in any Material Adverse Change in the Business, or in the condition, financial or otherwise, of the Corporation; or (ii) which questions the validity of any material action taken or to be taken by the Corporation pursuant to or in connection with this Agreement or the Material Agreements;
- (k) the Financial Information contained in or incorporated by reference into the Offering Documents, including the notes thereto, present fairly, in all material respects the financial position and condition of the Corporation at the dates indicated therein and have been prepared in accordance with IFRS and Canadian generally accepted accounting principles applied on a consistent basis, and there has not been a material change in such position from such date;
- (l) there is no person, firm or corporation acting or purporting to act for the Corporation entitled to any brokerage, finder's fee, agent's commission or other similar forms of compensation in connection with any of the transactions contemplated hereunder, except as provided for herein and except as disclosed in the Offering Documents;
- (m) the Corporation has no existing right of first refusal for any debt or equity financing;

- (n) the Corporation has duly and on a timely basis filed all tax returns required to be filed by it, has otherwise paid all Taxes due and payable by it and has paid all assessments and reassessments and all other Taxes, governmental charges, penalties, interest and other fines due and payable by it and which are claimed by any governmental authority to be due and owing, and adequate provision has been made for Taxes payable for any completed fiscal period for which tax returns are not yet required and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return or payment of any tax, governmental charge or deficiency by such member and there are no actions, suits, proceedings, investigations or claims threatened or pending against the Corporation in respect of Taxes, governmental charges or assessments or any matters under discussion with any governmental authority relating to Taxes, governmental charges or assessments asserted by any such authority;
- (o) the execution and delivery of, and the performance of and compliance with the terms of this Agreement and the consummation of the transactions contemplated herein:
  - (i) have been duly authorized by all necessary corporate action,
  - (ii) do not and will not result in any breach of, or be in any conflict with or constitute a default under, or create a state of facts which after notice or lapse of time, or both, would constitute a default under any term or provisions of the notice of articles, articles, by-laws or resolutions of the Corporation, or any mortgage, note, indenture, contract, agreement (written or oral) instrument, lease or other document to which the Corporation is a party, or any existing applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Corporation or any of its assets, properties or operations, applicable to the Corporation, where such breach, conflict or default would be reasonably be expected to have a Material Adverse Effect;
  - (iii) do not and will not result in the creation or imposition of any Encumbrance or Lien upon any property or assets of the Corporation; or
  - (iv) create a right for any other party to terminate, accelerate or in any way alter any other rights existing under any indenture, mortgage, note contract, agreement (written or oral) instrument, lease or other document to which the Corporation is a party or by which it is bound which, upon exercise of such right, would reasonably be expected to have a Material Adverse Effect;
- (p) this Agreement and the Agent's Option Agreement have been or will be at Closing duly authorized, executed and delivered on behalf of the Corporation;
- (q) no approval, authorization, consent or other order of any governmental authority is required in connection with the execution and delivery or with

the performance by the Corporation of this Agreement or the Agent's Option Agreement, except for requisite approvals, authorization, consents and filings with the Commissions and the Exchange and except as disclosed in the Offering Documents;

- (r) any and all Material Agreements are valid and in full force and effect and enforceable in accordance with the terms thereof, and no third party consents or approvals are required under the Material Agreements that relate to any interest in the Baden Property to be acquired by the Corporation to complete the transfer of such interests therein to the Corporation;
- (s) the Corporation is not in violation or breach of, or in default in the performance or observance of any Agreements and Instruments, except where such violation, default, breach or conflict would not reasonably be expected to have a Material Adverse Effect;
- (t) except as disclosed in the Offering Documents, none of the directors or senior officers of the Corporation, or any holder of more than 10% of the outstanding shares of the Corporation, or any associate or affiliate of any of the foregoing persons or companies as such terms are defined in the Securities Act (British Columbia) has or has had any material interest, direct or indirect, in any continuing or existing material transaction or has any material interest, direct or indirect, in any proposed material transaction which, as the case may be, is material to or will materially affect the Corporation;
- (u) except as disclosed in the Offering Documents, the Corporation does not owe any money to, have any present loans to, or have borrowed any monies from, or is otherwise indebted to any officer, director, employee, shareholder or any other person not dealing at "arm's length" (as such terms is defined in the Tax Act) with the Corporation except for the usual employee reimbursements and compensation paid in the ordinary and normal course of the business of the Corporation. To the best of the Corporation's knowledge, no officer, director, employee or shareholder of the Corporation has any cause of action or other claim whatsoever against, or owes any amount to, the Corporation except for claims in the ordinary and normal course of the business of the Corporation such as for accrued vacation pay or other amounts or matters which would not be material to the Corporation;
- (v) other than in the ordinary course of Business or as disclosed in the Offering Documents, the Corporation has not entered into or provided to any person any agreement of guarantee, support, indemnification, assumption or endorsement, or any other similar liabilities or indebtedness (whether accrued, absolute, contingent or otherwise) of any other company;
- (w) except as disclosed in the Offering Documents, the Corporation is not a party to any contract, agreement or understanding with any officer, director, employee, shareholder or any other person not dealing at arm's length with the Corporation which may have an Adverse Material Effect on the conduct of the Business, operations, financial condition or income of the Corporation;

- (x) except as disclosed in the Offering Documents, no existing or proposed officer, director, employee, consultant or insider, or any other person not dealing at "arm's length" with the Corporation or, to the best of the knowledge of the Corporation, any associate or affiliate of any such person, owns or is entitled to any royalty, net profits interest, net smelter interest, carried interest or any other encumbrances or claims of any nature whatsoever on any material assets or properties of the Corporation or other assets or any revenue or rights attributed thereto;
- (y) no securities commission or other governmental authority has issued any order preventing or suspending the use of the Offering Documents;
- (z) no securities commission or similar regulatory authority has issued any order preventing or suspending trading in any securities of the Corporation and the Corporation is not in default of any requirement of the Securities Legislation of the Qualifying Jurisdictions;
- (aa) the Corporation is in compliance with Policy 3.1 "Directors, Officers and Corporate Governance" of the Exchange;
- (bb) the Chief Executive Officer, Chief Financial Officer and the directors of the Corporation have reviewed and duly approved the Offering Documents and the directors of the Corporation have authorized distribution of the Offering Documents by the Agent to the Purchasers hereunder;
- (cc) the Offering Documents contain full, true and plain disclosure of all material facts relating to the Offered Securities as at the dates thereof and none of the statements or facts contained in the Offering Documents are false or misleading in any way; and there has been no omission to state any material fact therein necessary in order to make any such statement contained therein not misleading in light of the circumstances in which it was made;
- (dd) there has occurred no event required to be set forth in an amended prospectus which has not so been set forth;
- (ee) the Transfer Agent, at its principal office in the City of Montreal, has been duly appointed the transfer agent and registrar for the Common Shares;
- (ff) the Corporation has an option to acquire good and marketable title to all interests in mining claims, mineral exploration licenses, exploitation licenses or concession contracts, and extraction or other mineral property rights or assets (the "**Mineral Rights**") described in the Offering Documents, including the Baden Property and Non-Core Properties;
- (gg) except as disclosed in the Offering Documents, no other property rights are necessary for the conduct of the Business of the Corporation as currently conducted or currently contemplated to be conducted, and the Corporation does not know of any claim or basis for any claim that might or could Materially Adversely affect the right thereof to use, transfer or otherwise exploit such Mineral Rights and, except as disclosed in the Offering Documents, the Corporation does not have any responsibility or obligation

to pay any material commission, royalty, license fee or similar payment to any person with respect to the Mineral Rights thereof;

- (hh) all of the agreements that are material to the Corporation have been disclosed in the Offering Documents and if required under the Securities Legislation have been or will by the Time of Closing be filed with the applicable Securities Commissions. The Corporation has not received notification from any party claiming that the Corporation is in material breach or default under any Material Agreement;
- (ii) the Corporation has made available to Alain-Jean Beauregard, P.Geo., OGG (#227), FGAC and Daniel Gaudreault, P.Eng., OIQ (#39834) (the "**Authors**"), prior to the issuance of the 2017 Technical Report, for the purpose of preparing the 2017 Technical Report, all information requested by the Authors, and to the best of the knowledge of the Corporation, no such information contains any misrepresentation. To the best of the Corporation's knowledge, there has not been a material change in any production, cost, price, reserves or other relevant information provided to the Authors since the dates that such information was so provided;
- (jj) to the best of the knowledge of the Corporation, the 2017 Technical Report accurately and completely sets forth all material facts relating to the Baden Property that are the subject of the 2017 Technical Report;
- (kk) except as disclosed in the Offering Documents, the information set forth in the 2017 Technical Report relating to the drilling and historical exploration of the Baden Property, to the best of the knowledge of the Corporation has been prepared in accordance with Canadian industry standards set forth in NI 43-101, and the information upon which the drilling and historical explorations information was based, was, at the time of delivery thereof by the Corporation to the Authors, complete and accurate in all material respects and there have been no material changes to such information since the date of delivery or preparation thereof which have not been disclosed in the Offering Documents;
- (ll) to the best of the Corporation's knowledge, since the date of preparation of the 2017 Technical Report, there has been no change that would disaffirm any aspect of the 2017 Technical Report in any material respect other than as disclosed in the Offering Documents;
- (mm) the Authors are each a Qualified Person, and are "**Independent**" as such term is defined in NI 43-101 and the Corporation is not aware, having made due inquiry, of any facts or other information that would suggest otherwise;
- (nn) the Corporation: (i) is in compliance in all material respects with any and all applicable federal, provincial and local laws and regulations relating to the protection of human health and safety, the environment or hazardous or toxic substances or wastes, pollutants or contaminants ("**Environmental Laws**"), (ii) has received all permits, licenses or other approvals required of it under applicable Environmental Laws to conduct its business, (iii) is in compliance with all terms and conditions of any such permit, license or approval, (iv) confirms that there has been no past, and

to the best knowledge of the Corporation, there are no pending or threatened claims, complaints, notices or requests for information received by the Corporation with respect to any alleged material violation of any Environmental Laws and (v) confirms to the best knowledge of the Corporation, no conditions exist at, on or under any property now or previously owned or leased by the Corporation, or any property which the Corporation has or had an interest which, with the passage of time, or the giving of notice or both, would give rise to liability under any Environmental Law that, individually or in the aggregate, has or may reasonably be expected to have, a Material Adverse Effect;

- (oo) the Corporation has not, and to the best of the Corporation's knowledge, no other person has ever caused or permitted hazardous material to be placed, held, located or disposed of on, under or at any premises or property occupied by the Corporation otherwise than in accordance with applicable Environmental Laws and no notice has been received by the Corporation of any action or potential liability in respect thereof and, to the best of the Corporation's knowledge, no civil, criminal or enforcement actions or complaints in respect thereof are threatened, pending or have been commenced against the Corporation;
- (pp) there are no environmental audits, evaluations, assessments, studies or tests respecting the business, operations, properties or facilities of the Corporation;
- (qq) to the best of the Corporation's knowledge, all payments, assessments, expenditures, or other work required to be performed in relation to the Baden Property and the Non-Core Properties in order to maintain the Corporation's interest therein have been paid or performed to date and the Corporation has complied in all material respects with all applicable governmental laws, regulations and policies in this connection, as well as with regard to legal, contractual obligations to third parties except for any non-compliance which would not either individually or in the aggregate have a Material Adverse Effect;
- (rr) the Corporation possesses such permits, certificates, licenses, approvals, consents and other authorizations (collectively, "**Governmental Licenses**") issued by the appropriate federal, provincial, state, local or foreign regulatory agencies or bodies necessary to own, lease, stake or maintain the mineral interests in respect of the Baden Property and the Non-Core Properties and other property interests and to conduct the business now operated, except where the failure to possess such permits, certificates, licenses, approvals, consents or authorizations would not reasonably be expected to have a Material Adverse Effect. The Corporation is in compliance, in all material respects, with the terms and conditions of all such Governmental Licenses. All of the Governmental Licenses are valid and in full force and effect. The Corporation has not received any notice of proceedings relating to the revocation or material modification of any such Governmental Licenses;
- (ss) to the best of the knowledge of the Corporation, the holders of all title and rights that make up the Baden Property and the Non-Core Properties have not failed to comply with any of their obligations thereunder which may

result in the revocation, termination or imposition of any sanctions on such title and rights, nor have they assigned or transferred their title and/or rights under the Baden Property and the Non-Core Properties or have entered into any commercial agreement which may affect their rights or affect their right to validly assign same to the Corporation;

- (tt) there are no expropriations or similar proceedings or any material challenges to title or ownership, actual or threatened, of which the Corporation has received notice against the Mineral Rights or other rights which make up the Baden Property and the Non-Core Properties in which the Corporation or its Subsidiary has an interest or any part thereof;
- (uu) the Corporation has not conducted any exploration or other mining operations on the Baden Property and the Non-Core Properties, and to the best of the knowledge of the Corporation all exploration or other mining operations conducted by any other party on the Baden Property and the Non-Core Properties have been conducted in all respects in accordance with good mining and engineering practices and all applicable workers' compensation and health and safety and workplace laws, regulations and policies have been duly complied with except where the failure to conduct such operations would not have a Material Adverse Effect;
- (vv) to the best of the knowledge of the Corporation, the Corporation nor any employee or agent of the Corporation has made any unlawful contribution or other payment to any official of, or candidate for, any federal, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or made any payment to any foreign, Canadian, United States or provincial or state governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by applicable laws, in a manner that would reasonably be expected to have a Material Adverse Effect;
- (ww) the Corporation maintains policies of insurance in force as at the date hereof on a basis consistent with insurance obtained by reasonably prudent participants in a comparable business and such coverage is in full force and effect;
- (xx) no acquisitions have been made by any of the Corporation since incorporation of the Corporation that are "significant acquisitions" (within the meaning of the Securities Legislation), and the Corporation is not a party to any contract with respect to any transaction that would constitute a "probable acquisition" (within the meaning of the Securities Legislation), in each case which would require disclosure in the Offering Documents that has not been disclosed in the Offering Documents;
- (yy) upon issuance of the Offered Securities (including any Additional Securities, if applicable) pursuant to the terms of this Agreement, the Unit Shares shall have been duly allotted and will be outstanding as fully paid and non-assessable Common Shares and all corporate action required to be taken by the Corporation for the authorization, issuance, sale and delivery of the Offered Securities (and Additional Securities, if applicable) has been taken as at the date hereof;

- (zz) application has been made to list on the Exchange: the Unit Shares, the Agent's Commission Shares, the Agent's Option Shares, the Warrant Shares and conditional approval of such application has been obtained;
- (aaa) all statements, facts, data, business plans, agreements, information and any other materials provided from time to time by the Corporation to the Agent relating to the Corporation or the Baden Property and the Non-Core Properties or the directors, officers and other insiders of the Corporation are true and correct and all material facts relating to the subject matter have been fully disclosed to the Agent and such statements, facts, data, business plans, agreements, information and any other material did not and do not contain a misrepresentation;
- (bbb) to the Corporation's knowledge, the information in writing supplied by management of the Corporation to the Agent and Agent's counsel in connection with the due diligence conducted by them, including information provided at the Due Diligence Session was, or if supplied after the date hereof, will at the date of supply, be true and accurate in all material respects and not misleading, and such responses taken as a whole did not omit any fact or information necessary to make any of the responses not misleading in light of the circumstances in which such responses were given and the Corporation and its directors and officers will have responded in a thorough and complete fashion. Where the responses reflect the opinion or view of the Corporation or its directors or officers (including, responses and actions of each, which are forward looking or otherwise relate to projections, forecasts or estimates of future performance or results operating, financial or otherwise) ("**Forward-looking Statements**"), such opinions or views are subject to the qualifications and provisions set forth in the responses and will be honestly held and believed to be reasonable at the time they are given; provided, however, it shall not constitute a breach of this paragraph solely if the actual results vary or differ from those contained in Forward-looking Statements; and
- (ccc) the aforesaid representations and warranties are true as of the date hereof and shall be true as of the Time of Closing.

## **ARTICLE 8 COVENANTS OF THE CORPORATION**

- 8.1 In addition to any other covenant of the Corporation set forth in this Agreement, the Corporation covenants with the Agent that:
- (a) it shall at all times prior to Closing, during normal business hours, allow the Agent and its representatives to conduct all due diligence which the Agent may reasonably require to be conducted in order to fulfil its obligations as agent under the Securities Legislation;
  - (b) it will use its best efforts to take or cause to be taken all steps and proceedings that may be necessary under the Securities Legislation, including but not limited to the filing of the Prospectus and the obtaining of the Final Passport System Decision Document therefor from the Commissions, to qualify the Offered Securities and Additional Securities for

sale to the public resident in the Qualifying Jurisdictions through the Agent and registrants who have complied with the Securities Legislation, not later than four (4) days after the date of the Prospectus or such later date or dates as may be agreed to between the Agent and the Corporation in writing;

- (c) the net proceeds received by the Corporation from the sale of the Offered Securities (and any Additional Securities) will be applied for the purposes more particularly set forth under the heading "Use of Proceeds" in the Prospectus and in particular, no proceeds from the Offering will be used to repay any indebtedness owed by the Corporation other than payments in respect of arm's length transactions arising from the normal course of business, or as otherwise disclosed by the Corporation to the Agent;
- (d) during the period of distribution of the Offered Securities, the Corporation will promptly inform the Agent of the full particulars of:
  - (i) any material change (actual, anticipated or threatened) in or affecting the business, operations, revenues, capital, properties, assets, liabilities (absolute, accrued, contingent or otherwise), condition (financial or otherwise) or results of operations of the Corporation;
  - (ii) any change in any material fact contained or referred to in the Offering Documents (other than any such change caused by the Agent); and
  - (iii) the occurrence of a material fact or event (other than any fact or event created or caused by the Agent) which, in any such case, is, or may be, of such a nature as to:
    - A) render the Offering Documents untrue, false or misleading in any material respect;
    - B) result in a misrepresentation in the Offering Documents; or
    - C) result in the Offering Document not complying in any material respect with the Securities Legislation,

provided that if the Corporation is uncertain as to whether a material change, change, occurrence or event of the nature referred to in this subsection has occurred, the Corporation shall promptly inform the Agent of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Agent as to whether the occurrence is of such nature;

- (e) during the period of distribution of the Offered Securities, the Corporation will promptly inform the Agent of the full particulars of:
  - (i) any request of any Commissions for any amendment to the Prospectus or any other part of the Public Record or for any additional information;

- (ii) the issuance by any Commissions or similar regulatory authority, or any other competent authority of any order to cease or suspend trading of any securities of the Corporation or of the institution or threat of institution of any proceedings for that purpose; and
  - (iii) the receipt by the Corporation of any communication from any Commissions or similar regulatory authority, the Exchange or any other competent authority relating to the Offering Documents, any other part of the Public Record or the distribution of the Offered Securities;
- (f) the Corporation will promptly comply to the reasonable satisfaction of the Agent and the Agent's counsel with Securities Legislation with respect to any material change, change, occurrence or event of the nature referred to in Article 8.1(e) above and the Corporation will prepare and file promptly at the Agent's request any amendment to the Prospectus or Supplementary Material as may be required under Securities Legislation; provided that the Corporation shall have allowed the Agent and the Agent's counsel to participate fully in the preparation of any Supplementary Material, to have reviewed any other documents incorporated by reference therein and conduct all due diligence investigations which the Agent may reasonably require in order to fulfill its obligations as Agent and in order to enable the Agent responsibly to execute the certificate required to be executed by them in, or in connection with, any Supplementary Material, such approval not to be unreasonably withheld and to be provided in a timely manner. The Corporation shall further promptly deliver to the Agent and the Agent's counsel a copy of each Supplementary Material as filed with the Commissions;
- (g) during the period of distribution of the Offered Securities, the Corporation will promptly provide to the Agent, for review by the Agent and the Agent's counsel, prior to filing or issuance:
  - (i) any financial statement of the Corporation;
  - (ii) any proposed document, including without limitation any material change report, interim report, or information circular;
  - (iii) any press release of the Corporation; and
  - (iv) any amendment to the Prospectus;
- (h) prior to the Closing Time and during the period from the effective date hereof until completion of the distribution of the Offered Securities, the Corporation shall allow the Agent the opportunity to conduct required due diligence and in particular, the Corporation shall allow the Agent and the Agent's counsel to conduct all due diligence which the Agent may reasonably require in order to confirm that the Offering Documents are accurate, complete and current in all material respects and to fulfil the Agent's obligations as a registrant and, in this regard, without limiting the scope of the due diligence inquiries the Agent may conduct, the Corporation shall make available its directors and senior management, auditors and independent geologists to answer any questions which the

Agent may have and to participate in one or more due diligence sessions to be held prior to Closing Date (the "**Due Diligence Session**"); the Agent shall distribute a list of written questions to be answered in advance of such Due Diligence Session and the Corporation shall provide written responses to same;

- (i) it will take all necessary action to complete its application for listing on the Exchange with all reasonable diligence just prior to the Closing but in any event within three (3) Business Days of Closing;
- (j) for a period of 24 months from the Closing Date, the Agent shall be provided with the exclusive right and opportunity to act as agent for a minimum economic syndicate position of 25% (the "**ROFR Amount**") for any offering of securities of the Corporation to be issued and sold in Canada by private placement or public offering or to provide professional, sponsorship or advisory services performed (or normally performed) by a broker or investment dealer. If the Corporation is intending to proceed with any such issuance or has received a proposal for any such issuance, the Corporation shall provide to the Agent notice of the proposed terms thereof (including the commission payable to that agent) and the Agent shall have an opportunity to respond to the Corporation that they are desirous of acting as agent, or participating as the case may be for the ROFR Amount, in such offering on behalf of the Corporation on the terms and conditions contained therein. If the Agent declines, in writing, the Corporation may proceed with such offering through another agent or underwriter, provided the arrangements with such agent or underwriter are entered into within 30 days thereafter (it being acknowledged and agreed by the Agent that if the Corporation issues any securities to which the foregoing would apply, but does not retain or utilize a registered dealer as agent therefore, the foregoing shall not apply to such issuance, unless any of the subscribers to the issuance of such securities is a subscriber or beneficial purchaser of Units pursuant to the Offering.
- (k) the Corporation will not, without the prior written consent of the Agent, offer, announce an offering of, sell, contract to sell, pledge, or otherwise dispose of (or enter into any transaction which is designed to, or might reasonably be expected to, result in the disposition (whether by actual disposition or effective economic disposition due to cash settlement or otherwise) by the Corporation or any affiliate of the Corporation) directly or indirectly, of any Common Shares or any securities convertible into, or exercisable, or exchangeable for, Common Shares, for a period beginning on the date hereof and continuing until 90 days after the Closing Date, provided, however, that the Corporation may issue and sell Common Shares:
  - (i) under the Corporation's stock option plan for the benefit of the Corporation's employees, consultants and directors;
  - (ii) issuable upon the conversion of securities or the exercise of warrants outstanding as at the date of this Agreement;

- (iii) issuable pursuant to any transaction with an arm's length third party whereby the Corporation directly or indirectly acquires shares or assets of a business; and
  - (iv) issuable to a Quebec Government labour fund participant, known as SIDEX, on terms and conditions to be determined by the Corporation in consultation with SIDEX;
- (l) if the Corporation does not complete the Offering, and the Corporation completes any debt or equity financing transaction (excluding a bank loan from commercial bank lenders) prior to the date that is 180 days from the date of this Agreement (any such transaction, an "**Alternative Transaction**") in respect of which the Agent is not the sole underwriter, placement agent, arranger or initial purchaser, or in respect of which the Agent does not receive at least the same amount of compensation pursuant to the Alternative Transaction as to which it would have been entitled under the Offering, the Agent shall be entitled to receive immediately upon the completion of such Alternative Transaction the lesser of (i) the amount of Agent's Commission and Agent's Option assuming completion of the Offering, and (ii) the Agent's Commission and Agent's Option calculated based on the amount raised pursuant to the Alternative Transaction; provided, however, that the Agent shall not be entitled to any amount under this paragraph 8.1(l) in the event the Agent voluntarily terminates this Agreement (other than as a result of a material breach by the Corporation of its obligations hereunder), or the Corporation voluntarily terminates this Agreement as a result of a material breach by the Agent of its obligations hereunder, or the inability of the Agent to place the Offered Securities.

## **ARTICLE 9 REPRESENTATIONS AND WARRANTIES OF THE AGENT**

- 9.1 The Agent represents and warrants to the Corporation and acknowledges that the Corporation will be relying upon such representations and warranties in entering into this Agreement, that:
- (a) it holds and will continue to hold until the completion of the Offering all licenses and permits that are required for carrying on its business in the manner in which such business has been carried on;
  - (b) it has good and sufficient right and authority to enter into this Agreement and complete its transactions contemplated under this Agreement on the terms and conditions set forth herein;
  - (c) it is appropriately registered under the Securities Legislation of the Qualifying Jurisdictions so as to permit it to lawfully fulfil its obligations hereunder;
  - (d) it is a member in good standing of the Exchange and the Investment Industry Regulatory Organization of Canada;

- (e) is incorporated and existing under the laws of its jurisdiction of incorporation and it has the corporate power to enter into and perform its obligations under this Agreement; and
- (f) the execution and delivery of and performance by the Agent of this Agreement has been, and will be at or prior to the Closing Date authorized by all necessary corporate action on the part of the Agent.

The representations and warranties of the Agent contained in this Agreement shall be true at the time of Closing as though they were made at the time of Closing.

#### **ARTICLE 10 COVENANTS OF THE AGENT**

- 10.1 The Agent hereby covenants, subject to the conditions contained in this Agreement, to use its commercially reasonable efforts to solicit and obtain subscriptions for the Offered Securities in the Qualifying Jurisdictions and to provide to the Corporation all information respecting the Purchasers required by the Corporation to comply with the Act and the Securities Legislation.
- 10.2 The Agent hereby covenants and agrees that it will not solicit subscriptions for Offered Securities and the Additional Securities except in compliance with the Securities Legislation and the terms and conditions set forth in this Agreement and shall not, directly or indirectly, offer, sell or deliver any Offered Securities and the Additional Securities or deliver any documents to any person other than in the Qualifying Jurisdictions or in such other jurisdictions as may be agreed by the Corporation where such offering, sale or delivery can be lawfully carried out.
- 10.3 The Agent hereby covenants to deliver to each Purchaser a copy of the Prospectus or the Supplemental Materials, if applicable.
- 10.4 The Agent hereby covenants and agrees that it will conduct all activities in connection with the proposed offer and sale of the Offered Securities hereunder in compliance with all applicable securities laws.
- 10.5 The Agent will use its best efforts to satisfy the conditions of Closing, applicable to the Agent, set out herein.
- 10.6 The Agent shall comply with this Agreement and Securities Legislation in connection with the sale and distribution of the Offered Securities and the Additional Securities and its activities in connection therewith and shall offer the Offered Securities for sale to the public directly, or through duly registered sub-agents upon terms and conditions set out in the Prospectus. The Agent shall: (i) use commercially reasonable efforts to complete and cause each sub-agent to complete the distribution of the Offered Securities and the Additional Securities as soon as reasonably practicable; (ii) promptly notify the Corporation when in their opinion the Agent and the sub-agents have ceased distribution of the Offered Securities and the Additional Securities; and (iii) on or before the Closing Date provide a written breakdown of the number of Offered Securities and Additional Securities to be distributed and proceeds to be received in each of the Qualifying Jurisdictions or such other jurisdictions as may be agreed by the Corporation where such distribution can be lawfully carried out.

**ARTICLE 11**  
**TERMINATION OF THE AGENT'S OBLIGATIONS**

- 11.1 The obligations of the Agent contained in this Agreement may be terminated by the Agent in the event that prior to the Time of Closing:
- (a) any order operating to restrict, prevent or cease trading in any of the securities of the Corporation is made pursuant to the Securities Legislation or similar regulatory authority in any of the Qualifying Jurisdictions and has not been rescinded, revoked or withdrawn;
  - (b) there is any breach or non-performance of any of the material covenants of the Corporation herein contained that has not been rectified, remedied or waived or the Agent determines that any of the terms or representations and warranties made by the Corporation in this Agreement is false or has become false in any material respect;
  - (c) there shall have occurred any material change or any change in a material fact in or respecting the capital, business, operations or condition (financial or otherwise) of the Corporation or its assets, liabilities or obligations (absolute, accrued, contingent or otherwise) which, in the sole opinion of the Agent, acting reasonably, would materially adversely affect or be reasonably expected to materially adversely affect the distribution or marketability of the Offered Securities;
  - (d) any competent authority commences or gives notice that it intends to commence any formal inquiry or investigation in relation to the Corporation, its affairs, records or accounts or any of the directors or officers of the Corporation, or into any holdings or transactions in the Common Shares, other than for a reason relating solely to the conduct of the Agent;
  - (e) if any new or amended prospectus with respect to the distribution of the Offered Securities discloses information which, in the Agent's sole opinion, acting reasonably results at any time prior to the Closing in the Purchasers of a material amount of the Offered Securities exercising their rights under applicable legislation to withdraw from or rescind their purchase thereof;
  - (f) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, including any act of terrorism, war or like event, or any act or any law or regulation, or any occurrence of any nature whatsoever, which, in the sole opinion of the Agent, acting reasonably, materially adversely affects, or will materially adversely affect, the financial markets, price of metals or the business, operations or affairs of the Corporation or the state of the financial markets is such that the Offering cannot, in the sole opinion of the Agent acting reasonably be successfully or profitably marketed; or
  - (g) if there is any amendment to Securities Legislation which, in the Agent's opinion, acting reasonably, will impose any limitations or restrictions on the exercise of the Agent's Option or on the subsequent trading of the Agent's Units issuable pursuant to the Agent's Option unless within 3

business days of the implementation of such amendment the Corporation and the Agent agree on an alternative form of compensation in substitution for the Agent's Option.

- 11.2 Any termination of any of the obligations of the Agent hereunder pursuant to the provisions hereof shall be effected by written notice to the Corporation by the Agent. In the event of any such termination by the Agent, there shall be no further liability on the part of the Agent to the Corporation or on the part of the Corporation to the Agent except that the provisions of Article 13 and all rights of action in connection therewith shall survive for a period of two years following such termination and the fees and expenses agreed to be paid by the Corporation, referred to in Article 14, incurred up to the time of the giving of such notice shall be paid by the Corporation. The rights of the Agent to terminate this Agreement are in addition to such remedies as it may have in respect of any default, misrepresentation, act or failure to act of the Corporation in respect of any of the transactions contemplated in this Agreement.

## **ARTICLE 12 THE CLOSING**

- 12.1 Subject to the terms and conditions hereof, Closing shall take place at the Time of Closing at a place to be determined by the Corporation and the Agent.
- 12.2 Any and all Closings shall be subject to the following conditions for the sole benefit of the Agent:
- (a) at or prior to the Time of Closing, the Corporation shall have obtained all requisite regulatory approvals in the Qualifying Jurisdictions required to be obtained by the Corporation in respect of the Offering on terms mutually acceptable to the Corporation and the Agent;
  - (b) at or prior to the Time of Closing, the Corporation shall have fully complied with all relevant statutory and regulatory requirements in the Qualifying Jurisdictions required to be complied with prior to the Time of Closing (including, without limitation, the regulatory requirements of the Exchange) in connection with the Offering;
  - (c) at or prior to the Time of Closing, the Corporation shall have obtained conditional approval for the listing on the Exchange of its Common Shares including, without limitation, (i) the Units Shares, (ii) the Agent's Commission Shares, (iii) the Agent's Unit Shares and (iv) the Warrant Shares;
  - (d) at or prior to the Time of Closing, the Corporation shall have taken all necessary corporate action to authorize and approve:
    - (i) this Agreement;
    - (ii) the Agent's Option and Agent's Option Agreement;
    - (iii) the issuance of the Agent's Commission Units and underlying securities;

- (iv) the issuance of the Agent's Option Units and underlying securities; and
  - (v) the issuance of the Offered Securities and Additional Securities;
- (e) at or prior to the Time of Closing, a legal opinion from the Corporation's counsel, dated the Closing Date, addressed to the Agent and reasonably satisfactory in form and substance to the Agent and the Agent's counsel, relating to the title matters on the Baden Property;
- (f) at the Time of Closing, the Corporation shall deliver to the Agent an officer's certificate in form and substance satisfactory to counsel for the Agent acting reasonably, signed by the Chief Executive and Chief Financial Officer of the Corporation (or such other officers as is acceptable to the Agent), dated the Closing Date, addressed to the Agent to the effect that, after a reasonable investigation that:
  - (i) the representations and warranties contained in Article 7 hereof are true and correct in all material respects at and as at the Time of Closing;
  - (ii) the Corporation has complied with all covenants and satisfied all the terms and conditions contained herein in all material respects on its part to be performed or satisfied at or prior to the Closing Date;
  - (iii) such officers have carefully examined the Offering Documents and since the respective dates as of which information is given in the Offering Documents, except as set forth in and contemplated by the Offering Documents, the Corporation has not incurred any liabilities or obligations, direct or contingent, which, when considered in respect of their business, are material;
  - (iv) since the date of this Agreement, there has been no Material Adverse Change and the Corporation has not entered into any transaction of a nature material to it; and
  - (v) there has occurred no event required to be set forth in an amended prospectus which has not been so set forth.
- (g) at the Time of Closing, the Agent shall receive favourable legal opinions, addressed to the Agent, from counsel to the Corporation, subject to the usual qualifications and assumptions, relating to the following:
  - (i) the Corporation has been duly incorporated and is validly existing under the laws of its jurisdiction of incorporation and has all requisite corporate authority and capacity to carry on its business as now conducted and as disclosed in the Prospectus,
  - (ii) the Corporation has the corporate power and capacity to create, issue and deliver the Offered Securities, Additional Securities and the Agent's Option contemplated hereunder;

- (iii) confirming the authorized and issued capital of the Corporation;
- (iv) that the forms of the definitive certificates representing the Offered Securities have been approved and adopted by the directors of the Corporation and conform to the requirements of applicable law;
- (v) conditional acceptance by the Exchange of the listing the Common Shares, including without limitation, (i) the Unit Shares, (ii) the Agent's Commission Shares, (iii) the Agent's Option Shares and (iv) the Warrant Shares, subject to the Corporation fulfilling all of the usual requirements of the Exchange;
- (vi) that each of this Agreement and the Agent's Option Agreement has been duly authorized, executed and delivered by the Corporation;
- (vii) that the execution and delivery by the Corporation of each of this Agreement and the Agent's Option Agreement and the fulfilment by the Corporation of the terms hereof and thereof will not result in any breach or violation of, or be in conflict with, or constitute a default under any term or provision of the constating documents or any shareholders' or directors' resolutions of the Corporation of which counsel is aware;
- (viii) all necessary documents have been filed and proceedings taken under the Securities Legislation to qualify the distribution of the Agent's Commission Units (including the Agent's Commission Shares, the Agent's Commission Warrants and Warrant Shares), the Agent's Option, the Agent's Option Units (including the Agent's Option Shares, the Agent's Option Warrants and Warrant Shares) to the Agent (subject to the limitations described in Article 3.5) and the distribution of the Offered Securities (and Additional Securities if applicable) to the public in the Qualifying Jurisdictions through registrants registered under the applicable laws of the Qualifying Jurisdictions who have complied with the relevant provisions of such applicable laws;
- (ix) all necessary corporate action has been taken by the Corporation to authorize the grant of the Agent's Commission Units, the Agent's Option, and the subsequent issuance of the Agent's Option Shares and Agent's Option Warrants when issued in accordance with the terms of the Agent's Option Agreement, and the Warrant Shares when issued in accordance with the Agent's Commission Warrants and Agent's Option Warrants, will be validly issued as fully paid and non-assessable Common Shares and the first trade of the Agent's Commission Shares, the Agent's Option Shares and Warrant Shares (other than trades from the holding of a person holding sufficient outstanding voting securities of the Corporation to constitute a "control person" of the Corporation or any such Common Shares that are subject to the limitations described in Article 3.5) will be exempt from the prospectus requirements of the Securities Legislation and no other documents are or will be required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations of regulatory authorities

required to be obtained by the Corporation under applicable Securities Legislation in connection with any such trade made through a registrant properly registered under applicable Securities Legislation who has complied with the requirements thereof (subject to usual qualifications); and

- (x) such other matters as the Agent may request, acting reasonably, in connection with this Offering.

In giving the foregoing opinions, counsel for the Corporation may rely upon opinions of local counsel, acceptable to the Agent, acting reasonably, as to the laws of other jurisdictions, if any, and as to matters of fact not within their knowledge, upon an officer's certificate of the Corporation or both as to such facts;

- (h) at the Time of Closing, the Agent shall deliver to the Corporation or to its counsel in trust for the Corporation, a certified cheque for the Subscription Funds less the Agent's fees as provided for in Article 3 hereof and its reasonable expenses, including expenses of the Agent's legal counsel as provided for in Article 15 hereof or the balance owed in respect of such expenses if a prepayment toward such expenses has been made in respect thereof; and
- (i) at the Time of Closing, the Corporation shall deliver to the Corporation the Agent's Option as provided for in Article 3 hereof.

### **ARTICLE 13 INDEMNITY OF AGENT**

13.1 The Corporation shall indemnify and save the Agent, and each of its agents, directors, officers, shareholders and employees harmless against and from all liabilities, claims, demands, losses (other than losses of profit in connection with the distribution of the Offered Securities and Additional Securities), costs (including, without limitation, reasonable legal fees and disbursements on a full indemnity basis), damages and expenses to which the Agent, or any of the Agent's agents, directors, officers, shareholders or employees may be subject or which the Agent, or any of the Agent's agents, directors, officers, shareholders or employees may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising directly or indirectly from or in consequence of:

- (a) any information or statement contained in the Offering Documents or in any other document or material filed or delivered pursuant hereto (other than any information or statement relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Offering Documents) which is or is alleged to be untrue or any omission or alleged omission to provide any information or state any fact (other than any information or fact relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Offering Documents) the omission of which makes or is alleged to make any such information or statement untrue or misleading in light of the circumstances in which it was made;

- (b) any misrepresentation or alleged misrepresentation (except a misrepresentation which is based upon information relating solely to the Agent and furnished to the Corporation by the Agent expressly for inclusion in the Offering Documents) contained in the Offering Documents or the Public Record;
- (c) any prohibition or restriction of trading in the securities of the Corporation or any prohibition or restriction affecting the distribution of the Offered Securities and Additional Securities imposed by the Exchange, a securities commission in Canada or any other competent authority if such prohibition or restriction is based on any misrepresentation or alleged misrepresentation of a kind referred to in Article 8;
  - (i) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced or threatened by the Exchange, a securities commission in Canada or any one or more other competent authorities (not based upon the activities or the alleged activities of the Agent or its banking or selling dealer members, if any) prohibiting, restricting or materially adversely affecting the trading or distribution of the Offered Securities and Additional Securities; or
  - (ii) any breach of, default under or non-compliance by the Corporation with any requirements of the Securities Legislation, the by-laws, rules or regulations of the Exchange or any representation, warranty, term or condition of this Agreement or in any certificate or other document delivered by or on behalf of the Corporation hereunder or pursuant hereto;

provided, however, no party who has engaged in any fraud, wilful misconduct, fraudulent misrepresentation or negligence (as determined by a court of competent jurisdiction in a final non-appealable judgment) shall be entitled, to the extent that the liabilities, claims, losses, costs, damages or expenses were caused by such activity, to claim indemnification from any person who has not engaged in such fraud, wilful misconduct, fraudulent misrepresentation or negligence (provided that for greater certainty, the foregoing shall not disentitle an Agent from claiming indemnification hereunder to the extent that the negligence, if any, relates to the Agent's failure to conduct adequate "due diligence").

- 13.2 If any claim contemplated by Article 13 shall be asserted against any of the persons or corporations in respect of which indemnification is or might reasonably be considered to be provided for in such sections, such person or corporation (the "**Indemnified Person**") shall notify the Corporation (provided that failure to so notify the Corporation of the nature of such claim in a timely fashion shall relieve the Corporation of liability hereunder only if and to the extent that such failure materially prejudices the Corporation's ability to defend such claim) as soon as possible of the nature of such claim and the Corporation shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim, provided however, that the defence shall be through legal counsel selected by the Corporation and acceptable to the Indemnified Person acting reasonably and that no settlement may be made by the Corporation or the Indemnified Person without the prior written consent of the other, such consent not to be unreasonably withheld. The

Indemnified Person shall have the right to retain its own counsel in any proceeding relating to a claim contemplated by Article 13 if:

- (a) the Indemnified Person has been advised by counsel that there may be a reasonable legal defense available to the Indemnified Person which is different from or additional to a defense available to the Corporation and that representation of the Indemnified Person and the Corporation by the same counsel would be inappropriate due to the actual or potential differing interests between them (in which case the Corporation shall not have the right to assume the defense of such proceedings on the Indemnified Person's behalf);
- (b) the Corporation shall not have taken the defense of such proceedings and employed counsel within ten (10) days after notice has been given to the Corporation of commencement of such proceedings; or
- (c) the employment of such counsel has been authorized by the Corporation in connection with the defense of such proceedings;

and, in any such event, the reasonable fees and expenses of such Indemnified Person's counsel (on a solicitor and his client basis) shall be paid by the Corporation, provided that the Corporation shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate law firm (in addition to any local counsel) for all such Indemnified Persons.

- 13.3 The Corporation hereby waives its rights to recover contribution from any Agent with respect to any liability of the Corporation by reason of or arising out of any misrepresentation in the Offering Documents provided, however, that such waiver shall not apply in respect of liability caused or incurred by reason of any misrepresentation which is based upon information relating solely to an Agent contained in such document and furnished to the Corporation by such Agent in writing expressly for inclusion in the Offering Documents.
- 13.4 If any legal proceedings shall be instituted against the Corporation in respect of the Offering Documents or the Offered Securities and Additional Securities or if any regulatory authority or stock exchange shall carry out an investigation of the Corporation in respect of the Offering Documents or the Offered Securities and Additional Securities and, in either case, any Indemnified Person is required to testify, or respond to procedures designed to discover information, in connection with or by reason of the services performed by the Agent hereunder, the Indemnified Persons may employ their own legal counsel and the Corporation shall pay and reimburse the Indemnified Persons for the reasonable fees, charges and disbursements (on a full indemnity basis) of such legal counsel, the other expenses reasonably incurred by the Indemnified Persons in connection with such proceedings or investigation and a fee at the normal per diem rate for any director, officer or employee of the Agent involved in the preparation for or attendance at such proceedings or investigation.
- 13.5 The rights and remedies of the Indemnified Persons set forth in Article 13 and Article 14 hereof are to the fullest extent possible in law cumulative and not alternative and the election by any Agent or other Indemnified Person to exercise any such right or

remedy shall not be, and shall not be deemed to be, a waiver of any other rights and remedies.

- 13.6 The Corporation hereby acknowledges that the Agent is acting as agent for the Agent's respective agents, directors, officers, shareholders and employees under this Article 13 and under Article 14 with respect to all such agents, directors, officers, shareholders and employees.
- 13.7 The Corporation waives any right it may have of first requiring an Indemnified Person to proceed against or enforce any other right, power, remedy or security or claim or to claim payment from any other person before claiming under this indemnity. It is not necessary for an Indemnified Person to incur expense or make payment before enforcing such indemnity.
- 13.8 The rights of indemnity contained in this Article 13 shall not apply if the Corporation has complied with the provisions of Article 5 and the person asserting any claim contemplated by this Article 13 was not provided with a copy of the Prospectus or any amendment to the Prospectus or other document which corrects any misrepresentation or alleged misrepresentation which is the basis of such claim and which was required, under Securities Legislation, to be delivered to such person by the Agent.
- 13.9 If the Corporation has assumed the defense of any suit brought to enforce a claim hereunder, the Indemnified Person shall provide the Corporation copies of all documents and information in its possession pertaining to the claim, take all reasonable actions necessary to preserve its rights to object to or defend against the claim, consult and reasonably cooperate with the Corporation in determining whether the claim and any legal proceeding resulting therefrom should be resisted, compromised or settled and reasonably cooperate and assist in any negotiations to compromise or settle, or in any defense of, a claim undertaken by the Corporation.

#### **ARTICLE 14 CONTRIBUTION**

- 14.1 In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in this Agreement is due in accordance with its terms but is, for any reason, held by a court to be unavailable from the Corporation on grounds of policy or otherwise, the Corporation and the party or parties seeking indemnification shall contribute to the aggregate liabilities, claims, demands, losses (other than losses of profit in connection with the distribution of the Offered Securities), costs (including, without limitation, legal fees and disbursements on a full indemnity basis), damages and expenses (or claims, actions, suits or proceedings in respect thereof) to which they may be subject or which they may suffer or incur:
- (a) in such proportion as is appropriate to reflect the relative benefit received by the Corporation on the one hand, and by the Agent on the other hand, from the offering of the Offered Securities and Additional Securities; or
  - (b) if the allocation provided by Article 14.1a above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in Article 14.1a above but also to reflect the relative fault of the Agent on the one hand, and the Corporation, on the other hand, in connection with the statements, commissions or omissions

or other matters which resulted in such liabilities, claims, demands, losses, costs, damages or expenses, as well as any other relevant equitable considerations.

- 14.2 The relative benefits received by the Corporation, on the one hand, and the Agent, on the other hand, shall be deemed to be in the same proportion that the total proceeds of the offering received by the Corporation (net of fees but before deducting expenses) bear to the fees received by the Agent. In the case of liability arising out of the Offering Documents, the relative fault of the Corporation, on the one hand, and of the Agent, on the other hand, shall be determined by reference, among other things, to whether the misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in Article 13 relates to information supplied or which ought to have been supplied by, or steps or actions taken or done on behalf of or which ought to have been taken or done on behalf of, the Corporation or the Agent and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such misrepresentation or alleged misrepresentation, order, inquiry, investigation or other matter or thing referred to in Article 13.
- 14.3 The amount paid or payable by an Indemnified Person as a result of liabilities, claims, demands, losses (other than losses of profit in connection with the distribution of the Offered Securities and Additional Securities), costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof) referred to above shall, without limitation, include any legal or other expenses reasonably incurred by the Indemnified Person in connection with investigating or defending such liabilities, claims, demands, losses, costs, damages and expenses (or claims, actions, suits or proceedings in respect thereof) whether or not resulting in any action, suit, proceeding or claim.
- 14.4 Each of the Corporation and the Agent agree that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in the immediately preceding sections. The rights to contribution provided in this Article 14 shall be in addition to, and without prejudice to, any other right to contribution which the Agent or other Indemnified Persons may have.
- 14.5 Any liability of the Agent under this Article 14 shall be limited to the amount actually received by the Agent under Article 3.

#### **ARTICLE 15 EXPENSES OF THE ISSUE**

- 15.1 Whether or not the transactions contemplated herein are completed, the Corporation will pay all costs and expenses of, or incidental to the Offering, including, without limitation:
- (a) the creation and distribution of the Offered Securities, Additional Securities, the Agent's Option, and the Agent's Commission Units (if applicable);
  - (b) the preparation, filing and reproduction of the Preliminary Prospectus, the Prospectus and the Supplementary Material;

- (c) the costs and expenses of the Corporation's counsel, any agent counsel retained by the Corporation's counsel, the Corporation's auditors and other professional advisors (other than the Agent);
  - (d) the costs and expenses of the Transfer Agent and the fees of the Exchange; and
  - (e) the reasonable costs, expenses and disbursements of the Agent for or incidental to the transactions contemplated herein including, without limitation, the reasonable fees (not to exceed \$25,000 without the prior consent of the Corporation) and disbursements of Agent's counsel and any agent or counsel retained by the Agent's counsel.
- 15.2 The Corporation will pay the balance of the Agent's costs, expenses and disbursements pursuant to Article 15.1(e) of this Agreement at Closing.

**ARTICLE 16  
SURVIVAL OF REPRESENTATIONS AND WARRANTIES**

- 16.1 All representations, warranties, terms and conditions herein (including, without limitation, those contained in Article 7) or contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated herein shall survive the payment by the Agent for the Offered Securities and Additional Securities (if any), the distribution of the Offered Securities and Additional Securities (if any) pursuant to the Prospectus and the termination of this Agreement and shall continue in full force and effect for the benefit of the Agent regardless of any investigation by or on behalf of the Agent with respect thereto.

**ARTICLE 17  
NOTICES**

- 17.1 Any notice required or permitted to be given hereunder shall be addressed to the relevant party at the address set forth below or such other address as a party may stipulate in writing:

- (a) to the Corporation at:

VAL-D'OR MINING CORPORATION  
2864 chemin Sullivan  
Val-d'Or, Quebec  
J9P 0B9

Attention: Glenn Mullan, Chairman, President & CEO  
E-mail: [glenn.mullan@goldenvalleymines.com](mailto:glenn.mullan@goldenvalleymines.com)

with a copy to:

Getz Prince Wells LLP, Barristers and Solicitors  
#530, 355 Burrard Street.  
Vancouver, BC V6C 2G8

Attention: Zahra H. Ramji  
E-mail: [Zahra@getzpw.com](mailto:Zahra@getzpw.com)

(b) to the Agent at:

CANACCORD GENUITY CORP.  
Centennial Place - East Tower  
520 - 3<sup>rd</sup> Avenue SW, Suite 2400  
Calgary, Alberta T2P 0R3

Attention: Jeff German  
Email: [JGerman@canaccordgenuity.com](mailto:JGerman@canaccordgenuity.com)

with a copy to:

McLeod Law LLP  
Centennial Place - West Tower  
2110, 250 - 5<sup>th</sup> Street SW  
Calgary, Alberta T2P 0R4

Attention: Darren B. Fach  
E-mail: [dbfach@mcleod-law.com](mailto:dbfach@mcleod-law.com)

- 17.2 Any such notice or other communication shall be in writing and may be given by e-mail or delivery, and shall be deemed to have been given twelve (12) hours after being e-mailed, if such notice or other communication is e-mailed on a Business Day, and otherwise twelve (12) hours after 12:01 a.m. (Calgary time) commencing on the next succeeding Business Day after being e-mailed, or upon receipt by a responsible officer of the addressee if delivered.

## **ARTICLE 18 MISCELLANEOUS**

- 18.1 The Corporation: (i) acknowledges and agrees that the Agent has certain statutory obligations as a registrant under the applicable securities legislations and has fiduciary relationships with its clients; and (ii) consents to the Agent acting hereunder while continuing to act for its clients. To the extent that the Agent's statutory obligations as a registrant under applicable securities laws or fiduciary relationships with its clients conflicts with its obligations hereunder, the Agent shall be entitled to fulfil its statutory obligations as a registrant under applicable securities laws and its duties to its clients. Nothing in this agreement shall be interpreted to prevent the Agent from fulfilling its statutory obligations as a registrant under Securities Legislation or to act as a fiduciary of its clients.
- 18.2 Time shall be of the essence with respect to the terms and conditions of this Agreement.
- 18.3 All warranties, representations, covenants, indemnifications and agreements herein contained or contained in certificates or documents submitted pursuant to or in connection with the transactions herein along with all right of action in connection therewith shall survive the Closing of the purchase by Purchasers of the Offered Securities.
- 18.4 It is understood that the terms and conditions of this agreement supersede any previous verbal or written agreement between the Agent and the Corporation with

respect to the issuance of securities by the Corporation, including, without limitation, the letter agreement between the Corporation and the Agent dated August 22, 2017.

- 18.5 The contract created under this Agreement and the rights of the parties hereunder shall be governed by and construed and enforced in accordance with the laws of the Province of Alberta. Each of the parties hereto irrevocably attorns to the jurisdiction of the courts of the Province of Alberta.
- 18.6 All the terms and provisions of this Agreement shall be binding upon, shall enure to the benefit of, and shall be enforceable by and against the parties hereto and their respective successors and assigns, but shall not be assignable, before or after the Time of Closing, without the written consent of the other parties hereto.
- 18.7 This Agreement may be executed by facsimile in any number of counterparts, all of which when taken together shall be deemed to be one and the same document, and notwithstanding the actual date of execution of each counterpart, this Agreement shall be deemed to be dated as of the date first above written.
- 18.8 If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid or unenforceable, the remainder of this Agreement, or the application of such provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby.

*[signatures on the next page]*

**IN WITNESS WHEREOF** the parties hereto have executed this Agreement effective the day and year first above written.

**VAL-D'OR MINING CORPORATION**

**CANACCORD GENUITY CORP.**

**Per:** (signed) "Glenn J. Mullan"  
**Glenn Mullan**  
**Chairman, President & CEO**

**Per:** (signed) "Jamie Brown"  
**Jamie Brown, CBV**  
**Managing Director Investment**  
**Banking**

## SCHEDULE "A"

### FORM OF AGENT'S OPTION AGREEMENT

THIS AGREEMENT made as of the • day of •, 2017.

BETWEEN:

**VAL-D'OR MINING CORPORATION**, a corporation incorporated under the laws of the Province of British Columbia, having an office in the City of Val-d'Or, in the Province of Quebec

(the "**Corporation**")

- and -

**CANACCORD GENUITY CORP.**, a corporation with an office in the City of Calgary, in the Province of Alberta

(the "**Agent**")

**WHEREAS** the Corporation has agreed pursuant to an Agency Agreement made effective the 3<sup>rd</sup> day of October, 2017, between the Corporation and the Agent, (the "**Agency Agreement**") to grant the Agent and its sub-agents, if any, an option to purchase that number of Units equal to 10% of the Offered Securities sold by the Agent pursuant to the Offering.

**NOW THEREFORE** in consideration of the premises, mutual covenants and agreements herein contained, this agreement witnesses and it is understood and agreed by and between the parties hereto as follows:

#### **1. Interpretation**

All capitalized terms used herein and not defined herein shall have the meaning given to such terms in the Agency Agreement.

#### **2. Grant of Agent's Option**

Subject to the provisions hereinafter contained, the Corporation hereby grants to the Agent an irrevocable non-transferable option (the "**Agent's Option**") to purchase • Units, as constituted on the date hereof (the "**Agent's Units**"), each Agent's Unit comprised of one (1) Agent's Share and one-half (1/2) of an Agent's Warrant.

#### **3. Term of Agent's Option**

The Agent may exercise the Agent's Option in whole or in part, at any time and from time to time, on or before 4:30 p.m., Calgary time (the "**Expiry Time**") on •, 2020 at a price of \$0.10 per Agent's Unit.

**4. Manner of Exercise**

The Agent may exercise the Agent's Option in whole or in part, at any time and from time to time prior to the Expiry Time, by notice in writing given by the Agent to the Corporation at its address for notice set out in the Agency Agreement, specifying the number of Agent's Units in respect of which it is exercised and accompanied by payment in cash or certified cheque for the purchase price of all of the Agent's Units specified in such notice, calculated in accordance with Articles 3, 9 and 10 hereof.

**5. Certificates**

Upon exercise of the Agent's Option, the Corporation shall cause the transfer agent and registrar of the Corporation to deliver to the Agent, or as the Agent may otherwise in writing direct in the notice of exercise of the Agent's Option, within seven (7) Business Days following the receipt by the Corporation of payment for the number of Agent's Units so exercised, certificates representing in the aggregate the number of securities underlying the Agent's Units for which payment has been received by the Corporation.

**6. No Rights of Shareholder Until Exercise**

The Agent shall have no rights whatsoever as a shareholder (including any rights to receive dividends or other distributions to shareholders or to vote at a general meeting of shareholders of the Corporation) other than in respect to Agent's Shares in respect of which the Agent shall have exercised its right to purchase hereunder and which the Agent shall have actually taken up and paid for.

**7. Non-Transferable**

The rights conferred upon the Agent hereunder shall be non-transferable and non-tradable.

**8. No Fractional Agent's Shares**

No fractional Agent's Shares, Agent's Warrants or securities underlying the Agent's Shares and Agent's Warrants will be issued on exercise of the Agent's Option or Agent's Warrants, or any compensation made for such fractional Agent's Shares or Agent's Warrants, if any.

**9. Adjustments in Event of Change in Common Shares**

In the event, at any time or from time to time, of a subdivision, consolidation or reclassification of the share capital of the Corporation, the payment of stock dividends by the Corporation or other relevant changes in the capital of the Corporation prior to the exercise by the Agent, in full, of the Agent's Option, the Agent's Option with respect to any Agent's Units which have not been purchased hereunder at the time of any such change in the capital of the Corporation shall be proportionately adjusted so that the Agent shall from time to time, upon the exercise of the Agent's Units, be entitled to receive the number of underlying securities it would have held following such change in the capital of the Corporation if the Agent had purchased the Agent's Units and had held such Agent's Units immediately prior to such change in the capital of the Corporation.

**10. Merger, Amalgamation or Sale**

If, during the term of the Agent's Option, the Corporation shall become merged or amalgamated in or with any other corporation or shall sell the whole or substantially the

whole of its assets and undertaking for shares or securities of another corporation, the Corporation will make provision that, upon the exercise of the Agent's Option during its unexpired period after the effective date of such merger, amalgamation or sale, the Agent shall receive for the same consideration paid on the exercise of the Agent's Option such number of securities or other property of the continuing or successor corporation in such merger or amalgamation or of the securities or shares of the purchasing corporation as it would have received as a result of such merger, amalgamation or sale if the Agent had purchased Agent's Units immediately prior thereto and had held such Agent's Units on the effective date of such merger, amalgamation or sale. Upon such provision being made, the obligation of the Corporation to the Agent in respect of the Agent's Units then remaining subject to this Agent's Option shall terminate and be at an end.

**11. Reservation of Securities**

The Corporation shall at all times, during the term of this Agreement, reserve and keep available a sufficient number of unissued securities underlying the Agent's Option to satisfy the requirements hereof.

**12. Entire Agreement**

This Agreement supersedes all other agreements, documents, writings and verbal understandings among the parties relating to the subject matter hereof and represents the entire agreement between the parties relating to the subject matter hereof. This Agreement may be executed by facsimile in any number of counterparts all of which when taken together shall be deemed to be one and the same document and notwithstanding the actual date of execution of each counterpart, this Agreement shall be deemed to be dated as of the date first above written.

**13. Enurement**

Except as otherwise set forth herein, this Agreement shall be binding upon and enure to the benefit of the successors and assigns of the Agent and of the Corporation, respectively.

**14. Time**

Time shall be of the essence of this Agreement.

**15. Governing Law**

The contract created under this Agreement and the rights of the parties hereunder shall be governed by and construed and enforced in accordance with the laws of the Province of Alberta. Each of the parties hereto irrevocably attorns to the jurisdiction of the courts of the Province of Alberta.

*[balance of page purposefully left blank]*

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

**VAL-D'OR MINING CORPORATION**

**CANACCORD GENUITY CORP.**

**Per:** \_\_\_\_\_  
**Glenn Mullan**  
**Chairman, President & CEO**

**Per:** \_\_\_\_\_  
**Jeff German, CA, CPA, CBV**  
**Vice President, Retail Corporate**  
**Finance**