

## UNDERWRITING AGREEMENT

September 12, 2018

Osisko Metals Incorporated  
1100 Ave Des Canadiens de Montreal  
Bureau 300  
Montreal, Québec H3B 2S2

**Attention: Paul Dumas, Executive VP, Finance**

Dear Sirs:

The undersigned, Canaccord Genuity Corp. (“**Canaccord Genuity**”), Desjardins Securities Inc., Industrial Alliance Securities Inc., and Macquarie Capital Markets Canada Ltd. (collectively, the “**Underwriters**” and each separately, an “**Underwriter**”) understand that Osisko Metals Incorporated (the “**Company**”) proposes to issue and sell an aggregate of 10,870,000 common shares in the capital of the Company which are “flow-through shares” as defined in subsection 66(15) of the Tax Act (as defined herein) and section 359.1 of the Québec Tax Act (as defined herein) (the “**Flow-Through Shares**”) at a price of \$0.92 per Flow-Through Share (the “**Purchase Price**”). The Underwriters hereby severally, and not jointly nor jointly and severally, agree to purchase from the Company in the percentages set forth in Section 13 of this Agreement, and the Company hereby agrees to sell to the Underwriters all but not less than all of the Flow-Through Shares at the Purchase Price on a “bought deal” underwritten “private placement” basis, for aggregate gross proceeds of \$10,000,400 (the “**Offering**”).

Although the offer to purchase the Flow-Through Shares is being made by the Underwriters, the Underwriters will endeavour to arrange for substituted purchasers (collectively, the “**Substituted Subscribers**”) for the Flow-Through Shares under the applicable Requirements (as defined below) in the Selling Jurisdictions (as defined below) with the effect that such Substituted Subscribers will be the initial Subscribers of the Flow-Through Shares. To the extent that Substituted Subscribers purchase Flow-Through Shares at the Closing (as defined below), the Underwriters shall not be obligated to purchase the Flow-Through Shares so purchased by such Substituted Subscribers. The Company agrees that the Underwriters will be permitted to appoint other registered dealers (or other dealers duly licensed or registered in their respective jurisdictions) as their agents to assist in the Offering and that the Underwriters may determine the remuneration payable to such other dealers appointed by them. Such remuneration shall be payable by the Underwriters.

In consideration of the services to be rendered by the Underwriters in connection with the Offering, the Company shall pay to Canaccord Genuity, for and on behalf of all of the Underwriters, at the Closing Time (as defined below) a cash commission (the “**Underwriters’ Fee**”) equal to 5.0% of the gross proceeds realized by the Company from the sale of Flow-Through Shares pursuant to the Offering. It is agreed that 5.0% of the Underwriters’ Fee (which for greater certainty, shall not increase the amount payable by the Company to the Underwriters) shall be payable to Canaccord Genuity as a work fee and that the balance of the Underwriters’ Fee, net of such work fee, shall be payable to Canaccord Genuity and the other Underwriters in proportion to the percentage syndicate position set out in Section 13 hereof.

This offer is conditional upon and subject to the additional terms and conditions set forth below.

## 1. Definitions.

In this Agreement, in addition to the terms defined above, the following terms shall have the following meanings:

“**Agreement**” means the agreement resulting from the acceptance by the Company of the offer made by the Underwriters hereby;

“**BCBCA**” means the *Business Corporations Act* (British Columbia);

“**Business Day**” means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Vancouver, British Columbia and Toronto, Ontario are not open for business;

“**Canaccord Genuity**” shall have the meaning ascribed thereto in the first paragraph of this Agreement;

“**Canadian Exploration Expense**” or “**CEE**” means an expense of the nature described in paragraph (f) of the definition of “Canadian exploration expense” in subsection 66.1(6) of the Tax Act or which would be included in paragraph (h) of such definition if the reference therein to “paragraphs (a) to (d) and (f) to (g.4)” were read as “paragraph (f)”, other than amounts which are (i) prescribed to be “Canadian exploration and development overhead expense” for the purposes of paragraph 66(12.6)(b) of the Tax Act, (ii) Canadian exploration expenses to the extent of the amount of any assistance described in paragraph 66(12.6)(a) of the Tax Act, (iii) the cost of acquiring or obtaining the use of seismic data described in paragraph 66(12.6)(b.1) of the Tax Act, or (iv) any expenses for prepaid services or rent that do not qualify as outlays and expenses for the period as described in the definition of the term “expense” in paragraph 66(15) of the Tax Act. With respect to Québec Resident Subscribers, it also means the expenses described in subsection 395(c) of the Québec Tax Act, excluding Canadian exploration expenses to the extent of the amount of any assistance described in subsection 359.2(a) of the Québec Tax Act, amounts which are prescribed to constitute "Canadian exploration and development overhead expense" for purposes of subsection 359.2(b) of the Québec Tax Act, any expenditures described in subsection 359.2(b.1) of the Québec Tax Act, and any expenses for prepaid services or rent that do not qualify in the definition of "outlay" or "expense" in subsection 359(a) of the Québec Tax Act;

“**CEE Incurred in Québec Eligible for an Additional Deduction**” means, in respect of Québec Resident Subscribers, an expense described in Section 726.4.10 of the Québec Tax Act;

“**Closing**” means the closing on the Closing Date of the transaction of purchase and sale in respect of the Flow-Through Shares as contemplated by this Agreement and the Subscription Agreement;

“**Closing Date**” means September 12, 2018 or such other date as the Underwriters and the Company may agree upon;

“**Closing Time**” means 8:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Underwriters and the Company may agree upon;

“**Commitment Amount**” means the aggregate Flow-Through Share Purchase Price paid by the Subscribers on the Closing Date for the subscription of the Flow-Through Shares;

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

“**Company**” shall have the meaning ascribed thereto in the first paragraph of this Agreement;

“**Company’s knowledge**” means to the actual knowledge of the following individuals: Paul Dumas and Jeff Hussey after having made due inquiry;

“**CRA**” means the Canada Revenue Agency;

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

“**Flow-Through Mining Expenditure**” means an expense which qualifies, once renounced by the Company pursuant to the Tax Act, as a “flow-through mining expenditure” of the Subscriber as defined in subsection 127(9) of the Tax Act;

“**Flow-Through Shares**” means the Common Shares being issued by the Company pursuant to the Offering, which are “flow-through shares” as defined in subsection 66(15) of the Tax Act and section 359.1 of the Québec Tax Act in accordance with the terms and conditions of this Agreement and the Subscription Agreements;

“**Follow-On Transactions**” has the meaning ascribed to such term in Section 2(e)(i) hereof;

“**Governmental Authority**” means any (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign, (ii) subdivision, agent, commission, board, or authority of any of the foregoing, or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

“**IFRS**” shall have the meaning ascribed thereto in subsection 3(k);

“**including**” means including without limitation;

“**Indemnified Person**” shall have the meaning ascribed thereto in Section 11;

“**Material Adverse Effect**” means the effect resulting from any event or change which is materially adverse to the business, affairs, capital, operations, prospects, Property Rights or assets, liabilities (contingent or otherwise) of the Company and its Subsidiary, taken as a whole, or which event or change would reasonably be expected to have a significant negative effect on the market price or value of the Common Shares;

“**Material Agreement**” means any Debt Instrument, mortgage, indenture, contract, commitment, agreement (written or oral), instrument, lease or other document, to which the Company is a party and which is material to the Company;

“**misrepresentation**”, “**material fact**”, “**material change**”, “**affiliate**”, “**associate**”, and “**distribution**” have the respective meanings ascribed thereto in the *Securities Act* (British Columbia);

“**NI 43-101**” shall have the meaning ascribed thereto in subsection 3(zz);

“**Offering**” shall have the meaning ascribed thereto in the first paragraph of this Agreement;

“**person**” means any individual, corporation, partnership, joint venture, association, trust or other legal entity;

“**Prescribed Forms**” means the forms prescribed from time to time under subsection 66(12.7) of the Tax Act and under the applicable provision of any relevant provincial tax legislation, filed or to be filed by the Company within the prescribed time renouncing to the Subscribers the Resource Expenses incurred pursuant to the Subscription Agreements and all parts or copies of such forms required by the CRA and any applicable provincial tax authority, to be delivered to the Subscribers;

“**Principal Business Corporation**” means a “principal-business corporation” as defined in subsection 66(15) of the Tax Act;

“**Properties**” means the Company’s properties being, the Bathurst Mining Camp Project located in New Brunswick, the Québec Genex Projects located in Québec, the Pine Point Mining Camp located in the Northwest Territories, and the Urban-Barry Base Metals Project located in Québec;

“**Public Disclosure Documents**” means, collectively, all of the documents which have been filed by or on behalf of the Company prior to the Closing Time under its profile on SEDAR;

“**Québec Resident Subscriber**” means a Subscriber that is an individual that is resident or subject to tax in the Province of Québec;

“**Québec Tax Act**” means the *Taxation Act* (Québec) and all rules and regulations made pursuant thereto and any proposed amendments thereto announced publicly by or on behalf of the Minister of Finance (Québec) prior to the date of the Subscription Agreement;

“**Resource Expense**” means an expense (1) which qualifies as CEE, (2) which qualifies as a Flow-Through Mining Expenditure, and (3) which is incurred (or is deemed to be incurred) on or after the Closing Date and on or before the Termination Date, that will be renounced by the Company pursuant to subsection 66(12.6) of the Tax Act, in conjunction with subsection 66(12.66) of the Tax Act, as necessary, with an effective date not later than December 31, 2018 and in respect of which, but for the renunciation, the Company would be entitled to a deduction from income for income tax purposes, and on the date it is renounced is: (i) a Flow-Through Mining Expenditure; and (ii) for a Québec Resident Purchaser or, where the Subscriber is a partnership, for the members of the partnership that are Québec Resident Subscribers, to the extent of their respective shares of the Resource Expenses so renounced, (1) CEE Incurred in Québec Eligible for an Additional Deduction, and (2) Surface Mining CEE Incurred in Québec Eligible for an Additional Deduction.;

“**Requirements**” means the exemptions from the prospectus requirements of the Canadian Securities Laws which are outlined in National Instrument 45-106 and similar exemptions applicable or such other jurisdictions where the Flow-Through Shares may be offered or sold;

“**Reporting Jurisdictions**” means British Columbia and Alberta, collectively;

“**Securities Laws**” means, as applicable, the securities legislation, regulations, rules, rulings and orders in each of the Selling Jurisdictions in each case having the force of law and the published rules of the TSXV;

“**Securities Regulators**” means, collectively, the securities regulators or other securities regulatory authorities in the Selling Jurisdictions;

“**Selling Jurisdictions**” means the province of Québec and such other jurisdictions as mutually agreed to by the Company and the Underwriters;

“**September 2017 FTS Offering**” means the issuance and sale of 4,211,000 common shares of the Company that qualified as "flow-through shares" as defined in subsection 66(15) of the Tax Act pursuant to the terms and conditions of an underwriting agreement and applicable subscription and renunciation agreements dated September 20, 2017;

“**Subscribers**” means the persons (which may include the Underwriters) who, as purchasers or beneficial purchasers, acquire Flow-Through Shares by duly completing, executing and delivering a Subscription Agreement and any other required documentation;

“**Subscription Agreements**” means the subscription and renunciation agreements in the form agreed upon by the Underwriters and the Company, pursuant to which Subscribers agree to subscribe for and purchase the Flow-Through Shares herein contemplated and shall include, for greater certainty, all schedules and appendices thereto;

“**Subsidiary**” means the material subsidiary of the Company, Pine Point Mining Limited;

“**Substituted Subscribers**” shall have the meaning ascribed thereto in the third paragraph of this Agreement;

“**Surface Mining CEE Incurred in Québec Eligible for an Additional Deduction**” means, in respect of Québec Resident Subscribers, an expense described in section 726.4.17.2 of the Québec Tax Act.

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

“**Taxes**” shall have the meaning ascribed thereto in subsection 3(p);

“**Termination Date**” means December 31, 2019;

“**Transfer Agent**” means AST Trust Company (Canada), in its capacity as transfer agent and registrar of the Company at its head offices in the cities of Montreal, Québec;

“**TSXV**” means the TSX Venture Exchange;

“**Underwriters**” shall have the meaning ascribed thereto in the first paragraph of the Agreement; and

“**Underwriters’ Fee**” shall have the meaning ascribed thereto in the third paragraph of this Agreement.

## 2. **Terms and Conditions.**

- (a) **Sale on Exempt Basis.** The Company understands that although the offer to purchase the Flow-Through Shares is being made by the Underwriters, the Underwriters will endeavour to arrange for Substituted Subscribers for the Flow-Through Shares in the Selling Jurisdictions, subject to acceptance by the Company, acting reasonably, of the Subscription Agreements, with the effect that such Substituted Subscribers will be the

initial Subscribers of the applicable Flow-Through Shares. The Underwriters shall offer for sale and sell the Flow-Through Shares pursuant to the Offering in the Selling Jurisdictions on a “private placement” basis in compliance with all applicable Securities Laws such that each of the offer and sale of the Flow-Through Shares does not obligate the Company to file a prospectus or other offering document or deliver or file an offering memorandum or other offering document with any Securities Regulators under the Securities Laws or subject the Company to any continuous disclosure or other similar reporting requirements under the laws of any jurisdiction outside of the Selling Jurisdictions to which it is not currently subject. To the extent that Substituted Subscribers purchase Flow-Through Shares at the Closing, the Underwriters shall not be obligated to purchase the Flow-Through Shares so purchased by such Substituted Subscribers.

- (b) **Tax Act and Québec Tax Act.** Any reference to a word or term defined in the Tax Act shall include, for purposes of Québec income taxation, a reference to the equivalent word or term, where applicable, defined in the Québec Tax Act. Any reference to the Tax Act or a provision thereof shall include, for purposes of Québec income taxation, a reference to the Québec Tax Act or the equivalent provision thereof, where applicable. Any reference to a filing or similar requirement imposed under the Tax Act shall include, for purposes of Québec income taxation, a reference to the equivalent filing or similar requirement, where applicable, under the Québec Tax Act; provided that, if no filing or similar requirement is provided under the Québec Tax Act, a copy of any material filed under the Tax Act will be filed with QRA.
- (c) **Filings.** The Company undertakes to file, or cause to be filed, all forms or undertakings required to be filed by the Company in connection with the issue and sale of the Flow-Through Shares so that the distribution of the Flow-Through Shares to the Subscribers may lawfully occur without the necessity of filing a prospectus or an offering memorandum (but on terms that will permit the Flow-Through Shares acquired by the Subscribers in the Selling Jurisdictions to be sold by such Subscribers at any time in the Selling Jurisdictions subject to applicable hold periods and other restrictions under the Securities Laws), and the Underwriters undertake to use their commercially reasonable best efforts to cause Subscribers of Flow-Through Shares to complete (and it shall be a condition of closing in favour of the Company that the Subscribers complete and deliver to the Company) any forms or undertakings required by the Securities Laws. All fees payable in connection with such filings shall be at the expense of the Company.
- (d) **Offering Memorandum.** The Underwriters shall not (i) provide to prospective purchasers of Flow-Through Shares any document or other material that would constitute an offering memorandum within the meaning of the Securities Laws of the Selling Jurisdictions or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Flow-Through Shares, including but not limited to, causing the sale of the Flow-Through Shares to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display or the Internet, or otherwise, or conduct any seminar or meeting relating to any offer and sale of the Flow-Through Shares whose attendees have been invited by a general solicitation or general advertising
- (e) **Follow-On Transactions.**

- (i) The Company understands that following the Closing, some or all of the Flow-Through Shares may be donated by the Subscribers to one or more charities and subsequently may be sold to investors by the charity or charities (the "**Follow-On Transactions**").
- (ii) The Underwriters acknowledge that the Company has no knowledge of the Follow-On Transactions other than that they may or may not occur and that the Company will have no involvement or participation in any Follow-On Transactions, other than to register any transfer of securities required as a result.
- (iii) The Underwriters do not act, and will not purport to act, as agent or representative of the Company in connection with any Follow-On Transaction and services or activities, if any, performed by the Underwriters in connection with any Follow-On Transaction are excluded from this Agreement. The consideration payable to the Underwriters hereunder is for the Underwriter's services in respect of the Offering only. The parties further acknowledge that the Company is not entitled, and will not become entitled, to receive any consideration in respect of any Follow-On Transaction that might occur.
- (iv) The Company shall not be liable or responsible for any breach of any covenant or representation given in this Agreement if the Flow-Through Shares are "prescribed shares" under subsection 6202.1(1) of the regulations to the Tax Act and where applicable sections 359.1R2 to 359.1R7 of the regulations to the Québec Tax Act as a result of the Follow-On Transactions

### **3. Representations and Warranties of the Company.**

The Company represents and warrants to the Underwriters and the Subscribers, and acknowledges that each of them is relying upon such representations and warranties in connection with the purchase and sale of the Flow-Through Shares, that:

- (a) the Company and the Subsidiary has been duly organized and is validly existing under the laws of its jurisdiction of existence, is in good standing, has the corporate power and authority and is duly qualified and possesses all material certificates, authority, permits and licences issued by the appropriate provincial, municipal, federal regulatory agencies or bodies necessary (and has not received or is not aware of any modification or revocation to such certificates, authority, permits or licences, except such modifications or amendments as are necessary for the conduct of its business) to carry on its business as now conducted and to own its properties and assets, except for those certificates, authority, permits and licences which the failure to obtain would not, individually or in the aggregate, have a Material Adverse Effect;
- (b) Bowmore Exploracion de Mexico S.A. de C.V. and Bowmore O & G Inc. are not material subsidiaries of the Company as they do not hold any material assets or liabilities;
- (c) all of the shares of the Subsidiary are legally and beneficially owned by the Company, free and clear of all liens, charges and encumbrances of any kind whatsoever;
- (d) the Company has no material subsidiaries or affiliates other than the Subsidiary and no proceedings have been instituted or are pending for the dissolution or liquidation or winding-up of the Subsidiary;

- (e) the Company has the corporate power and authority to enter into this Agreement and the Subscription Agreements and to perform the transactions contemplated hereby and thereby and the issuance and sale by the Company of the Flow-Through Shares have been duly authorized by all necessary corporate action of the Company, and this Agreement and the Subscription Agreements have been duly executed and delivered by the Company and this Agreement and the Subscription Agreements are, and will upon execution and delivery in accordance with the terms hereof and thereof be, a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, moratorium, or similar laws affecting creditors' rights generally and except as limited by the application of equitable remedies which may be granted in the discretion of a court of competent jurisdiction and that enforcement of the rights to indemnity and contribution set out in this Agreement and the Subscription Agreements as may be limited by applicable law;
- (f) the authorized capital of the Company consists of an unlimited number of Common Shares, of which, as of the close of business on September 11, 2018, 115,409,495 Common Shares were issued and outstanding as fully paid and non-assessable and no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option, for the issue or allotment of any unissued shares in the capital of the Company or any other security convertible into or exchangeable for any such shares, or to require the Company to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital other than options to purchase up to 4,850,000 Common Shares and warrants to purchase up to 31,778,578 Common Shares, all as set out in Schedule "A" to this Agreement;
- (g) the only outstanding securities convertible into or exchangeable for Common Shares are set forth in Schedule "A" to this Agreement;
- (h) all consents, approvals, permits, authorizations or filings as may be required under Securities Laws necessary for the execution and delivery of this Agreement, the Subscription Agreements and the issuance and sale of the Flow-Through Shares and the consummation of the transactions contemplated hereby and thereby have been made or obtained, as applicable;
- (i) each of the execution and delivery of this Agreement and the Subscription Agreements, the performance by the Company of its obligations hereunder or thereunder, the issue and sale of the Flow-Through Shares hereunder and the consummation of the transactions contemplated hereby, including the issuance and delivery of the Flow-Through Shares, respectively, do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both), (A) any statute, rule or regulation applicable to the Company, including Canadian Securities Laws and to the Company's knowledge the Securities Laws of any other Selling Jurisdiction; (B) the constating documents of the Company or any resolutions passed by the board of directors of the Company which are in effect at the date hereof; (C) any Material Agreement to which the Company is a party or by which it is bound; or (D) any judgment, decree or order binding the Company or the property or assets of the Company;
- (j) the Public Disclosure Documents contain no untrue statement of a material fact as at the date thereof nor do they omit to state a material fact which, at the date thereof, was

required to have been stated therein or was necessary to prevent a statement that was made therein from being false or misleading in the circumstances in which it was made and comply with the Securities Laws of the Reporting Jurisdictions in all material respects and the Company is not in default of its filings under, nor has it failed to file or publish any document required to be filed or published under the Securities Laws of the Reporting Jurisdictions, and the Company has not filed any confidential material change reports, which remain confidential as of the date hereof;

- (k) the audited annual financial statements of the Company for its fiscal year ended December 31, 2017, and notes thereto (the “**Annual Financial Statements**”), are true and correct in every material respect and present fairly, in all material respects, the financial position and results of the operations of the Company for the period then ended and such financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) as issued by the International Accounting Standards Board applied on a consistent basis;
- (l) the unaudited financial statements of the Company for the interim period ended June 30, 2018 and notes thereto (together with the Annual Financial Statements, the “**Company’s Financial Statements**”), are true and correct in every material respect and present fairly, in all material respects, the financial position and results of the operations of the Company for the period then ended and such financial statements will have been prepared in accordance with IFRS applied on a consistent basis;
- (m) there has been no change in accounting policies or practices of the Company since January 2012 when it changed over to IFRS;
- (n) since December 31, 2017 and excluding expenditures in the ordinary course of business consistent with past practice, there has not been any adverse material change of any kind whatsoever in the financial position or condition of the Company or the Subsidiary or any damage, loss or other change of any kind whatsoever in circumstances materially affecting its business, affairs, prospects, capital or assets, or the right or capacity of the Company or Subsidiary to carry on its business, such business having been carried on in the ordinary course;
- (o) there are no material liabilities of the Company or the Subsidiary, whether direct, indirect, contingent or otherwise which are not disclosed or reflected in the Company’s Financial Statements except those incurred in the ordinary course of its business since December 31, 2017;
- (p) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers’ compensation payments, property taxes, customs duties and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, “**Taxes**”) due and payable or required to be collected or withheld and remitted, by the Company have been paid, collected or withheld and remitted as applicable, except for where the failure to pay such Taxes would not have a Material Adverse Effect. All tax returns, declarations, remittances and filings required to be filed by the Company have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and accurate in all material respects and no material fact has been omitted therefrom which would make any of them misleading or result in a Material Adverse Effect. To the knowledge of the Company, no examination of any tax return of the Company is currently in progress and

there are no issues or disputes outstanding with any Governmental Authority respecting any taxes that have been paid, or may be payable, by the Company. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of taxes with respect to the Company;

- (q) the auditors of the Company who audited the Annual Financial Statements and who provided their audit report thereon are independent public accountants as required under applicable Canadian Securities Laws;
- (r) since December 31, 2017, there has not been a “reportable event” (within the meaning of National Instrument 51-102) with the present or former auditors of the Company;
- (s) the Company and the Subsidiary maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with the Company and Subsidiary’s management’s general or specific authorizations, (ii) transactions are recorded as necessary to permit the preparation of financial statements for the Company and the Subsidiary in conformity with generally accepted accounting principles in Canada and to maintain asset accountability, (iii) access to the assets of the Company and the Subsidiary is permitted only in accordance with the Company and Subsidiary’s management’s general or specific authorization, (iv) the recorded accountability for assets of the Company and Subsidiary is compared with the existing assets of the Company and Subsidiary at reasonable intervals and appropriate action is taken with respect to any differences;
- (t) there is not, in the constating documents nor in any Material Agreement, any restriction upon or impediment to, the declaration or payment of cash dividends by the directors of the Company or the payment of cash dividends by the Company to the holders of the Common Shares;
- (u) the Company is not a party to nor bound by or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Company to compete in any line of business, transfer or move any of its assets or operations or which has a Material Adverse Effect on the Company;
- (v) to the Company’s knowledge, no legal or governmental proceedings are pending to which the Company is a party or to which its property is subject that would reasonably be expected to, if adversely decided, result individually or in the aggregate a Material Adverse Effect and, to the Company’s knowledge, no such proceedings have been threatened against or are contemplated with respect to the Company or its properties;
- (w) the Company has conducted, and is conducting, its business in all material respects in compliance with all applicable laws and regulations of each jurisdiction in which it carries on business (including all applicable federal, provincial, municipal and local environmental, anti-pollution and licensing laws, regulations and other lawful requirements of any governmental or regulatory body, including relevant exploration permits and concessions), and has not received a notice of non-compliance, and does not know of, nor have reasonable grounds to know of, any facts that could give rise to a notice of material non-compliance with any such laws or regulations;
- (x) the Company is in compliance in all material respects with its continuous disclosure obligations under Securities Laws and the information and statements in the Public

Disclosure Documents were true and correct as of the respective dates of such information and statements and at the time such documents were filed on SEDAR, do not contain any misrepresentations and no material facts have been omitted therefrom which would make such information materially misleading, and the Company has not filed any confidential material change reports which remain confidential as of the date hereof. The Company is not aware of any circumstances presently existing under which liability is or would reasonably be expected to be incurred under Part XXIII.1 – Civil Liability for Secondary Market Disclosure of the Securities Act (Ontario) and analogous provisions under Securities Laws in the other Selling Jurisdictions;

- (y) none of the Company nor its Subsidiary has been in material violation of, in connection with the ownership, use, maintenance or operation of its property and assets, any applicable federal, provincial, state, municipal or local laws, by-laws, regulations, orders, policies, permits, licences, certificates or approvals having the force of law, domestic or foreign, relating to environmental, health or safety matters or hazardous or toxic substances or wastes, pollutants or contaminants (collectively, “**environmental laws**”). Without limiting the generality of the foregoing:
  - (i) each of the Company and each Subsidiary has occupied its properties and has received, handled, used, stored, treated, shipped and disposed of all pollutants, contaminants, hazardous or toxic materials, controlled or dangerous substances or wastes in compliance in all material respects with all applicable environmental laws and has received all permits, licences or other approvals required of them under applicable environmental laws to conduct their respective businesses; and
  - (ii) there are no orders, rulings or directives and to the Company’s knowledge there have been no past unresolved claims, complaints, notices or requests for information issued against the Company or, to the knowledge of the Company, there are no orders, rulings or directives pending or threatened against the Company or a Subsidiary under or pursuant to any environmental laws requiring any material work, repairs, construction or capital expenditures with respect to any property or assets of the Company or a Subsidiary;
- (z) no notice with respect to any of the matters referred to in the immediately preceding paragraph, including any alleged violations by the Company or its Subsidiary with respect thereto has been received by the Company or a Subsidiary and no writ, injunction, order or judgement is outstanding, and no legal proceeding under or pursuant to any environmental laws or relating to the ownership, use, maintenance or operation of the property and assets of the Company or a Subsidiary is in progress, threatened or, to the Company’s knowledge, pending, which would reasonably be expected to have a Material Adverse Effect on the Company or its Subsidiary, taken as a whole, and, to the Company’s knowledge, there are no grounds or conditions which exist, on or under any property now or previously owned, operated or leased by the Company or a Subsidiary, on which any such legal proceeding would reasonably be expected to commence or with the passage of time, or the giving of notice or both, would reasonably be expected to give rise;
- (aa) all significant acquisitions completed by the Company or the Subsidiary of any securities, business or assets of any other entity have been fully and properly disclosed in the Public Disclosure Documents, were completed in material compliance with all applicable corporate and securities laws and all required corporate and regulatory approvals,

consents, authorizations, registrations, and filings required in connection therewith were obtained and complied with.

- (bb) to the Company's knowledge, all operations on the properties of the Company have been conducted and are currently conducted in all material respects in accordance with engineering practices consistent with industry standards and any applicable material workers' compensation, and health, safety and workplace laws, regulations and policies;
- (cc) to the Company's knowledge, it has all material licences, permits, approvals, consents, certificates, registrations and other authorizations (collectively the "**Permits**") under all applicable laws and regulations necessary for the operation of the businesses carried on by the Company and each Permit is valid, subsisting and in good standing and the Company is not in default or breach of any Permit, and to the Company's knowledge, no proceeding is pending or threatened to revoke or limit any Permit;
- (dd) all necessary corporate action has been taken by the Company to allot and authorize the issuance of the Flow-Through Shares;
- (ee) the Company is a reporting issuer in the Reporting Jurisdictions and on the Closing Date will have been a reporting issuer in such provinces for at least four months. The Company is not included on a list of reporting issuers in default maintained by any of the Securities Regulators of the Reporting Jurisdictions;
- (ff) the Company does not have any loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, or any person not dealing at "arm's length" (as such term is defined in the Tax Act) with the Company;
- (gg) none of the Company nor its Subsidiary has guaranteed or agreed to guarantee any debt, liability or other obligation of any kind whatsoever of any person, firm or corporation whatsoever;
- (hh) each of the Company and its Subsidiary maintains insurance against loss of, or damage to, its material assets including property and casualty insurance for all of its operations on a basis consistent with insurance obtained by reasonably prudent participants in a comparable business in comparable circumstances and all of the policies in respect of such insurance are in amounts and on terms that in the view of the Company's management are reasonable for operations such as these and are in good standing in all respects and not in default in any material respect;
- (ii) the directors and officers of the Company are as disclosed in the Public Disclosure Documents and the compensation arrangements with respect to the Company's "named executive officers" (as such term is defined in Form 51-102F6V - *Statement of Executive Compensation - Venture Issuers*) and there are no pensions, profit sharing, group insurance or similar plans or other deferred compensation plans of any kind whatsoever affecting the Company;
- (jj) the Transfer Agent, at its principal offices in the city of Montreal, Québec has been duly appointed as transfer agent and registrar in respect of the Common Shares;
- (kk) other than the Underwriters, there are no persons acting or purporting to act at the request of or on behalf of the Company, that are entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement;

- (ll) other than the Company, there is no person that is or will be directly entitled to the proceeds from the sale of the Flow-Through Shares pursuant to this Offering under the terms of any Debt Instrument or Material Agreement, or other instrument, agreement or document (written or unwritten);
- (mm) the Company is not a party to any agreement, nor is the Company aware of any agreement, which in any manner affects the voting control of any of the securities of the Company;
- (nn) the Company is not a party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument other than in the ordinary course of business;
- (oo) neither the Company nor, to the knowledge of the Company, any other person is in default in the observance or performance of any term or obligation to be performed by it under any Material Agreement, except for such defaults as would not reasonably be expected to have a Material Adverse Effect, and no event has occurred which with notice or lapse of time or both would reasonably be expected to constitute such a default;
- (pp) the minute books and records of the Company which the Company has made available to the Underwriters and their legal counsel in connection with their due diligence investigation of the Company, are all of the minute books and all of the records of the Company and contain copies of all proceedings (or certified copies thereof) of the shareholders, the board of directors and all committees of the board of directors of the Company to the date of review of such corporate records and minute books. All of the material transactions of the Company have been properly recorded in the minute books in all material respects. All of the meetings, resolutions or proceedings of the shareholders, board of directors or any committees of the board of directors of the Company during such period have been provided to the Underwriters and their legal counsel in connection with their due diligence investigation of the Company;
- (qq) there are no material actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding or, to the Company's knowledge, pending, threatened against or affecting the Company or its Subsidiary, or to the Company's knowledge, threatened or pending, against the Company or its Subsidiary at law or in equity or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau or agency of any kind whatsoever;
- (rr) there are no judgments against the Company or the Subsidiary which are unsatisfied, nor are there any consent decrees or injunctions to which the Company or a Subsidiary is subject;
- (ss) the Company is the absolute legal and beneficial owner of, and has good and marketable title to all of the material property or assets thereof as described in the Public Disclosure Documents, including the Properties, free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, other than those described in the Public Disclosure Documents, and no other rights are necessary for the conduct of the business of the Company as currently conducted or contemplated to be conducted other than those described in the Public Disclosure Documents, the Company knows of no claim or basis for any claim that would reasonably be expected to materially adversely affect the right of the Company to use, transfer or otherwise exploit such property rights, other than those described in the Public Disclosure Documents, and the

Company has no responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof, except as described in the Public Disclosure Documents;

- (tt) the Company or the Subsidiary, as applicable, holds either freehold title, mining leases, mining concessions, mining claims or other conventional property, proprietary or contractual interests or rights, including access and surface rights, recognized in the jurisdiction in which the Properties are located in respect of the ore bodies and specified minerals located in the Properties in which the Company or the Subsidiary have an interest as described in the Public Disclosure Documents under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit the Company or the Subsidiary, as applicable, to access the Properties and explore and exploit the minerals relating thereto as are appropriate in view of their respective rights and interests therein; all such properties, leases, concessions or claims in which the Company or the Subsidiary has any interests or rights have been validly located and recorded in accordance with all applicable laws and are valid, subsisting and in good standing.
- (uu) any and all of the agreements and other documents and instruments pursuant to which the Company holds its property and assets (including any interest in, or right to earn an interest in, any property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, the Company is not in default of any of the material provisions of any such agreements, documents or instruments nor has any such default been alleged. None of the properties (or any interest in, or right to earn an interest in, any property) of the Company are subject to any right of first refusal or purchase or acquisition rights;
- (vv) the Company has disclosed all material information relating to the Properties and any other material mineral properties of the Company in the Public Disclosure Documents in compliance with Canadian Securities Laws and such disclosure remains true, complete and accurate in all material respects as of the date hereof;
- (ww) to the Company's knowledge there are no environmental audits, evaluations, assessments, studies or tests relating to the Company or the Subsidiary, except for ongoing assessments conducted by or on behalf of the Company or the Subsidiary in the ordinary course;
- (xx) no part of the Properties or the mining rights or permits of the Company or any Subsidiary have been taken, revoked, condemned, or expropriated by any Governmental Entity nor has any written notice or proceedings in respect thereof been given, or to the knowledge of the Company and the Subsidiary, been commenced, threatened, or is pending, nor does the Company or the Subsidiary have any knowledge of the intent or proposal to give such notice or commence any such proceedings
- (yy) there are no claims or actions with respect to indigenous rights currently outstanding, or to the best knowledge of the Company and the Subsidiary, threatened or pending, with respect to the Properties. There are no land entitlement claims having been asserted or any legal actions relating to indigenous issues having been instituted with respect to the Properties, and no material dispute in respect of the Properties or any of the material mineral projects of the Company with any local or indigenous group exists or, to the knowledge of the Company and the Subsidiary, is threatened or imminent;

- (zz) the Company has duly filed all reports required to be filed by the Company pursuant to National Instrument 43-101 (“NI 43-101”), and all such reports comply in all material respects with the requirements of NI 43-101;
- (aaa) the currently issued and outstanding Common Shares are listed and posted for trading on the TSXV and no order ceasing or suspending trading in any securities of the Company or prohibiting the trading of the Company’s issued securities has been issued and no proceedings for such purpose are pending or, to the Company’s knowledge, threatened;
- (bbb) the Company has not taken any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the TSXV and the Company is currently in compliance with the rules and policies of the TSXV;
- (ccc) no order ceasing, halting or suspending trading in securities of the Company nor prohibiting the sale of such securities has been issued to and is outstanding against the Company’s directors or officers and no investigations or proceedings for such purposes are pending or, to the Company’s knowledge, threatened;
- (ddd) to the knowledge of the Company, there are no regulatory investigations commenced, pending or threatened against any of the Company’s officers or directors and none of the officers or directors of the Company are now or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;
- (eee) the Company has established on its books and records reserves which are adequate for the payment of all taxes not yet due and payable and there are no liens for taxes on the assets of the Company except for taxes not yet due, and, to the Company’s knowledge, there are no audits of any of the tax returns of the Company pending, and there are no claims which have been or would reasonably be expected to be asserted relating to any such tax returns which, if determined adversely, would result in the assertion by any governmental agency of any deficiency which would have a Material Adverse Effect;
- (fff) no proceedings have been taken, instituted or, to the Company’s knowledge, are pending for the dissolution or liquidation of the Company or the Subsidiary;
- (ggg) to the knowledge of the Company, none of the Company nor the Subsidiary nor any director, officer, employee, consultant, representative or agent of the foregoing, has (i) violated any anti-bribery or anti-corruption laws applicable to the Company or any Subsidiary, including but not limited to the *Foreign Corrupt Practices Act* of 1977 (United States) and the *Corruption of Foreign Public Officials Act* (Canada), or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (X) to any Government Official, whether directly or through any other person, for the purpose of influencing any act or decision of a Government Official in his or her official capacity; inducing a Government Official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a Government Official to influence or affect any act or decision of any Governmental Entity; or assisting any representative of the Company or any Subsidiary in obtaining or retaining business for or with, or directing business to, any person; or (Y) to any person in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or

acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither the Company nor any Subsidiary nor, to the knowledge of the Company or any Subsidiary, any director, officer, employee, consultant, representative or agent of foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded the Company or any Subsidiary, or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Entity responsible for enforcing anti-bribery or anti-corruption laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such laws, or received any notice, request, or citation from any person alleging noncompliance with any such laws;

- (hhh) the operations of the Company and the Subsidiary are and have been conducted at all times in all material respects in compliance with applicable financial recordkeeping and reporting requirements of the money laundering statutes of all jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Authority (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any court of Governmental Authority or any arbitrator or non-Governmental Authority involving the Company with respect to the Money Laundering Laws is to the knowledge of the Company pending or threatened;
- (iii) the expenses to be renounced by the Company to the Subscribers of the Flow-Through Shares will constitute Resource Expenses on the effective date of the renunciation and on the date incurred. The expenses to be renounced by the Company to the Subscribers (i) will not include any amount that has previously been renounced by the Company to any of the Subscribers or to any other Person; and (ii) would be deductible by the Company in computing its income for the purposes of Part I of the Tax Act but for the renunciation to the Subscribers;
- (jjj) the Company has no reason to believe that it will be unable to incur (or be deemed to incur), on or after the Closing Date and on or before the Termination Date or that it will be unable to renounce to the Subscribers of the Flow-Through Shares, effective on or before December 31, 2018, Resource Expenses in an amount equal to the Commitment Amount and the Company has no reason to expect any reduction of such amounts by virtue of subsection 66(12.73) of the Tax Act;
- (kkk) except as a result of any Follow-On Transaction or any agreement, arrangement, undertaking or understanding to which the Company is not a party and of which it has no knowledge, upon issue the Flow-Through Shares will be “flow-through shares” as defined in subsection 66(15) of the Tax Act and section 359.1 of the Québec Tax Act and will not be “prescribed shares” within the meaning of section 6202.1 of the regulations to the Tax Act and sections 359.1R2 to 359.1R7 of the regulations to the Québec Tax Act;
- (lll) if the Company amalgamates with any one or more companies, any shares issued to or held by the Subscriber as a replacement for the Flow-Through Shares as a result of such amalgamation will qualify, by virtue of subsection 87(4.4) of the Tax Act and section 550.7 of the Québec Tax Act or otherwise, as “flow-through shares” as defined in subsection 66(15) of the Tax Act and section 359.1 of the Québec Tax Act, and in particular will not be “prescribed shares” as defined in section 6202.1 of the regulations

to the Tax Act and sections 359.1R2 to 359.1R7 of the regulations to the Québec Tax Act;

- (mmm) the Company is and will continue to be a Principal Business Corporation until such time as all of the Resource Expenses required to be renounced under this Agreement and the Subscription Agreements have been incurred or have been deemed to be incurred and validly renounced pursuant to the Tax Act;
- (nnn) the Company is and will continue to be both a “development corporation” as defined in section 363 of the Québec Tax Act, and a “qualified corporation” as defined in section 726.4.15 and 726.4.17.7 of the Québec Tax Act until such time as all of the Resource Expenses required to be renounced under this Agreement and the Subscription Agreements have been incurred and validly renounced pursuant to the Tax Act; and
- (ooo) the Company is not, and (other than as disclosed to the Underwriters) has never been in default of any of its legal obligations in respect of any “flow-through share” financings previously undertaken by the Company.

#### **4. Covenants of the Company.**

4.1 The Company hereby covenants to the Underwriters, the Subscribers and their respective permitted assigns and acknowledges that each of them is relying on such covenants in connection with the purchase of the Flow-Through Shares that the Company shall:

- (a) for a period of two years following the Closing Date, use commercially reasonable efforts to maintain its status as a “reporting issuer” or the equivalent not in default in the Reporting Jurisdictions, other than in connection with a merger, amalgamation, arrangement, take-over bid, going private transaction or other similar transaction involving the purchase or sale of all of the outstanding Common Shares;
- (b) for a period of two years following the Closing Date, use commercially reasonable efforts to maintain its listing on the TSXV, or on such other recognized stock exchange other than in connection with a merger, amalgamation, arrangement, take-over bid, going private transaction or other similar transaction involving the purchase or sale of all of the outstanding Common Shares;
- (c) obtain any necessary regulatory approvals from the TSXV in connection with the sale of the Flow-Through Shares hereunder on such conditions as are acceptable to the Underwriters and the Company, acting reasonably;
- (d) immediately send to the Underwriters and their legal counsel copies of all correspondence and filings to and correspondence from the Securities Regulators relating to the Offering;
- (e) permit the Underwriters and their legal counsel to participate fully in the preparation of any documents regarding the Offering and allow the Underwriters and their legal counsel to conduct such full and comprehensive review of the Company’s business, capital and operations as the Underwriters consider necessary, acting reasonably;
- (f) duly execute and deliver the Subscription Agreements at the Closing Time and shall comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Company;

- (g) fulfil or cause to be fulfilled, at or prior to the Closing Date, each of the conditions set out in Section 7 hereof;
- (h) ensure that the Flow-Through Shares shall, upon issuance in accordance with their terms, be duly issued as fully paid and non-assessable Common Shares, and shall have the attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Subscription Agreements;
- (i) provide the Underwriters with draft press releases relating to the Offering and the opportunity to comment and obtain their prior approval, acting reasonably, to the form and content of any such press releases; and
- (j) not take any action so as to require the filing of a prospectus with respect to the Offering.

4.2 The Company hereby covenants to the Underwriters, the Subscribers and their respective permitted assigns and acknowledges that each of them is relying on such covenants in connection with the purchase of the Flow-Through Shares, as follows:

- (a) *Use of Proceeds.* The Company shall use the Commitment Amount to fund directly or indirectly Resource Expenses on the Company's Properties.
- (b) *Renunciation of Resource Expenses.* The Company agrees to incur (or be deemed to have incurred) Resource Expenses in an amount equal to the Commitment Amount on or after the Closing Date and on or before the Termination Date in accordance with this Agreement and the Subscription Agreements and agrees to renounce to the Subscribers of the Flow-Through Shares, with an effective date no later than December 31, 2018, pursuant to subsection 66(12.6) of the Tax Act, and in respect of Resource Expenses incurred by the Company in 2019, in conjunction with subsection 66(12.66) of the Tax Act, Resource Expenses incurred (or deemed to be incurred) by the Company on or after the Closing Date and on or before the Termination Date, in an amount equal to the Commitment Amount.
- (c) *No Reduction to Renunciation.* Unless required to do so pursuant to subsection 66(12.73) of the Tax Act and section 359.15 of the Québec Tax Act, the Company shall not reduce the amount renounced to the Subscribers pursuant to subsection 66(12.6) of the Tax Act. If the Company receives, or becomes entitled to receive, or may reasonably be expected to receive, any assistance which is described in the definition of "assistance" in subsection 66(15) of the Tax Act and section 359(c.0.1) of the Québec Tax Act and the receipt of or entitlement or reasonable expectation to receive such assistance has or will have the effect of reducing the amount of Resource Expenses validly renounced to the Subscribers of the Flow-Through Shares, the Company will incur (or be deemed to have incurred) additional Resource Expenses using funds from sources other than the Commitment Amount in an amount equal to such assistance, such that the aggregate Resource Expenses renounced to the applicable Subscribers effective no later than December 31, 2018 pursuant to the terms of this Agreement and the Subscription Agreements will not be less than nor exceed the Commitment Amount.
- (d) *No Impairment to Renounce.* The Company shall not be subject to the provisions of subsection 66(12.67) of the Tax Act and section 359.9 of the Québec Tax Act in a manner which impairs its ability to renounce Resource Expenses to the Subscribers in an amount equal to the Commitment Amount.

- (e) *Indemnification.* If the Company does not renounce to the Subscribers effective on or before December 31, 2018 Resource Expenses equal to the Commitment Amount, and provided the Subscriber is not in breach of any of its representations and warranties which would prevent the renunciation of such expenses, the Company shall indemnify and hold harmless the Subscribers and each of the partners thereof if the Subscribers are a partnership or a limited partnership (for the purposes of this paragraph each an “**Indemnified Person**”) as to, and pay to the Indemnified Person on or before the 20th Business Day following the date the amount is definitively determined, an amount equal to the amount of any tax (within the meaning of subparagraph (c) of the definition of “excluded obligation” at subsection 6202.1(5) of the regulations to the Tax Act) payable under the Tax Act (and under the corresponding provincial legislation) by any Indemnified Person as a consequence of such failure. In the event that the amount renounced by the Company to the Subscribers is reduced pursuant to subsection 66(12.73) of the Tax Act and section 359.15 of the Québec Tax Act, the Company shall indemnify and hold harmless each Indemnified Person as to, and pay to the Indemnified Person on or before the 20th Business Day following the date the amount is definitively determined, an amount equal to the amount of any tax (within the meaning of subparagraph (c) of the definition of “excluded obligation” at subsection 6202.1(5) of the regulations to the Tax Act) payable under the Tax Act (and under the corresponding provincial legislation) by the Indemnified Person as a consequence of such reduction. This indemnity is in addition to and not in derogation of any other recourse, rights or remedies the Subscribers may have against the Company. For certainty, the foregoing indemnity shall have no force or effect and the Subscribers shall not have any recourse or rights of action to the extent that such indemnity would otherwise cause the Flow-Through Shares to be “prescribed shares” within the meaning of section 6202.1 of the regulations to the Tax Act and sections 359.1R2 to 359.1R7 of the regulations to the Québec Tax Act.
- (f) *CRA Filings.* The Company shall file with the CRA and with any applicable provincial tax authority, within the time prescribed by subsection 66(12.68) of the Tax Act and the applicable provisions of provincial law, the forms prescribed for the purposes of such legislation together with a copy of the Subscription Agreements or any “selling instrument” contemplated by such legislation and shall forthwith following such filing provide to the Subscribers a copy of such form certified by an officer of the Company. The Company shall timely file with the CRA and with any applicable provincial tax authority any return required to be filed under Part XII.6 of the Tax Act (or any corresponding provision of applicable provincial law) in respect of the particular year, and will pay any tax or other amount owing in respect of that return on a timely basis.
- (g) *Delivery of Prescribed Forms.* The Company shall deliver to the Subscribers, before March 1, 2019, the relevant Prescribed Forms (including the T101 forms), fully completed and executed, renouncing to the Subscribers of the Flow-Through Shares, Resource Expenses in an amount equal to the Commitment Amount with an effective date of no later than December 31, 2018, and such delivery shall constitute the authorization of the Company to the Subscribers to file such Prescribed Forms with the relevant taxation authorities.
- (h) *Renunciation Priority and Pro Rata Reduction.* The Company shall incur and renounce Resource Expenses pursuant to the Subscription Agreements and all other agreements with other persons providing for the issue of Flow-Through Shares entered into by the Company on the Closing Date (collectively, the “**Other Agreements**”) before incurring

and renouncing Resource Expenses pursuant to any other agreement which the Company may subsequently enter into after the Closing Date with any Person with respect to the issue of shares which are “flow-through shares” as defined in subsection 66(15) of the Tax Act. If the Company is required under the Tax Act or otherwise to reduce Resource Expenses previously renounced to the Subscribers and unless the Subscribers are adversely affected and otherwise agree, the reduction shall be made pro rata by the number of Flow-Through Shares purchased only after it has first reduced to the extent possible all Resource Expenses renounced to Persons (other than the Subscribers) under any agreements relating to shares which are “flow-through shares” as defined in subsection 66(15) of the Tax Act and section 359.1 of the Québec Tax Act entered into after the Closing Date. For greater certainty, nothing in this Agreement shall limit in any way the Company's ability or obligation to incur and renounce Resource Expenses pursuant to the September 2017 FTS Offering.

- (i) *Notification of Excess Amounts Renounced.* Upon the Company becoming aware of the fact that an amount purportedly renounced pursuant to the Subscription Agreement exceeds the amount that it is entitled to renounce under the Tax Act, the Company will notify the Subscriber and comply with subsection 66(12.73) of the Tax Act and section 359.15 of the Québec Tax Act, including the filing with the CRA and, where applicable, the Québec Revenue Agency, of the statements contemplated therein, a copy of which will be sent concurrently to the Subscriber.
- (j) *No Other Agreements.* The Company shall not enter into any other agreement which would prevent or restrict its ability to renounce Resource Expenses to the Subscribers in the amount of the Commitment Amount.
- (k) *Books and Records.* The Company shall maintain proper, complete and accurate accounting books and records relating to the Commitment Amount, the Resource Expenses, the amounts renounced to the Subscribers under this Agreement and the Subscription Agreements and all transactions relating to the Resource Expenses. The Company shall retain all such books and records as may be required to support the renunciation of Resource Expenses contemplated by this Agreement and the Subscription Agreements and, upon reasonable notice, shall make such books and records available for inspection and audit by or on behalf of the Subscribers, at the Subscriber's sole expense.
- (l) *Deductibility of CEE.* All the CEE renounced to the Subscribers pursuant to the Subscription Agreements will be CEE incurred by the Company that, but for the renunciation to the Subscriber, the Company would be entitled to deduct in computing income for the purposes of Part I of the Tax Act.

## **5. Representations, Warranties and Covenants of the Underwriters.**

Each of the Underwriters hereby severally, and not jointly nor jointly and severally, represents, warrants and covenants to the Company and acknowledges that the Company is relying upon such representations and warranties in completing the Closing, that:

- (a) in respect of the offer and sale of the Flow-Through Shares, each Underwriter will conduct its activities in connection with the Offering and comply with all applicable Securities Laws and the provisions of this Agreement;
- (b) the Underwriters shall only sell the Flow-Through Shares in accordance with Securities Laws and to persons who represent themselves as being:

- (i) persons purchasing as principal or deemed to be purchasing as principal under Securities Laws or purchasing as authorized agents on behalf of a disclosed principal; and
- (ii) qualified to purchase the Flow-Through Shares under the applicable Requirements in the Selling Jurisdictions or in such other jurisdictions as may be agreed to by the Company and the Underwriters;
- (c) The Underwriters shall ensure that any dealer who is appointed by the Underwriter pursuant to this Agreement agrees in writing to comply with the covenants and obligations given by the Underwriters herein;
- (d) notwithstanding the foregoing provisions of this Section 5, an Underwriter will not be liable to the Company under this Section 5 with respect to a default under this Section 5 by another Underwriter;
- (e) at least one of the Underwriters is duly registered in the appropriate category of dealer under the Securities Laws in each of the Selling Jurisdictions, and in Selling Jurisdictions in which no Underwriter is so registered, the Underwriter will, if required by Securities Laws, act only through members of a selling group who are so registered; and
- (f) it has not and will not solicit offer, sell, trade, distribute or otherwise do any act in furtherance of a trade of the Flow-Through Shares so as to require the filing of a prospectus or offering memorandum with respect thereto or the provision of a contractual right of action (as defined in OSC Rule 14-501) under the laws of any jurisdiction.

## **6. Closing Deliveries.**

The Company and the Underwriters shall cause the Closing to occur on September 12, 2018 or such other date as may be agreed by the Company and the Underwriters. The Closing of the transactions contemplated under this Agreement shall be completed at the offices of the Company's counsel in the City of Toronto.

At or before the Closing Time, the Underwriters shall have delivered to the Company:

- (a) a completed and executed Subscription Agreement (including all certifications, forms and other documentation contemplated thereby or as may be required by applicable securities regulatory authorities) in a form acceptable to the Company; and
- (b) an invoice or written direction for the Underwriters' Fee and expenses payable by the Company to the Underwriters pursuant to this Agreement; and
- (c) such further documentation as may be contemplated herein or as the Company may reasonably require.

At or before the Closing Time, the Company shall deliver to the Underwriters:

- (d) evidence of electronic deposit of the Flow-Through Shares registered as the Underwriters may direct;
- (e) payment of the Underwriters' Fee and expenses payable by the Company to the Underwriters pursuant to this Agreement;

- (f) the requisite legal opinions and certificates as contemplated in Section 7 of this Agreement; and
- (g) such further documentation as may be contemplated herein or as the Underwriters may reasonably require;

against payment by the Underwriters to the Company of the aggregate Purchase Price for the Flow-Through Shares by wire transfer or certified cheque payable to the Company.

## **7. Closing Conditions**

The Underwriters' obligation to purchase the Flow-Through Shares at the Closing Time shall be conditional upon the fulfilment at or before the Closing Time of the following conditions:

- (a) the Underwriters shall have received a certificate dated as of the Closing Date, signed by the Chief Executive Officer and the Chief Financial Officer of the Company, or such other officers of the Company as the Underwriters may agree, certifying for and on behalf of the Company, to the best of their knowledge, information and belief after due inquiry, that:
  - (i) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company (including the Common Shares) has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, are contemplated or threatened by any regulatory authority;
  - (ii) the Company has duly complied with all the terms, covenants and conditions of this Agreement on its part to be complied with up to the Closing Time; and
  - (iii) the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement;
- (b) the Underwriters shall have received a certificate dated as of the Closing Date, signed by the appropriate officer of the Company addressed to the Underwriters and their counsel, with respect to the constating documents of the Company, all resolutions of the Company's board of directors relating to this Agreement and the transactions contemplated hereby, the Subscription Agreements, the incumbency and specimen signatures of signing officers and such other matters as the Underwriters may reasonably request;
- (c) the Underwriters have received satisfactory evidence of the conditional acceptance of the listing of the Flow-Through Shares for trading on the TSXV and posting for trading on the TSXV of the Flow-Through Shares subject only to the fulfilment of normal conditions;
- (d) the Subscription Agreements shall have been executed and delivered by the parties thereto in form and substance satisfactory to the Underwriters and their counsel, acting reasonably;

- (e) the Underwriters shall have received a favourable legal opinion addressed to the Underwriters dated the Closing Date from counsel for the Company (it being understood that such counsel may rely to the extent appropriate in the circumstances, (i) as to matters of fact, on certificates of the Company executed on its behalf by a senior officer of the Company; (ii) as to matters of fact not independently established, on certificates of the Company's auditors or a public official or regulatory body; and (iii) as to matters of law, on consulting counsel in the applicable local jurisdictions) substantially with respect to the following matters:
- (i) the Company is a "reporting issuer" in British Columbia;
  - (ii) the Company is a corporation continued and existing under the laws of British Columbia and has the corporate capacity to carry on its business as now conducted and to own, lease and operate its property and assets;
  - (iii) the authorized share structure of the Company consists of an unlimited number of Common Shares;
  - (iv) the delivery of the Flow-Through Shares in electronic form does not conflict with the BCBCA or the constating documents of the Company;
  - (v) the Company has the corporate capacity and power: (A) to execute and deliver this Agreement and the Subscription Agreements and to perform its obligations hereunder and thereunder, and (B) to issue and sell the Flow-Through Shares;
  - (vi) all necessary corporate action has been taken by the Company to authorize the execution and delivery of each of this Agreement and the Subscription Agreements and the performance of the Company's obligations hereunder and thereunder and each of this Agreement and the Subscription Agreements have been executed and delivered by the Company and constitute legal, valid and binding obligations of the Company enforceable against it in accordance with its terms;
  - (vii) the execution and delivery of this Agreement and the Subscription Agreements and the performance by the Company of its obligations hereunder and thereunder, the issuance, sale and delivery of the Flow-Through Shares to be issued and sold by the Company do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not violate (i) the provisions of the BCBCA; or (ii) the constating documents of the Company;
  - (viii) the Flow-Through Shares have been duly and validly issued as fully paid and non-assessable shares in the capital of the Company;
  - (ix) the TSXV has conditionally accepted the Offering, and the Flow-Through Shares have been conditionally approved for listing on the TSXV subject to the satisfaction of the conditions set out in the conditional approval letter of the TSXV dated September 5, 2018;
  - (x) the offering, sale and distribution of the Flow-Through Shares, and issuance of the Flow-Through Shares, to Subscribers resident in the Selling Jurisdictions in

accordance with the Subscription Agreements is exempt from the prospectus requirements of the securities laws of the Selling Jurisdictions, and no prospectus is required, nor are any other documents required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations of any regulatory authority required to be obtained by the Company under the securities laws of the Selling Jurisdictions to permit the offering, sale and distribution of the Flow-Through Shares, and the issuance of the Flow-Through Shares, to Subscribers resident in the Selling Jurisdictions, it being noted that, the Company is required to, within ten days after the date the trades are made, file a report on Form 45-106F1 with the securities commissions in the Selling Jurisdictions in which the trades were made, accompanied, in all cases, by the prescribed fees;

- (xi) the first trade of the Flow-Through Shares will be a distribution subject to the prospectus requirements under the securities laws of the Selling Jurisdictions, unless otherwise exempt from such prospectus requirement or unless at the time of such trade:
  - (A) the Company is and has been a reporting issuer (as defined under the applicable securities laws) in a jurisdiction of Canada for the four months immediately preceding the trade;
  - (B) at least four months have elapsed from the “distribution date” (as defined under NI 45-102) of the Flow-Through Shares;
  - (C) the certificates representing the Flow-Through Shares carry a legend stating “Unless permitted under securities legislation, the holder of this security must not trade the security before January 13, 2019”;
  - (D) if the security is entered into a direct registration or other electronic book-entry system, or if the Subscriber did not directly receive a certificate representing the security, the Subscriber received written notice containing the legend restriction notation set out in subparagraph (C) above;
  - (E) such trade is not a “control distribution” (as defined in the NI 45-102);
  - (F) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of such trade;
  - (G) no extraordinary commission or consideration is paid to a person or corporation in respect of such trade; and
  - (H) if the selling securityholder is an insider or officer of the Company, the selling securityholder has no reasonable grounds to believe that the Company is in default of “securities legislation” (as defined in National Instrument 14-101 – *Definitions and Interpretation*).
- (xii) upon issue, the Flow-Through Shares will be “flow-through shares” as defined in subsection 66(15) of the Tax Act and section 359.1 of the Québec Tax Act and will not be “prescribed shares” within the meaning of section 6202.1 of the regulations to the Tax Act and section 359.1R2 to 359.1R7 of the regulations to the Québec Tax Act;

- (xiii) provided they are fully incurred in the manner and otherwise as covenanted and referenced in the Subscription Agreements and in the relevant officer's certificate, the expenditures to be renounced in respect of the Flow-Through Shares pursuant to this Agreement and the Subscription Agreements will be Resource Expenses;
  - (xiv) the Company qualifies as a Principal Business Corporation, a "development corporation" as defined in section 363 of the Québec Tax Act and is a "qualified corporation" as such term is defined in sections 726.4.15 and 726.4.17.7 of the Québec Tax Act,
- (f) the Underwriters shall have received a Certificate of Status (or equivalent) for the Company dated within one business day (or such earlier or later date as the Underwriters may accept) on the Closing Date;
  - (g) the Underwriters shall have received favourable legal opinions addressed to the Underwriters, in form and substance satisfactory to the Underwriters' counsel, dated the Closing Date, with respect to (i) the incorporation and subsistence of the Subsidiary under the laws of its jurisdiction; (ii) as to the Subsidiary having the requisite corporate power and capacity under the laws of its jurisdiction to carry on its business as presently carried on and to own, lease and operate its properties and assets; and (iii) as to the authorized and issued capital of the Subsidiary, all of which is owned, directly or indirectly, by the Company;
  - (h) the Underwriters shall have received title opinions dated as of the Closing Date from counsel satisfactory to the Underwriters, acting reasonably, addressed to the Underwriters and the Purchasers, relating to the right to or ownership of: (i) Pine Point Mining Camp located in the Northwest Territories, and; (ii) Bathurst Mining Camp Project located in New Brunswick, in form and substance satisfactory to the Underwriters and Underwriters' Counsel, acting reasonably;
  - (i) the Underwriters shall not have exercised any rights of termination set forth in this Agreement; and
  - (j) the Underwriters shall have received a certificate from the Transfer Agent as to the number of Common Shares issued and outstanding as at a date no more than one Business Day prior to the Closing Date.

## **8. Rights of Termination.**

Except as otherwise provided herein, all material terms and all conditions set out herein shall be construed as conditions and any breach or failure by the Company to comply with any conditions in favour of the Underwriters shall entitle any of the Underwriters to terminate in accordance with this Section 8 its obligation to purchase the Flow-Through Shares by written notice to that effect given to the Company prior to the Closing Time on the Closing Date. The Company shall use its reasonable best efforts to cause all conditions in this Agreement to be satisfied. It is understood that each Underwriter may waive in whole or in part, or extend the time for compliance with, any of such material terms and conditions without prejudice to its rights in respect of any subsequent breach or non-compliance, provided that to be binding on an Underwriter, any such waiver or extension must be in writing and signed by the Underwriter.

In addition to any other remedies which may be available to the Underwriters, each of the Underwriters shall have the right, at its sole option, to terminate its obligations under this Agreement including its obligation to purchase Flow-Through Shares (and the obligations of the Subscribers arranged by them to purchase Flow-Through Shares) by written notice to that effect given to the Company and Canaccord Genuity at or prior to the Closing Time, if at any time prior to the Closing Time:

- (a) there shall exist any material fact or circumstance not disclosed as at the date hereof which, in the opinion of an Underwriter, results or could be expected to have a significant adverse effect on the market price or value of the Flow-Through Shares;
- (b) there shall have occurred any change in the laws of Canada or of the Selling Jurisdictions, or any inquiry, investigation or other proceeding is made or any order is issued under or pursuant to any law of Canada or of the Selling Jurisdictions or by the TSXV in relation to the Company or any of its securities (except for any inquiry, investigation or other proceeding or order based upon activities of the Underwriters and not upon activities of the Company or its Subsidiary), which, in the opinion of such Underwriter, acting reasonably and in good faith, could reasonably have a significant adverse effect on the ability to market the Flow-Through Shares;
- (c) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence or any law or regulation, which, in the reasonable opinion of such Underwriter, seriously adversely affects, or involves, or will seriously adversely affect or involve, (a) the financial markets, (b) the business, operations or affairs of the Company and its Subsidiary taken as a whole, or (c) the market price or value of the securities of the Company;
- (d) there shall occur any material change or change in a material fact which, in the reasonable opinion of such Underwriter, would be expected to have a significant adverse effect on the market price of the Common Shares or value of the Flow-Through Shares;
- (e) there is any material breach or failure by the Company to comply with any terms, conditions or covenants in this Agreement, or in the event that any representation or warranty given by the Company in this Agreement becomes false and is not rectified as at the Closing Time. An Underwriter may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to their respective rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon such Underwriter only if the same is in writing and signed by it; or,
- (f) there is announced any change or proposed change in the income tax laws of Canada or the interpretation or administration thereof in respect of "flow-through shares", as defined in the Income Tax Act (Canada), and such change, in the opinion of the Underwriter, could be expected to have a material adverse effect on the market price or value or the marketability of the Flow-Through Shares.

The rights of termination contained in subparagraphs 8(a), (b), (c), (d), (e) and (f) above may be exercised by an Underwriter and are in addition to any other rights or remedies an Underwriter may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by the Agreement or otherwise. In the event of any such termination by an Underwriter, there shall be no further liability on the part of an Underwriter to the Company or on the part of the

Company to an Underwriter except in respect of any liability which may have arisen or may arise after such termination in respect of ads or omissions prior to such termination.

The Underwriters shall make reasonable best efforts to give notice to the Company (in writing or by other means) of the occurrence of any of the events referred to in subparagraphs 8(a), (b), (c), (d), (e) and (f) provided that neither the giving nor the failure to give such notice shall in any way affect the entitlement of the Underwriters to exercise their rights under subparagraphs 8(a), (b), (c), (d) (e) and (f) at any time prior to or at the Closing Time on the Closing Date.

#### **9. Expenses.**

Whether or not the Offering is completed, the Company shall pay all expenses of or incidental to the offering and sale of the Flow-Through Shares, including all reasonable “out of pocket” expenses of the Underwriters in relation to the Offering (including GST and PST), including all marketing related expenses, all reasonable fees of the Underwriters’ counsel (up to a maximum of \$75,000, exclusive of taxes and disbursements) and all fees and disbursements of auditors. Fees and expenses incurred by the Underwriters or on their behalf shall be payable by the Company in addition to any other fees payable under this Agreement and shall be payable by the Company upon receiving an invoice therefore from the Underwriters.

#### **10. Survival of Representations and Warranties.**

All terms, warranties, representations, covenants and agreements herein contained or contained in any documents submitted pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the purchase and sale of the Flow-Through Shares and shall continue in full force and effect for the benefit of the Underwriters, the Subscribers and the Company following the Closing Date and shall not be limited or prejudiced by any investigation made by or on behalf of the Underwriters in connection with the purchase and sale of the Flow-Through Shares. For greater certainty, and without limiting the generality of the foregoing, the provisions contained in this Agreement in any way related to the indemnification of the Underwriters by the Company or the contribution obligations of the Underwriters or those of the Company shall survive and continue in full force and effect for a period of two years following the Closing Date.

#### **11. Indemnity.**

The Company (the “**Indemnitor**”) hereby agrees to indemnify and hold the Underwriters and the directors, officers, employees, agents and shareholders of the Underwriters (hereinafter referred to as the “**Personnel**”) harmless from and against any and all expenses, losses (other than loss of profits), claims, actions, damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of its counsel that may be incurred in advising with respect to and/or defending any claim that may be made against the Underwriters, to which the Underwriters and/or its Personnel may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Indemnitor by the Underwriters and its Personnel hereunder or otherwise in connection with the matters referred to in the letter to which this is attached, provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

- (a) the Underwriters or the Personnel have been negligent, engaged in wilful misconduct or have committed any fraudulent act in the course of such performance; and

- (b) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the negligence, or fraud referred to in (a).

If for any reason (other than the occurrence of any of the events itemized in (a) and (b) above), the foregoing indemnification is unavailable to the Underwriters or insufficient to hold it harmless, then the Indemnitor shall contribute to the amount paid or payable by the Underwriters as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Underwriters on the other hand but also the relative fault of the Indemnitor and the Underwriters, as well as any relevant equitable considerations, provided that the Indemnitor shall, in any event, contribute to the amount paid or payable by the Underwriters as a result of such expense, loss, claim, damage or liability, any excess of such amount over the amount of the fees received by the Underwriters hereunder pursuant to the agreement to which this indemnity is attached.

The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor and/or the Underwriters by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Indemnitor and/or the Underwriters and any Personnel of the Underwriters shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Indemnitor by the Underwriters, the Underwriters shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Underwriters for time spent by its Personnel in connection therewith) and out-of-pocket expenses incurred at competitive rates by its Personnel in connection therewith shall be paid by the Indemnitor as they occur, provided that in no circumstances will the Indemnitor be required to pay the fees and expenses of more than one legal counsel for all of the Underwriters and the Personnel (collectively the “**Indemnified Persons**”), unless:

- (a) the Indemnitor and the Underwriters have mutually agreed to the retention of more than one legal counsel for the Indemnified Persons; or
- (b) the Indemnified Persons have or any of them has been advised in writing by legal counsel that representation of all of the Indemnified Persons by the same legal counsel would be inappropriate due to actual or potential differing interests between them.

Promptly after receipt of notice of the commencement of any legal proceeding against the Underwriters or any of its Personnel or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Underwriters will notify the Indemnitor in writing of the commencement thereof. Failure to so notify the Indemnitor shall not relieve the Indemnitor from liability except and only to the extent that the failure materially prejudices the Indemnitor. Throughout the course of such proceeding or investigation, the Underwriters will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed.

The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Personnel of the Underwriters and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor, the Underwriters and any of the Personnel of the Underwriters. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination thereof.

## 12. Action by Underwriters.

All steps which must or may be taken by the Underwriters in connection with this Agreement, with the exception of the matters relating to termination contemplated by Section 8 or matters relating to indemnity and contribution contemplated by Section 11, may be taken by Canaccord Genuity on behalf of itself and the Underwriters and the execution and delivery of this Agreement by the Company and the Underwriters shall constitute the authority of the Company for accepting any notice, request, direction, certificate, consent or other communication from Canaccord Genuity and for delivery by electronic deposit or otherwise the Flow-Through Shares, to Canaccord Genuity.

## 13. Obligation of the Underwriters to be Several.

Subject to the terms and conditions hereof, the obligation of the Underwriters to purchase the Flow-Through Shares shall be several (and not joint nor joint and several). The percentage of the Flow-Through Shares to be severally purchased and paid for by each of the Underwriters shall be as follows:

<u>Name of Underwriter</u>	<u>Syndicate Position</u>
Canaccord Genuity Corp.	50%
Desjardins Securities Inc.	20%
Industrial Alliance Securities Inc.	20%
Macquarie Capital Markets Canada Ltd.	10%
	<b>100%</b>

In the event that any Underwriter shall at the Closing Time fail to purchase its percentage of the Flow-Through Shares as provided above, (a “**Refusing Underwriter**”), and the percentage of Flow-Through Shares that have not been purchased by the Refusing Underwriter represents 10% or less of the aggregate Flow-Through Shares, the other Underwriters shall be severally, and not jointly, nor jointly and severally, obligated, to purchase all of the Flow-Through Shares that the Refusing Underwriter has failed to purchase; the Underwriters shall purchase such Flow-Through Shares pro rata to their respective percentages aforesaid or in such other proportions as they may otherwise agree. In the event that the percentage of Flow-Through Shares that have not been purchased by a Refusing Underwriter represents more than 10% of the aggregate Flow-Through Shares, the others, shall have the right, but shall not be obligated, to purchase all of the percentage of the Flow-Through Shares which would otherwise have been purchased by the Refusing Underwriter; the Underwriters exercising such right shall purchase such Flow-Through Shares, if applicable, pro rata to their respective percentages aforesaid or in such other proportions as they may otherwise agree. In the event that such right is not exercised fully to assume the entire obligations of the Refusing Underwriter(s), the other Underwriters that are not in default shall not be obligated to purchase any of the Flow-Through Shares in respect of which there has been a default and the Company shall have the right to terminate its obligations hereunder without liability except in respect of its indemnity, contribution and expense obligations in respect of the non-Refusing Underwriters. Nothing in this section shall relieve from liability to the Company any Underwriter which shall be so in default.

## 14. No Fiduciary Relationship.

The Company: (i) acknowledges and agrees that the Underwriters have certain statutory obligations as registered dealers under the Securities Laws and have relationships with their clients; and (ii) consents to the Underwriters acting hereunder while continuing to act for their clients. To the extent that the Underwriters’ statutory obligations as registered dealers under Securities Laws or relationships with their clients conflicts with their obligations hereunder, the Underwriters shall be entitled to fulfill their statutory obligations as registered dealers under Securities Laws and their obligations to their clients.

Nothing in this Agreement shall be interpreted to prevent the Underwriters from fulfilling their statutory obligations as registered dealers under Securities Laws or to act for their clients. Nothing in this Agreement or the nature of the Underwriters' involvement in the Offering shall be deemed to create a fiduciary or advisory relationship between the Underwriters and the Company or its shareholders, creditors, employees or any other party. The Underwriters have not provided any legal, accounting, regulatory, or tax advice with respect to the Offering.

## 15. Notices.

Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "notice") shall be in writing addressed as follows:

- (a) If to the Company, to:

Osisko Metals Incorporated  
1100 Ave Des Canadiens de Montreal, Bureau 300  
Montreal, Québec H3B 2S2

Attention: Paul Dumas, Chief Financial Officer  
Fax No.: (514) 861-4441

with a copy to:

Bennett Jones LLP  
One First Canadian Place, Suite 3400  
Toronto, Ontario, M5X 1A4

Attention: Sander Grieve  
Fax No.: (416) 777-4826

- (b) If to the Underwriters, to:

Canaccord Genuity Corp.  
P.O. Box 10337  
609 Granville Street, Suite 2100  
Vancouver, British Columbia V7Y 1H2

Attention: Gunnar Eggertson  
Fax No.: (604) 331-1446

with a copy to:

Cassels Brock & Blackwell LLP  
Suite 2100, Scotia Plaza, 40 King Street West,  
Toronto, Ontario, M5H 3C2

Attention: Chad Accursi  
Fax No.: (416) 360-8877

or to such other address as any of the parties may designate by notice given to the others.

Each notice shall be personally delivered to the addressee or sent by facsimile transmission to the addressee and (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by facsimile

transmission shall be deemed to be given and received on the first Business Day following the day on which it is sent.

**16. Time of the Essence.**

Time shall, in all respects, be of the essence hereof.

**17. Canadian Dollars.**

All references herein to dollar amounts are to lawful money of Canada.

**18. Headings.**

The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

**19. Singular and Plural, etc.**

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

**20. Entire Agreement.**

This Agreement, together with any other agreements and other documents referred to herein and delivered in connection herewith, constitutes the entire agreement between and among the parties hereto pertaining to the issue and sale of the Flow-Through Shares and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the parties with respect to the issue and sale of the Flow-Through Shares.

**21. Severability.**

The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

**22. Governing Law.**

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

**23. Successors and Assigns.**

The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Company, the Underwriters and the Subscribers and their respective executors, heirs, successors and permitted assigns; provided that, except as provided herein or in the Subscription Agreements, this Agreement shall not be assignable by any party without the written consent of the others.

**24. Further Assurances.**

Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

**25. Effective Date.**

This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

**26. General.**

The forbearance or failure of one of the parties hereto to insist upon strict compliance by the other with any provision of this Agreement, whether continuing or not, shall not be construed as a waiver of any rights or privileges hereunder. No waiver of any right or privilege of a party arising from any default or failure hereunder of performance by the other shall affect such party's rights or privileges in the event of a further default or failure of performance.

**27. Language.**

The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. Les parties reconnaissent avoir expressment demandées que la présente Convention ainsi que tout avis, tout état de compte et tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.

**28. Relationship with the TMX Group Limited**

Certain of the Underwriters, or affiliates thereof, own or control an equity interest in TMX Group Limited ("TMX Group"). In addition, certain of the Underwriters, or affiliates thereof, have nominee directors serving on the TMX Group's board of directors. As such, each such investment dealer may be considered to have an economic interest in the listing of securities on any exchange owned or operated by TMX Group, including the TSX. No Person is required to obtain products or services from TMX Group or its affiliates as a condition of any such dealer supplying or continuing to supply a product or service.

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**Counterparts.**

This Agreement may be executed in any number of counterparts and by facsimile, each of which so executed shall constitute an original and all of which taken together shall form one and the same agreement. If the Company is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this letter where indicated below and delivering the same to the Underwriters.

Yours very truly,

**CANACCORD GENUITY CORP.**

Per: “Trevor Eggertson”  
Authorized Signing Officer

**DESJARDINS SECURITIES INC.**

Per: “Bruno Kaiser”  
Authorized Signing Officer

**INDUSTRIAL ALLIANCE SECURITIES INC.**

Per: “David Beatty”  
Authorized Signing Officer

**MACQUARIE CAPITAL MARKETS CANADA LTD.**

Per: “David Cobbold”  
Authorized Signing Officer

Per: “Leif Nilsson”  
Authorized Signing Officer

The foregoing accurately reflects the terms of the transaction which we are to enter into and such terms are agreed to with effect as of the date provided at the top of the first page of this Agreement.

**OSISKO METALS INCORPORATED**

Per: "Paul Dumas"  
Authorized Signing Officer

## SCHEDULE "A"

### CONVERTIBLE AND EXCHANGEABLE SECURITIES

This is Schedule "A" to the Underwriting Agreement dated as of September 12, 2018 among Osisko Metals Incorporated and Canaccord Genuity Corp., Desjardins Securities Inc., Industrial Alliance Securities Inc., and Macquarie Capital Markets Canada Ltd.

<u>Outstanding Warrants:</u>	<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
Common share purchase warrants	15,781,250	\$1.00	July 18, 2019
Common share purchase warrants	10,811,885	\$1.50	February 23, 2019
Common share purchase warrants	1,084,000	\$1.30	August 24, 2019
Common share purchase warrants	617,196	\$0.74	December 20, 2018
Common share purchase warrants	3,484,247	\$1.11	December 20, 2018
<b>Total:</b>	<b>31,778,578</b>		

<u>Outstanding Incentive Stock Options:</u>	<u>Number</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
Options	1,200,000	\$0.30	May 31, 2021
Options	3,650,000	\$1.70	August 18, 2022
<b>Total:</b>	<b>4,850,000</b>		