

GLENCORE CANADA CORPORATION

- and -

OSISKO METALS INCORPORATED

ASSET PURCHASE AGREEMENT

DATED July 8, 2022

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ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement is made as of July 8, 2022 (the “**Effective Date**”) by and between:

BETWEEN: **GLENCORE CANADA CORPORATION**, a corporation existing under the laws of Ontario
(the “**Vendor**”);

AND: **OSISKO METALS INCORPORATED**, a corporation existing under the laws of British Columbia
(the “**Purchaser**”)

RECITALS:

- A. WHEREAS the Vendor holds mineral and immovable rights and other assets and properties in and near the municipality of Murdochville in the Province of Quebec;
- B. AND WHEREAS the Vendor desires to sell, transfer and assign to the Purchaser, and the Purchaser desires to acquire and assume from the Vendor, all of the Vendor’s right, title and interest in and to the Purchased Assets and the Assumed Liabilities with the objective of bringing into production the Copper Mountain open pit deposit, on the terms and subject to the conditions contained in this Agreement;

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

ARTICLE 1 – INTERPRETATION

1.01 Definitions

Capitalized words and expressions, wherever used in this Agreement or in any document ancillary hereto, shall have the following meaning, unless there be something in the subject or context inconsistent therewith:

(1) “**Action**” means any claim, action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity and by or before a Governmental Authority and whether asserted, threatened, pending or existing.

(2) “**Adjusted Term SOFR**” means the per annum rate equal to the sum of Term SOFR plus 0.42826% (42.826 basis points).

(3) “**Affiliate**” means in relation to any Person, any other Person that directly or indirectly Controls or is Controlled by or under common Control with the first mentioned Person.

(4) “**Agreement**” means this Asset Purchase Agreement and all the Schedules attached hereto, as they may be amended, restated or supplemented from time to time in accordance with the terms hereof.

(5) **“Applicable Law”** means, with respect to any Person, property, transaction, event or other matter, (a) any foreign or domestic constitution, treaty, law, statute, regulation, code, ordinance, principle of common law or equity, rule, municipal by-law, Order or other requirement having the force of law, (b) any policy, practice, protocol, standard, guideline or requirement of any Governmental Authority which, although not necessarily having the force of law, is regarded by such Governmental Authority as requiring compliance as if it had the force of law (collectively with the foregoing clauses (a) and (b), **“Law”**), in each case relating or applicable to such Person, property, transaction, event or other matter, and also includes, where appropriate, any interpretation of Law (or any part thereof) by any Person having jurisdiction over it, or charged with its administration or interpretation, and including Environmental Laws.

(6) **“Assigned Contracts”** means the Contracts listed in Schedule A.

(7) **“Assignment and Assumption Agreement”** means an assignment and assumption agreement, in form and substance satisfactory to the Parties, acting reasonably, evidencing the assignment to the Purchaser of the Vendor’s rights, benefits and interests in, to and under the Assigned Contracts and the assumption by the Purchaser of all of the Assumed Liabilities under the Assigned Contracts.

(8) **“Assumed Liabilities”** has the meaning set out in Section 2.06(1).

(9) **“Books and Records”** means all books, records, files, papers and similar documents and data related directly and exclusively to the Purchased Assets in the possession, custody or control of the Vendor, including geotechnical data, core logging data, laboratory analysis data, data related to drilling campaigns, geological mapping, production records, technical reports, surveys and environmental studies and reports and data, but excluding any portion of such documents to the extent that they consist of (i) any corporate, personnel and other books, records, files, papers and other documents and data of the Vendor that may contain information about assets of the Vendor other than the Purchased Assets, (ii) documents and data containing personal information, (iii) documents and data containing financing information, (iv) documents and data subject to solicitor-client privilege, (v) documents and data containing intellectual property and other proprietary information developed by the Vendor or any of its Affiliates or predecessors, and (vi) documents and data which are not proprietarily owned by the Vendor (such excluded portions, **“Excluded Books and Records”**).

(10) **“Business Day”** means any day except Saturday, Sunday or any day on which banks are generally not open for business in the City of Montréal, Quebec, or in the City of Toronto, Ontario.

(11) **“Canadian Securities Laws”** means the applicable Securities Laws of all provinces and territories of Canada, the regulations made and forms prescribed thereunder together with all applicable published rules, instruments, policy statements and blanket orders and rulings of the Canadian Securities Regulatory Authorities.

(12) **“Canadian Securities Regulatory Authorities”** has the meaning assigned to it in National Instrument 14-101 *Definitions*.

(13) **“Change of Control”** means the occurrence of any of the following:

- (i) the direct or indirect sale, transfer, conveyance or other disposition (including by way of amalgamation, merger or consolidation), in one or a

series of related transactions, of all or substantially all of the properties or assets of the Purchaser, taken as a whole, to any Person;

- (ii) any Person or group becomes the owner, directly or indirectly, of 50% or more of the voting power or the voting securities of the Purchaser;
- (iii) any Person amalgamates or consolidates with, or merges with or into (via plan of arrangement or otherwise), the Purchaser, or the Purchaser amalgamates or consolidates with, or merges with or into, such Person, in any such event pursuant to a transaction in which any of the outstanding voting securities of the Purchaser or such other Person are converted into or exchanged for cash, securities or other property in which the Purchaser is not the continuing or surviving corporation; or
- (iv) any other change in the Control of the Purchaser,

provided that, notwithstanding the foregoing, any acquisition of Control or change of Control of the Purchaser (or of any Person acquiring Control of the Purchaser), for so long as the Purchaser or such Person, as applicable, is publicly listed on a Recognized Exchange at the time the relevant transaction occurs, shall not constitute a Change of Control for the purposes of Section 7.01(1) (the “**Public Company Exception**”), provided further that the Public Company Exception shall only be applicable to the Ultimate Control Person of the Purchaser where such Ultimate Control Person is listed on a Recognized Exchange and the Public Company Exception shall not apply to any direct or indirect transfer or Change of Control of any other Person that is listed on a Recognized Exchange but that is not the Ultimate Control Person of the Purchaser.

(14) “**Claim**” has the meaning set out in Section 10.04(1).

(15) “**Closing**” means the completion of the purchase and sale of the Vendor’s right, title and interest in and to the Purchased Assets and the assumption by the Purchaser of the Assumed Liabilities in accordance with the provisions of this Agreement.

(16) “**Closing Date**” means the date that is five Business Days after the date on which the last of the conditions set forth in Section 8.01 and Section 8.02 is satisfied or waived (excluding conditions that, by their terms, cannot be satisfied until the date of Closing, but subject to the satisfaction or waiver of those conditions as of the Closing), or such other date as the Vendor and the Purchaser may mutually agree.

(17) “**Closing Time**” has the meaning set out in Section 9.02.

(18) “**Closure Plan**” means any reclamation, rehabilitation, remediation, restoration, waste disposal or treatment, water management, post-closure control measures, monitoring and ongoing maintenance and management programs for environmental impacts or other similar obligations required by Applicable Law, the terms and conditions of the applicable Permit, or by Governmental Authorities, in connection with the Mine, any past, present or future Mining Operations, the Property, the Project or any of the Purchased Assets.

(19) “**Commercial Production Date**” means the first date following the first period of thirty (30) consecutive days (excluding any statutory holidays during which the activities have

been suspended) during which the average throughput rate in the primary milling capacity at the Project is at least 60% of the designed capacity, as set out in a feasibility study (as such term is defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators) or a similar document published or prepared by or on behalf of the Purchaser or the operator of the Project.

(20) “**Common Shares**” means the common shares in the share capital of the Purchaser which the Purchaser is authorized to issue.

(21) “**Confidential Information**” has the meaning set out in Section 12.03.

(22) “**Constating Documents**” means the constitution, charter, the memorandum, the articles of association, the articles of incorporation, the articles of continuance, the articles of amalgamation, the by-laws or any other instrument pursuant to which an entity is created, incorporated, continued, amalgamated or otherwise established, as applicable as the case may be, and/or which governs in whole or in part such entity’s affairs, together with any amendments thereto.

(23) “**Contracts**” means all pending and executory contracts, agreements, leases, understandings and arrangements to which the Vendor is a party or by which the Vendor is bound or under which the Vendor has rights in connection with the Purchased Assets.

(24) “**Control**” means, in respect of a particular Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ability to exercise voting power, by contract or otherwise, and “**Controlled**” or “**Controlling**” have corresponding meanings. Without limiting the generality of the foregoing: (i) a Person Controls a corporation if securities of the corporation to which are attached more than 50% of the votes that may be cast to elect directors of the corporation are beneficially owned by the Person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the corporation; (ii) a Person Controls an unincorporated person, other than a limited partnership, if more than 50% of the ownership interests, however designated, into which the unincorporated Person is divided are beneficially owned by that Person and the Person is able to direct the business and affairs of the unincorporated Person; (iii) the general partner of a limited partnership Controls the limited partnership; and (iv) a Person who Controls a second Person is deemed to Control any other person that is Controlled, or deemed to be Controlled, by that second Person.

(25) “**Conversion Shares**” has the meaning set out in the Convertible Debenture.

(26) “**Conversion Warrant Shares**” means the Common Shares issuable upon the exercise of Conversion Warrants in accordance with their terms.

(27) “**Conversion Warrants**” has the meaning set out in the Convertible Debenture.

(28) “**Convertible Debenture**” means the convertible debenture to be entered into between the Purchaser and the Vendor on the Closing Date in the form attached as Schedule M.

(29) “**Convertible Securities**” means any securities convertible into or exercisable or exchangeable for Common Shares, including convertible debt securities and rights to purchase Equity Securities.

(30) “**Copper Mountain Project**” means the exploration, development, mining, closure, and remediation of the Copper Mountain open pit deposit located near the municipality of Murdochville in the Province of Quebec.

(31) “**Damages**” means any loss, cost, Liability, claim, interest, fine, penalty, assessment, Taxes, charge or damage available at law or in equity (excluding any incidental, consequential, special, aggravated, exemplary or punitive damages unless such damages are paid to a third party) and expense (including reasonable consultant’s and expert’s fees and expenses and reasonable costs, fees and expenses of legal counsel on a full indemnity basis, without reduction for tariff rates or similar reductions, and reasonable costs, fees and expenses of investigation, defence or settlement).

(32) “**Deeds of Hypothec**” means the deeds of hypothec to be entered into between the Purchaser and the Vendor on the Closing Date in the forms attached as Schedule B.

(33) “**Deed of Sale**” means the deed of sale to be entered into between the Purchaser and the Vendor on the Closing Date in the form attached as Schedule C.

(34) “**Deferred Payment**” has the meaning set out in Section 2.04(b).

(35) “**Direct Claim**” means any Claim that is recoverable under Section 10.02 or Section 10.03 and that is not a Third Party Claim.

(36) “**Drill Data**” means all reports, plans and other geological, geotechnical, environmental and engineering data and documents obtained or prepared in connection with the Drill Program.

(37) “**Drill Program**” has the meaning set out in Section 5.02(1).

(38) “**Due Diligence**” has the meaning set out in Section 5.01.

(39) “**Effective Date**” has the meaning ascribed to such term hereinabove.

(40) “**Encumbrances**” means all rights of retention, liens, security interests, charges, hypothecs, judgments, royalties, writs of seizure or execution, notices of sale, rights to acquire, whether or not they have been registered, published or filed and whether secured, unsecured or otherwise.

(41) “**Environmental Claim**” means any Action, Order, notice of violation or infraction, Encumbrance, fine, penalty, or as to each, any settlement or judgment arising therefrom, by or from any Person alleging Liability of whatever kind or nature (including Liability or responsibility for the costs of any enforcement proceeding, investigation, cleanup, governmental response, removal, restoration or remediation, property Damages, personal injury, monitoring, penalty, contribution, indemnification and injunctive relief) arising out of, based on or resulting from (a) the presence, Release of, or exposure to, any Hazardous Materials on, in, at or under the Mine, the Property or any of the Purchased Assets, (b) the management, protection, restoration or rehabilitation of the environment (including ambient air, soil, surface water, groundwater, wetlands, bodies of water or subsurface strata), natural resources, endangered or threatened species or human health or safety, or (c) any actual or alleged requirement or non-compliance with any Environmental Law, whether arising from or relating to any fact, activity, event or circumstance having occurred on, before or after Closing.

(42) “**Environmental Law**” means any Applicable Law or binding agreement with any Governmental Authority: (a) relating to pollution (or the investigation or cleanup thereof), the management or protection of natural resources, endangered or threatened species, human health or safety, or the protection restoration or rehabilitation of the environment (including ambient air, soil, surface water, groundwater, wetlands, bodies of water or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal, remediation, reporting or investigating of any Hazardous Materials, including (i) any condition or action required under any Permit or other evidence of authority, letter, declaration of compliance, clearance, consent, waiver, Closure Plan or exemption issued, granted, given, authorized by or to or made by any Governmental Authority pursuant to any Environmental Law, and (ii) the *Civil Code of Québec*, the *Guide d'intervention – Protection des sols et réhabilitation des terrains contaminés* published by the MELCC and dated May 2021 and the *Directive 019 sur l'industrie minière – mars 2012* published by the MELCC and dated March 2012, each as may be modified, amended or replaced from time to time.

(43) “**Environmental Liabilities**” means any and all past, present and future, actual or potential environmental Damages and Liabilities by whomsoever caused and of whatsoever nature or kind arising from or relating to, directly or indirectly to the Purchased Assets, the Mine, the Property, the Project (including, for clarity, any Damages and Liabilities arising from or relating to the Drill Program or any Work Expenditures), or the surface or subsurface areas thereof and any other lands used to gain access thereto, including (i) any surface, underground, air, ground water, surface water or other environmental condition or issue, (ii) any Reclamation Obligations, (iii) any Environmental Claim in respect of the Mine, any of the Purchased Assets, the Property, or the Project whether arising from or relating to any activity, event or circumstance having occurred before or after Closing; (iv) the presence, removal of or failure to remove foundations, structures, pipeline, equipment, facilities and other movable or corporeal property or assets, (v) the presence, storage, use, holding, collection, accumulation, assessment, generation, manufacture, processing, treatment, stabilization, disposition, handling, transportation, Release, emission or discharge of any Hazardous Material or any other substances and materials regulated under any Applicable Law, including any corrosion to or deterioration of any structures or other property; (vi) compliance with or the consequences of any non-compliance with, or violation or breach of, any Applicable Law pertaining to the environment or to the protection of the environment; (vii) sampling, monitoring or assessing the environment or any potential impacts thereon from or associated with any past, present or future activities or operations; and (viii) abnormal neighbourhood annoyances, suffered by any Person as a result of or in any way related to the Purchased Assets, and in all cases regardless of whether such Liabilities or Damages are related to the events of condition that occurred or existed before or after Closing.

(44) “**Equity Financing**” means the issuance and sale of Equity Securities, directly or indirectly, for cash or cash equivalents other than (i) the issuance of Equity Securities upon the exercise of any stock options granted in accordance with the terms of the governing stock option plans in respect thereof, or (ii) the issuance of Equity Securities pursuant to any of the Purchaser's security based compensation arrangements, provided that the grant of any such right to acquire Equity Securities was made in the ordinary course of business and consistent with past practice.

(45) “**Equity Securities**” means the Common Shares or Convertible Securities.

(46) “**Exchange**” means the TSXV and/or any other stock exchange on which the Common Shares are listed by the Purchaser at any given time.

(47) “**Excluded Assets**” means the properties and assets of the Vendor other than the Purchased Assets and includes, for clarity, Excluded Books and Records and the Vendor Surety Bonds.

(48) “**Excluded Books and Records**” has the meaning set out in Section 1.01(9).

(49) “**Expenditure Report**” has the meaning set out in Section 7.02(2).

(50) “**Floor**” means a rate of interest equal to two and a half percent (2.5%) per annum.

(51) “**Force Majeure**” has the meaning set out in Section 12.05(1).

(52) “**Governmental Authority**” means:

- (i) any domestic or foreign government, whether national, federal, provincial, state, territorial, municipal or local (whether administrative, legislative, executive or otherwise);
- (ii) any agency, authority, ministry, department, regulatory body, court, central bank, bureau, board or other instrumentality having legislative, judicial, taxing, regulatory, prosecutorial or administrative powers or functions of, or pertaining to, government;
- (iii) any court, tribunal, commission, individual, arbitrator, arbitration panel or other body having adjudicative, regulatory, judicial, quasi-judicial, administrative or similar functions; and
- (iv) any other body or entity created under the authority of or otherwise subject to the jurisdiction of any of the foregoing, including any stock or other securities exchange or professional association.

(53) “**GST/HST**” means the goods and services tax and harmonized sales tax imposed under Part IX of the *Excise Tax Act* (Canada).

(54) “**Hazardous Materials**” means: (a) any material, substance, chemical, waste, product, derivative, compound, mixture, solid, liquid, mineral, gas, odour, heat, sound, vibration, radiation or combination of them that may impair the natural environment, injure or damage property or animal life or harm or impair the health of any individual and includes any contaminant, waste, substance or material defined, prohibited, regulated or reportable pursuant to any Environmental Law, in each case whether naturally occurring or manmade; and (b) any petroleum or petroleum-derived products, radon, radioactive materials or wastes, asbestos in any form, lead or lead-containing materials, urea formaldehyde foam insulation and polychlorinated biphenyls.

(55) “**ICA**” means the *Investment Canada Act* (Canada).

(56) “**Indemnified Party**” means a Party or its Indemnitees having a right to indemnification under this Agreement from an Indemnifying Party in respect of any Direct Claim or Third Party Claim.

(57) “**Indemnifying Party**” means a Party having an obligation under this Agreement to indemnify an Indemnified Party or its Indemnitees from and against any Direct Claim or Third Party Claim.

(58) “**Indemnitees**” means with respect to any Person to which an indemnity is granted pursuant to this Agreement, its Affiliates and the respective directors, officers, and employees of such Person and its Affiliates.

(59) “**Indemnity Agreement**” means the indemnity agreement to be entered into between the Purchaser and the Vendor on the Closing Date in the form attached as Schedule D.

(60) “**Intellectual Property**” means all intellectual property and industrial property of the Vendor, throughout the world, whether or not registrable, patentable or otherwise formally protectable, and whether or not registered, patented, otherwise formally protected or the subject of a pending application for registration, patent or any other formal protection, including all (a) trade-marks, corporate names and business names, (b) inventions, (c) works and subject matter in which copyright, neighbouring rights or moral rights subsist, (d) industrial designs, (e) know-how, trade secrets, proprietary information, confidential information and information of a sensitive nature that have value to the Vendor or relate to business opportunities for the Vendor, in whatever form communicated, maintained or stored, (f) telephone numbers and facsimile numbers, (g) registered domain names, and (h) social media usernames and other internet identities and all account information relating thereto.

(61) “**Interest Period**” means each successive period of six months’ duration commencing on the date hereof; provided that in any case the last day of each Interest Period will be also the first day of the next Interest Period and further provided that the last day of each Interest Period will be a Business Day. If the last day of an Interest Period is not a Business Day, it will be deemed to be the Business Day next following the last day of the Interest Period unless such next following Business Day falls in the next calendar month, in which event it will be deemed to be the Business Day immediately preceding the last day of the Interest Period.

(62) “**Interim Period**” means the period from the Effective Date until the Option Deadline or, if the Option has been duly exercised by the Purchaser in accordance with Section 2.02, the Closing Date.

(63) “**Investor Rights Agreement**” means the investor rights agreement to be entered into between the Purchaser and the Vendor on the Closing Date and that shall include the terms and conditions set out in Schedule T.

(64) “**ITA**” means the *Income Tax Act* (Canada).

(65) “**Law**” has the meaning set out in the definition of “**Applicable Law**”.

(66) “**Legal Proceeding**” means any litigation, Action, application, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory, criminal, arbitration proceeding or other similar proceeding before or by any court or other tribunal or Governmental Authority and includes any appeal or review thereof and any application for leave for appeal or review.

(67) **“Lender”** means a lender or other financier that provides debt, royalty, stream or similar financing to the Purchaser to finance the development, construction, operation and/or closure of the Project.

(68) **“Liability”** means, with respect to any Person, any liability or obligation of such Person of any kind, nature, character or description which a Person suffers, sustains, pays or incurs, directly or indirectly, whether contractual, extra-contractual, fiduciary, statutory, under the *Civil Code of Québec*, in equity, under Applicable Law or otherwise, and whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

(69) **“MELCC”** means the Quebec Ministry of the Environment and the Fight against Climate Change, and any predecessor or successor thereof.

(70) **“MERN”** means the Quebec Ministry of Energy and Natural Resources, and any predecessor or successor thereof.

(71) **“Mine”** means the closed Gaspé Copper Mine and all related past, present and future smelters, workings, installations, facilities, infrastructure, equipment, plants and lands in and near Murdochville in the Province of Quebec.

(72) **“Minerals”** means any and all mineral substances, ores and concentrates, metals or other mineral products derived therefrom, including any ore products derived from any processing or reprocessing of any tailings, waste rock or other waste products originally derived therefrom, and which may lawfully be explored for, mined, excavated, extracted, removed, produced or otherwise recovered from the Property and sold pursuant to the Mining Rights or other rights or instruments of title under which any of the Purchased Assets is held.

(73) **“Mining Operations”** means every kind of work done on or in respect of the Mine, the Property and/or the Project, whether on exploration, development or mining, closure or remediation, and includes, without limitation, carrying out, or causing to be carried out, the work of assessment, line cutting, geophysical, geochemical and geological surveys, library research, data compilation, report preparation, studies and mapping, assaying and metallurgical testing, drilling, designing, examining, equipping, improving, surveying, trenching, shaft-sinking, raising, crosscutting and drifting, searching for, digging, processing, refining, stockpiling, loading, trucking, shipping, off-loading, unloading, sampling, working and procuring Minerals and other products associated with such operations, staking and obtaining Mining Rights or other exploitation titles and keeping the same in good standing and renewing same, and doing all other work usually considered to be assessment, prospecting, exploration, development, pre-production, mining or reclamation work.

(74) **“Mining Rights”** means the mining claims, mining concessions and any other mining or mineral rights related to the Mine issued to, granted to or otherwise conferred upon or otherwise acquired by the Vendor and listed in Schedule E.

(75) **“Mining Rights Transfer Form”** means a mining rights transfer application in the form prescribed by the MERN, satisfactory to the Parties, acting reasonably, evidencing the conveyance to the Purchaser of the Vendor’s right, title and interest in and to the Mining Rights

located in the Province of Quebec and to be registered at the Public Register, and “**Mining Rights Transfer Forms**” means more than one of them.

(76) “**Non-Cash Transaction**” means a transaction whereby the Purchaser issues Equity Securities for non-cash consideration, or as a result of a consolidation, amalgamation, merger, arrangement, corporate reorganization or similar transaction or business reorganization resulting in a combined company.

(77) “**Notice of Claim**” has the meaning set out in Section 10.04(1).

(78) “**Offtake Agreement(s)**” means the offtake agreement(s) for certain mineral products to be entered into between the Purchaser and the Vendor on the Closing Date in the forms attached as Schedule F.

(79) “**Offtake Rights**” has the meaning set out in Section 2.03(3).

(80) “**Option**” has the meaning set out in Section 2.01.

(81) “**Option Deadline**” has the meaning set out in Section 2.02.

(82) “**Option Exercise Notice**” has the meaning set out in Section 2.02.

(83) “**Option Period**” means the period from the Effective Date to the earlier of the Option Deadline and the date on which the Option Exercise Notice is received by the Vendor.

(84) “**Order**” means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.

(85) “**Outside Date**” means the date that is 12 months after the Effective Date or such other date as the Parties may mutually agree.

(86) “**Outstanding Equity Securities**” means the number of the Common Shares issued and outstanding at a particular time on a fully diluted basis.

(87) “**Owned Real Property**” means the real property owned by the Vendor and listed in Schedule G.

(88) “**Partner Rights**” means any rights, options, royalties, area of interest rights, privileges or other entitlements of any nature or kind that La Compagnie d’exploration et de développement de la Baie d’Hudson Ltée or WMC International Ltd. may have in connection with any of the Purchased Assets.

(89) “**Party**” means a party to this Agreement, and any reference to a Party includes its successors and permitted assigns, and “**Parties**” means more than one of them.

(90) “**Permits**” means the permits, licenses, authorizations, approvals or other evidence of authority related to the Mine or the Purchased Assets and that are listed in Schedule I.

(91) “**Permitted Encumbrances**” means:

- (i) statutory Encumbrances and other Encumbrances pursuant to Applicable Laws;

- (ii) servitudes or rights-of-way for the passage, ingress and egress of Persons and vehicles over parts of the Purchased Assets;
- (iii) servitudes, easements, rights-of-way, restrictions or other similar rights for the supply of utilities to the Purchased Assets and for drainage, storm or sanitary sewers, public utility lines, telephone lines, cable television lines or other services;
- (iv) Encumbrances related to public or statutory obligations, including rehabilitation and restoration obligations and related surety and bonds requirements where required by Applicable Law;
- (v) Encumbrances imposed pursuant to statute such as builders', mechanics', materialman's, carriers', warehousemen's, Persons having taken part in the construction or renovation of an immovable and landlords' liens and privileges;
- (vi) restrictive covenants, contractual restrictions and grants, private deed restrictions and other similar land use control agreements;
- (vii) restrictive covenants, servitudes and other similar rights, granted to, reserved or taken on any registered subdivision, development, servicing, site plan or other similar agreement;
- (viii) minor encroachments by any structure located on the Purchased Assets onto any adjoining lands and any minor encroachment by any structure located on adjoining lands onto the Purchased Assets;
- (ix) title defects, irregularities, easements, servitudes, rights-of-way or other discrepancies in title or possession relating to the Purchased Assets;
- (x) provisions of Applicable Law, including by-laws, regulations, airport zoning regulations, ordinances and similar instruments relating to development and zoning;
- (xi) reservations, exceptions, limitations, provisos and conditions expressed in or implied by statute in any original Crown grants or patents or original grants from any Governmental Entity of any land or interest therein, statutory exceptions to title, and reservations or similar Encumbrances in favour of any Governmental Entity affecting any Purchased Assets or the Property;
- (xii) leases and registrations or notices with respect to leases;
- (xiii) rights reserved to or vested in any Governmental Authority by the terms of any lease, license, franchise, grant, concession or permit acquired by the Vendor or by any statutory provision to terminate any such lease, license, franchise, grant, concession or permit, or to require annual or other payments as a condition to the continuance thereof;

- (xiv) rights of any Governmental Authority to levy taxes, rents, royalties or other payments on Minerals or the income or revenue therefrom;
- (xv) undetermined or inchoate Encumbrances and charges arising or potentially arising under statutory provisions which have not at the time been filed or registered in accordance with Applicable Law or of which written notice has not been duly given in accordance with Applicable Law;
- (xvi) adverse claims made by aboriginal groups or any other Persons in respect of any of the Purchased Assets;
- (xvii) notices of contamination, notices of decontamination and notices of use restriction registered on title; and
- (xviii) Encumbrances set out in Schedule N.

(92) **“Person”** is to be broadly interpreted and includes an individual, a corporation, a partnership, a trust, an unincorporated organization, a Governmental Authority and the executors, administrators or other legal representatives of an individual in such capacity.

(93) **“Products”** means all saleable products in whatever state (including by-products, intermediate stage products which may be produced through leach, flotation or other recovery methods) mined, produced or otherwise extracted from the mining, milling, smelting, refining or other forms of processing/extracting by any Person at, on or from the Project, the Purchased Assets, the Mine or the Property, including any products derived from any processing or reprocessing of tailings, waste rock or other material originally derived from the Project, the Purchased Assets, the Mine or the Property.

(94) **“Project”** means the Copper Mountain Project and any other Mining Operations in connection with the Purchased Assets, the Mine or the Property.

(95) **“Property”** means the Mine, the Owned Real Property, the perimeter of the Mining Rights, and any and all present or future right, title and interest of the Purchaser (and of any of its successors and assigns, including their successors and assigns in title to the Property) in any present and future exploration licenses, authorizations, mining claims, mining leases, mining concessions, leases to mine Minerals, and other form of mineral or land tenures held by the Purchaser or any Affiliate thereof for the purposes of the Project, whether contractual, statutory or otherwise.

(96) **“Proprietary Marks”** has the meaning set out in Section 9.07.

(97) **“Public Company Exception”** has the meaning set out in Section 1.01(13).

(98) **“Public Register”** means the Public Register of Real and Immovable Mining Rights maintained by the MERN.

(99) **“Purchased Assets”** has the meaning set out in Article 2, and excludes, for greater certainty, the Excluded Assets and the Vendor Retained Interests.

(100) **“Purchaser”** has the meaning set out in the preamble hereto, and includes any successor or permitted assignee thereof.

(101) **“Purchaser Public Documents”** means, collectively, all of the documents which have been filed by or on behalf of the Purchaser since December 31, 2019 with the relevant Canadian Securities Regulatory Authorities pursuant to the requirements of applicable Canadian Securities Laws on the System for Electronic Document Analysis and Retrieval (SEDAR).

(102) **“QST”** means the Quebec sales tax imposed pursuant to the *Act respecting the Québec sales tax* (Quebec).

(103) **“Real Property Leases”** means the leases listed in Schedule H.

(104) **“Reclamation Obligations”** means the obligations and commitments of the Vendor of any nature whatsoever under Applicable Law for the sampling, characterization, reclamation, rehabilitation, remediation, restoration, treatment or monitoring of the Mine, the Purchased Assets, the Property or the Project, whether such obligations are asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured, including the obligations and costs of reclamation, decommissioning, rehabilitation and restoration set forth in any Closure Plan.

(105) **“Recognized Exchange”** means a recognized national stock exchange, including the London Stock Exchange, the New York Stock Exchange, the Toronto Stock Exchange, the TSXV, the Australian Stock Exchange, the Johannesburg Stock Exchange, the Hong Kong Stock Exchange and the NASDAQ Stock Market.

(106) **“Release”** includes any actual or potential release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, piping, facility or fixture).

(107) **“Relevant Governmental Body”** means the Federal Reserve Board or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board or the Federal Reserve Bank of New York, or any successor thereto.

(108) **“Representative”** when used with respect to a Person, means each director, officer, employee, consultant, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.

(109) **“Replacement Surety Bonds”** has the meaning set out in Section 7.04.

(110) **“Royalty”** means the net smelter returns royalties retained by the Vendor as set forth in the Royalty Agreement.

(111) **“Royalty Agreement”** means the royalty agreement to be entered into between the Purchaser and the Vendor on the Closing Date in the form attached as Schedule K.

(112) **“Securities Laws”** means, collectively, Canadian Securities Laws and all other Applicable Laws regulating trading in, or the issuance of, the Common Shares.

(113) **“Shareholder Approval”** means the approval by the shareholders of the Purchaser of (i) the issuance of the Convertible Debenture and the issuance and listing of the securities of the Purchaser issuable thereunder and (ii) the Vendor’s becoming a new Control

Person (as such term is defined under the policies of the TSXV) of the Purchaser upon the issuance and subsequent conversion of the Convertible Debenture.

(114) “**Shareholders**” means the shareholders of the Purchaser.

(115) “**SOFR**” means a rate equal to the secured overnight financing rate as administered by the Federal Reserve Bank of New York (or a successor administrator of the secured overnight financing rate).

(116) “**Stock Options**” has the meaning set out in Section 4.01(13)(b).

(117) “**Subsidiary**” means, in respect of any Person, another Person that is Controlled by such first-mentioned Person.

(118) “**Taxes**” means, with respect to any Person, all supranational, national, federal, provincial, state, local or other taxes, including income taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, QST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties.

(119) “**Tax Returns**” means all returns, reports, declarations, elections, notices, filings, information returns, and statements in respect of Taxes that are required to be filed, or were in fact filed, with any applicable Governmental Authority, including all amendments, schedules, attachments or supplements thereto and whether in tangible or electronic form.

(120) “**Technical Information**” means all Drill Data and all studies, work products and other financial, exploration, development technical, environmental or legal data, reports, and information related to the Mine, any of the Purchased Assets, the Drill Program, the Work Expenditures or related works and programs.

(121) “**Term SOFR**” means the greater of (a) the Term SOFR Reference Rate for a tenor comparable to the applicable Interest Period on the day (such day, the “**Periodic Term SOFR Determination Day**”) that is two U.S. Government Securities Business Days prior to the first day of such Interest Period, as such rate is published by the Term SOFR Administrator; provided, however, that if as of 5:00 p.m. (New York City time) on any Periodic Term SOFR Determination Day the Term SOFR Reference Rate for the applicable tenor has not been published by the Term SOFR Administrator, then Term SOFR will be the Term SOFR Reference Rate for such tenor as published by the Term SOFR Administrator on the first preceding U.S. Government Securities Business Day for which such Term SOFR Reference Rate for such tenor was published by the Term SOFR Administrator so long as such first preceding U.S. Government Securities Business Day is not more than three U.S. Government Securities Business Days prior to such Periodic Term SOFR Determination Day, and (b) the Floor.

(122) **“Term SOFR Administrator”** means CME Group Benchmark Administration Limited (CBA) (or a successor administrator of the Term SOFR Reference Rate selected by the Vendor in its reasonable discretion).

(123) **“Term SOFR Reference Rate”** means the forward-looking term rate based on SOFR.

(124) **“Third Party Claim”** means any Claim instituted or asserted by a third party against a Party or its Indemnitee and which is recoverable under Section 10.02 or Section 10.03.

(125) **“Transaction Documents”** means, collectively, this Agreement, the Convertible Debenture, the Royalty Agreement, the Offtake Agreement(s), the Indemnity Agreement, the Investor Rights Agreement, the Deed of Sale, the Mining Rights Transfer Form, the Deeds of Hypothec and the Assignment and Assumption Agreement(s).

(126) **“Transfer”** has the meaning set out in Section 7.01(1)(a).

(127) **“Transfer Taxes”** means all applicable Taxes, including GST/HST and QST and transfer duties where applicable, payable upon or in connection with the transactions contemplated by this Agreement and any filing, registration, recording or transfer fees payable in connection with the instruments of transfer provided for in this Agreement.

(128) **“Transferee”** has the meaning set out in Section 7.01(2).

(129) **“TSXV”** means the TSX Venture Exchange.

(130) **“TSXV Approval”** means the conditional approval by the TSXV of the issuance of the Convertible Debenture and the issuance and listing of the securities of the Purchaser issuable thereunder (including the Conversion Warrant Shares), subject to such terms and conditions that are satisfactory to the Vendor and the Purchaser, acting reasonably.

(131) **“U.S. Government Securities Business Day”** means any day except for (a) a Saturday, (b) a Sunday or (c) a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in United States government securities.

(132) **“Ultimate Control Person”** of the Purchaser is the Person who ultimately Controls the Purchaser, whether directly or indirectly through Affiliates, and where such Control is exercised by the Ultimate Control Person indirectly through other Affiliates of the Ultimate Control Person, the replacement, insertion or removal of any such Affiliates shall not constitute a Change of Control, provided that the Ultimate Control Person continues, notwithstanding such replacement or removal, to Control the Purchaser as aforesaid.

(133) **“Vendor”** has the meaning set out in the preamble hereto, and includes any successor or permitted assignee thereof.

(134) **“Vendor Retained Interests”** means, collectively, (i) the Royalty and (ii) the Offtake Rights.

(135) **“Vendor Surety Bonds”** means the surety and other bonds or letters of credit posted or delivered by or on behalf of the Vendor or any of its Affiliates with Governmental

Authorities or any other Persons to secure obligations of the Vendor (including as set out in Schedule S).

(136) **“Warrant Certificate”** means the definitive certificate substantially in the form attached as Schedule A to the Convertible Debenture.

(137) **“Warrants”** has the meaning set out in Section 4.01(13)(b).

(138) **“Work Expenditures”** has the meaning set out in Section 7.02(1).

1.02 **Interpretation**

(1) **Actions on Non-Business Days.** If any payment is required to be made or other action (including the giving of notice) is required to be taken pursuant to this Agreement on a day which is not a Business Day, then such payment or action shall be considered to have been made or taken in compliance with this Agreement if made or taken on the next succeeding Business Day.

(2) **Currency and Payment Obligations.** Except as otherwise expressly provided in this Agreement: (a) all dollar amounts referred to in this Agreement are stated in the lawful currency of Canada; and (b) any payment by the Purchaser contemplated by this Agreement shall be made by wire transfer of immediately available funds to an account of the Vendor specified by the Vendor, by cash, by certified cheque or by any other method that provides immediately available funds as agreed to between the Parties.

(3) **Calculation of Time.** In this Agreement, a period of days shall be deemed to begin on the first day after the event which began the period and to end at 5:00 p.m. Eastern time on the last day of the period. If any period of time is to expire hereunder on any day that is not a Business Day, the period shall be deemed to expire at 5:00 p.m. Eastern time on the next succeeding Business Day.

(4) **Tender.** Any tender of documents or money hereunder may be made upon the Parties or their respective counsel.

(5) **Knowledge.** As used in this Agreement, the term “Knowledge” shall mean: (i) in the case of the Vendor or any Representative of the Vendor, the actual knowledge of a particular fact of Helen Harper, without inquiry; and (ii) in the case of the Purchaser or any other Person, the actual knowledge of such Vendor or Person and that knowledge which a reasonably prudent Person could have obtained after making due inquiry and exercising due diligence with respect thereto.

(6) **Additional Rules of Interpretation.** In this Agreement, unless the context requires otherwise:

(a) Words in one gender include all genders and words in the singular include the plural and vice versa;

(b) The inclusion in this Agreement of headings of Articles and Sections and the provision of a table of contents are for convenience of reference only and are not intended to be full or precise descriptions of the text to which they refer.

- (c) Unless the context requires otherwise, references in this Agreement to Articles, Sections or Schedules are to Articles or Sections of this Agreement, and Schedules to this Agreement.
- (d) Wherever the words “include”, “includes” or “including” are used in this Agreement, they shall be deemed to be followed by the words “without limitation” and the words following “include”, “includes” or “including” shall not be considered to set forth an exhaustive list.
- (e) The words “hereof”, “herein”, “hereto”, “hereunder”, “hereby” and similar expressions shall be construed as referring to this Agreement in its entirety and not to any particular Section or portion of it.
- (f) Unless otherwise indicated, all references in this Agreement to any statute include the regulations thereunder, in each case as amended, re-enacted, consolidated or replaced from time to time and in the case of any such amendment, re-enactment, consolidation or replacement, reference herein to a particular provision shall be read as referring to such amended, re-enacted, consolidated or replaced provision and also include, unless the context otherwise requires, all applicable guidelines, bulletins or policies made in connection therewith.
- (g) All references herein to any agreement (including this Agreement), document or instrument mean such agreement, document or instrument as amended, supplemented, modified, varied, restated or replaced from time to time in accordance with the terms thereof and, unless otherwise specified therein, includes all schedules attached thereto.

1.03 **Schedules**

The following are the Schedules attached to and incorporated in this Agreement by reference and deemed to be a part hereof:

Schedule A – ASSIGNED CONTRACTS

Schedule B – FORMS OF DEEDS OF HYPOTHEC

Schedule C – FORM OF DEED OF SALE

Schedule D – FORM OF INDEMNITY AGREEMENT

Schedule E – MINING RIGHTS

Schedule F – FORM(S) OF OFFTAKE AGREEMENT(S)

Schedule G – OWNED REAL PROPERTY

Schedule H – REAL PROPERTY LEASES

Schedule I – PERMITS

Schedule J – PURCHASED ASSETS

Schedule K – FORM OF ROYALTY AGREEMENT

Schedule L – FORM OF OPTION EXERCISE NOTICE

Schedule M – FORM OF CONVERTIBLE DEBENTURE

Schedule N – ENCUMBRANCES

Schedule O – ALLOCATION OF CONSIDERATION

Schedule P – DRILL PROGRAM

Schedule Q – FORM OF VENDOR'S BRING-DOWN CERTIFICATE

Schedule R – FORM OF PURCHASER'S BRING-DOWN CERTIFICATE

Schedule S – VENDOR SURETY BONDS

Schedule T – INVESTOR RIGHTS

Schedule U – CONSENTS

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Schedules and the interpretation provisions set out in this Agreement apply to the Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Schedules to a designated Article, Section or other subdivision refer to the Article, Section or other subdivision, respectively, of this Agreement.

ARTICLE 2 – OPTION, PURCHASE AND SALE OF ASSETS

2.01 Option to Purchase

Subject to the terms and conditions of this Agreement, in consideration of the sum of \$1.00 now paid by the Purchaser to the Vendor and other good and valuable consideration, the Vendor hereby grants the Purchaser the option, on an exclusive basis (the “**Option**”), to purchase from the Vendor, at the Closing Time, all of the Vendor's right, title and interest in and to the assets of the Vendor listed in Schedule J (the “**Purchased Assets**”).

2.02 Exercise of Option

The Purchaser may exercise the Option at its sole discretion by delivering to the Vendor a written notice in the form attached hereto as Schedule L (the “**Option Exercise Notice**”) on or before July 8, 2022 or such other date as the Parties may mutually agree in writing (the “**Option Deadline**”).

2.03 Purchase and Sale of Purchased Assets

(1) Subject to the Option having been exercised in accordance with Section 2.02, and to the other terms and conditions of this Agreement, the Vendor shall sell, transfer and convey to the Purchaser, and the Purchaser shall purchase and receive from the Vendor, at the Closing Time, all of the Vendor's right, title and interest in and to the Purchased Assets.

(2) For clarity, the Purchased Assets shall not include, and the Purchaser shall obtain no interest of the Vendor in, the Vendor Retained Interests.

(3) For greater certainty, in addition to the Offtake Agreement(s), the Vendor shall continue, following Closing, to have the right, but not the obligation, to be the sole and exclusive purchaser of all Products not governed by the Offtake Agreement(s) (the “**Offtake Rights**”). The purchase price and other terms with respect to such Products that Glencore elects to purchase shall be customary arm’s length market terms as determined in good faith by the Parties.

2.04 **Consideration**

In consideration for the purchase, transfer and conveyance of all of the rights, titles, and interests of the Vendor in and to the Purchased Assets and other provisions hereof, and subject to the Option having been exercised in accordance with Section 2.02 and to the other terms and conditions set forth in this Agreement, Purchaser hereby agrees to:

- (a) pay US\$25,000,000 to the Vendor on the Closing Date, which payment shall be satisfied by the issuance of the Convertible Debenture on the Closing Date;
- (b) pay US\$20,000,000 (the “**Deferred Payment**”) to the Vendor no later than thirty (30) Business Days after the Commercial Production Date, which payment shall be made by wire transfer of immediately available funds in accordance with the wire transfer instructions to be provided by the Vendor to the Purchaser; and
- (c) with effect from Closing, assume the Assumed Liabilities in compliance with Section 2.06.

2.05 **First-Ranking Hypothecs**

(1) The rights of the Vendor pursuant to this Agreement, the Convertible Debenture, the Offtake Agreement(s), the Royalty Agreement, the Indemnity Agreement and the Offtake Rights shall be secured by first ranking hypothecs in the forms of the Deeds of Hypothec attached as Schedule B and published in all registers required to make them duly enforceable and opposable to third parties.

(2) Upon written request of the Purchaser, and provided that the Purchaser is not in default under any of the Transaction Documents, the Vendor shall negotiate in good faith towards settling an agreement whereby the Deeds of Hypothec and the security created thereby will rank *pari passu* with the claims of any Lenders of the Purchaser, provided that any such Lenders shall acknowledge and agree to the rights, obligations, covenants, restrictions and other terms in favour of the Vendor contained in the Transaction Documents, whether upon the realization of security or otherwise.

2.06 **Assumed Liabilities**

(1) From and after Closing, the Purchaser shall assume and be solely responsible and liable for all past, present and future Damages and Liabilities, including all Environmental Liabilities, suffered, sustained, paid or incurred by the Vendor or any of the Vendor’s Indemnitees, and, in addition and as an independent covenant, shall defend, indemnify and save harmless the Vendor and each of the Vendor’s Indemnitees from and against all Damages and Liabilities, including all Environmental Liabilities, suffered, sustained, paid or incurred by them and all Actions

made against them, in either case, in respect of the Purchased Assets, the Property and/or any past, present or future operations, including Mining Operations, and matters associated therewith or related thereto, whether or not resulting from any act or omission of the Purchaser or otherwise (the “**Assumed Liabilities**”).

(2) The Purchaser acknowledges and agrees that it shall not be entitled to any rights or remedies as against the Vendor or any of the Vendor’s Indemnitees pertaining to any such Assumed Liabilities, including the right to name the Vendor or any of the Vendor’s Indemnitees as a “third party” to any action commenced by any Person against the Purchaser in connection with such Assumed Liabilities.

(3) The Purchaser’s obligations set forth in this Section 2.06 shall survive Closing Date indefinitely.

ARTICLE 3 – TAX AND ALLOCATION

3.01 Allocation of Consideration

The amount of the consideration referred to in Section 2.04 shall be allocated among the Purchased Assets in the manner set out in Schedule O. If the amount of the consideration shall be adjusted pursuant to the terms of this Agreement, the amount of such adjustment shall also be allocated in a manner consistent with Schedule O. The allocation of the consideration shall be binding on the Parties, and the Parties shall report the transaction described herein in a manner entirely consistent with Schedule O and shall not take any position contrary thereto in the filing of their Tax Returns or in the course of any audit by any Governmental Authority, Tax review or Tax proceeding relating to such Tax Returns, except to the extent required by Applicable Law.

3.02 Taxes Extra

All consideration and other amounts payable by the Purchaser under this Agreement, including the consideration referred to in Section 2.04, is exclusive of any applicable Transfer Taxes. The Purchaser shall be liable for and shall pay all applicable Transfer Taxes to the Vendor or to the relevant Governmental Authority as required by Applicable Law.

3.03 Tax Elections

(1) If available, at Closing, the Vendor and the Purchaser shall execute jointly an election under section 167 of the *Excise Tax Act* (Canada) and, if applicable, its equivalent in Quebec pursuant to section 75 of the *Act respecting the Québec sales tax* (Quebec) to have the sale of the Purchased Assets take place on a GST/HST-free basis under Part IX of the *Excise Tax Act* (Canada) and on a QST-free basis pursuant to the *Act respecting the Québec sales tax* (Quebec). The Purchaser shall file the elections in the manner and within the time prescribed by the relevant legislation. Should the Parties make the election(s) and a Governmental Authority subsequently determines that the election(s) were not available or did not apply to all or a portion of the consideration payable, the Purchaser is liable for and shall indemnify and hold the Vendor harmless for all GST/HST, QST, interest and penalty that is assessed against the Vendor in respect of the sale of the Purchased Assets, and the Purchaser shall pay such amounts forthwith upon receiving a written request from the Vendor therefor. The Purchaser is also liable for and responsible to pay any GST/HST and QST that the Purchaser is required to pay to a Governmental Authority.

(2) If so requested by the Vendor in its sole discretion, the Purchaser and the Vendor shall jointly execute and file an election under subsection 20(24) of the ITA in the manner required by subsection 20(25) of the ITA and under the equivalent or corresponding provisions of any other applicable provincial or territorial statute, in the prescribed forms and within the time period permitted under the ITA and under any other applicable provincial or territorial statute, as to such amount paid by the Vendor to the Purchaser for assuming future obligations. In this regard, the Purchaser and the Vendor acknowledge that a portion of the Purchased Assets transferred by the Vendor pursuant to this Agreement and having a value equal to the amount elected under subsection 20(24) of the ITA and the equivalent provisions of any applicable provincial or territorial statute in the relevant election, is being transferred by the Vendor as a payment for the assumption of such future obligations by the Purchaser.

3.04 **Tax Cooperation**

The Purchaser and the Vendor will furnish or cause to be furnished to each other, each at its own expense, as promptly as practicable, such information, documentation and assistance and provide additional information and explanations of any material provided, relating to the purchase and sale of the Purchased Assets as is reasonably necessary for the filing of any Tax Returns, for the claim or application for any relief, for the claim of any tax credit, refund or similar payment, for the preparation of any audit and for the prosecution or defence of any Action, relating to any adjustment or proposed adjustment with respect to Taxes.

ARTICLE 4 – REPRESENTATIONS AND WARRANTIES

4.01 **Representations and Warranties of the Purchaser**

The Purchaser hereby represents and warrants to the Vendor as follows:

(1) **Standing.** The Purchaser is a corporation incorporated, organized and subsisting under the laws of British Columbia.

(2) **Requisite Authority.** The Purchaser has the corporate power, authority and capacity to execute and deliver this Agreement, the other Transaction Documents and all other agreements and instruments to be executed by the Purchaser as contemplated herein and therein, and to perform its obligations under this Agreement, each of the other Transaction Documents and under all such other agreements and instruments.

(3) **No Conflict.** The execution and delivery of this Agreement, the other Transaction Documents and other agreements and instruments to be executed by the Purchaser as contemplated herein and therein will not violate, nor will be in conflict with any provision of any material agreement or instrument to which the Purchaser is a party or by which the Purchaser is bound, any Applicable Law, any legislation enacted by member states and signatories implementing the *OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions*, any Order or the Constatng Documents of the Purchaser.

(4) **Consent.** Except for filings with the TSXV, there is no requirement for the Purchaser to make any filing with, give any notice to or obtain any Permit of, any Governmental Authority as a condition to the lawful consummation of the transactions contemplated by the Transaction Documents.

(5) Execution and Enforceability. This Agreement has been duly executed and delivered by the Purchaser and constitutes a valid and binding obligation of the Purchaser enforceable against the Purchaser in accordance with its terms.

(6) Residency. The Purchaser is not a “non-Canadian” within the meaning of the ICA.

(7) GST/HST & QST Registration. The Purchaser is and upon Closing shall remain registered for GST/HST purposes under Subdivision D of Division V of Part IX of the *Excise Tax Act* (Canada) and for QST purposes under Chapter VIII of Title I of *an Act respecting the Québec sales tax* (Quebec) with GST/HST and QST numbers that are valid and in good standing and as follows:

GST/HST registration number – *[Redacted – Personal Information]*

QST registration number – *[Redacted – Personal Information]*

(8) Brokerage. The Purchaser has not employed, or entered into any agreement or understanding with, any broker or finder or incurred any liability for any brokerage commission, finder’s fee or other similar payment in connection with the transactions contemplated by this Agreement or any of the other Transaction Documents.

(9) No Third Persons. In entering into this Agreement and the other Transaction Documents, the Purchaser is acting as principal for its own account and not for the benefit of any other Person, whether as agent, trustee or otherwise.

(10) Financing. The Purchaser has or will have sufficient financing for it to make the payments provided for in Section 2.04(a) and Section 2.04(b), to pay Transfer Taxes, to perform and satisfy the Assumed Liabilities, including the Environmental Liabilities, when due and to comply with the covenants, agreements and obligations of the Vendor pursuant to this Agreement and the other Transaction Documents.

(11) Legal Proceedings. There is no Legal Proceeding against the Purchaser that is pending or, to the Purchaser’s knowledge, threatened against the Purchaser in any court or by or before any Governmental Authority that would adversely affect the Purchaser’s ability to perform its obligations under this Agreement, each of the Transaction Documents or any other agreement or instrument to be executed by the Purchaser in connection therewith on a timely basis.

(12) Anti-Bribery Laws. The Purchaser, its Affiliates and its and its Affiliates’ directors, officers, agents, employees, Representatives and all other persons acting on its or their behalf have complied with, and will comply with, all Applicable Laws, rules and regulations, including sanctions, anti-bribery and corruption, anti-money laundering and tax Laws, and none of such Persons authorized, offered, promised, paid or otherwise given, or will authorize, offer, promise, pay or otherwise give, whether directly or indirectly, any bribe, rebate, payoff, influence payment, kickback or other financial or other advantage to or for the use or benefit of any public official or any private individual (i) for the purpose of inducing or rewarding that Person’s improper performance of their relevant function or (ii) that would be a breach of any Applicable Law, or used or will use any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense.

(13) Capitalization.

- (a) The Purchaser has authorized share capital consisting of an unlimited number of Common Shares, of which, as of the date hereof, there are 225,671,771 Common Shares issued and outstanding.
- (b) As of the date hereof, there are 20,314,916 Common Share purchase warrants (the "**Warrants**") and 12,401,134 options to acquire Common Shares pursuant to the Purchaser's stock option plan (the "**Stock Options**") outstanding. All of the Common Shares issuable upon the exercise of rights under the Warrants and Stock Options have been duly authorized and, upon issuance in accordance with their respective terms, will be validly issued as fully paid and non-assessable and are not and will not be subject to or issued in violation of any pre-emptive rights.
- (c) Except for the Warrants and Stock Options, as of the date hereof there are no issued, outstanding or authorized options, equity-based awards, warrants, calls, conversion, pre-emptive, redemption, repurchase, stock appreciation, registration or other rights, or any other agreements, arrangements, instruments or commitments of any kind that obligate the Purchaser or any of its Subsidiaries to, directly or indirectly, issue or sell any securities of the Purchaser or any of its Subsidiaries, or give any Person a right to subscribe for or acquire, any securities of the Purchaser or any of its Subsidiaries. The Purchaser is not a party to any agreement, nor does the Purchaser have knowledge of any agreement, which in any manner affects the voting control of any of the securities of the Purchaser or its Subsidiaries.
- (d) All of the outstanding shares or other equity interests of the Purchaser and of each of its Subsidiaries have been fully paid and have been validly issued in compliance with the Constatting Documents of the Purchaser and each Subsidiary, as applicable, and in compliance with Applicable Law and not in violation of or subject to any Encumbrance or pre-emptive rights or other contractual rights to purchase securities issued by the Purchaser or any of the Subsidiaries or any other claim of any third party.

(14) Common Shares, Conversion Shares, Conversion Warrants and Conversion Warrant Shares.

- (a) No order, ruling or decision granted by a securities commission, court of competent jurisdiction or regulatory or administrative body or other Governmental Authority having jurisdiction is in effect, pending or threatened that restricts any trades in any securities of the Purchaser including any cease trade orders and, to the knowledge of the Purchaser, no facts or circumstances exist which would reasonably be expected to give rise to any such order, ruling or decision or other similar claims or investigations.
- (b) The currently issued and outstanding Common Shares are listed and posted for trading on the TSXV and the Purchaser is in compliance in all material respects with all of the listing conditions on the TSXV. The Purchaser 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.

- (c) The Conversion Shares, the Conversion Warrants and the Conversion Warrant Shares have been duly authorized for issuance and sale by all necessary action on the part of the Purchaser and, when issued and delivered by the Purchaser in accordance with the terms of the Debenture or respective Warrant Certificate, as applicable:
- (i) will have been validly issued and will be outstanding as fully paid and non-assessable securities in the capital of the Purchaser;
 - (ii) will not have been issued in violation of or subject to any pre-emptive rights or other contractual rights to purchase securities issued by the Purchaser;
 - (iii) in the case of the Conversion Shares and Conversion Warrant Shares, will be listed and posted for trading on the Exchange; and
 - (iv) will be freely tradeable, subject to any applicable resale restrictions, including applicable hold periods imposed by the applicable Securities Laws.

(15) Convertible Debenture.

- (a) The form of certificate representing the Convertible Debenture attached as Schedule M has been approved by the board of directors of the Purchaser and adopted by the Purchaser and complies with Applicable Law.
- (b) The Convertible Debenture has been duly authorized for issuance and sale by the Purchaser.
- (c) At all times prior to the full conversion of the Convertible Debenture, the Purchaser will be in a position to issue such number of Conversion Shares, Conversion Warrants and Conversion Warrant Shares in accordance with the terms of the Convertible Debenture and will be permitted to do so under applicable rules and regulations of the Exchange.

(16) Reporting Issuer Status. The Purchaser is a reporting issuer in the Provinces of British Columbia and Alberta. The Purchaser is in compliance in all material respects with applicable Securities Laws and is not on the list of defaulting reporting issuers maintained by the Canadian securities regulatory authorities for the Provinces of British Columbia and Alberta.

(17) Continuous Disclosure. Since December 31, 2019, the Purchaser has been in compliance in all material respects with its continuous disclosure obligations under Securities Laws, and, without limiting the generality of the foregoing, since December 31, 2019, there has been no material change that has occurred which has not been publicly disclosed. The information and statements in the Purchaser Public Documents were true and correct in all material respects as of the respective dates of such information and statements and at the time that any such documents were filed on SEDAR and, as of the respective dates filed (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such filing), did not contain an untrue statement of a material fact and did not omit to state any material fact that was required to be stated or necessary to prevent a statement that is made from being false or misleading in the circumstances in which it was made. The Purchaser has not filed any confidential material change reports which remain confidential as at the date hereof.

(18) Transfer Agent. TSX Trust Company, at its offices in Toronto, has been duly appointed as registrar and transfer agent for the Common Shares.

4.02 **Representations and Warranties of the Vendor**

The Vendor hereby represents and warrants to the Purchaser as follows:

(1) Standing. The Vendor is a corporation incorporated, organized and subsisting under the laws of Ontario.

(2) Requisite Authority. The Vendor has the corporate power, authority and capacity to execute and deliver this Agreement, the other Transaction Documents and all other agreements and instruments to be executed by the Vendor as contemplated herein and therein, and to perform its obligations under this Agreement, each of the other Transaction Documents and under all such other agreements and instruments.

(3) No Conflict. The execution and delivery of this Agreement, all other Transaction Documents and other agreements and instruments to be executed the Vendor as contemplated herein and therein will not violate, nor will be in conflict with any provision of any material agreement or instrument to which Vendor is a party or by which the Vendor is bound, any Applicable Law, any Order or the Constatng Documents of the Vendor.

(4) Consent. Except as set out in Schedule U, there is no requirement for the Vendor to make any filing with, give any notice to or obtain any Permit of, any Governmental Authority as a condition to the lawful consummation of the transactions contemplated by this Agreement. Except as set out in Schedule A and Schedule U, there is no requirement under any Assigned Contract to give any notice to, or to obtain the consent or approval of, any party to such Assigned Contract relating to the consummation of the transactions contemplated by this Agreement.

(5) Execution and Enforceability. This Agreement has been duly executed and delivered by the Vendor and constitutes a valid and binding obligation of the Vendor enforceable against the Vendor in accordance with its terms.

(6) GST/HST & QST Registration. The Vendor is registered for GST/HST purposes under Subdivision D of Division V of Part IX of the *Excise Tax Act* (Canada) and for QST purposes under Chapter VIII of Title I of *an Act respecting the Québec sales tax* (Quebec) and its GST/HST and QST numbers are valid and in good standing and are as follows:

GST/HST registration number – *[Redacted – Personal Information]*

QST registration number – *[Redacted – Personal Information]*

(7) Mining Rights. To the Vendor's Knowledge, the Mining Rights are valid and are in full force and effect as of the Effective Date. Except as set out in Schedule E, the Vendor is the sole registered holder and beneficial owner of the Mining Rights. Except for ordinary course renewal, filing and similar notices from Governmental Authorities, in the past 12 months, the Vendor has not received any notice, whether written or oral, from any Governmental Authority of any revocation or intention to revoke any interest of the Vendor in the Mining Rights or of any expropriation or proceedings or intention or proposal to commence any such expropriation or proceeding from any Governmental Authority in respect of the Purchased Assets.

(8) Encumbrances. To the Vendor's Knowledge, the Purchased Assets are free and clear of all Encumbrances created by, through or under the Vendor, except for or pursuant to any Permitted Encumbrances.

(9) No Other Rights. To the Vendor's Knowledge and except for the Partner Rights and Permitted Encumbrances, there are no outstanding rights of any third party to acquire any right, title or interest in or to the Purchased Assets or any part thereof.

(10) Permits. To the Vendor's Knowledge, Schedule I includes a list of all material Permits held by the Vendor as of the Effective Date in connection with the Purchased Assets. For greater certainty, the Vendor does not represent and warrant that such Permits remain valid and are in full force and effect as of the Effective Date, and the Purchaser acknowledges that it has been provided with the right and the opportunity to conduct Due Diligence with respect to such Permits.

(11) Environmental Matters.

- (a) To the Vendor's Knowledge, there are no Actions against the Vendor alleging a material violation by the Vendor of any Environmental Laws in connection with the Purchased Assets and that remain outstanding as of the Effective Date;
- (b) to the Vendor's Knowledge, no Release of Hazardous Materials has occurred in the surface or subsurface areas of the Mining Rights in the last three (3) years, except as could not reasonably be expected to result in a material Liability; and
- (c) all material reports, audits and assessments pertaining to the environmental condition of the Purchased Assets and that were obtained by the Vendor in the last three (3) years have been provided to the Purchaser.

(12) Aboriginal. To the Vendor's Knowledge, the Vendor has not entered into any written arrangement with any First Nation or Governmental Authority to provide benefits, pecuniary or otherwise, to any First Nation with respect to the Project and has not, in the past 12 months, received any written correspondence from, or engaged in negotiations with, any First Nation regarding the foregoing.

(13) Legal Proceedings. There is no Legal Proceeding against the Vendor that is pending or, to the Vendor's knowledge, threatened against the Vendor in any court or by or before any Governmental Authority that would adversely affect the Vendor's ability to perform its obligations under this Agreement.

(14) Anti-Bribery Laws. To the Vendor's Knowledge, in the past three (3) years, the Vendor and its directors, officers, agents, employees, Representatives and all other Persons acting on the Vendor's behalf have complied with, and will comply with, all Applicable Laws, rules and regulations, including sanctions, anti-bribery and corruption, anti-money laundering and tax Laws, and none of such Persons authorized, offered, promised, paid or otherwise given, or will authorize, offer, promise, pay or otherwise give, whether directly or indirectly, any bribe, rebate, payoff, influence payment, kickback or other financial or other advantage to or for the use or benefit of any public official or any private individual (i) for the purpose of inducing or rewarding

that Person's improper performance of their relevant function or (ii) that would be a breach of any Applicable Law, or used or will use any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense, in each case, in connection with any of the Purchased Assets.

(15) Brokerage. The Vendor has not employed, or entered into any agreement or understanding with, any broker or finder or incurred any liability for any brokerage commission, finder's fee or other similar payment in connection with the transactions contemplated by this Agreement or any of the other Transaction Documents.

4.03 **As is, Where is**

(1) Notwithstanding any other provision of this Agreement, the Purchaser acknowledges, agrees and confirms that:

- (a) except for the representations and warranties of the Vendor set forth in Section 4.02, it is entering into this Agreement and purchasing the Purchased Assets on an "as is, where is" basis as they exist as of Closing Time, and will accept the Purchased Assets in their state, condition and location as of Closing Time except as expressly set forth in this Agreement, and the sale of the Purchased Assets is made without legal warranty and at the risk and peril of the Purchaser;
- (b) it is familiar with the condition of the Purchased Assets, including the past use of the Purchased Assets as an integrated mining, processing and smelting facility, the closure and scope of the rehabilitation carried out in connection with the Purchased Assets and present use of the Purchased Assets, and, subject to Section 5.01, it has been provided with the right and the opportunity to conduct Due Diligence with respect to the Purchased Assets, the Assumed Liabilities, including the Environmental Liabilities, and any other existing or potential Liabilities pertaining to the Purchased Assets;
- (c) except as expressly stated in Section 4.02, neither the Vendor nor any other Person is making, and the Purchaser is not relying on, any representations, warranties, statements or promises, express or implied, statutory or otherwise, concerning the Purchased Assets, the Vendor's right, title, interest or condition in or to the Mine or any of the Purchased Assets, including with respect to merchantability, physical or financial condition, description, fitness for a particular purpose, suitability for development, title, description, use or zoning, environmental, geological or geotechnical condition, existence of latent defects, quality, quantity or any other thing affecting of that may affect the Mine, the Property, the Project or any of the Purchased Assets, Assumed Liabilities, including the Environmental Liabilities, or in respect of any other matter or thing whatsoever, including any and all conditions, warranties or representations expressed or implied pursuant to any Applicable Law in any jurisdiction, which the Purchaser confirms do not apply to this Agreement and are hereby waived in their entirety by the Purchaser;
- (d) without limiting the generality of the foregoing, except as expressly stated in Section 4.02, the Vendor has made no representation or warranty as to any regulatory approvals, Permits, licenses, authorizations, approvals or other

evidence of authority, consents or authorizations that may be needed to complete the transactions contemplated by this Agreement or to restart or operate the Mine or any portion thereof or to initiate and implement the Project, and the Purchaser is relying entirely on its own investigation, due diligence and inquiries in connection with such matters;

- (e) except as expressly stated in Section 4.02, any information regarding or describing the Purchased Assets (other than the list of Mining Rights), the Mine, the Property, the Project, the Assumed Liabilities, including the Environmental Liabilities, in this Agreement (including the Schedules hereto), in the Indemnity Agreement or in any other agreement or instrument contemplated hereby is for identification purposes only and is not relied upon by the Purchaser, and no representation, warranty or condition, express or implied, has or will be given by the Vendor or any other Person concerning the completeness or accuracy of such information or descriptions;
- (f) except as otherwise expressly provided in this Agreement, the Purchaser hereby unconditionally and irrevocably waives any and all actual or potential rights or claims the Purchaser might have against the Vendor pursuant to any warranty, express or implied, legal or conventional, of any kind or type, other than those representations and warranties expressly set forth in Section 4.02. Such waiver is absolute, unlimited, and includes, but is not limited to, waiver of express warranties, implied warranties, any warranties contained in any Applicable Law, warranties of fitness for a particular use, warranties of merchantability, warranties of occupancy, strict liability and claims of every kind and type, including claims regarding defects, whether or not discoverable or latent, product liability claims or similar claims and all other claims that may be later created or conceived in strict liability or as strict liability type claims and rights; and
- (g) for greater certainty and to the extent applicable, the Parties hereby agree to exclude altogether the effect of the legal warranty provided for by article 1716 of the *Civil Code of Québec* and agree that the Purchaser is purchasing the Purchased Assets at its own risk within the meaning of article 1733 of the *Civil Code of Québec*.

(2) This Section 4.03 shall not merge on Closing and is deemed incorporated by reference in all closing documents and deliveries. The Purchaser shall have no recourse or claim of any kind against the proceeds of the transactions contemplated by this Agreement following Closing.

ARTICLE 5 – OPTION PERIOD

5.01 Due Diligence and Access

During the Option Period, the Vendor shall, upon reasonable notice from the Purchaser, give, or cause to be given, to the Purchaser and its Representatives reasonable access to the Purchased Assets, during normal business dates and hours of the Vendor at such location, to conduct such inspections of the Purchased Assets, including legal, technical, environmental and financial due diligence, as the Purchaser deems reasonably necessary or desirable to further familiarize itself with the Purchased Assets and the Assumed Liabilities, including the Environmental Liabilities but excluding however any survey, testing, sampling,

drilling, digging, boring or other intrusive activities unless authorized pursuant to Section 5.02 (the “**Due Diligence**”). Without limiting the generality of the foregoing, the Purchaser shall be permitted reasonable access during normal business hours of the Vendor at such location to all documents relating to information scheduled or required to be disclosed under this Agreement. The Due Diligence shall be carried out at the Purchaser’s sole and exclusive risk and during normal business hours of the Vendor at such location, and the Vendor shall use commercially reasonable efforts to furnish to the Purchaser or its Representatives copies of relevant documents as may be requested by the Purchaser, acting reasonably, for the purposes of its Due Diligence, provided that such documents are readily available to the Vendor. In exercising access rights pursuant to this Section 5.01, the Purchaser and its Representatives shall ensure that such rights are exercised in accordance with the Vendor’s HSEC standards, practices and protocols.

5.02 **Drill Program**

(1) The Purchaser shall, during the Option Period, fund and execute the drill program attached as Schedule P hereto (the “**Drill Program**”) in an amount no less than C\$ 5 million.

(2) The Purchaser shall not make or implement any changes to the Drill Program during the Option Period without the prior written approval of the Vendor, such approval not to be unreasonably withheld, provided that (i) in no event shall the amount of Work Expenditures to be incurred under the Drill Program be less than C\$ 5 million, and (ii) the Vendor shall be under no obligation to approve any such changes to the Drill Program involving work that could, in the reasonable opinion of the Vendor, materially affect, increase, accelerate any Environmental Liability of the Vendor in connection with the Purchased Assets, the Mine, the Property or the Project.

(3) The results of the Drill Program and all Drill Data shall remain the property of the Vendor, subject to the acquisition of such Drill Data by the Purchaser pursuant to Section 2.03.

(4) The Vendor hereby grants the Purchaser a limited, non-exclusive and non-transferable license to use the Drill Data during the Interim Period solely for the purpose of making the election to exercise the Option.

5.03 **Covenants**

- (1) During the Option Period, the Purchaser shall:
- (a) enter into an indemnity agreement in respect of the Drill Program and related activities prior to commencement of the Drill Program;
 - (b) ensure that the Drill Program is conducted in accordance with the Vendor’s HSEC standards, practices and protocols;
 - (c) reimburse the Vendor any reasonable additional documented costs and expenses incurred by the Vendor as a result of oversight, supervision or otherwise in connection with a Drill Program;

- (d) keep separate records relating to all Work Expenditures incurred pursuant to or in connection with the Drill Program; and
 - (e) provide the Vendor with weekly reports on the status of the Drill Program and accounting statements of the Work Expenditures incurred to date in connection with such program. Each such report shall include the description of the results obtained to date and anticipated key steps and shall be accompanied by copies of the relevant Drill Data.
- (2) During the Option Period, the Purchaser shall not:
- (a) carry out any works on or in connection with the Purchased Assets other than the Drill Program;
 - (b) apply for any Permit, license, authorization, approval or other evidence of authority in connection with the Drill Program without the prior written consent of the Vendor, such consent not to be unreasonably withheld; or
 - (c) apply for any Permit, license, authorization, approval or other evidence of authority in connection with the construction or operation of the Project or any other activity in connection with the Property or the Purchased Assets other than the Drill Program, without the prior written consent of the Vendor, which can be given or denied at the Vendor's entire discretion.

ARTICLE 6 – INTERIM PERIOD

6.01 Management of Purchased Assets

During the Interim Period, the Vendor:

(1) shall retain control and management of the Purchased Assets and shall continue to maintain the Mine and the Purchased Assets in accordance with (i) its past practices, (ii) best practice ESG principles and (iii) closure, engagement and other obligations, each of (i) through (iii) in its sole discretion; and

(2) shall not, without the prior written consent of the Purchaser, dispose of, assign, transfer or encumber any of the Purchased Assets or its interest therein, in whole or in part, except (i) in accordance with existing obligations, (ii) in the ordinary course, (iii) consistent with past practices, or (iv) with the prior written consent of the Purchaser, which shall not be unreasonably withheld.

6.02 Risk of Loss

The Purchased Assets shall be at the risk of the Vendor until the end of the Option Period. If, before or on the last day of the Option Period, all or substantially all of the Purchased Assets are expropriated or seized by any Governmental Authority or any other Person in accordance with Applicable Law, or if notice of any such expropriation or seizure is given in accordance with Applicable Law, the Purchaser shall in such circumstances have the option, in its sole discretion, exercisable by notice to the Vendor given prior to the last day of the Option Period:

- (a) to terminate this Agreement as provided in Section 11.01(b); or
- (b) to complete the purchase of the Purchased Assets without any adjustments to the consideration referred to in Section 2.04.

Prior to the last day of the Option Period, the Vendor shall notify the Purchaser in writing of the occurrence of any such event affecting all or substantially all of the Purchased Assets promptly after the occurrence thereof.

ARTICLE 7 – COVENANTS

7.01 Transfer Restrictions

- (1) Following Closing, the Purchaser shall not:
 - (a) transfer, directly or indirectly, any of the Mining Rights, Owned Real Property, rights in any of the Real Property Leases or any right, title or interest that it now has or may hereafter have therein, in whole or in part, to any Person, or agree to do so, or grant any Person an option or right to acquire any of the Mining Rights, Owned Real Property, rights in any of the Real Property Leases or any right, title or interest that it now has or may hereafter have therein, in whole or in part (each such action, a “**Transfer**”); or
 - (b) unless the Public Company Exception applies, effect or consummate any Change of Control, or allow or agree to any Change of Control being effected or consummated,

without a prior written consent of the Vendor, such consent not to be unreasonably withheld or delayed.

(2) As a condition precedent to obtaining the Vendor’s consent required pursuant to Section 7.01(1), the Purchaser shall obtain from the intended transferee, acquirer, resulting Person or any other Person having acquired, or intending to acquire, the Control of the Purchaser as a result of a Change of Control (each such Person, a “**Transferee**”), an acknowledgement in writing to the Vendor, in form and content to the reasonable satisfaction of the Vendor, that the Transferee assumes all of the Purchaser’s obligations under this Agreement and each of the Transaction Documents as if it were a named party thereunder in the first instance (including, for clarity, the provisions of this Section 7.01(2)).

(3) If the Public Company Exception applies, the Purchaser shall obtain from the Transferee, or cause the Transferee to deliver to the Vendor, as soon as reasonably practicable following the consummation of the transaction to which the Public Company Exception applies, an acknowledgement in writing, in form and content to the reasonable satisfaction of the Vendor, that the Transferee assumes all of the Purchaser’s obligations under this Agreement and each of the Transaction Documents as if it were a named party thereunder in the first instance (including, for clarity, the provisions of this Section 7.01(3)).

(4) The terms of any such Transfer or Change of Control shall provide for the transfer restrictions and obligations of the Transferee which are substantially similar to those set out in this Section 7.01 (including this Section 7.01(4)) and which shall apply to any subsequent Transfer by, or a Change of Control with respect to, the Transferee.

7.02 **Work Expenditures**

(1) Between March 25, 2022 and March 25, 2026, the Purchaser shall incur at least C\$ 55 million in exploration, development and environmental expenditures for drilling (including the Drill Program), assaying, mineral processing optimization, pit-constrained reserve definition, environmental impact assessment, engineering and economic studies, and project development works on the Copper Mountain Project (the “**Work Expenditures**”). Work Expenditures may include a pro-rata portion of salaries and wages (including benefits) paid by the Purchaser to employees and contractors assigned to work on the Copper Mountain Project (calculated based on the proportion of the amount of time spent by such employees and contractors on works directly related to the Copper Mountain Project to the total time spent by such employees and contractors on other works paid by the Purchaser).

(2) From and after Closing, the Purchaser shall deliver to the Vendor quarterly accounting statements of the Work Expenditures incurred since March 25, 2022 along with reports on the status of related programs and works and anticipated Project development schedule (each such statement and report, an “**Expenditure Report**”). The Purchaser shall deliver the first Expenditure Report to the Vendor not later than 45 days following the Closing Date and every three months thereafter until an Expenditure Report provided by the Purchaser to the Vendor will have confirmed that at least C\$ 55 million in Work Expenditures (including the Work Expenditures incurred under the Drill Program) have been incurred by the Purchaser.

(3) In the event that the Purchaser incurs less than C\$ 20 million in Work Expenditures by March 25, 2024, the Purchaser shall pay to the Vendor an annual amount corresponding to the Work Expenditure deficit at the end of each given year, as set out in the relevant Expenditure Report, multiplied by the sum of the then applicable Adjusted Term SOFR plus 4%, until such threshold has been satisfied. Subject to Section 7.02(4), the first of such annual payments shall be made by the Purchaser to the Vendor or as the Vendor directs not later than five (5) Business Days following delivery by the Purchaser to the Vendor of the first Expenditure Report confirming such deficit, and each of the following annual payments, if applicable, shall be made on the subsequent anniversary dates of the first payment.

(4) In the event that the Purchaser incurs less than C\$ 55 million in Work Expenditures by March 25, 2026, the Purchaser shall pay to the Vendor an annual amount corresponding to the Work Expenditure deficit at the end of each given year, as set out in the relevant Expenditure Report, multiplied by the sum of the then applicable Adjusted Term SOFR plus 4%, until such threshold has been satisfied. The first of such annual payments shall be made by the Purchaser to the Vendor or as the Vendor directs not later than five (5) Business Days following delivery by the Purchaser to the Vendor of the first Expenditure Report confirming such deficit, and each of the following annual payments, if applicable, shall be made on the subsequent anniversary dates of the first payment.

(5) Payments which are required to be made by the Purchaser pursuant to Section 7.02(3) or Section 7.02(4) but are not paid when due shall bear interest until paid at a rate per annum equal to Adjusted Term SOFR plus 4% for the relevant Interest Period, accrued at the end of each Interest Period and payable annually on June 30 of each year.

(6) For clarity, any payments made by the Purchaser pursuant to Section 7.02(3) or Section 7.02(4) shall not reduce the minimum amount of Work Expenditures that the Purchaser shall incur pursuant to Section 7.02(1).

(7) Within 90 days after the Vendor receives an Expenditure Report pursuant to Section 7.02(2), the Vendor may deliver notice to the Purchaser that it desires to audit the Work Expenditures included in such report completed by an independent firm of certified public accountants acceptable to the Vendor. If the Vendor delivers such notice, the Purchaser shall cooperate with the Vendor and provide necessary documentation as reasonably requested by the Vendor to conduct its audit and the Vendor shall use reasonable commercial efforts to ensure that it is concluded within 180 days following the date of receipt by the Purchaser of the Vendor's notice. The cost of such audit will be borne equally by the Parties. The conclusion of the audit shall be final and determinative of the expenditures to be credited towards the Work Expenditures for the relevant period. This Section 7.02(7) shall apply, *mutatis mutandis*, to the reports and accounting statements provided by the Purchaser pursuant to Section 5.03(1)(e).

7.03 **Project Development**

(1) The Purchaser hereby agrees and covenants that it shall finance all costs and expenses, and execute all necessary work, on a commercially reasonable efforts basis, in support of the objective of achieving the Commercial Production Date within six (6) years from the Closing Date.

(2) The Purchaser hereby agrees and covenants that until the Deferred Payment has been paid to the Vendor, it shall comply with, observe and perform all the requirements and provisions which attach to each of the Mining Rights and each of the Real Property Leases and shall, without limiting the generality of the foregoing:

- (a) do all things necessary to keep each of the Mining Rights and each of the Real Property Leases in good standing and free from liability to forfeiture or non-renewal;
- (b) comply at all times with all Applicable Laws, including Environmental Laws, applicable to the Purchased Assets;
- (c) pay all fees, rents, rates and other sums levied or assessed on or in connection with any of the Mining Rights, any of the Owned Real Property or any of the Real Property Leases; and
- (d) comply with all the expenditure and work conditions relating to each of the Mining Rights and each of the Real Property Leases.

7.04 **Vendor Surety Bonds**

The Purchaser acknowledges and agrees that it shall replace each Vendor Surety Bond with a new surety bond satisfactory to the applicable Governmental Authority or other Person holding such Vendor Surety Bond (collectively, the "**Replacement Surety Bonds**") or take any other action, to the satisfaction of the applicable Governmental Authority or Person holding such Vendor Surety Bond, so that such Vendor Surety Bond is returned to the Vendor or is otherwise cancelled at or prior to Closing.

7.05 **Vendor Equity Rights**

Between the Effective Date and the Closing Date, in the event that the Purchaser proposes to issue Equity Securities in connection with an Equity Financing or in connection with

a Non-Cash Transaction, the Purchaser covenants to do so in accordance with the investor rights terms and conditions set out in Schedule T, which terms and conditions shall, for clarity, become effective as of the Effective Date for the purpose of this Section 7.05, and provided that, for the purpose of this Section 7.05, the “**Glencore Pro Forma Percentage**” shall mean, at any given time, the percentage of the issued and outstanding Common Shares that would have been beneficially owned by the Vendor and its Affiliates, collectively, if at such time (i) the Convertible Debenture had been issued by the Purchaser to the Vendor and had been converted by the Vendor in full pursuant to the terms thereof and (ii) the Conversion Warrants had been exercised in full pursuant to the terms thereof.

ARTICLE 8 – CONDITIONS TO CLOSING

8.01 Purchaser’s Conditions

The Purchaser shall not be obligated to complete the transactions contemplated by this Agreement, unless, at or before Closing Time, each of the conditions listed below in this Section 8.01 has been satisfied:

- (a) The Vendor shall have executed and delivered or caused to be executed and delivered to the Purchaser all the documents contemplated in Section 9.03.
- (b) The TSXV Approval shall have been obtained.
- (c) The Shareholder Approval shall have been obtained.
- (d) No Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of (a) making any of the transactions contemplated by this Agreement illegal, or (b) otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement.
- (e) Each of the representations and warranties contained in Section 4.02 shall be true and correct in all material respects as of the Closing Date as if made on and as of such date.
- (f) The Vendor shall have complied with and performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be complied with or performed by the Vendor on or before Closing.

Each such condition is included for the exclusive benefit of the Purchaser and may be waived in writing by the Purchaser in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part.

8.02 Vendor’s Conditions

The Vendor shall not be obligated to complete the transactions contemplated by this Agreement unless, at or before the Closing Time, each of the conditions listed below in this Section 8.02 has been satisfied:

- (a) Sufficient assurances and confirmations from the relevant Governmental Authorities, in form and substance acceptable to the Vendor, acting reasonably, shall have been obtained in connection with regulatory matters, including:
 - (i) a certificate of release (*certificat de libération*) pursuant to Section 232.10 of the *Mining Act* (Quebec) and/or other written confirmations from the MERN regarding the assumption by the Purchaser of, and the release of the Vendor from, all rehabilitation and restoration obligations pursuant to the *Mining Act* (Quebec) in connection with the Property, the Mine and the Project, in a form and substance satisfactory to the Vendor;
 - (ii) a written confirmation and acknowledgement from the MELCC regarding assumption by the Purchaser of all Environmental Liabilities of the Vendor pursuant to the *Environment Quality Act* (Quebec) in connection with the Mine, the Property, and the Project, in a form and substance satisfactory to the Vendor.
- (b) The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendor all the documents and payments contemplated in Section 9.04.
- (c) The TSXV Approval shall have been obtained.
- (d) The Shareholder Approval shall have been obtained.
- (e) No Governmental Authority shall have enacted, issued or promulgated any final or non-appealable Order or Law which has the effect of (a) making any of the transactions contemplated by this Agreement illegal, or (b) otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement.
- (f) Each of the representations and warranties contained in Section 4.01 shall be true and correct in all material respects as of Closing Date as if made on and as of such date.
- (g) The Purchaser shall have complied with and performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be complied with or performed by the Purchaser on or before Closing.
- (h) Each Vendor Surety Bond shall have been returned to the Vendor or shall otherwise have been cancelled at or prior to Closing.

Each such condition is included for the exclusive benefit of the Vendor and may be waived in writing by the Vendor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfillment of any other condition in whole or in part.

ARTICLE 9 – CLOSING ARRANGEMENTS

9.01 Commercially Reasonable Efforts

Following delivery to the Vendor of the Option Exercise Notice, the Parties shall cooperate with each other and shall use their commercially reasonable efforts to facilitate and cause the consummation of the transactions contemplated hereby and to cause the conditions set forth in Sections 8.01 and 8.02, as applicable, to be satisfied no later than three (3) months after the date on which the Option Exercise Notice is received by the Vendor, provided that the Closing Date shall be delayed until such time as the conditions set forth in Section 8.02(a) shall have been satisfied or waived in writing by the Vendor in its sole discretion.

9.02 Closing

Closing shall take place at 10:00 a.m. Eastern time (the “**Closing Time**”) on the Closing Date by exchange of documents via electronic mail or at such other time on the Closing Date or at such place as may be agreed in writing by the Vendor and the Purchaser.

9.03 Vendor’s Closing Deliveries

At Closing, the Vendor shall deliver or cause to be delivered to the Purchaser the following:

- (a) each of the Transaction Documents duly executed by the Vendor;
- (b) all consents to the assignment of the Assigned Contracts, to the extent obtained by the Vendor prior to Closing;
- (c) the elections referred to in Section 3.03, to the extent such elections are applicable to the transactions contemplated hereunder and available to the Purchaser;
- (d) a bring-down certificate executed by a senior officer of the Vendor dated as of Closing Date, in the form attached as Schedule Q; and
- (e) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the transactions provided for in this Agreement, including the transfer to Purchaser of the Vendor’s right, title and interest in and to the Purchased Assets, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

9.04 Purchaser’s Closing Deliveries

At Closing, the Purchaser shall deliver or cause to be delivered to the Vendor, the following:

- (a) each of the Transaction Documents duly executed by the Purchaser;
- (b) the payment to the Vendor of all Transfer Taxes (if any) payable to the Vendor on Closing in accordance with Applicable Law;
- (c) if applicable, evidence of payment to the of all Transfer Taxes payable to a Governmental Authority on Closing in accordance with Applicable Law;

- (d) the Replacement Surety Bonds;
- (e) the elections referred to in Section 3.03, to the extent such elections are applicable to the transactions contemplated hereunder and available to the Purchaser;
- (f) a bring-down certificate executed by a senior officer of the Purchaser dated as of Closing Date, in the form attached as Schedule R; and
- (g) such other agreements, documents and instruments as may be reasonably required by the Vendor to complete the transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

9.05 **Books and Records**

(1) The Vendor shall make available to the Purchaser, at the cost of the Purchaser, copies of any and all Books and Records readily available to the Vendor and that may be reasonably requested by the Purchaser for the purposes of the Project within four (4) years of the Closing Date.

(2) After a period of four (4) years following the Closing Date, the Vendor shall have the right but not the obligation to destroy any original or copies of the Books and Records still in its possession, custody or control, without any further notice to the Purchaser.

9.06 **Transfer and Assignment of Assigned Contracts and Permits**

(1) Prior to Closing, to the extent that an Assigned Contract or a Permit is assignable or otherwise transferable by the Vendor to the Purchaser, the Vendor, with the assistance of the Purchaser, shall use commercially reasonable efforts to obtain all necessary consents or approvals to assign or otherwise transfer such Assigned Contract or Permit on Closing. The Purchaser shall pay all fees charged and reasonable out-of-pocket expenses incurred (excluding any professional fees incurred by the Vendor in the performance of its obligations hereunder) in connection with the assignment or transfer of any such Assigned Contract or Permit (which fees shall be in addition to the consideration referred to in Section 2.04 received by the Vendor for the Purchased Assets).

(2) At the Closing Time, on and subject to the terms and conditions of this Agreement, all of the Vendor's rights, benefits and interests in, to and under the Assigned Contract and the Permits, to the extent assignable, shall be assigned to the Purchaser.

(3) Notwithstanding anything in this Agreement to the contrary, this Agreement shall not constitute an agreement to assign or otherwise transfer any of the Assigned Contract or Permit to the extent such Permit is not assignable or transferable under Applicable Law or the terms of such Permit or the consent of another Person has not been obtained, where required, for the assignment of such Contract.

(4) If the consent or approval of any Person is required to assign or otherwise transfer an Assigned Contract or a Permit but such consent or approval is not obtained prior to Closing, (i) the failure to assign or otherwise transfer such Assigned Contract or Permit shall not be a condition to Closing in favour of the Purchaser pursuant to 8.01, (ii) the consideration referred to in Section 2.04 received by the Vendor for the Purchased Assets shall not be subject to

adjustment, (iii) Closing shall not be delayed, (iv) the Vendor and the Purchaser shall collaborate in good faith in order to obtain the necessary consents or approvals to the assignment or transfer of such Assigned Contract or Permit to the Purchaser as soon as practicable following Closing, and (v) the Purchaser shall pay all fees charged and reasonable out-of-pocket expenses incurred (excluding any professional fees incurred by the Vendor in the performance of its obligations hereunder).

9.07 **Trademarked and Branded Assets**

With respect to any Purchased Assets to be acquired by the Purchaser hereunder bearing any trademarks, business names, logos or other branding of the Vendor, its Affiliates or predecessors (excluding, for greater certainty, any rights, title and interests in and to the name "Gaspé Copper Mine" or any variation thereof (in English or French) which shall form part of the Purchased Assets) (collectively, "**Proprietary Marks**"), such Proprietary Marks do not form part of the Purchased Assets. The Purchaser will co-operate with the Vendor, at the Purchaser's cost and expense, in removing, dismantling and/or destroying such Proprietary Marks on or contained in any of the Purchased Assets, to the satisfaction of the Vendor, acting reasonably, and nothing in this Agreement shall be construed as a license by the Vendor to the Purchaser of any Intellectual Property.

ARTICLE 10 – INDEMNITY

10.01 **Survival**

(1) The representations and warranties of the Vendor contained in this Agreement shall merge on the last day of the Option Period, except those provided under Sections 4.02(1) (Standing), 4.02(2) (Requisite Authority), 4.02(3) (No Conflict), 4.02(5) (Execution and Enforceability), 4.02(14) (Anti-Bribery Laws) and 4.02(15) (Brokerage), which shall survive such date and the Closing indefinitely.

(2) All representations and warranties of the Purchaser contained in this Agreement shall survive Closing and continue for a period of 12 months from the Closing Date, except those provided under Sections 4.01(1) (Standing), 4.01(2) (Requisite Authority), 4.01(3) (No Conflict), 4.01(5) (Execution and Enforceability), 4.01(6) (Residency), 4.01(7) (GST/HST & QST Registration), 4.01(7) (Brokerage), 4.01(12) (Anti-Bribery Laws) and 4.01(15)(b) (Convertible Debenture), which shall survive Closing indefinitely.

(3) All covenants and obligations of the Parties contained in this Agreement shall survive Closing and continue without time limit until performed, waived or expired in accordance with their terms.

(4) Notwithstanding any other provision contained in this Agreement, there shall be no limitation on the right of a Party or its Indemnitees to bring any Claim based on fraud, willful misconduct, gross negligence or intentional misrepresentation of the other Party.

10.02 **Indemnification by the Purchaser**

Subject to the limitations set out elsewhere in this Article 10, the Purchaser shall indemnify the Vendor and its Indemnitees, and save them fully harmless against, and shall reimburse or compensate them for, any Damages arising from, in connection with or related in any manner whatsoever to:

- (a) any violation, contravention or breach of any covenant, agreement or obligation of the Purchaser under or pursuant to this Agreement;
- (b) any incorrectness in, or breach of, any representation or warranty made by the Purchaser in Section 4.01 or in any certificate or other document delivered or given pursuant to this Agreement;
- (c) all Assumed Liabilities, pursuant to and to the extent provided for in Section 2.06(1) and in the Indemnity Agreement;
- (d) the Purchaser's access to the Purchased Assets and Due Diligence pursuant to Section 5.01;
- (e) the Drill Program, the works and programs carried out in connection with the Work Expenditures and any other actions carried out by or for the Purchaser on or with respect to any of the Purchased Assets; and
- (f) any Transfer Taxes (including penalties and interest) which may be assessed against the Vendor, including any Taxes which may be assessed against the Vendor in the event that any election made pursuant to Section 3.03 is determined by the relevant Governmental Authority to be inapplicable to the transactions (including any consideration or other amounts payable by the Purchaser) under this Agreement or as a result of the Purchaser's failure to file such elections within the time required by Applicable Law.

10.03 **Indemnification by the Vendor**

Subject to the limitations set out elsewhere in this Article 10, the Vendor shall indemnify the Purchaser and its Indemnitees, and save them fully harmless against, and shall reimburse or compensate them for, any Damages arising from, in connection with or related in any manner whatsoever to any incorrectness in, or breach of, any representation or warranty made by the Vendor in Section 4.02 or in any certificate delivered or given pursuant to this Agreement.

10.04 **Notice of Claim**

(1) If a Party is entitled to make a claim for indemnification (a "**Claim**") under this Agreement, it shall give written notification to the other Party of such Claim (a "**Notice of Claim**") not later than sixty (60) days after becoming aware of the Claim, but in no event later than the relevant date, if any, specified in Section 10.01. The Notice of Claim shall specify whether the Claim is a Direct Claim or a Third Party Claim and shall also specify with reasonable particularity (to the extent that the information is available), the factual basis for the Claim and the amount of the Claim. Notwithstanding the foregoing, a Notice of Claim in respect of a Claim under Sections 3.03 and 10.02(f) may be given at any time.

(2) If a Party entitled to make a Claim fails to provide the other Party with a Notice of Claim promptly as required by Section 10.04(1), the other Party shall be relieved of the obligation to pay Damages only to the extent of actual prejudice caused by such failure.

(3) If the date by which a Notice of Claim must be given as set out in Section 10.01 in respect of a breach of representation and warranty has passed without any Notice of Claim having

been given, then the related Claim shall be forever extinguished, notwithstanding that by the date specified in Section 10.01 the Indemnified Party did not know, and in the exercise of reasonable care could not have known, of the existence of the Claim.

10.05 **Offset**

The Vendor shall have the right, at the Vendor's entire discretion, to deduct and offset any amount owing by the Purchaser to the Vendor pursuant to either the Convertible Debenture or the Deferred Payment from any amount owed by the Vendor to the Purchaser pursuant to a Claim or which is otherwise owed to the Purchaser pursuant to a Transaction Document. The Vendor may elect to exercise such offset right by delivering to the Purchaser an offset notice.

10.06 **Direct Claims**

With respect to any Direct Claim, following receipt of the Notice of Claim from the Indemnified Party, the Indemnifying Party shall have sixty (60) days to make such investigation of the Claim as is considered necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim, together with all such other information as the Indemnifying Party may reasonably request. If both Parties agree at or prior to the expiration of such sixty (60) days (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed upon amount of the Claim, failing which the matter shall be referred to binding arbitration in such manner as the Parties may agree or shall be determined by a court of competent jurisdiction.

10.07 **Third Party Claims**

- (a) The Indemnifying Party shall have the right, at its expense, to participate in or assume control of the negotiation, settlement or defence of any Third Party Claim for damages and if the Indemnifying Party assumes control, it shall reimburse the Indemnified Party for all of the Indemnified Party's reasonable out of pocket expenses prior to the time the Indemnifying Party assumed control.
- (b) If the Indemnifying Party elects to assume such control, the Indemnified Party shall have the right to participate in the negotiation, settlement or defence of such Third Party Claim and to retain counsel to act on its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnifying Party unless the named parties to any action or proceeding include both the Indemnifying Party and the Indemnified Party and representation of both the Indemnifying Party and the Indemnified Party by the same counsel would be inappropriate due to actual or potential differing interests between them (such as the availability of different defences). Notwithstanding the foregoing, the Indemnifying Party shall not be entitled to assume or maintain control of the defense of any Third Party Claim that seeks relief other than monetary damages against the Indemnified Party.
- (c) If the Indemnifying Party, having elected to assume such control, thereafter fails to defend the Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such control and the Indemnifying Party shall be bound by

the results obtained by the Indemnified Party with respect to such Third Party Claim.

- (d) If any Third Party Claim is of a nature such that the Indemnified Party is required by Applicable Law to incur losses or make a payment to any third Person with respect to the Third Party Claim before the completion of settlement negotiations or related legal proceedings, the Indemnified Party may incur such losses or make such payment and the Indemnifying Party shall, forthwith after demand by the Indemnified Party, reimburse the Indemnified Party for such payment. If the amount of any liability of the Indemnified Party under such Third Party Claim, as finally determined, is less than the amount that was paid by the Indemnifying Party to the Indemnified Party, the Indemnified Party shall, forthwith after the receipt of the difference from the Third Party, pay the amount of such difference, together with any interest thereon paid by the Third Party to the Indemnified Party, to the Indemnifying Party (unless the Indemnifying Party is separately able to recover such amount by way of input tax credit, input tax refund, rebate or similar mechanism). In addition, the Indemnifying Party shall post all security required by any court, regulatory body or other authority having jurisdiction, including without limitation, for purposes of enabling the Indemnifying Party to contest any Third Party Claim.
- (e) If the Indemnifying Party fails to assume control of the defence of any Third Party Claim or defaults in respect of any of its obligations under this Section 10.07 with respect thereto, the Indemnified Party shall have the exclusive right to contest the amount claimed and may settle and pay the same on 30 days' prior written notice to the Indemnifying Party and the Indemnifying Party shall, thereupon, be deemed to have agreed that such settlement is reasonable and may be agreed to by the Indemnified Party and all other Persons liable in respect of the Third Party Claim unless within such 30-day period the Indemnifying Party notifies the Indemnified Party that it is assuming or reassuming control of such defence and thereafter assumes or reassumes such control and does not default.
- (f) The Indemnified Party and the Indemnifying Party shall cooperate fully with each other with respect to Third Party Claims and shall keep each other fully advised with respect thereto (including supplying copies of all relevant documentation promptly as it becomes available).

10.08 **Knowledge**

The Vendor shall have no obligation or liability for indemnification or otherwise for Claims based upon or arising out of any inaccuracy in or breach of any of the representations or warranties of the Vendor contained herein if the Purchaser had actual knowledge of such inaccuracy or breach on or before the last day of the Option Period.

10.09 **Taxes**

To the extent permitted by Applicable Law, any payment made by the Vendor pursuant to this Article 10 shall constitute a reduction in the consideration referred to in Section 2.04 and any payment made by the Purchaser pursuant to this Article 10 shall constitute an increase in the consideration referred to in Section 2.04. In either case and to the extent permitted by Applicable Law, the Vendor and the Purchaser shall, within a reasonable time of

payment and receipt of such payment, and in any event within sixty (60) days of such payment, make or request all amendments to its Tax Returns as may be necessary to reflect the foregoing.

10.10 **Transfer Tax Gross Up**

In the event that any Transfer Tax is deemed to be included in any payment to the Vendor under this Agreement (including any Payment under this Article 10) pursuant to section 182 of the *Excise Tax Act* (Canada) or a corresponding provision under any other Applicable Law, such payment shall be increased to take into account any such GST/HST or other Transfer Tax.

ARTICLE 11 – TERMINATION

11.01 **Grounds for Termination**

This Agreement may be terminated:

- (a) on or prior to the Closing Date, by the mutual written agreement of the Vendor and the Purchaser;
- (b) on or prior to the last day of the Option Period, by written notice from the Purchaser to the Vendor in accordance with Section 6.02;
- (c) by either the Vendor or the Purchaser, on or after the Option Deadline if the Vendor has not received the Option Exercise Notice from the Purchaser by such date in accordance with Section 2.02;
- (d) on or prior to the last day of the Option Period, by written notice from the Purchaser to the Vendor if there has been a material breach by the Vendor of any representation, warranty or covenant of the Vendor contained in this Agreement, which breach has not been waived by the Purchaser, and (i) such breach is not curable and has rendered the satisfaction of any condition in Section 8.01 impossible by the Outside Date, or (ii) if such breach is curable, the Purchaser has provided written notice of such breach to the Vendor and such breach has not been cured within ten Business Days following the date upon which the Vendor received such notice;
- (e) on or prior to the Closing Date, by written notice from the Vendor to the Purchaser if there has been a material breach by the Purchaser of any representation, warranty or covenant of the Purchaser contained in this Agreement, which breach has not been waived by the Vendor, and (i) such breach is not curable and has rendered the satisfaction of any condition in Section 8.02 impossible by the Outside Date; or (ii) if such breach is curable, the Vendor has provided written notice of such breach to the Purchaser and such breach has not been cured within ten Business Days following the date upon which the Purchaser received such notice; or
- (f) by written notice from the Vendor to the Purchaser at any time after the Outside Date if Closing has not occurred and such failure to close was not caused by or as a result of the Vendor's breach of this Agreement.

11.02 **Effect of Termination**

If this Agreement is terminated pursuant to Section 11.01, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder, except as contemplated in this Section 11.02 and Sections 12.01 (*Expenses*), 12.03 (*Confidentiality and Public Announcements*), 12.04 (*Notices*), 12.09 (*Amendment*), 12.13 (*Governing Law*), 12.14 (*Successors and Assigns*), 12.15 (*Assignment*) and 12.16 (*Third Party Beneficiaries*), which shall survive such termination. For the avoidance of doubt, the obligations in Sections 7.02(1), 7.02(3), 7.02(4), 7.03(1), 7.03(2) and 7.04 shall not survive the termination of this Agreement and any Liability incurred by a Party prior to the termination of this Agreement shall survive such termination.

ARTICLE 12 – GENERAL

12.01 **Expenses**

Except as otherwise expressly provided herein, each Party shall be responsible for all costs and expenses (including any Taxes imposed on such expenses) incurred by it in connection with the negotiation, preparation, execution, delivery and performance of this Agreement, the Transaction Documents and the transactions contemplated hereby and thereby (including the fees and disbursements of legal counsel, bankers, investment bankers, accountants, brokers and other advisers). Notwithstanding the foregoing, (i) the cost of retaining a notary and a land surveyor, if necessary, in connection with the preparation of the legal descriptions of the Owned Real Property, real property subject to the Real Property Leases and the Mining Rights shall be borne by the Purchaser, and (ii) in addition to the Transfer Taxes payable in accordance with Section 3.02, the Purchaser shall be solely responsible for the payment of all registration fees, transfer fees, administrative costs and other similar Taxes and fees payable to any Governmental Authority as a result of the transactions contemplated by this Agreement or any of the Transaction Documents.

12.02 **Amounts Not Paid**

Subject to Section 7.02(5), any payments which are required to be made by the Purchaser pursuant to this Agreement but are not paid when due shall bear interest until paid at a rate per annum equal to Adjusted Term SOFR plus 4%, accrued quarterly.

12.03 **Confidentiality and Public Announcements**

(1) As used herein, “**Confidential Information**” shall mean the Transaction Documents and the contents thereof, the transactions contemplated by this Agreement and the other Transaction Documents, any documents and information, including the Technical Information, provided, disclosed or delivered by a Party to the other Party in connection therewith, except for such information that:

- (a) is as of the Effective Date or becomes generally available to the public other than as a result of disclosure in violation of this Agreement;
- (b) was developed by the Party owing a duty of confidentiality hereunder (the “**recipient**”) independently of any disclosure by the Party to whom such duty is owed (the “**beneficiary**”) or was known to the recipient on a non-confidential basis prior to its disclosure to the recipient by or on behalf of the beneficiary; or

(c) was obtained or becomes available to the recipient on a non-confidential basis from a source other than the beneficiary that was not, when it disclosed the information to the recipient, prohibited from so doing by a confidentiality obligation owed to the beneficiary.

(2) Prior to Closing, neither the Purchaser nor any of its Representatives shall disclose any Confidential Information to any third party without the prior written consent of the Vendor and approval by the Vendor, such consent and approval not to be unreasonably withheld, except if (a) required by Law or rules of the Exchange, in which case the Purchaser will use commercially reasonable efforts to give the Vendor an opportunity to review and comment on any such disclosure in advance of such disclosure, and (b) on a need to know basis to such of the Purchaser's Representatives who have agreed to keep the Confidential Information confidential.

(3) Notwithstanding the foregoing, the Purchaser shall be permitted to disseminate and file a press release announcing this Agreement and the transactions contemplated hereby in a form acceptable to the Vendor, acting reasonably, and file this Agreement on SEDAR. If the Purchaser intends to file a copy of this Agreement on SEDAR, the Purchaser shall first provide the Vendor with its proposed redactions to this Agreement and will effect such further redactions to this Agreement as are proposed by the Vendor to respect confidentiality provisions or otherwise protect commercially sensitive information, to the extent that such redactions comply with applicable Canadian Securities Laws.

12.04 **Notices**

(1) Any notice, direction, certificate, consent, determination or other communication required or permitted to be given or made under this Agreement shall be in writing and shall be effectively given and made if (i) delivered personally, (ii) sent by prepaid courier service, or (iii) sent by e-mail or other similar means of electronic communication, in each case to the applicable address set out below:

(a) if to the Vendor, to:

Glencore Canada Corporation
100 King Street West, Suite 6900
Toronto, Ontario, Canada

Attention: *[Redacted – Personal Information]*
E-mail: *[Redacted – Personal Information]*

with a copy (which shall not constitute notice) to:

McCarthy Tétrault LLP
745 Thurlow Street, Suite 2400
Vancouver, QC V6E 0C5
Canada

Attention: *[Redacted – Personal Information]*
E-mail: *[Redacted – Personal Information]*

(b) if to the Purchaser, to:

Osisko Metals Incorporated

1100 Avenue des Canadiens de Montreal
Bureau 300
Montreal, Quebec
H3B 2S2

Attention: *[Redacted – Personal Information]*

E-mail: *[Redacted – Personal Information]*

with a copy (which shall not constitute notice) to:

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

Attention: *[Redacted – Personal Information]*

E-mail: *[Redacted – Personal Information]*

(2) Any such communication so given or made shall be deemed to have been given or made and to have been received on the day of delivery if delivered, or on the day of e-mailing or sending by other means of recorded electronic communication, provided that such day in either event is a Business Day and the communication is so delivered, e-mailed or sent before 5:00 p.m. Eastern time on such day. Otherwise, such communication shall be deemed to have been given and made and to have been received on the next following Business Day.

(3) Any Party may from time to time change its address under this Section 12.03 by notice to the other Party given in the manner provided by this Section 12.03.

12.05 **Force Majeure**

(1) The Purchaser will not be liable for its failure to perform its obligations under Section 7.02 when such performance is directly prevented due to an event of Force Majeure. “**Force Majeure**” means any event or circumstance, or a combination of events or circumstances which:

- (i) is beyond the reasonable control of the Purchaser;
- (ii) could not, or the direct effects of that event or circumstance could not, have been prevented or delayed, overcome or remedied by the Purchaser, acting reasonably; and
- (iii) physically prevents the Purchaser from performing its obligations under Section 7.02, and

provided the foregoing criteria are met, includes the following:

- (A) environmental protests or blockages;

- (B) acts of God, fire, flood, earthquake, landslide, tornado, hurricane or other extreme adverse weather condition;
- (C) acts of terrorism, war, insurrection, revolution, rebellion, civil disorder, or other similar acts against a lawfully appointed or elected governing body;
- (D) strikes, lockouts or other industrial disturbances that last for more than seven consecutive calendar days; and
- (E) travel and access restrictions imposed by government or other Persons.

Notwithstanding anything to the contrary in this Agreement, in no event shall lack of funds or similar financial situation or economic hardship, permitting and licencing delays, commodity price fluctuations or supply chain disruptions be considered an event of Force Majeure, and the payment of monies will be deemed to be within the reasonable control of the Purchaser and the lack of funds for any such payment will not be considered an event of Force Majeure. If the Purchaser wishes to rely on an event of Force Majeure, it shall promptly give written notice to the Vendor as set out in Section 12.05(2), and the respective time limits imposed by this Agreement will be extended from the date of delivery of such notice by a period equivalent to the period of delay resulting from Force Majeure. The Purchaser relying on an event of Force Majeure will take all reasonable steps to eliminate the same and, if possible, will perform its obligations under this Agreement as far as commercially practical.

(2) In the event that the Purchaser asserts that an event of Force Majeure has occurred, it shall give notice in writing to the Vendor specifying the following:

- (i) the cause and nature of the alleged event of Force Majeure;
- (ii) a summary of the actions it or agents acting on its behalf have taken to the date of such notice to correct the alleged event of Force Majeure;
- (iii) confirmation as to all acts, actions and things done by it or its agents to terminate the event of Force Majeure; and
- (iv) the reasonably expected duration of the period of Force Majeure.

If the Purchaser is asserting an event of Force Majeure, it shall provide ongoing periodic notice in writing to the Vendor with respect to such event of Force Majeure, including the matters set out above, within fifteen (15) days of the end of each calendar month during the period of Force Majeure and shall provide prompt notice in writing to the Vendor upon the termination of the event of Force Majeure.

12.06 **Time of Essence**

Time shall be of the essence of this Agreement in all respects.

12.07 **Further Assurances**

The Vendor and the Purchaser shall, at the sole expense of the requesting Party, from time to time promptly execute and deliver or cause to be executed and delivered all such further documents and instruments and shall do or cause to be done all such further acts and things in connection with this Agreement that the other Party may reasonably require as being necessary or desirable in order to effectively carry out or better evidence or perfect the full intent and meaning of this Agreement or any provision hereof.

12.08 **Entire Agreement**

This Agreement, the other Transaction Documents, the indemnity and license agreement between the Vendor and the Purchaser dated April 7, 2022 and the confidentiality agreement between the Vendor and the Purchaser dated September 24, 2020 constitute the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersede all prior agreements, understandings, negotiations, correspondence and discussions, whether oral or written, of the Parties. Except the indemnity and license agreement between the Vendor and the Purchaser dated April 7, 2022 and the confidentiality agreement between the Vendor and the Purchaser dated September 24, 2020, there are no conditions, representations, warranties, obligations or other agreements between the Parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as explicitly set out in this Agreement and the other Transaction Documents. The Parties have not relied and are not relying on any other information, discussions or understanding in entering into and completing the transactions contemplated by this Agreement.

12.09 **Amendment**

No amendment of this Agreement shall be effective unless made in writing and signed by the Parties.

12.10 **Waiver**

A waiver of any default, breach or non-compliance under this Agreement shall not be effective unless in writing and signed by the Party to be bound by the waiver and then only in the specific instance and for the specific purpose for which it has been given. No waiver shall be inferred from or implied by any failure to act or delay in acting by a Party in respect of any default, breach or non-observance or by anything done or omitted to be done by the other Party. The waiver by a Party of any default, breach or non-compliance under this Agreement will not operate as a waiver of that Party's rights under this Agreement in respect of any continuing or subsequent default, breach or non-observance (whether of the same or any other nature).

12.11 **Severability**

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction will, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and will be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity or enforceability of such provision in any other jurisdiction.

12.12 **Remedies Cumulative**

The rights, remedies, powers and privileges herein provided to a Party are cumulative and in addition to and not exclusive of or in substitution for any rights, remedies, powers and privileges otherwise available to that Party.

12.13 **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. Each Party irrevocably submits to the exclusive jurisdiction of the courts of the Province of Ontario with respect to any matter arising hereunder or relating hereto.

12.14 **Successors and Assigns**

This Agreement shall enure to the benefit of, and be binding on, the Parties and their respective successors and permitted assigns.

12.15 **Assignment**

Neither Party may assign or transfer all or any part of its rights or obligations under this Agreement without the prior written consent of the other Party.

12.16 **Third Party Beneficiaries**

This Agreement is for the sole benefit of the Parties, and nothing in this Agreement, express or implied, is intended to or shall confer upon any other Person any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

12.17 **Counterparts**

This Agreement may be executed in counterparts, each of which shall be deemed to be an original and all of which taken together shall be deemed to constitute one and the same instrument. To evidence its execution of an original counterpart of this Agreement, a Party may send a copy of its original signature on the execution page hereof to the other Party by e-mail in pdf format or by other electronic transmission and such transmission shall constitute delivery of an executed copy of this Agreement to the receiving Party.

[Remainder of page intentionally left blank. Signature page follows.]

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

OSISKO METALS INCORPORATED

By: _____
Name: ROBERT WARES
Title: Chairman and CEO

I have authority to bind the corporation.

GLENCORE CANADA CORPORATION

By: _____
Name:
Title:

I have authority to bind the corporation.

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

OSISKO METALS INCORPORATED

(signed) "Osisko Metals Incorporated"
Name: *[Redacted – Personal Information]*
Title: *[Redacted – Personal Information]*

I have authority to bind the corporation.

GLENCORE CANADA CORPORATION

(signed) "Glencore Canada Corporation"
Name: *[Redacted – Personal Information]*
Title: *[Redacted – Personal Information]*

I have authority to bind the corporation.

**SCHEDULE A
ASSIGNED CONTRACTS**

[Redacted – Confidential Information]

**SCHEDULE B
FORMS OF DEEDS OF HYPOTHEC**

[Redacted – Confidential Information]

**SCHEDULE C
FORM OF DEED OF SALE**

[Redacted – Confidential Information]

**SCHEDULE D
FORM OF INDEMNITY AGREEMENT**

[Redacted – Confidential Information]

**SCHEDULE E
MINING RIGHTS**

[Redacted – Confidential Information]

**SCHEDULE F
FORM(S) OF OFFTAKE AGREEMENT(S)**

[Redacted – Confidential Information]

**SCHEDULE G
OWNED REAL PROPERTY**

[Redacted – Confidential Information]

**SCHEDULE H
REAL PROPERTY LEASES**

[Redacted – Confidential Information]

**SCHEDULE I
PERMITS**

[Redacted – Confidential Information]

**SCHEDULE J
PURCHASED ASSETS**

[Redacted – Confidential Information]

**SCHEDULE K
FORM OF ROYALTY AGREEMENT**

[Redacted – Confidential Information]

**SCHEDULE L
FORM OF OPTION EXERCISE NOTICE**

[Redacted – Confidential Information]

**SCHEDULE M
FORM OF CONVERTIBLE DEBENTURE**

[Redacted – Confidential Information]

**SCHEDULE N
ENCUMBRANCES**

[Redacted – Confidential Information]

**SCHEDULE O
ALLOCATION OF CONSIDERATION**

[Redacted – Confidential Information]

**SCHEDULE P
DRILL PROGRAM**

[Redacted - Confidential Information]

**SCHEDULE Q
FORM OF VENDOR'S BRING-DOWN CERTIFICATE**

[Redacted – Confidential Information]

**SCHEDULE R
FORM OF PURCHASER'S BRING-DOWN CERTIFICATE**

[Redacted – Confidential Information]

**SCHEDULE S
VENDOR SURETY BONDS**

[Redacted – Confidential Information]

**SCHEDULE T
INVESTOR RIGHTS**

[Redacted – Confidential Information]

**SCHEDULE U
CONSENTS**

[Redacted – Confidential Information]