

AGENCY AGREEMENT

December 4, 2017

Group Eleven Resources Corp.
2200-885 West Georgia Street
Vancouver, BC V6C 3E8

Attention: Mr. Bart Jaworski, Chief Executive Officer

Dear Mr. Jaworski:

Re: Initial Public Offering

The undersigned, PI Financial Corp. (“**PI**”), Cormark Securities Inc. (“**Cormark**”) and Sprott Private Wealth LP (each an “**Agent**” and together the “**Agents**”) understand that Group Eleven Resources Corp. (the “**Company**”) proposes to complete its initial public offering by offering for sale a minimum of 12,500,000 and a maximum of 25,000,000 units of the Company (the “**Units**”) at a price of \$0.40 per Unit (the “**Issue Price**”) for gross proceeds of a minimum of \$5,000,000 and a maximum of \$10,000,000. Each Unit consists of one common share (a “**Common Share**”) of the Company (a “**Underlying Share**”) and one common share purchase warrant (a “**Warrant**”). Each Warrant is exercisable into one additional Common Share (the “**Warrant Share**”) at an exercise price of \$0.60 per Warrant Share on or before a date that is one year following the Closing Date (as hereinafter defined). The Warrants will be issued pursuant to a Warrant Indenture (as hereinafter defined) that contains provisions designed to protect holders of Warrants against dilution upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the Common Shares, the amalgamation, merger or corporate reorganization of the Company, rights offering and other terms and conditions customary for agreements of that nature.

The Company hereby grants to the Agents an option (the “**Over-Allotment Option**”), exercisable, in whole or in part, from time to time until the date which is 30 days following the Closing Date (as hereinafter defined), to arrange for the issuance and sale of up to an additional 15% of the Units (the “**Additional Units**”) sold in the Offering, for the purposes of covering over-allotments, if any, and for market stabilization purposes. The Underlying Shares and Warrants comprising the Additional Units are hereinafter referred to as the “**Additional Underlying Shares**” and “**Additional Warrants**”, respectively, and the Warrant Shares underlying the Additional Warrants are hereinafter referred to as the “**Additional Warrant Shares**”. The Over-Allotment Option is exercisable upon notice by PI to the Company specifying the number of Additional Units to be issued and the Closing Date for such issuance (the “**Option Closing Date**”) which shall be not later than two Business Days after such notice.

The Units and any Additional Units are hereinafter collectively referred to as the “**Offered Securities**”. The Underlying Shares and Additional Underlying Shares are hereinafter collectively referred to as the “**Shares**”. The Warrants and Additional Warrants are hereinafter collectively referred to as the “**Warrants**”. The Warrant Shares and Additional Warrant Shares are hereinafter collectively referred to as the “**Warrant Shares**”. The offering of the Offered Securities by the Company is referred to as the “**Offering**”.

Subject to the terms and conditions contained in this Agreement, the Company hereby appoints the Agents to act as the sole and exclusive agents to the Company, and the Agents hereby agree to act as the agents of the Company, to effect the sale of the Units on behalf of the Company on a “best efforts” basis to Purchasers resident in the Qualifying Jurisdictions (as hereinafter defined) and in those jurisdictions outside of Canada (including the United States) as may be agreed to by the Company and the Agents, acting reasonably, through private placements or other offerings on an exempt basis and provided that the Company shall not become obligated to file a registration statement or prospectus outside of Canada. The parties hereto acknowledge that the Units have not been and will not be registered under the U.S. Securities Act (as hereinafter defined) or the laws of any state of the United States. In addition, the Company hereby agrees to issue and sell the Additional Units to the extent that the Over-Allotment Option granted to the Agents pursuant to this Agreement is exercised

by the Agents. It is understood and agreed that the Agents are under no obligation to purchase any of the Offered Securities, although the Agents may subscribe for Offered Securities if they so desire.

The net proceeds of the Offering shall be used as set forth in the Final Prospectus (as hereinafter defined) under the heading "Use of Proceeds". In consideration of the services to be rendered by the Agents in connection with the sale of the Offered Securities hereunder, the Company shall pay to PI, for and on behalf of all of the Agents, a cash fee (the "**Agents' Fee**") in an amount equal to 6.0% of the gross proceeds received by the Company from the issue and sale of the Offered Securities, except for any Offered Securities issued pursuant to the President's List (as hereinafter defined), for which the Agents shall receive an amount equal to 3% of the gross proceeds so received by the Company and the Broker Warrants in accordance with section 7.

The additional terms and conditions of this agency agreement (the "**Agreement**") are set forth below.

1. DEFINITIONS

1.1 In this Agreement, including any schedules forming a part of this Agreement:

- (a) "**Acts**" means the Securities Acts or equivalent securities regulatory legislation of the Qualifying Jurisdictions and "**Act**" means the Securities Act or equivalent securities regulatory legislation of a specified Qualifying Jurisdiction;
- (b) "**Additional Underlying Shares**" has the meaning given to that term on page 1 of this Agreement;
- (c) "**Additional Units**" has the meaning given to that term on page 1 of this Agreement;
- (d) "**Additional Warrants**" has the meaning given to that term on page 1 of this Agreement;
- (e) "**Additional Warrant Shares**" has the meaning given to that term on page 1 of this Agreement;
- (f) "**Agents**" has the meaning given to that term on page 1 of this Agreement;
- (g) "**Agents' Fee**" has the meaning given to that term on page 1 of this Agreement;
- (h) "**Ancillary Documents**" means all agreements, certificates (including any certificates representing the Underlying Shares, Additional Underlying Shares, Warrants, Additional Warrants, Warrant Shares, Additional Warrant Shares, Broker Warrants and Broker Warrant Shares), officer's certificates, notices and other documents executed and delivered, or to be executed and delivered, by the Company in connection with the Offering and/or pursuant to this Agreement;
- (i) "**Annual Financial Statements**" has the meaning given to that term in subsection 5.1(dd);
- (j) "**Applicable Securities Laws**" means, collectively, and, as the context may require, the securities laws of the United States and any state of the United States and the Acts and Regulations and the rules, policies, instruments, notices and orders issued by the applicable Regulatory Authorities;
- (k) "**Ballinalack Project**" means the Ballinalack Project, comprising eleven prospecting licenses covering an area of 312 square kilometres in Country Westmeath and County Longford, 85 kilometres northwest of Dublin, Republic of Ireland;
- (l) "**Broker Warrants**" has the meaning given to that term in subsection 7.1;
- (m) "**Broker Warrant Shares**" has the meaning given to that term in subsection 7.1;

- (n) “**Closing**” and “**Closing Date**” have the meanings given to those terms in section 9.1;
- (o) “**Closing Materials**” has the meaning given to that term in subsection 6.1(k)(x) hereto;
- (p) “**Closing Time**” means 5:00 a.m. (Vancouver time) or such other time as may be agreed to by the Company and the Agents on the Closing Date, or in the case of the Option Closing, 5:00 a.m. (Vancouver Time) or such other time as many be agreed to by the Company and the Agents on the Option Closing Date;
- (q) “**Comfort Letter**” has the meaning given to that term in subsection 6.1(k)(i) hereto;
- (r) “**Commissions**” means the securities regulatory authorities (other than stock exchanges) of the Qualifying Jurisdictions and “**Commission**” means the securities regulatory authority of a specified Qualifying Jurisdiction;
- (s) “**Common Shares**” means common shares in the capital of the Company;
- (t) “**Company**” means Group Eleven Resources Corp., a company incorporated under the laws of the Province of British Columbia;
- (u) “**Company Financial Statements**” means, together, the Annual Financial Statements and the Interim Financial Statements;
- (v) “**Continuous Disclosure Materials**” has the meaning given to that term in subsection 5.1(j) hereto;
- (w) “**Distribution**” (or “**distribute**” as derived therefrom) has the meaning given to that term in the *Securities Act* (British Columbia);
- (x) “**Exchange**” means the TSX Venture Exchange;
- (y) “**Final Prospectus**” means the final long form prospectus of the Company filed with the Commissions for the purpose of qualifying the distribution in Canada of the Units, Additional Units, Underlying Shares, Additional Underlying Shares, Warrants, Additional Warrants the Over-Allotment Option and any Supplementary Material;
- (z) “**Final U.S. Private Placement Memorandum**” means the U.S. private placement memorandum, in a form satisfactory to the Agents and the Company, to which will be attached the Final Prospectus, to be delivered to purchasers of Offered Securities who are, or acting for the account or benefit of, persons in the United States or U.S. Persons;
- (aa) “**Indemnitior**” has the meaning given to that term in subsection 11.1 hereto;
- (bb) “**Interim Financial Statements**” has the meaning given to that term in section 5.1(ee);
- (cc) “**Issue Price**” means \$0.40 per Unit or Additional Unit, as the case may be;
- (dd) “**Legal Opinions**” has the meaning given to that term in subsection 6.1(k)(ii) hereto;
- (ee) “**Lock-up Period**” has the meaning given to that term in section 6.1(m) hereto;
- (ff) “**material adverse effect**” means (i) the effect resulting from any event or change which is materially adverse to the business, affairs, capital, operations, prospects, Property Rights or assets, liabilities (contingent or otherwise) of the Company or any of its Subsidiaries, taken as a whole, or which event or change would reasonably be expected to have a significant negative

effect on the market price or value of the Common Shares or (ii) any fact, or change that would result in any Offering Document containing a misrepresentation;

- (gg) “**material change**” has the meaning given to that term in the *Securities Act* (British Columbia);
- (hh) “**Material Contracts**” has the meaning given to that term in subsection 5.1(pp) hereto;
- (ii) “**material fact**” has the meaning given to that term in the *Securities Act* (British Columbia);
- (jj) “**misrepresentation**” has the meaning given to that term in the *Securities Act* (British Columbia);
- (kk) “**NI 43-101**” has the meaning given to that term in subsection 5.1(t) hereto;
- (ll) “**NI 51-102**” has the meaning given to that term in subsection 5.1(yy) hereto;
- (mm) “**NP 11-202**” means National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*;
- (nn) “**Offered Securities**” has the meaning given to that term on page 1 of this Agreement;
- (oo) “**Offering**” means the offering and sale of the Offered Securities pursuant to the terms and conditions of this Agreement;
- (pp) “**Offering Documents**” means, collectively, the Prospectuses, any Supplementary Material and the U.S. Memorandum;
- (qq) “**Officers’ Certificate**” has the meaning given to that term in subsection 6.1(k)(iv) hereto;
- (rr) “**Option Closing**” means the closing of the transactions contemplated upon the exercise of the Over-Allotment Option;
- (ss) “**Option Closing Date**” has the meaning given to that term on page 1 of this Agreement;
- (tt) “**Over-Allotment Option**” means the option granted to the Agents as set out on page 1 hereof;
- (uu) “**Personnel**” has the meaning given to that term in subsection 11.1 hereto;
- (vv) “**Preliminary Prospectus**” means the preliminary long form prospectus of the Company and filed with the Commissions for the purpose of allowing the Agents to solicit expressions of interest for the Offering, including any Supplemental Material;
- (ww) “**Preliminary U.S. Private Placement Memorandum**” means the preliminary U.S. private placement memorandum, in a form satisfactory to the Agents and the Company, to which will be attached a copy of the Preliminary Prospectus, to be delivered to offerees of the Offered Securities who are, or are acting for the account or benefit of, persons in the United States or U.S. Persons;
- (xx) “**President’s List**” means the Offered Securities subscribed for by insiders and management of the Company for gross proceeds of up to \$1,000,000;
- (yy) “**Prospectuses**” means collectively the Preliminary Prospectus and the Final Prospectus;
- (zz) “**Projects**” means the Ballinalack Project, the Silvermines Project and the Stonepark Project;

- (aaa) **“Property Rights”** has the meaning given to such term in subsection 5.1(n);
- (bbb) **“Purchasers”** means, collectively, the purchasers of the Offered Securities;
- (ccc) **“Qualified Institutional Buyer”** means a “qualified institutional buyer” within the meaning of Rule 144A;
- (ddd) **“Qualifying Jurisdictions”** means British Columbia, Alberta and Ontario and such other jurisdictions to which the Agents and the Company may agree and **“Qualifying Jurisdiction”** means any one of them;
- (eee) **“Regulations”** means the securities rules or regulations proclaimed under the Acts and **“Regulation”** means the securities rules or regulations proclaimed under a specified Act;
- (fff) **“Regulatory Authorities”** means collectively the Commissions and the Exchange;
- (ggg) **“Rule 144A”** means Rule 144A adopted under the U.S. Securities Act;
- (hhh) **“Shares”** has the meaning given to that term on page 1 of this Agreement;
- (iii) **“Silvermines Project”** means the Silvermines Project, comprising five prospecting licenses covering an area of 133 square kilometres in Country Tipperary, 162 kilometres southwest of Dublin and 40 kilometres northeast of Limerick, Republic of Ireland;
- (jjj) **“Standard Listing Conditions”** has the meaning given to that term in subsection 6.1(o) hereto;
- (kkk) **“Stonepark Project”** means the Stonepark Project, comprising six prospecting licenses covering an area of 184 square kilometres in Country Limerick, Ireland, near the city of Limerick, Republic of Ireland;
- (lll) **“Subsidiaries”** means each of Group Eleven Resources Limited, Group Eleven Mining and Exploration Limited, Ballinalack Resources Limited and TILZ Minerals Limited;
- (mmm) **“Supplementary Material”** means any documents supplemental to the Prospectuses including any amending or supplementary prospectus or other supplemental documents or similar documents;
- (nnn) **“trade”** has the meaning given to that term in the *Securities Act* (British Columbia);
- (ooo) **“Title Opinions”** has the meaning given to that term in subsection 6.1(k)(v);
- (ppp) **“United States”** or **“U.S.”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;
- (qqq) **“U.S. Affiliates”** means the U.S. registered broker-dealer affiliates of the Agents;
- (rrr) **“U.S. Legal Opinion”** has the meaning given to that term in subsection 6.1(k)(iii);
- (sss) **“U.S. Memorandum”** means, together, the Preliminary U.S. Private Placement Memorandum and Final U.S. Private Placement Memorandum;
- (ttt) **“U.S. Person”** means a U.S. person as that term is defined in Regulation S under the U.S. Securities Act;

- (uuu) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended, and the rules and regulations thereunder;
- (vvv) “**Warrant**” has the meaning given to that term on page 1 of this Agreement;
- (www) “**Warrant Indenture**” means the warrant indenture between the Company and TSX Trust Company dated as of the Closing Date governing the terms of the Warrants; and
- (xxx) “**Warrant Shares**” has the meaning given to that term on page 1 of this Agreement.

- 1.2 All references to dollar figures in this Agreement are to Canadian dollars.
- 1.3 Certain terms applicable solely to Schedule “A” are defined in Schedule “A”.
- 1.4 Where any representation or warranty contained in this Agreement is expressly qualified by reference to the “**knowledge**” of the Company, or where any other reference is made herein to the “**knowledge**” of the Company, it shall be deemed to refer to the actual knowledge of the directors and executive officers of the Company, after having made due inquiry of appropriate and relevant persons and after reviewing relevant documentation.

2. APPOINTMENT OF AGENTS

- 2.1 The Company appoints the Agents as its exclusive agents to effect the Offering and each of the Agents accepts the appointment and agrees to act as agent for such purpose and to use its commercially reasonable best efforts to effect the sale of Units on the Company’s behalf to Purchasers on the terms and conditions contained herein.

3. DISTRIBUTION AND CERTAIN OBLIGATIONS OF THE AGENTS AND THE COMPANY

- 3.1 The distribution of the Offered Securities, the Over-Allotment Option, the Shares, the Warrants and the Broker Warrants and Broker Warrant Shares shall be qualified by the Prospectuses under Applicable Securities Laws in each of the Qualifying Jurisdictions. The Agents will use their commercially reasonable best efforts to arrange for Purchasers of the Units in the Qualifying Jurisdictions. The Agents may also use their commercially reasonable best efforts to arrange for Purchasers of Units:
 - (a) who are, or who are acting for the account or benefit of, Qualified Institutional Buyers who are in the United States or U.S. Persons, on a private placement basis, pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) of the U.S. Securities Act and in accordance with the terms, conditions, representations, warranties and covenants of the parties contained in Schedule “A” hereto, the provisions of which are agreed to by the Company, the Agents and the U.S. Affiliates, and which Schedule “A” forms part of this Agreement; and
 - (b) in such other jurisdictions as the Company and the Agents may agree, provided the distribution of Offering Securities in such other jurisdictions are completed in accordance with the applicable laws of such other jurisdictions and no prospectus, registration statement or similar document is required to be filed in such other jurisdiction.

provided, however, it is understood and agreed that the Agents shall have no obligation to purchase the Offered Securities.

- 3.2 The obligations of the Agents hereunder are several and not joint, nor joint and several. No Agent shall be liable hereunder with respect to any act, omission or conduct of any other Agent.
- 3.3 The Company agrees that the Agents will be permitted to appoint other registered dealers (or other dealers duly licensed in their respective jurisdictions) as their sub-agents (the “**Selling Firms**”) to assist

in the Offering and that the Agents may determine the remuneration payable to such other dealers appointed by them. Such remuneration shall be payable by the Agents. The Company grants all of the rights and benefits of this Agency Agreement to any Selling Firm so appointed by the Agents and appoints the Agents as trustee of such rights and benefits for such Selling Firms, and the Agents hereby accept such trust and agree to hold such rights and benefits for and on behalf of such Selling Firms.

- 3.4 The Agents shall, and shall require any Selling Firm to agree to, comply with the Applicable Securities Laws in the Qualifying Jurisdictions in connection with the distribution of the Offered Securities and shall offer the Offered Securities for sale to the public directly and through Selling Firms upon the terms and conditions set out in the Prospectuses and this Agency Agreement.
- 3.5 The Agents shall, and shall require any Selling Firm to, offer for sale to the public and sell the Offered Securities only in those jurisdictions where they may be lawfully offered for sale or sold. The Agents shall: (i) use commercially reasonable efforts to complete and cause each Selling Firm to complete the distribution of the Offered Securities as soon as reasonably practicable; and (ii) promptly notify the Company when, in their opinion, the Agents and the Selling Firms have ceased distribution of the Offered Securities and provide a breakdown of such number of Offered Securities distributed in each of the Qualifying Jurisdictions where such breakdown is required for the purpose of calculating fees payable to the securities commissions.
- 3.6 Each of the Company and the Agents agree that the representations, warranties and covenants contained in Schedule "A" to this Agreement entitled "Compliance with United States Securities Laws" are incorporated by reference in and shall form part of this Agreement with respect to the offer and sale of the Offered Securities under this Agreement. The Agents agree, for the benefit of the Company, to comply with the selling restrictions imposed by the laws of the United States and contained in Schedule "A" to this Agreement. Notwithstanding the foregoing, an Agent will not be liable to the Company under this Section or Schedule "A" with respect to a violation by another Agent or its U.S. Affiliate(s) of the provisions of this Section or Schedule "A" if the former Agent or its U.S. Affiliate, as applicable, is not itself also in violation.

4. DUE DILIGENCE REVIEW

- 4.1 Prior to the Closing Time and during the period from the date hereof until the Closing Date, the Company shall allow the Agents the opportunity to conduct required due diligence and to obtain, acting reasonably, satisfactory results therefrom and in particular, the Company shall allow the Agents and Agents' counsel to conduct all due diligence which the Agents may reasonably require in order to confirm the Offering Documents are accurate, complete and current in all material respects and to fulfill the Agents' obligations as registrants and, in this regard, without limiting the scope of the due diligence inquiries the Agents may conduct, the Company shall cause its senior management, auditors, legal counsel, technical advisors and such other persons as the Agents may require, to answer any questions which the Agents may reasonably have and to participate in one or more due diligence sessions to be held prior to the Closing Date.
- 4.2 In carrying out their responsibilities under this Agency Agreement, the Agents will necessarily rely on information prepared or supplied by the Company and other sources believed by the Agents to be reliable. The Agents will apply reasonable standards of diligence to their due diligence inquiries. However, the Agents will be entitled to rely on and assume no obligation to verify the accuracy or completeness of such information and under no circumstances will the Agents be liable to the Company or any securityholder for any damages arising out of the inaccuracy or incompleteness of such information. The Company maintains sole responsibility for the accuracy and completeness of the Prospectuses, and any Supplemental Material and any other disclosure document to be prepared in connection with the Offering, except any portions thereof that are provided by the Agents (the only such portion of which shall be the names of Agents and the section of the Prospectuses titled "Plan of Distribution").

5. REPRESENTATIONS AND WARRANTIES

5.1 The Company represents and warrants to the Agents, and acknowledges that the Agents are relying upon such representations and warranties in entering into this Agreement, that:

- (a) the Company is a duly incorporated company and validly existing and in good standing under the corporate laws of its jurisdiction of incorporation and no proceedings have been instituted or, to the knowledge of the Company, are pending for the dissolution or liquidation or winding-up of the Company;
- (b) all of the shares of the Subsidiaries are legally and beneficially owned by the Company, except as otherwise disclosed in the Final Prospectus, free and clear of all liens, charges and encumbrances of any kind whatsoever;
- (c) the Subsidiaries are the only subsidiaries of the Company and each of the Subsidiaries is duly incorporated and validly existing and in good standing under the laws of its jurisdiction of incorporation and no proceedings have been instituted or are pending for the dissolution or liquidation or winding-up of any of the Subsidiaries;
- (d) the form and terms of the certificates for the Shares, the Warrants and Broker Warrants have been approved and adopted by the directors of the Company and do not conflict with any applicable laws or the rules of the Exchange or the constating documents of the Company;
- (e) the Company (i) will be at the Closing Time a reporting issuer (within the meaning of Applicable Securities Laws) or the equivalent in British Columbia, Alberta and Ontario, and (ii) is not in default of any of the requirements of the Applicable Securities Laws of the Qualifying Jurisdictions;
- (f) the Exchange has, or will by the Closing Time have, conditionally approved the listing of the Shares, the Warrants, the Warrant Shares and the Broker Warrant Shares, subject only to the satisfaction of the Company fulfilling the standard post-closing conditions of the Exchange;
- (g) the descriptions of the securities of the Company in the Prospectuses are true, complete and accurate descriptions of the rights, privileges, restrictions, terms and conditions attaching to such securities;
- (h) the authorized capital of the Company consists of an unlimited number of Common Shares without par value of which 44,694,177 Common Shares were issued and outstanding as of December 4, 2017. All of the issued and outstanding Common Shares are fully paid and non-assessable and have been duly and validly authorized and issued, in compliance with applicable laws;
- (i) except as disclosed in the Final Prospectus and MAG Silver Corp.'s ongoing right to participate in future offerings of securities of the Company, no person, firm or corporation has any agreement, option, right or privilege, whether pre-emptive, contractual or otherwise, capable of becoming an agreement for the purchase, acquisition, subscription for or issuance of any of the unissued shares of the Company or the Subsidiaries, or other securities convertible, exchangeable or exercisable for shares of the Company or the Subsidiaries;
- (j) all documents previously published or filed by the Company with the Regulatory Authorities (the "**Continuous Disclosure Materials**") contain no misrepresentation as of the Closing Time and were prepared in accordance with and comply with Applicable Securities Laws of the Qualifying Jurisdictions and the Company is not in default of its filings under, nor has it failed to file or publish any document required to be filed or published under Applicable Securities Laws of the Qualifying Jurisdictions;

- (k) all of the transactions of each of the Company and the Subsidiaries have been promptly and properly recorded or filed in or with its books or records and its minute book contains, in all material respects all of its transactions, all records of the meetings and proceedings of its directors, shareholders and other committees, if any, since incorporation;
- (l) each of the Company and the Subsidiaries has the corporate power and capacity to own the assets owned by it and to carry on the business carried on and proposed to be carried on by it, and each of the Company and the Subsidiaries holds all licenses and permits that are required for carrying on its business in the manner in which such business has been carried on and is duly qualified to carry on business in all jurisdictions in which it carries on business;
- (m) each of the Company and the Subsidiaries has good title to its respective assets as disclosed in the Prospectuses, free and clear of all liens, charges and encumbrances of any kind whatsoever;
- (n) all property, options, leases, concessions, claims or other, direct or indirect, interests in natural resource properties and surface rights for exploration and exploitation, extraction and other mineral property rights in which the Company or Subsidiaries holds an interest or right (collectively, the “**Property Rights**”) are completely and accurately described in the Prospectuses and except as set out in the Prospectuses, the Company is the legal and beneficial owner of such Property Rights and the Property Rights are in good standing and are valid and enforceable and free and clear of any liens, charges or encumbrances;
- (o) no property rights, easements, rights of way, access rights other than the Property Rights are necessary for the conduct of the business of the Company and the Subsidiaries as currently being conducted, or proposed to be conducted as described in the Prospectuses, and there are no restrictions on the ability of the Company or the Subsidiaries to use or otherwise exploit any such Property Rights, and there is no claim or, to the knowledge of the Company, basis for a claim that may adversely affect such rights in any respect;
- (p) there are no claims with respect to indigenous person rights currently pending or, to knowledge of the Company, threatened with respect to any of the Projects;
- (q) the Company and the Subsidiaries have all licences, registrations, qualifications, permits, consents and authorizations necessary for the conduct of the business of the Company and the Subsidiaries as currently conducted and as proposed to be conducted and all such licences, registrations, qualifications, permits, consents and authorizations are valid and subsisting and in good standing;
- (r) all assessments or other work required to be performed in relation to the mining claims and/or concessions and the mining rights with respect to the Projects in order to maintain the Company’s interest therein have been performed to date and the Company and the Subsidiaries have complied with all applicable governmental laws, regulations and policies as well as with regard to all legal and contractual obligations to third parties;
- (s) other than as disclosed in the Prospectuses, the Company and the Subsidiaries do not have any responsibility or obligation to pay or have paid on its behalf any commission, royalty or similar payment to any person with respect to its Property Rights;
- (t) all of the technical information set forth in the Prospectuses has been reviewed by a “qualified person” as required by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* (“**NI 43-101**”). All such information has been prepared in accordance with Canadian industry standards and NI 43-101 and there has been no changes to such information since the date of delivery or preparation thereof;

- (u) the Company has complied with, and is in compliance with, NI 43-101 and the information in the technical reports filed by the Company with Regulatory Authorities have been prepared in accordance with Canadian industry standards and NI 43-101;
- (v) each of the Company and the Subsidiaries have conducted and is conducting its business in compliance with all applicable laws, rules and regulations of each jurisdiction in which its business is carried on, is in compliance with all terms and provisions of all contracts, agreements, indentures, leases, policies, instruments and licences that are material to the conduct of its business and all such contracts, agreements, indentures, leases, policies, instruments and licences are valid and binding in accordance with their terms and in full force and effect, and no breach or default by the Company, or the Subsidiaries or event which, with notice or lapse or both, could constitute a breach or default by the Company, or the Subsidiaries, exists with respect thereto;
- (w) the Company has all requisite corporate power and authority to enter into this Agency Agreement and the Warrant Indenture and to perform the transactions contemplated hereby and thereby, the granting of the Over-Allotment Option and the sale by the Company of the Offered Securities and the issuance of the Shares, Broker Warrants and Broker Warrant Shares have been duly authorized by all necessary corporate action of the Company, and this Agreement has been, and the Warrant Indenture will be, duly executed and delivered by the Company and this Agreement is, and the Warrant Indenture will upon execution and delivery in accordance with the terms hereof be, a valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency, moratorium or similar laws affecting creditors' rights generally and except as limited by the application of equitable remedies which may be granted in the discretion of a court of competent jurisdiction and that enforcement of the rights to indemnity and contribution set out in this Agreement and the Warrant Indenture;
- (x) neither the Company nor any of the Subsidiaries is in violation of its constating documents or in default in the performance or observance of any obligation, agreement, covenant or condition contained in any material contract, indenture, mortgage, deed of trust, loan or credit agreement, note, lease, license or other agreement or instrument to which the Company or any of the Subsidiaries is a party or by which it or any of them may be bound, or to which any of the property or assets of the Company or any of the Subsidiaries is subject (collectively, "**Agreements and Instruments**"). The execution, delivery and performance of this Agreement and the consummation of the transactions contemplated herein and in the Offering Documents (including the authorization, issuance, sale and delivery of the Offered Securities, Broker Warrants and Broker Warrant Shares and the use of the proceeds from the sale of the Offered Securities, if any, as described in the Offering Documents under the caption "Use of Proceeds") and compliance by the Company with its obligations hereunder, do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default or Repayment Event (as defined below) under, or result in the creation or imposition of any lien upon any property or assets of the Company or any of the Subsidiaries pursuant to the Agreements and Instruments, nor will such action result in any violation or conflict with the provisions of the constating documents of the Company or any of the Subsidiaries or any existing applicable law, statute, rule, regulation, judgment, order, writ or decree of any government, government instrumentality or court, domestic or foreign, having jurisdiction over the Company or any of the Subsidiaries of their assets, properties or operations. As used herein, a "**Repayment Event**" means any event or condition which gives the holder of any note, debenture or other evidence of indebtedness (or any person acting on such holder's behalf) the right to require the repurchase, redemption or repayment of all or a portion of such indebtedness by the Company or any of the Subsidiaries;
- (y) upon their issuance the Shares, and upon their issuance in accordance with the terms of the Warrant Indenture and full payment of the exercise price therefor, the Warrant Shares and the Broker Warrant Shares, will be validly allotted, issued and outstanding, fully paid and non-

assessable, free and clear of all resale or trade restrictions (except control person restrictions and restrictions under applicable U.S. securities laws) and liens, charges or encumbrances of any kind whatsoever;

- (z) when issued and sold by the Company in accordance with the terms hereof or the terms of the Warrant Indenture, the Warrant Shares and the Broker Warrant Shares shall have the rights, privileges, restrictions and conditions that conform in all material respects to the rights, privileges, restrictions and conditions attaching to common shares in the capital of the Company set forth in the Prospectuses;
- (aa) upon satisfaction of the Standard Listing Conditions, the Shares, Warrant Shares and Broker Warrant Shares will be qualified investments under the *Income Tax Act* (Canada) for a trust governed by a registered retirement savings plan, a registered retirement income fund, a deferred profit sharing plan, a registered education savings plan, a registered disability savings plan and for a tax-free savings account;
- (bb) TSX Trust Company at its principal office in the City of Vancouver, British Columbia has been duly appointed as registrar and transfer agent for the Common Shares and has been duly appointed as warrant agent for the Warrants;
- (cc) the minute books and records of the Company and the Subsidiaries made available to counsel for the Agents in connection with its due diligence investigation of the Company for the period from the date of incorporation, as the case may be, to the date of this Agreement are all of the minute books and records of the Company and the Subsidiaries from incorporation to present and contain copies of all material proceedings (or certified copies thereof or drafts thereof pending approval) of the shareholders, the directors and all committees of directors of the Company and the Subsidiaries to the date of review of such corporate records and minute books and there have been no other meetings, resolutions or proceedings of the shareholders, directors or any committees of the directors of the Company or the Subsidiaries to the date of this Agreement not reflected in such minute books and other records;
- (dd) the audited annual financial statements of the Company for its fiscal year ended December 31, 2016 and notes thereto (the “**Annual Financial Statements**”), a copy of which is attached to the Prospectuses, are true and correct in every material respect and present fairly and accurately the financial position and results of the operations of the Company for the period then ended and such financial statements have been prepared in accordance with International Financial Reporting Standards (“**IFRS**”) applied on a consistent basis;
- (ee) the unaudited financial statements of the Company, for the three and six month period ended June 30, 2017 and notes thereto (the “**Interim Financial Statements**”), a copy of which is attached to the Prospectuses, are true and correct in every material respect and present fairly and accurately the financial position and results of the operations of the Company for the period then ended and such financial statements have been prepared in accordance with IFRS applied on a consistent basis;
- (ff) the Company maintains, and will maintain, at all times prior to the Closing Date a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management’s general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS, and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management’s general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any difference, (v) material information relating to the Company and the Subsidiaries is made known to those responsible for the preparation of the financial statements during the period in which the financial statements have been prepared and that such material information is disclosed to the public within the time periods required

by applicable laws, and (vi) all significant deficiencies and material weaknesses in the design or operation of such internal controls that could adversely affect any of the Company's or the Subsidiaries' ability to disclose to the public information required to be disclosed by them in accordance with applicable law and all fraud, whether or not material, that involves management or employees that have a significant role in the Company's or the Subsidiaries' internal controls have been disclosed to the audit committee of the Company;

- (gg) there has been no change in accounting policies or practices of the Company or the Subsidiaries since December 31, 2016, except as has been disclosed in the Interim Financial Statements;
- (hh) the audit committee of the Company is comprised and operates in accordance with the requirements of National Instrument 52-110 – *Audit Committees* of the Commissions that are applicable to the Company;
- (ii) neither the Company nor any of its Subsidiaries is indebted or under any obligation to any of its respective directors, officers or shareholders, on any account whatsoever, other than for (i) payment of salary, bonus and other employment or consulting compensation, (ii) reimbursement for expenses duly incurred in connection with the business of the Company, and (iii) for other standard employee benefits made generally available to all employees;
- (jj) the Company and the Subsidiaries have not guaranteed or agreed to guarantee any debt, liability or other obligation of any kind whatsoever of any person, firm or corporation whatsoever;
- (kk) none of the directors, officers or shareholders of the Company or its Subsidiaries is indebted to, or under any obligation to, the Company or the Subsidiaries, on any account whatsoever;
- (ll) there are no material liabilities of the Company, whether direct, indirect, absolute, contingent or otherwise which are not disclosed or reflected in the Company Financial Statements;
- (mm) since December 31, 2016, there has not been any adverse material change of any kind whatsoever in the financial position or condition of the Company or its Subsidiaries or any damage, loss or other change of any kind whatsoever in circumstances materially affecting its business, affairs, capital, prospects or assets, or the right or capacity of the Company or its Subsidiaries to carry on its business, such business having been carried on in the ordinary course;
- (nn) the directors, officers and key employees of the Company are as disclosed in the Prospectuses and the compensation arrangements with respect to the Company's directors and executive officers are as disclosed in the Prospectuses and there are no pensions, profit sharing, group insurance or similar plans or other deferred compensation plans of any kind whatsoever affecting the Company;
- (oo) there are no "significant acquisitions", "significant dispositions" or "significant probable acquisitions" for which the Company is required, pursuant to Applicable Securities Laws of the Qualifying Jurisdictions to include additional financial disclosure in the Prospectuses;
- (pp) all contracts and agreements material to the Company and the Subsidiaries (collectively the "**Material Contracts**") have been disclosed in the Prospectuses and neither the Company nor any of the Subsidiaries has approved, entered into any binding agreement in respect of, nor has any knowledge of, the purchase of any material property or assets or any interest therein or the sale, transfer or other disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Company or the Subsidiaries, whether by asset sale, transfer of shares or otherwise;

- (qq) there are no amendments to the Material Contracts that have been, or are required to be, to the knowledge of the Company or any of the Subsidiaries, are proposed to be, made other than have been disclosed in the Prospectuses;
- (rr) all tax returns, reports, elections, remittances, filings, withholdings and payments of the Company and the Subsidiaries required by applicable laws to have been filed or made, have been filed or made (as the case may be) and are substantially true, complete and correct and all taxes owing of the Company as at December 31, 2016 have been paid or accrued in the Annual Financial Statements;
- (ss) the Company and its Subsidiaries have been assessed for all applicable taxes to and including the year ended December 31, 2016 and have received all appropriate refunds, made adequate provision for taxes payable for all subsequent periods and the Company is not aware of any contingent tax liability of the Company or its Subsidiaries not adequately reflected in the Company Financial Statements;
- (tt) to the best of its knowledge, no examination of any tax return of the Company or any of the Subsidiaries is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any taxes that have been paid, or may be payable by the Company or any of the Subsidiaries. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of time for any assessment or reassessment of taxes with respect to the Company or any of the Subsidiaries;
- (uu) there are no actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding or, to the Company's knowledge, pending, threatened against or affecting the Company or any of the Subsidiaries, or to the Company's knowledge, its directors or officers at law or in equity or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau or agency of any kind whatsoever and, to the Company's knowledge, there is no basis therefor;
- (vv) none of the Company nor any of the Subsidiaries has any knowledge of a violation of, in connection with the ownership, use, maintenance or operation of its property and assets, any applicable federal, provincial, state, municipal or local laws, by-laws, regulations, orders, policies, permits, licences, certificates or approvals having the force of law, domestic or foreign, relating to environmental, health or safety matters or hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "**environmental laws**"). Without limiting the generality of the foregoing:
 - (i) each of the Company and the Subsidiaries has occupied its properties and has received, handled, used, stored, treated, shipped and disposed of all pollutants, contaminants, hazardous or toxic materials, controlled or dangerous substances or wastes in compliance with all applicable environmental laws and has received all permits, licenses or other approvals required of them under applicable environmental laws to conduct their respective businesses; and
 - (ii) there are no orders, rulings or directives issued against the Company or any of the Subsidiaries and there are no orders, rulings or directives pending or threatened against the Company or any of the Subsidiaries under or pursuant to any environmental laws requiring any work, repairs, construction or capital expenditures with respect to any property or assets of the Company;
- (ww) no notice with respect to any of the matters referred to in the immediately preceding paragraph, including any alleged violations by the Company or any of the Subsidiaries with respect thereto has been received by the Company or any of the Subsidiaries and no writ, injunction, order or judgement is outstanding, and no legal proceeding under or pursuant to any environmental laws or relating to the ownership, use, maintenance or operation of the

property and assets of the Company or any of the Subsidiaries is in progress, threatened or, to the best of the Company's knowledge, pending and there are no grounds or conditions which exist, on or under any property now or previously owned, operated or leased by the Company or any of the Subsidiaries, on which any such legal proceeding might be commenced with any reasonable likelihood of success or with the passage of time, or the giving of notice or both, would give rise;

- (xx) none of the Company, the Subsidiaries nor any of their directors or officers are in breach of any law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever where non-compliance could have a material adverse effect on the Company or the Subsidiaries;
- (yy) the auditors who audited the Annual Financial Statements are and have been independent public accountants as required under Applicable Securities Laws and there has never been a reportable event (within the meaning of National Instrument 51-102 *Continuous Disclosure Obligations* ("NI 51-102")) between the Company and such auditors nor has there been any event which has led any of the Company's current auditors to threaten to resign as auditors;
- (zz) the Prospectuses will be prepared and filed in compliance with the Applicable Securities Laws of the Qualifying Jurisdictions, and, at the time of delivery of the Offered Securities to the Agents, the Final Prospectus will comply with the Applicable Securities Laws of the Qualifying Jurisdictions and the Company shall fulfill and comply with the necessary requirements of the Applicable Securities Laws of the Qualifying Jurisdictions in order to enable the Offered Securities to be lawfully distributed in the Qualifying Jurisdictions (through the Agents or any other investment dealers or brokers registered as such in the Qualifying Jurisdictions and acting in accordance with the terms of their registrations and the Applicable Securities Laws of the Qualifying Jurisdictions);
- (aaa) the Prospectuses, including any and all amendments thereto, contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to the Company and the securities to be issued pursuant to the Offering and comply with Applicable Securities Laws of the Qualifying Jurisdictions;
- (bbb) the proceeds of the Offering will be used for the purposes and in the manner specified in the Offering Documents;
- (ccc) except as provided herein, there is no person, firm or corporation which has been engaged by the Company to act for the Company and which is entitled to any brokerage or finder's fee in connection with this Agreement or the transactions contemplated hereunder;
- (ddd) none of the Company, the Subsidiaries nor any of their employees or agents have made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or made any payment to any foreign, Canadian, United States, Colombian or provincial or state governmental officer or official, or other person charged with similar public or quasi-public duties, other than payments required or permitted by applicable laws, in a manner that would reasonably be expected to have a material adverse effect;
- (eee) the operations of the Company are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the money laundering statutes in all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental authority (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court of governmental authority or any arbitrator non-governmental authority involving the Company with respect to the Money Laundering Laws is to the best knowledge of the Company pending or threatened;

- (fff) no material labour dispute with the employees of the Company or the Subsidiaries currently exists or, to the knowledge of the Company or the Subsidiaries, is imminent. None of the Company nor the Subsidiaries is a party to any collective bargaining agreement and, to the knowledge of the Company, no action has been taken or is contemplated to organize any employees of the Company or the Subsidiaries;
- (ggg) the form of the certificates representing the Shares, Warrants, Warrant Shares, Broker Warrants and Broker Warrant Shares have been duly approved by the Company and comply with the provisions of the *Business Corporations Act* (British Columbia);
- (hhh) no filing with, or authorization, approval, consent, license, order, registration, qualification or decree of any court or governmental authority or agency in Canada is necessary or required for the performance by the Company of its obligations hereunder, in connection with the Offering in the Qualifying Jurisdictions, or the consummation of the transactions contemplated by this Agreement, except such as have been already obtained, or as may be required, under Applicable Securities Laws;
- (iii) all information and documentation concerning the Company and the Subsidiaries (including but not limited to the Property Rights and Material Contracts), the Offered Securities and the Offering, that has been provided to the Agents on their request by the Company in connection with this Agreement is accurate and complete in all material respects and not misleading and will not omit to state any fact or information which would be material to the Agents performing the services contemplated herein; and
- (jjj) neither the Company nor, to the knowledge of the Company, any director, officer, agent, employee, affiliate or person acting on behalf of the Company is currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department (“OFAC”); and the Company will not knowingly, directly or indirectly, use the proceeds of the Offering, or knowingly lend, contribute or otherwise make available such proceeds to any joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any United States sanctions administered by OFAC.

5.2 The representations and warranties of the Company contained in this Agreement shall be true at the Closing Time as though they were made at the Closing Time and they shall survive the completion of the transactions contemplated under this Agreement in accordance with Section 14.6.

6. ADDITIONAL COVENANTS

6.1 The Company covenants and agrees with the Agents that it shall:

- (a) file with the Exchange all required documents and pay all required filing fees, and do all things required by the rules and policies of the Exchange, in order to obtain prior to the Closing Date the requisite acceptance or approval of the Exchange for:
 - (i) the Offering;
 - (ii) the conditional listing of the Company and its Shares and Warrants on the Exchange, subject only to Standard Listing Conditions, which the Company agrees to fully satisfy in a timely manner forthwith after the Closing; and
 - (iii) the conditional listing of, upon their issuance in accordance with the terms of the Warrant Indenture, the Warrant Shares and the Broker Warrant Shares subject only to Standard Listing Conditions, which the Company agrees to fully satisfy in a timely manner forthwith after the Closing;

- (b) with respect to the filing of the Prospectuses as contemplated herein, fulfill all legal requirements required to be fulfilled by the Company in connection therewith, in each case in form and substance satisfactory to the Agents as evidenced by the Agents' execution of the certificates attached thereto;
- (c) prior to the completion of the Offering, allow the Agents to review the Offering Documents and conduct all due diligence which the Agents may reasonably require in order to fulfill their statutory obligations as Agents and in order to enable them to execute, acting prudently and responsibly, the certificates required to be executed by the Agents in such documents, including, without limitation, all corporate and operating records, documentation with respect to Property Rights, technical information, financial information (including budgets), copies of the financial statements to be incorporated by reference in the Prospectuses and access to key officers of the Company;
- (d) during the period prior to the completion of the Offering, promptly notify the Agents in writing of:
 - (i) any material change (actual, contemplated or threatened) in the business, affairs, operations, assets or liabilities (contingent or otherwise) prospects, financial position or capital or ownership of the Company or proposed ownership of the Company (other than a change disclosed in the Prospectuses); and
 - (ii) any change which is of such a nature as to result in a misrepresentation in either of the Prospectuses or any amendment thereto; and any material fact that has arisen or been discovered and that would be required to have been disclosed in the Prospectuses or in Supplementary Material had that fact arisen or been discovered on or prior to the date of the Prospectuses or any Supplementary Material,

which change or fact is, or may be, of such a nature as to render the Prospectuses or any Supplementary Material misleading or untrue in any material respect or would result in any of such documents containing a misrepresentation, as defined under Applicable Securities Laws of the Qualifying Jurisdictions, or which would result in any of such documents not complying with any of the Applicable Securities Laws of the Qualifying Jurisdictions or which change would reasonably be expected to have a significant effect on the market price or value of the Offered Securities. The Company shall in good faith discuss with the Agents any change in circumstances (actual or proposed within the knowledge of the Company) which is of such a nature that there is reasonable doubt whether notice needs to be given to the Agents pursuant to this subsection and, in any event, prior to making any filing;

- (e) deliver to the Agents duly executed copies of any Supplementary Material required to be filed by the Company in accordance with subsection (d) above and, if any financial or accounting information is contained in any of the Supplementary Material, an additional Comfort Letter to that required by subsection (k)(i) below;
- (f) cause commercial copies of the Prospectuses, the U.S. Memorandum and Supplementary Material to be delivered to the Agents without charge, in such quantities and in such cities as the Agents may request, as soon as possible after the filing of the Preliminary Prospectus, Final Prospectus or Supplementary Material, as the case may be, but in any event on or before noon (Toronto time) on the second Business Day after obtaining the receipt therefor, as applicable, and such delivery will constitute the Company's consent to the Agents' use of such documents in connection with the Offering;
- (g) by the act of having delivered each of the Prospectuses and any Supplementary Material to the Agents, have represented and warranted to the Agents that all material information and statements (except information and statements relating solely to the Agents and provided by the Agents to the Company in writing expressly for inclusion in Prospectuses) contained in

such documents, at the respective dates of initial delivery thereof, comply with the Applicable Securities Laws of the Qualifying Jurisdictions and are true and correct in all material respects, and that such documents, at such dates, contain no misrepresentation and together constitute full, true and plain disclosure of all material facts relating to the Company, the Offered Securities, the Over-Allotment Option, the Shares, the Warrants, the Warrant Shares, the Broker Warrants and the Broker Warrant Shares as required by the Applicable Securities Laws of the Qualifying Jurisdictions;

- (h) prior to the Closing Time, fulfill to the satisfaction of the Agents all legal requirements (including, without limitation, compliance with Applicable Securities Laws) to be fulfilled by the Company to enable the Offered Securities to be distributed free of trade restrictions in the Qualifying Jurisdictions;
- (i) maintain its status as a “reporting issuer” or the equivalent not in default in each of the Qualifying Jurisdictions for a period of two years from the Closing Date, other than in connection with a merger, amalgamation, arrangement, take-over bid, going private transaction or other similar transaction involving the purchase or sale of all of the outstanding Common Shares;
- (j) use its commercially reasonable best efforts to maintain its listing of the Common Shares on the Exchange or other stock exchange acceptable to the Agents for a period of two years from the Closing Date, other than in connection with a merger, amalgamation, arrangement, take-over bid, going private transaction or other similar transaction involving the purchase or sale of all of the outstanding Common Shares;
- (k) deliver to the Agents and their legal counsel, as applicable:
 - (i) at the time of execution of the Final Prospectus by the Agents, a long form comfort letter (the “**Comfort Letter**”) from the Company’s auditors addressed to the Agents and dated as of the date of the Final Prospectus and based on procedures performed within two business days of the Final Prospectus, in form and content acceptable to the Agents, acting reasonably, relating to the verification of the financial information and accounting data contained in the Final Prospectus and to such other matters as the Agents may reasonably require;
 - (ii) at the Closing Time, such legal opinions (the “**Legal Opinions**”) of the Company’s legal counsel (excluding U.S. legal counsel), addressed to the Agents and their legal counsel and dated as of the Closing Date (or date of the Option Closing, as applicable), in form and content acceptable to the Agents, acting reasonably, relating to the matters set forth in Schedule “B” and to such other matters as the Agents may reasonably require;
 - (iii) at the Closing Time, if any Offered Securities are being sold in the United States, a legal opinion of U.S. counsel to the Company, addressed to the Agents and dated as of the Closing Date (or date of the Option Closing, as applicable), in form and content acceptable to the Agents, acting reasonably, to the effect that such offer and sale of the Offered Securities is not required to be registered under the U.S. Securities Act (the “**U.S. Legal Opinion**”);
 - (iv) at the Closing Time, a certificate (the “**Officers’ Certificate**”) of the Company signed by its Chief Executive Officer and Chief Financial Officer, addressed to the Agents and their legal counsel and dated as of the Closing Date (or date of the Option Closing, as applicable), in form and content acceptable to the Agents, acting reasonably, certifying for and on behalf of the Company and not in their personal capacities that, to the actual knowledge of the persons signing such certificate, after having made due and relevant inquiry:

- (A) the Company has complied with all covenants and satisfied all terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time on the Closing Date;
 - (B) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Company or prohibiting the sale of the Offered Securities or any of the Company's issued securities has been issued and no proceeding for such purpose is pending or, to the knowledge of such officers, threatened;
 - (C) the Company is a "reporting issuer" or its equivalent under the securities laws of each of the Qualifying Jurisdictions and no material change relating to the Company has occurred since the date of this Agreement with respect to which the requisite material change report has not been filed and no such disclosure has been made on a confidential basis that remains subject to confidentiality; and
 - (D) all of the representations and warranties made by the Company in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated hereby;
- (v) at the Closing Time, such legal opinions (the "**Title Opinions**") of the Company's local legal counsel, addressed to the Agents and their legal counsel, dated as of the Closing Date (or date of the Option Closing, as applicable), in the form and content acceptable to the Agents acting reasonably, with respect to each of the Projects;
 - (vi) the Agents having received certificates dated the Closing Date (or date of the Option Closing, as applicable) signed by the Chief Executive Officer of the Company or another officer acceptable to the Agents, acting reasonably, in form and content satisfactory to the Agents, acting reasonably, with respect to the constating documents of the Company; the resolutions of the directors of the Company relevant to the Offering, including the allotment, issue (or reservation for issue) and sale of the Offered Securities, the grant of the Over-Allotment Option, the issuance of the Broker Warrant, the authorization of this Agreement, the listing of the Shares, Warrant Shares and Broker Warrant Shares on the Exchange and transactions contemplated by this Agreement and the incumbency and signatures of signing officers of the Company;
 - (vii) at the Closing Time, a certificate of status (or equivalent) for the Company and each of the Subsidiaries dated within one (1) business day (or such earlier or later date as the Agents may accept) of the Closing Date (or date of the Option Closing, as applicable);
 - (viii) at the Closing Time, a certificate of the registrar and transfer agent of the Common Shares, which certifies the number of Common Shares issued and outstanding on the date prior to the Closing Date (or date of the Option Closing, as applicable);
 - (ix) at the Closing Time, a Comfort Letter, dated the Closing Date (or date of the Option Closing, as applicable), in form and substance satisfactory to the Agents, acting reasonably, bringing forward to the date which is two (2) business days prior to the Closing Date (or date of the Option Closing, as applicable), the information contained in the Comfort Letter; and
 - (x) at the Closing Time, such other materials (the "**Closing Materials**") as the Agents may reasonably require and as are customary in a transaction of this nature, and the

Closing Materials will be addressed to the Agents and to such parties as may be reasonably directed by the Agents and will be dated as of the Closing Date or such other date as the Agents may reasonably require;

- (l) from and including the date of this Agreement through to and including the Closing Time, do all such acts and things necessary to ensure that all of the representations and warranties of the Company contained in this Agreement or any certificates or documents delivered by it pursuant to this Agreement remain materially true and correct and not do any such act or thing that would render any representation or warranty of the Company contained in this Agreement or any certificates or documents delivered by it pursuant to this Agreement materially untrue or incorrect and use its best efforts to cause all conditions in this Agreement to be satisfied;
- (m) during the period commencing on the date hereof and ending on the date which is 180 days after the Closing Date (the “**Lock-up Period**”), not to, without the prior written consent of PI and Cormark, which consent will not be unreasonably withheld, directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to or announce any intention to, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, any Common Shares or any securities convertible or exchangeable into Common Shares other than pursuant to (i) the Offering; (ii) the exercise of the Over-Allotment Option; (iii) the grant or exercise of stock options and other similar issuances pursuant to any stock option plan or similar share compensation arrangements in place prior to the Closing Date; and (iv) the issue of Common Shares upon the exercise of convertible securities, warrants or options outstanding prior to the Closing Date;
- (n) cause each of its directors, officers and securityholders holding in excess of 10% of the outstanding Common Shares following completion of the Offering (in respect of any securities of the Company held directly or indirectly) to enter into lock-up agreements, in form and substance satisfactory to PI and Cormark and executed and delivered prior to the Closing, providing that during the Lock-up Period, each will not, directly or indirectly, offer, sell, agree to offer or sell, enter into an arrangement to offer or sell, grant any option to purchase, make any short sale, or otherwise dispose of, or transfer, or announce any intention to do so, or enter into any transaction or arrangement that has the effect of transferring, in whole or in part, any of the economic consequences of ownership of any securities of the Company, other than pursuant to a take-over bid made generally to all of the shareholders of the Company, without the prior written consent of PI and Cormark, such consent not to be unreasonably withheld or delayed or conditional on the payment of additional consideration to the Agents;
- (o) prior to the filing of the Final Prospectus, provide evidence satisfactory to the Agents of the conditional approval of the Exchange of the listing of the Common Shares on the Exchange and the listing and posting for trading on the Exchange of the Shares, the Warrants and any Warrant Shares or Broker Warrant Shares, subject only to satisfaction by the Company of customary post-closing conditions imposed by the Exchange in similar circumstances (the “**Standard Listing Conditions**”);
- (p) advise the Agents, promptly after receiving notice or obtaining knowledge thereof, of: (i) the issuance by any Commission of any order suspending or preventing the use of the Preliminary Prospectus, the Final Prospectus or any Supplementary Material; (ii) the suspension of the qualification for distribution of the Offered Securities or Over-Allotment Option in any of the Qualifying Jurisdictions; (iii) the institution, threatening or contemplation of any proceeding for any such purposes; or (iv) any requests made by any Commission for amending or supplementing the Preliminary Prospectus or the Final Prospectus or any Supplementary Material or for additional information, and will use its commercially reasonable efforts to prevent the issuance of any order referred to in (i) or (ii) above and, if any such order is issued, to obtain the withdrawal thereof as promptly as possible;

- (q) not reproduce, disseminate, quote from or refer to the Offering or any written or oral opinions, advice, analysis and materials provided by the Agents to the Company in connection with the Offering in whole or in part at any time, in any manner or for any purpose, without PI's prior written consent in each specific instance, and the Company shall and shall cause its affiliates, officers, directors, shareholders, agents and advisors (including those shareholders who have an advisory relationship with the Company and the directors, officers, and employees of such shareholders) to keep confidential the opinions, advice, analysis and materials furnished to the Company by the Agents and their counsel in connection with the Offering;
- (r) promptly do, make, execute, deliver or cause to be done, made, executed or delivered, all such acts, documents and things as the Agents may reasonably require from time to time for the purpose of giving effect to this Agreement;
- (s) forthwith notify the Agents of any breach of any covenant of this Agreement, the Warrant Indenture or any Ancillary Documents by any party thereto, or upon it becoming aware that any representation or warranty of the Company contained in this Agreement, the Warrant Indenture or any Ancillary Document is or has become untrue or inaccurate in any material respect;
- (t) ensure that any news release relating to this Offering will include substantially the following legend: "NOT FOR DISTRIBUTION TO THE UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES." All news releases relating to this Offering will include the following statement: *This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities. The securities described herein have not been and will not be registered under the United States Securities Act of 1933, as amended, or the securities laws of any state and may not be offered or sold within the United States absent such registration or an applicable exemption from such registration requirements.*"; and
- (u) use the net proceeds of the Offering substantially in the manner set out in the Final Prospectus under the heading "Use of Proceeds".

7. AGENTS' FEES AND EXPENSES

- 7.1 In consideration of the services to be rendered by the Agents to the Company under this Agreement, the Company agrees to pay to the Agents, at the time and in the manner specified in this Agreement, the Agents' Fee. As additional compensation, the Agents will receive at the Closing Time, broker warrants (the "**Broker Warrants**") exercisable to acquire such number of Common Shares (the "**Broker Warrant Shares**") as is equal to 6% of the number of Units and Additional Units issued pursuant to the Offering (including, for greater certainty, pursuant to the exercise of the Over-Allotment Option). The Broker Warrants shall be exercisable at any time following the Closing Time, until 5:00 p.m. (Vancouver time) on the date that is 18 months following the Closing Time, at an exercise price equal to the Issue Price per Broker Warrant.
- 7.2 Whether or not the sale of the Units or Additional Units shall be completed, all costs, fees and expenses of or incidental to the creation, issue, sale and delivery of the Units or Additional Units, the documentation relating to the Offering and Broker Warrants and of or incidental to all matters in connection with the transactions herein shall be borne by the Company, and the Company shall reimburse the Agents for any and all expenses incurred by the Agents, including, without limitation and for greater certainty, the reasonable fees and disbursements of the Agents' legal counsel (to a maximum of \$125,000 in respect of legal fees only, exclusive of taxes and disbursements) and all reasonable "out-of-pocket" expenses of the Agents.
- 7.3 All fees, expenses and other payments under this Agreement shall be paid without giving effect to any withholding or deduction of any tax or similar governmental assessment. If the Company is required by law to deduct or withhold any amounts with respect to any such tax or assessment or if any such tax or

assessment is required to be paid by the Agents or any of their affiliates as a result or arising out of this Agreement, the Company shall pay the Agents such additional amounts as shall be required so that the net amount received by the Agents from the Company after such deduction, withholding or payment shall equal the amounts otherwise payable to the Agents under this Agreement. If any Goods and Services Tax, Harmonized Sales Tax, and/or provincial sales taxes or other similar tax is payable with respect to the fees paid or payable to the Agents under this engagement, the Agents will add the amount of such tax to its invoice and the Company shall pay the Agents such tax.

- 7.4 Each Agent represents and warrants that it is not in the United States, is not a U.S. Person or acting for the account or benefit of a U.S. Person, did not receive an offer to acquire the Broker Warrants within the United States, and did not execute this Agreement or otherwise place its order to acquire the Broker Warrants from within the United States.
- 7.5 Each Agent understands and acknowledges that the Broker Warrants have not been and will not be registered under the U.S. Securities Act or any state securities laws, and may be exercised only in transactions exempt from or not subject to such registration requirements.

8. CONDITIONS PRECEDENT

- 8.1 The following are conditions to the obligations of the Agents to complete the transactions contemplated in this Agreement, which conditions may be waived in writing in whole or in part by the Agents in their sole discretion:
- (a) all actions required to be taken by or on behalf of the Company, including without limitation the passing of all requisite resolutions of directors of the Company approving the transaction contemplated hereunder, will have been taken so as to approve the Prospectuses, to obtain the requisite approval of the Exchange to the listing of the Shares, Warrant Shares and Broker Warrant Shares on the Exchange, the Offering and to validly offer, sell and distribute the Offered Securities.
 - (b) there shall be no requirement under applicable law and no requirement imposed on the Company by the Regulatory Authorities to obtain, nor shall the Company voluntarily seek, shareholder approval of the Offering or of the issuance of the Offered Securities;
 - (c) the Company will have made all necessary filings with and obtained all necessary approvals, consents and acceptances of the Regulatory Authorities for the Offering and the Prospectuses, including without limitation a receipt from the Commissions pursuant to NP 11-202 in respect of the Prospectuses, to permit the Company to complete its obligations hereunder;
 - (d) the Company will have, within the required time set out hereunder, delivered or caused the delivery of the required Comfort Letter, Legal Opinions, U.S. Legal Opinion, Officer's Certificate, the Title Opinion and the Closing Materials, in form and substance satisfactory to the Agents and their counsel, acting reasonably;
 - (e) no order ceasing or suspending trading in any securities of the Company, or ceasing or suspending trading by the directors, officers or promoters of the Company, or any one of them, or prohibiting the trade or distribution of any of the securities referred to herein will have been issued and no proceedings for such purpose, to the knowledge of the Company, will be pending or threatened;
 - (f) the Company will have received conditional listing approval from the Exchange with respect to the listing of the Common Shares and the Warrants and the listing of the Shares, Warrant Shares and Broker Warrant Shares upon exercise of any Warrants or Brokers Warrants (as the case may be) by the holders thereof;

- (g) as of the Closing Time, there shall be no reports or information that in accordance with the requirements of Regulatory Authorities must be made publicly available in connection with the sale of the Offered Securities that have not been made publicly available as required; no contracts, documents or other materials required to be filed with Regulatory Authorities in connection with the Prospectuses that have not been filed as required and delivered to the Agents; and no contracts, documents or other materials required to be described or referred to in the Prospectuses or the U.S. Memorandum that are not described or referred to as required and delivered to the Agents;
- (h) the Agents shall have received at the Closing Time a letter from the transfer agent of the Company dated the date of Closing and signed by an authorized officer of such transfer agent confirming the issued and outstanding capital of the Company;
- (i) the Agents not having exercised any rights of termination set forth in this Agreement;
- (j) the Agents having received at the Closing Time such further certificates, opinions of counsel and other documentation from the Company as the Agents or their counsel may reasonably require and as are customary in a transaction of this nature;
- (k) there shall not have occurred since December 31, 2016 and until the Closing Time, any adverse material change (actual, anticipated, contemplated or, to the knowledge of the Company, threatened, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise), prospects, financial position or capital of the Company;
- (l) the due diligence conducted by the Agents shall not have revealed any adverse material change or adverse material fact in respect of the Company not generally known to the public which should have been previously disclosed pursuant to Applicable Securities Laws, and the Agents being satisfied, acting reasonably, with the results of their due diligence investigation of the Company prior to the Closing Time;
- (m) the Company will have, as of the Closing Time, complied with all of its covenants and agreements contained in this Agreement and the Warrant Indenture; and
- (n) the representations and warranties of the Company contained in this Agreement will be materially true and correct as of the Closing Time as if such representations and warranties had been made as of the Closing Time.

9. CLOSING

9.1 The Company and the Agents shall cause the Closing to occur on or about December 14, 2017, but in any event will be no later than January 31, 2018, or such other date as may be agreed to in writing by the Company and the Agents (the “**Closing Date**”). The closing of the transactions contemplated under this Agreement (the “**Closing**”) shall be completed at the offices of Cassels Brock & Blackwell LLP, legal counsel to the Company.

9.2 On the Closing, the Company shall issue and deliver to the Agents:

- (a) one or more global certificates (in physical or electronic form as PI may advise) representing the Underlying Shares and Warrants to be issued at Closing to Purchasers in the Qualifying Jurisdictions in the names and denominations reasonably requested by the Agents; provided that Warrants comprising part of the Offered Securities sold to Qualified Institutional Buyers pursuant to Section 4(a)(2) of the U.S. Securities Act shall be represented by separate, physical certificates registered in the name of the purchaser thereof or its nominee or as otherwise directed by PI;

- (b) one or more certificates representing the Broker Warrants registered as directed by PI; and
- (c) the Company shall deliver to the Agents such documents set forth in subsection 6.1(k) as the Agents may request.

9.3 If the Company has satisfied all of its obligations under this Agreement that are required to be satisfied before or at the Closing Time, on the Closing the Agents shall pay to the Company by wire transfer the aggregate gross proceeds of the sale of the Units, less (i) the Agents' Fee and, (ii) if so desired by PI, any costs and expenses owing to the Agents pursuant to section 7.2.

10. OPTION CLOSING

10.1 In the event the Over-Allotment Option is exercised, at the Option Closing, subject to the terms and conditions contained in this Agreement, the Company shall issue and deliver to the Agents in such locations that PI advises the Company the certificates (in physical or electronic form as PI may advise in the notice) representing the Additional Underlying Shares, Additional Warrants and Broker Warrants to be issued at the Option Closing in the names and denominations reasonably requested by the Agents.

10.2 The Option Closing shall occur not more than two business days after the date that the notice of exercise of the Over-Allotment Option has been given in accordance with the terms of the Over-Allotment Option.

10.3 At the Option Closing, the Company shall deliver to the Agents such documents set forth in subsection 6.1(k), as the Agents may request.

10.4 If the Company has satisfied all of its obligations under this Agreement, on the Option Closing Date the Agents shall pay to the Company by cheque the gross proceeds of the sale of the Additional Units, less (i) the Agents' Fee and (ii) if so desired by PI, any costs and expenses owing to the Agents pursuant to section 7.2.

10.5 The Company and Agents agree that the Over-Allotment Option Closing Date may occur on the same date as the Closing Date, subject to the Company's prior receipt of the notice in accordance with the Over-Allotment Option.

11. INDEMNITY

11.1 The Company (the "**Indemnitor**") hereby agrees to indemnify and hold each of the Agents, each of their subsidiaries and affiliates, and each of their directors, officers, employees and agents (hereinafter referred to as the "**Personnel**") harmless from and against any and all expenses, losses (other than loss of profits), fees, claims, actions (including shareholder actions, derivative actions or otherwise), damages, obligations, or liabilities, whether joint or several, and the reasonable fees and expenses of their counsel, that may be incurred in advising with respect to and/or defending any actual or threatened claims, actions, suits, investigations or proceedings to which the Agents and/or their Personnel may become subject or otherwise involved in any capacity under my statute or common law, or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Indemnitor by the Agents and their Personnel hereunder, or otherwise in connection with the matters referred to in this Agreement (including the aggregate amount paid in reasonable settlement of any such actions, suits, investigations, proceedings or claims that may be made against the Agents and/or their Personnel, provided that the Indemnitor has agreed to such settlement), provided, however, that this indemnity shall not apply to the extent that:

- (a) the Agents and/or their Personnel have been grossly negligent or have committed willful misconduct or any fraudulent act in the course of such performance or have materially breached this Agreement; and

- (b) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the actions referred to in (a).
- 11.2 Without limiting the generality of the foregoing, this indemnity shall apply to all expenses (including legal expenses), losses, claims and liabilities that the Agents may incur as a result of any action or litigation that may be threatened or brought against the Agents.
- 11.3 If for any reason (other than the occurrence of any of the events itemized in (a) and (b) above), the foregoing indemnification is unavailable to the Agents or any Personnel or insufficient to hold the Agents or any Personnel harmless, then the Indemnitor shall contribute to the amount paid or payable by the Agents or any Personnel as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Agents or any Personnel on the other hand but also the relative fault of the Indemnitor and the Agents or any Personnel, as well as any relevant equitable considerations; provided that the Indemnitor shall in any event contribute to the amount paid or payable by the Agents or any Personnel as a result of such expense, loss, claim, damage or liability and any excess of such amount over the amount of the fees received by the Agents hereunder.
- 11.4 The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor and/or the Agents by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or shall investigate the Indemnitor and/or the Agents, and/or any Personnel of the Agents shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Indemnitor by the Agents, the Agents shall have the right to employ its own counsel in connection therewith provided the Agents act reasonably in selecting such counsel (and provided that only one counsel shall be appointed to represent the Agents collectively), and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agents for time spent by the Agents' Personnel in connection therewith) and out-of-pocket expenses incurred by their Personnel in connection therewith shall be paid by the Indemnitor as they occur.
- 11.5 Promptly after receipt of notice of the commencement of any legal proceeding against the Agents or any Personnel of the Agents' or after receipt of notice of the commencement or any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Agents will notify the Indemnitor in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed. However, the failure by the Agents to notify the Indemnitor will not relieve the Indemnitor of its obligations to indemnify the Agents and/or any Personnel, except and only to the extent that such failure or delay materially prejudices the defence of any legal proceeding or materially increases the liability of the Indemnitor thereunder. The Indemnitor shall on behalf of itself and the Agents and/or any Personnel, as applicable, be entitled to (but not required) to assume the defence of any suit brought to enforce such legal proceeding; provided, however, that the defence shall be conducted through legal counsel acceptable to the Agents and/or any Personnel, as applicable, acting reasonably, that no settlement of any such legal proceeding may be made by the Indemnitor without the prior written consent of the Agents and/or any Personnel, as applicable, and none of the Agents and/or any Personnel, as applicable, shall be liable for any settlement of any such legal proceeding unless it has consented in writing to such settlement, such consent not to be unreasonably withheld. The Agents and their Personnel shall have the right to appoint its or their own separate counsel at the Indemnitor's cost provided the Agents act reasonably in selecting such counsel, and provided that only one counsel shall be appointed to represent the Agents and their Personnel, collectively.
- 11.6 The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Personnel of the Agents and shall be binding upon and inure to the benefit of any successors, assigns, heirs and

personal representatives of the Indemnitor, the Agents and any of the Personnel of the Agents. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of the authorization given by this Agreement.

12. TERMINATION OF AGREEMENT

- 12.1 Except as otherwise provided herein, all terms and conditions set out herein shall be construed as conditions and any breach or failure by the Company to comply with any such conditions in favour of the Agents shall entitle any of the Agents to terminate in accordance with section 12.2 its obligations under this Agreement by written notice to that effect given to the Company prior to the Closing Time on the Closing Date or Option Closing (as applicable). It is understood each Agent may waive in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to its rights in respect of any subsequent breach or non-compliance, provided that to be binding on an Agent, any such waiver or extension must be in writing and signed by the Agent.
- 12.2 In addition to any other remedies which may be available to the Agents, each of the Agents shall have the right to terminate its obligations under this Agreement upon delivery of written notice to the Company at any time up to the Closing of the Offering:
- (a) if the Agents are not satisfied, in their sole discretion, with the results of the due diligence review and investigation of the Company, the Subsidiaries and the directors, officers and employees thereof conducted by the Agents; or
 - (b) if, in the opinion of the Agents, a material change or a change in any material fact or a new material fact has arisen or there should be discovered any previously undisclosed material fact in respect of the Company which would be expected to have a significant adverse change or effect on the business, affairs, prospects or financial condition of the Company or on the market price or the value of the securities of the Company; or
 - (c) if any enquiry, action, suit, investigation or other proceeding, whether formal or informal, is commenced, announced or threatened or any order is made in relation to the Company or any one of its officers or directors of any of its principal shareholders by any regulatory authority, stock exchange or any other federal, provincial or other governmental body having jurisdiction or authority over the Company, any of its material assets or operations, officers or directors, or any of the Company's principal shareholders, which, in the opinion of the Agents, acting reasonably, operates or could operate to prevent or restrict materially the distribution or trading of the Shares; or
 - (d) if the state of the financial markets, whether national or international, is such that in the sole opinion of the Agents, acting reasonably, it would be impractical or unprofitable to offer or continue to offer for sale the Offered Securities; or
 - (e) if there should develop, occur or come into effect or existence any event, action, state, condition, or major occurrence of national or international consequence (including, without limitation, any accident, natural catastrophe, act of war, terrorism, public protest or similar event) or any governmental action, or change of any applicable law or regulation (or any judicial interpretation thereof) which, in the sole opinion of any Agent, seriously adversely affects or may seriously adversely affect the financial markets (including the commodity markets) or the business, affairs, prospects or financial condition of the Company or the market price or marketability of the securities of the Company; or
 - (f) any order to cease or suspend trading in any securities of the Company is made, threatened or announced by the Exchange or any other securities regulatory authority; or
 - (g) if the Company is in breach of any material term, condition or covenant of this Agreement or any representation or warranty given by the Company in this Agreement is or becomes false.

- 12.3 Neither the giving nor the failure to give notice under section 12.2 shall in any way affect the entitlement of the Agents to exercise their rights under section 12.2 at any time prior to or at the Closing Time on the Closing Date or the Option Closing Date (as the case may be).
- 12.4 The rights of termination contained in this section 12 are in addition to any other rights or remedies the Agents may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise.
- 12.5 If the obligations of an Agent are terminated under this Agreement pursuant to these termination rights, the Company's liabilities to the Agent shall be limited to the Company's obligations under subsection 6.1(p), section 7, section 11 and section 13.

13. ALTERNATIVE TRANSACTIONS

- 13.1 If the Agents are not in breach of this Agreement and indicate their willingness to commit to raising a minimum of \$5 million and completing the Offering on the terms set out herein and the Company elects not to proceed with the Offering, and the Company, its shareholders or any of its subsidiaries agrees to or announces or enters into a binding, definitive agreement in respect of an Alternative Transaction (as defined below), at any time during the 12-month period immediately following the date of the filing of the Preliminary Prospectus, then the Company agrees (subject to completion of such Alternative Transaction) to pay to the Agents a compensation fee, in addition to all costs and expenses referred to in section 7 hereof, of 50% of the cash fee that would have been otherwise payable upon the successful completion of the Offering, which fee will constitute the liquidated damages of the Agents resulting from the failure to complete the Offering contemplated herein and not a penalty. The compensation fee shall be calculated assuming the lesser of the aggregate gross proceeds to the Company under an Alternative Transaction and \$10,000,000, subject to a minimum compensation fee of \$150,000 and a maximum compensation fee of \$300,000.
- 13.2 An "**Alternative Transaction**" means any equity or debt financing (including, for greater certainty, financings involving securities exercisable, exchangeable or convertible into securities of the Company), merger, amalgamation, arrangement, business combination, take-over bid, insider bid, issuer bid, reorganization, joint venture, sale or exchange of all or substantially all of the assets or Common Shares or any combination thereof, other than the Offering.

14. GENERAL

- 14.1 Any notice to be given hereunder shall be in writing and may be given by facsimile or by hand delivery and shall, in the case of notice to the Company, be addressed and faxed or delivered to:

Group Eleven Resources Corp.
2200-885 West Georgia Street
Vancouver, BC V6C 3E8

Attention: Bart Jaworski
Fax No.: [●]

with a copy to:

Cassels Brock & Blackwell LLP
2200-885 West Georgia Street
Vancouver, BC V6C 3E8

Attention: John Christian
Fax No.: 604-691-6120

and in the case of the Agents, be addressed and faxed or delivered to each of:

PI Financial Corp.
666 Burrard Street, 19th Floor
Vancouver, BC V6C 3N1

Attention: Tim Graham
Fax No.: 604-664-2666

Cormark Securities Inc.
Royal Bank Plaza
200 Bay Street, Suite 2800
Toronto, ON M5J 2J2

Attention: David Sadowski
Fax No.: 416-943-6496

Sprott Private Wealth LP
Royal Bank Plaza
200 Bay Street, Suite 2600
Toronto, ON M5J 2J2

Attention: Tim Sorensen
Fax No.: 416-362-4928

with a copy to:

Blake, Cassels & Graydon LLP
595 Burrard Street
Suite 2600, Three Bentall Centre
Vancouver BC V7X 1L3

Attention: Bob Wooder
Fax No.: 604-631-3309

The Company and the Agents may change their respective addresses for notice by notice given in the manner referred to above.

- 14.2 The forbearance or failure of one of the parties hereto to insist upon strict compliance by the other with any provision of this Agreement, whether continuing or not, shall not be construed as a waiver of any rights or privileges hereunder. No waiver of any right or privilege of a party arising from any default or failure hereunder of performance by the other shall affect such party's rights or privileges in the event of a further default or failure of performance.
- 14.3 Time and each of the terms and conditions of this Agreement shall be of the essence of this Agreement.
- 14.4 This Agreement constitutes the entire agreement between the parties hereto in respect of the matters referred to herein and there are no representations, warranties, covenants or agreements, expressed or implied, collateral hereto other than as expressly set forth or referred to herein and this Agreement supersedes any previous agreements, arrangements or understandings among the parties.
- 14.5 The headings in this Agreement are for reference only and do not constitute terms of the Agreement.
- 14.6 Except as expressly provided for in this Agreement, all warranties, representations, covenants and agreements of the Company herein contained, or contained in, documents submitted or required to be submitted pursuant to this Agreement, shall survive the Closing of the Offering and shall continue in full force and effect, regardless of the closing of the sale of the Units and any Additional Units and

regardless of any investigation which may be carried on by the Agents, or on their behalf, subject only to the applicable limitation period prescribed by law. For greater certainty, the provisions contained in this Agreement in any way related to the indemnification or the contribution obligations, including those provided for in section 11, shall survive and continue in full force and effect, subject only to the applicable limitation period prescribed by law.

- 14.7 PI is hereby authorized by each of the other Agents to act on its behalf and the Company shall be entitled to and shall act on any notice given hereunder by PI or agreement entered into by or on behalf of the Agents by PI, which represents and warrants that it has irrevocable authority to bind the Agents, except in respect of any consent to a settlement pursuant to section 11, which consent shall be given by the Indemnified Party, a notice of termination pursuant to section 12, which notice may be given by any of the Agents exercising such right, or any waiver pursuant to section 12.1, which waiver must be signed by all the Agents. PI shall, where practicable, consult with the other Agents concerning any matter in respect of which they act as representative of the Agents.
- 14.8 The Company hereby acknowledges that the Agents are acting solely as Agents in connection with the sale of the Offered Securities contemplated hereby. The Company further acknowledges that the Agents are acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis, and in no event do the parties intend that the Agents act or be responsible as a fiduciary to the Company, its management, shareholders or creditors or any other person in connection with any activity that the Agents may undertake or have undertaken in furtherance of such sale of the Offered Securities, either before or after the date hereof. The Agents hereby expressly disclaim any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to that effect. The Company and the Agents agree that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Agents to the Company regarding such transactions, including, but not limited to, any opinions or views with respect to the price or market for the Common Shares, do not constitute advice or recommendations to the Company. The Company and the Agents agree that the Agents are acting as principal and not the agent or fiduciary of the Company and no Agent has assumed, and no Agent will assume, any advisory responsibility in favour of the Company with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Agent has advised or is currently advising the Company on other matters). The Company hereby waives and releases, to the fullest extent permitted by law, any claims that the Company may have against the Agents with respect to any breach or alleged breach of any fiduciary, advisory or similar duty to the Company in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions.
- 14.9 No alteration, amendment, modification or interpretation of this Agreement or any provision of this Agreement shall be valid and binding upon the parties hereto unless such alteration, amendment, modification or interpretation is in written form executed by the parties directly affected by such alteration, amendment, modification or interpretation.
- 14.10 The parties hereto shall execute and deliver all such further documents and instruments and do all such acts and things as any party may, either before or after the Closing Date, reasonably require in order to carry out the full intent and meaning of this Agreement.
- 14.11 This Agreement may not be assigned by any party hereto without the prior written consent of all of the parties hereto.
- 14.12 This Agreement shall be subject to, governed by, and construed in accordance with the laws of the Province of British Columbia and the Canadian federal laws applicable therein.
- 14.13 The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

- 14.14 The parties may sign this Agreement as many counterparts as may be deemed necessary and may be delivered by facsimile, all of which so signed and delivered shall be deemed to be an original and together shall constitute one and the same instrument.
- 14.15 The Agents hereby acknowledge that they have consented that this Agreement and all documents evidencing or relating in any way to the sale be drawn up in the English language only. Nous reconnaissons par les présentes avoir consenti que tous les documents faisant foi ou se rapportant de quelque manière à notre achat soient rédigés en anglais seulement.

[THIS SPACE IS INTENTIONALLY LEFT BLANK]

If the foregoing is in accordance with your understanding and agreed to by you, please signify your acceptance on the accompanying counterparts of this letter and return same to the Agents whereupon this letter as so accepted shall constitute an agreement between the Company and the Agents enforceable in accordance with its terms.

Yours truly,

PI FINANCIAL CORP.

By: "Tim Graham"
Name: Tim Graham
Title: Director, Investment Banking

CORMARK SECURITIES INC.

By: "David Sadowski"
Name: David Sadowski
Title: Managing Director, Investment Banking

SPROTT PRIVATE WEALTH LP

By: "Tim Sorensen"
Name: Tim Sorensen
Title: Director

The foregoing is accepted and agreed to on December 4, 2017, effective as of the date appearing on the first page of this Agreement.

GROUP ELEVEN RESOURCES CORP.

By: "Bart Jaworski"
Name: Bart Jaworski
Title: Chief Executive Officer and Director

SCHEDULE "A"

COMPLIANCE WITH UNITED STATES SECURITIES LAWS

This is Schedule "A" to the Agency Agreement dated as of December 4, 2017 among Group Eleven Resources Corp., PI Financial Corp., Cormark Securities Inc. and Sprott Private Wealth LP

As used in this Schedule "A" and related exhibits, capitalized terms used and not defined herein shall have the meanings ascribed thereto in the Agency Agreement and the following terms shall have the meanings indicated:

"affiliate" means an "affiliate" within the meaning of Rule 405 under the U.S. Securities Act;

"Directed Selling Efforts" means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S;

"FINRA" means the Financial Industry Regulatory Authority, Inc.;

"Foreign Issuer" means a "foreign issuer" as that term is defined in Rule 902(e) of Regulation S;

"General Solicitation" and **"General Advertising"** means "general solicitation" and "general advertising", respectively, as used in Rule 502(c) of Regulation D under the U.S. Securities Act, including, without limitation, advertisements, articles, notices or other communications published on the internet or in any newspaper, magazine or similar media or broadcast over radio or television, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising or any public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;

"Offshore Transaction" means "offshore transaction" as that term is defined in Rule 902 of Regulation S;

"Qualified Institutional Buyer" means a "qualified institutional buyer" as that term is defined in Rule 144A;

"Regulation D" means Regulation D adopted by the SEC under the U.S. Securities Act;

"Regulation M" means Regulation M adopted by the SEC under the U.S. Exchange Act;

"Regulation S" means Regulation S adopted by the SEC under the U.S. Securities Act;

"Substantial U.S. Market Interest" means "substantial U.S. market interest" as that term is defined in Rule 902(j) of Regulation S; and

"U.S. Exchange Act" means the United States Securities Exchange Act of 1934, as amended;

"U.S. Purchaser" means a purchaser of the Offered Securities that is in the United States, that was offered the Offered Securities in the United States, or that is, or is acting for the account or benefit of, a U.S. Person or person in the United States.

Representations, Warranties and Covenants of the Agents

Each Agent represents and warrants and covenants, and will cause its U.S. Affiliate to comply with such representations, warranties and covenants, that:

1. It acknowledges, on behalf of itself and its U.S. Affiliate, that the Offered Securities, Shares, Warrants and Warrant Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. The Offered Securities may be offered and sold in the United States and to, or for the account or benefit of U.S. Persons, only pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by

Section 4(a)(2) of the U.S. Securities Act and in accordance with applicable state securities laws, and Offered Securities may be offered and sold outside the United States only to non-U.S. Persons in accordance with Rule 903 of Regulation S. Accordingly, it has not offered and sold, and will not offer and sell, any Offered Securities constituting part of its allotment or otherwise except: (A) outside the United States to non-U.S. Persons in an Offshore Transaction in accordance with Rule 903 of Regulation S or (B) for offers of Offered Securities made through the U.S. Affiliate for sale directly by the Corporation to Qualified Institutional Buyers in accordance with the exemption from the registration requirements of the U.S. Securities Act provided by Section 4(a)(2) of the U.S. Securities Act, and in each case in compliance with applicable state securities laws, and as provided in this Schedule "A". Neither the Agent nor any of its affiliates, nor any persons acting on their behalf, has engaged or will engage in any Directed Selling Efforts with respect to the Offered Securities, Shares, Warrants or Warrant Shares;

2. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Securities, except with its affiliates or otherwise with the prior written consent of the Corporation. The Agent shall cause its U.S. Affiliate to agree, for the benefit of the Corporation, to comply with, and shall ensure that such U.S. Affiliate complies with, the same provisions of this Schedule "A" as apply to the Agent;
3. All offers and sales of Offered Securities in the United States made by the Agent have been and shall be made solely through its U.S. Affiliate, which is, and on the dates of such offers and sales was and will be, duly registered as a broker or dealer under Section 15(b) of the U.S. Exchange Act and under the securities laws of all states in which such offer or sale was made (unless exempt from such states' broker-dealer registration requirements) and a member of, and in good standing with, FINRA, in accordance with all applicable United States federal and state securities laws and regulations, including those governing the registration and conduct of brokers and dealers;
4. All sales of Offered Securities pursuant to Section 4(a)(2) of the U.S. Securities Act shall be made directly by the Corporation;
5. The Agent represents and warrants that each offeree in the United States or that is, or is acting for the account or benefit of a U.S. Person or a person in the United States, and each U.S. Purchaser has been or will be provided with a copy of the same information regarding the Corporation and the Offering as has been or will be provided to offerees and purchasers of Offered Securities in Canada;
6. Neither the Agent nor its affiliates, either directly or through a person acting on its or their behalf, have engaged in or will engage in any form of General Solicitation or General Advertising in connection with the offer and sale of the Offered Securities in the United States, or have otherwise engaged or will engage in any conduct involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in connection with the offer and sale of the Offered Securities in the United States;
7. Immediately prior to offering the Offered Securities to a person in the United States or a person who is, or is acting for the account or benefit of, a U.S. Person or person in the United States, the Agent or its U.S. Affiliate had or will have reasonable grounds to believe and did or will believe that such offeree is or was a Qualified Institutional Buyer, and at the Closing Time on the Closing Date and any Option Closing Date, the Agent and its U.S. Affiliate shall have reasonable grounds to believe and shall believe that each U.S. Purchaser is a Qualified Institutional Buyer;
8. Prior to the completion of any sale of the Offered Securities to a U.S. Purchaser, each such U.S. Purchaser will be required by the Agent, acting through its U.S. Affiliate, to execute and deliver a U.S. Purchaser's Letter in the form attached to the Final U.S. Private Placement Memorandum;
9. Prior to making any offer to an offeree in the United States or an offering that is, or is acting for the account or benefit of, a U.S. Person or a person in the United States, the Agent or its U.S. Affiliate had and shall have a pre-existing substantive relationship with each such offeree;

10. Prior to the Closing Date and any Option Closing Date, the Agent will cause its U.S. Affiliate to provide the Corporation and the transfer agent for the Shares and Warrants with a list of all U.S. Purchasers of Offered Securities and copies of all completed and executed U.S. Purchaser's Letters obtained from such U.S. Purchasers; and
11. At the Closing Time on the Closing Date and any Option Closing Date, the Agent, together with its U.S. Affiliate, will provide a certificate, substantially in the form of Exhibit I to this Schedule "A", relating to the manner of the offer and sale of the Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons or person in the United States.

Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants, covenants and agrees to and with the Agent that as of the date hereof and the Closing Date:

1. (a) The Corporation is, and as of the Closing Date and any Option Closing Date will be, a Foreign Issuer and reasonably believed that at the commencement of the Offering there was, and reasonably believes that there is and will be on the Closing Date and any Option Closing Date, no Substantial U.S. Market Interest in the Common Shares or Warrants; (b) the Corporation is not, and following the application of the proceeds of the sale of the Offered Securities contemplated hereby will not be, registered or required to be registered as an "investment company" under the United States Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder; (c) none of the Corporation, its affiliates or any person acting on their respective behalf (other than the Agents, their affiliates and any person acting on their behalf, as to which the Corporation makes no representation, warranty, covenant or agreement) has engaged or will engage in any form of General Solicitation or General Advertising or in any conduct involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in connection with any offer or sale of the Offered Securities in the United States; (d) in connection with offers and sales of the Offered Securities outside the United States, the Corporation, its affiliates and any person acting on its or their behalf (other than the Agent, its affiliates and any person acting on their behalf, as to which the Corporation makes no representation, warranty, covenant or agreement) have complied and will comply with the requirements for an Offshore Transaction; and (e) except with respect to sales of Offered Securities made directly by the Corporation in accordance with Section 4(a)(2) of the U.S. Securities Act, none of the Corporation, any of its affiliates, or any person acting on its or their behalf (other than the Agent, its affiliates, and any person acting on their behalf, as to which the Corporation makes no representation, warranty, covenant or agreement) has made or will make any offer to sell, any solicitation of an offer to buy, or any sale of Offered Securities to a person in the United States or to a person that is, or is acting for the account or benefit of, a U.S. Person or a person in the United States;
2. None of the Corporation, its affiliates or any person acting on its or their behalf (other than the Agent, its affiliates and any person acting on their behalf, as to which the Corporation makes no representation, warranty, covenant or agreement) has engaged or will engage in any Directed Selling Efforts with respect to the Offered Securities, or has taken or will take any action that would cause the exemption from the registration requirements of the U.S. Securities Act afforded by Section 4(a)(2) of the U.S. Securities Act, or the exclusion from such registration requirements afforded by Rule 903 of Regulation S, to be unavailable for offers and sales of the Offered Securities pursuant to the Agency Agreement to which this Schedule "A" is attached;
3. The Corporation has not and will not, during the period beginning six months prior to the commencement of the Offering and during the six-month period commencing on the Closing Date, offer or sell, or solicit any offer to buy, any securities of the Corporation in a manner that would be integrated with the offer and sale of the Offered Securities and would cause the exemption from the registration requirements of the U.S. Securities Act afforded by Section 4(a)(2) of the U.S. Securities Act, or the exclusion from such registration requirements afforded by Rule 903 of Regulation S, to become unavailable with respect to the offer and sale of the Offered Securities pursuant to the Agency Agreement to which this Schedule "A" is attached;

4. The Corporation will, within prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or applicable state securities laws;
5. None of the Corporation's securities are registered or are required to be registered under Section 12 of the U.S. Exchange Act and the Corporation does not have a reporting obligation under Section 13(a) or Section 15(d) of the U.S. Exchange Act; and
6. In connection with the offer and sale of the Broker Warrants, the Corporation and any person acting on its behalf have complied and will comply with the requirements for an Offshore Transaction.

EXHIBIT A

AGENT CERTIFICATE

In connection with the private placement in the United States of the Offered Securities of Group Eleven Resources Corp. (the “**Corporation**”) pursuant to the Agency Agreement, dated as of December 4, 2017, between the Corporation and the Agents named therein (the “**Agency Agreement**”), each of the undersigned does hereby certify as follows:

- (i) **[NAME OF U.S. AFFILIATE]** (the “U.S. Affiliate”) is on the date hereof, and was at the time of each offer and sale of Offered Securities made by it, a duly registered broker or dealer under Section 15(b) of the U.S. Exchange Act and under the laws of all applicable states of the United States (unless exempt from such states' broker-dealer registration requirements) and was at such times and is on the date hereof a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc., and all offers and sales of the Offered Securities in the United States and to, or for the account or benefit of, U.S. Persons, have been effected by or through the U.S. Affiliate in accordance with all applicable United States federal and state securities laws and regulations, including those governing the registration and conduct of brokers and dealers;
- (ii) we provided each offeree in the United States and each U.S. Purchaser with the same information about the Corporation and the Offering as has been provided to offerees and purchasers of Offered Securities in Canada;
- (iii) immediately prior to our making any offer to an offeree in the United States or to a U.S. Person, we had reasonable grounds to believe and did believe that each such offeree was a Qualified Institutional Buyer, and we continue to believe on the date hereof that each U.S. Purchaser is a Qualified Institutional Buyer;
- (iv) all the Offered Securities offered in the United States or to U.S. Persons by us were sold by the Corporation to purchasers that are Qualified Institutional Buyers;
- (v) no form of General Solicitation or General Advertising was used by us in connection with the offer or sale of the Offered Securities in the United States;
- (vi) prior to any sale of Offered Securities to a U.S. Purchaser, we caused each such U.S. Purchaser to sign a U.S. Purchaser’s Letter in the form attached to the Final U.S. Private Placement Memorandum; and
- (vii) the offering of the Offered Securities in the United States and to, or for the account or benefit of, U.S. Persons, by us has been conducted in accordance with the terms of the Agency Agreement, including Schedule “A” thereto.

Terms used in this certificate have the meanings given to them in the Agency Agreement unless otherwise defined herein.

Dated this _____ day of _____, 201____.

[NAME OF AGENT]

[U.S. AFFILIATE OF AGENT]

By: _____
Name:
Title:

By: _____
Name:
Title:

SCHEDULE “B”

MATTERS IN RESPECT OF WHICH COMPANY’S COUNSEL SHALL DELIVER OPINIONS PURSUANT TO SUBSECTION 6.1(k)(ii)

- (a) the Company is a “reporting issuer”, or its equivalent, in each of the Qualifying Jurisdictions and it is not listed as in default of any requirement of the Applicable Securities Laws in any of the Qualifying Jurisdictions;
- (b) each of the Company and its Subsidiaries is a corporation duly incorporated and validly existing and is in good standing under the laws of the jurisdiction in which it was incorporated;
- (c) each of the Company and its Subsidiaries has all requisite corporate power and capacity to carry on its business as now conducted as described in the Final Prospectus and to own, lease and operate its property and assets and the Company has the requisite corporate power and capacity to execute and deliver this Agreement and to carry out the transactions contemplated hereby;
- (d) the authorized and issued capital of the Company and its Subsidiaries;
- (e) the holders of the issued and outstanding shares of each of the Subsidiaries;
- (f) the rights, privileges, restrictions and conditions attaching to the Offered Securities, Shares, Warrants, Warrant Shares, Broker Warrants and Broker Warrant Shares are accurately summarized in all material respects in the Prospectuses;
- (g) all necessary corporate action having been taken by Company to authorize the execution and delivery of this Agreement and the performance by the Company of its obligations hereunder and to authorize the issuance, sale and delivery of the Offered Securities, Shares, Warrants and Broker Warrants and the grant of the Over-Allotment Option;
- (h) the Underlying Shares and Warrants have been validly created and issued as fully-paid and non-assessable common shares in the capital of the Company and upon full payment therefor and the issue thereof, the Underlying Shares and Warrants will have been validly issued as fully paid and non-assessable common shares in the capital of the Company;
- (i) the Additional Underlying Shares, Warrant Shares, Additional Warrant Shares and Broker Warrant Shares have been duly created, allotted and reserved for issuance by the Company;
- (j) the form and terms of the definitive certificate representing the Shares, Warrants, Warrant Shares, Broker Warrants and Broker Warrant Shares have been approved by the directors of the Company and comply in all material respects with the *Business Corporations Act* (British Columbia), the notice of articles and articles of the Company and the rules, policies and by-laws of the Exchange;
- (k) the delivery of the Shares and Warrants in electronic form does not conflict with the *Business Corporations Act* (British Columbia) or the articles of the Company and the rules, policies and by-laws of the Exchange;
- (l) the Company has all necessary corporate power and capacity: (i) to execute and deliver this Agreement and the Warrant Indenture and perform its obligations under this Agreement and the Warrant Indenture; (ii) to sell the Units; (iii) to issue the Underlying Shares, Warrants, Warrant Shares, Additional Underlying Shares, Additional Warrants, Additional Warrant Shares, Broker Warrants and Broker Warrant Shares; and (iv) to grant the Over-Allotment Option;
- (m) to such counsel’s knowledge, no order having the effect of ceasing or suspending the distribution of the Common Shares or the trading in Common Shares has been issued by any securities

regulatory authority in the Qualifying Jurisdictions and no proceedings for that purpose have been instituted or are pending or contemplated;

- (n) all necessary corporate action has been taken by the Company to authorize the execution and delivery of each of the Preliminary Prospectus, the Final Prospectus and any Supplementary Material and the filing thereof with the Commissions;
- (o) each of this Agreement and the Warrant Indenture has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, subject to bankruptcy, insolvency and other laws affecting the rights of creditors generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction and that enforcement of rights to indemnity, contribution and waiver of contribution set out in this Agreement may be limited by applicable law;
- (p) the execution and delivery of this Agreement and the Warrant Indenture, the fulfillment of the terms thereof by the Company and the offering and sale of the Units, the issuance and delivery of the Underlying Shares, the Warrant Shares, the Additional Underlying Shares, the Additional Warrant Shares and Broker Warrant Shares and the grant of the Over-Allotment Option do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or default under, and do not and will not conflict with any of the terms, conditions or provisions of the articles or notice of articles of the Company, any resolutions of the shareholders or directors (or any committee thereof) of the Company or any applicable laws of Canada;
- (q) the Company is not in violation of its notice of articles and articles of incorporation;
- (r) TSX Trust Company is the duly appointed registrar and transfer agent for the Common Shares and warrant agent for the Warrants;
- (s) all necessary documents have been filed, all requisite proceedings have been taken and all approvals, permits and consents of the appropriate regulatory authority in each Qualifying Jurisdiction to qualify the distribution of the Offered Securities, Broker Warrants and Broker Warrant Shares in each of the Qualifying Jurisdictions through persons who are registered under Applicable Securities Laws and who have complied with the relevant provisions of such applicable laws;
- (t) the issuance of the Warrant Shares upon due exercise of the Warrants in accordance with terms of the Warrant Indenture is exempt from prospectus requirement of applicable securities laws and no documents are required to be filed, no proceedings taken and no approvals, permits, consents, order or authorizations obtained pursuant to the Applicable Securities Laws to permit the issuance of the Warrant Shares to the holders thereof; and
- (u) subject only to the Standard Listing Conditions, the Shares, Warrant Shares and Broker Warrant Shares have been conditionally listed or approved for listing on the Exchange.