

ALTO VENTURES LTD.

- and -

EMPRESS RESOURCES CORP.

- and -

EMPRESS ROYALTY CORP.

ARRANGEMENT AGREEMENT

DATED MARCH 5, 2020

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ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT dated March 5, 2020

BETWEEN:

ALTO VENTURES LTD., a corporation existing under the laws of the Province of British Columbia ("**Alto**")

- and -

EMPRESS RESOURCES CORP., a corporation existing under the laws of the Province of British Columbia ("**Empress**")

- and -

EMPRESS ROYALTY CORP., a corporation existing under the laws of the Province of British Columbia ("**Spinco**")

WHEREAS:

- A. Alto, Empress and Spinco wish to propose an arrangement involving, among other things, the acquisition by Alto of all of the issued and outstanding common shares of Empress in exchange for common shares of Alto, and the distribution to Empress Shareholders and Alto Shareholders of 100% of the common shares of Spinco;
- B. The Parties intend to carry out the transactions contemplated herein by way of an arrangement under the provisions of the *Business Corporations Act* (British Columbia);
- C. Alto has entered into support agreements with the directors and officers of Empress and with the Support Agreement Parties (as hereinafter defined) pursuant to which, among other things, such shareholders have agreed to vote in favour of the Arrangement Resolution (defined below) all of the common shares and warrants of Empress held by them, on the terms and subject to the conditions set forth in such agreements; and
- D. The Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to such arrangement.

THIS AGREEMENT WITNESSES THAT, in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto covenant and agree as follows:

ARTICLE 1 **INTERPRETATION**

1.1 **Definitions**

In this Agreement, unless the context otherwise requires:

"Acquisition Proposal" means, other than the transactions contemplated by this Agreement, any *bona fide* offer, proposal, expression of interest, or inquiry from any Person (other than Alto or any of its affiliates) made after the date hereof relating to:

- (i) any acquisition or sale, direct or indirect, whether in a single transaction or a series of related transactions, of: (a) the assets of Empress and/or one or more of its subsidiaries that, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of Empress and its subsidiaries taken as a whole; or (b) 20% or more of any voting or equity securities of Empress or any of its subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of Empress and its subsidiaries;
- (ii) any take-over bid, tender offer or exchange offer for any class of voting or equity securities of Empress or any of its subsidiaries that, if consummated, would result in any such Person beneficially owning 20% or more of any voting or equity securities of Empress or any of its subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of Empress and its subsidiaries; or
- (iii) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving Empress or any of its subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the fair market value of the consolidated assets of Empress and its subsidiaries;

"affiliate" has the meaning ascribed thereto in the Securities Act;

"Agreement" means this arrangement agreement, together with the Schedules attached hereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof;

"Alto Disclosure Letter" means the disclosure letter executed by Alto and delivered to Empress on the date hereof in connection with the execution of this Agreement;

"Alto Financial Statements" has the meaning ascribed thereto in Section 4.1(h);

"Alto Financing" means that offering of subscription receipts by Alto on terms acceptable to Empress, acting reasonably, so as to realize gross proceeds of a minimum of \$1,000,000, such subscription receipts to be exchangeable without further consideration for securities of Alto upon closing of the Arrangement and completion of a 5 for 1 consolidation of Alto Shares;

"Alto Marketable Securities" means the marketable securities described in Schedule H hereto;

"Alto Mining Properties" means the mineral properties of Alto described in Schedule E;

"Alto MD&A" has the meaning ascribed thereto in Section 4.1(h);

"Alto Options" means outstanding options to purchase Alto Shares granted under or otherwise subject to the Alto Stock Option Plan, as set forth in the Alto Disclosure Letter;

"Alto Public Disclosure Record" means all documents and information filed by Alto under applicable Securities Laws on the System for Electronic Document Analysis Retrieval (SEDAR), during the three years prior to the date hereof which are publicly available as of the date hereof;

"Alto Royalties" means the royalties detailed in Schedule G hereto;

"Alto Shares" means the common shares in the authorized share capital of Alto, as currently constituted;

"Alto Warrantholders" means holders of Alto Warrants;

"Alto Warrants" means outstanding warrants to purchase Alto Shares, as set forth in the Alto Disclosure Letter;

"Approvals" means the approvals listed in Section 5.1(k) of the Empress Disclosure Letter and Section 5.3(k) of the Alto Disclosure Letter;

"Arrangement" means the arrangement under section 288 of the BCBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto in accordance with Section 10.1 hereof or the Plan of Arrangement or at the direction of the Court in the Final Order;

"Arrangement Resolution" means the special resolution of the Empress Shareholders and Empress Warrantholders approving the Arrangement to be considered at the Empress Meeting, substantially on the terms and in the form of Schedule B hereto;

"BCBCA" means the *Business Corporations Act* (British Columbia) and the regulations made thereunder, as promulgated or amended from time to time, and includes any successor thereto;

"Business Day" means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Vancouver, British Columbia;

"**CFPOA**" means the *Corruption of Foreign Public Officials Act*, S.C. 1998, c. 34, as amended;

"**Change in Recommendation**" has the meaning ascribed thereto in Section 9.2(c)(i);

"**Class A Common Share**" has the meaning ascribed to it in the Plan of Arrangement;

"**Class B Common Share**" has the meaning ascribed to it in the Plan of Arrangement;

"**Confidentiality Agreement**" means the mutual confidentiality agreement between Alto and Empress dated November 7, 2019, as it may be amended;

"**Consideration**" means the consideration to be received by the Former Empress Shareholders pursuant to the Plan of Arrangement consisting of, for each Common Share, the Share Consideration;

"**Contract**" means any contract, agreement, license, franchise, lease, arrangement or other right or obligation;

"**Court**" means the Supreme Court of British Columbia;

"**Depository**" means any trust company, bank or financial institution agreed to in writing between Alto and Empress for the purpose of, among other things, receiving Letters of Transmittal (as defined in the Plan of Arrangement) and distributing certificates representing Alto Shares and Spinco Shares;

"**Dissent Rights**" means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement;

"**Effective Date**" means the date upon which the Arrangement becomes effective, as set out in the Plan of Arrangement;

"**Effective Time**" means the time on the Effective Date that the Arrangement becomes effective, as set out in the Plan of Arrangement;

"**Empress Board**" means the board of directors of Empress as the same is constituted from time to time;

"**Empress Circular**" means the notice of the Empress Meeting and accompanying management information circular, including all schedules, appendices and exhibits thereto, to be sent to the Empress Shareholders and Empress Warranholders in connection with the Empress Meeting, as amended, supplemented or otherwise modified from time to time;

"Empress Disclosure Letter" means the disclosure letter executed by Empress and delivered to Alto on the date hereof in connection with the execution of this Agreement;

"Empress Financial Statements" has the meaning ascribed thereto in Section 3.1(i);

"Empress Financing" means a financing by Empress by the sale of its common shares (which may be conducted by the sale of subscription receipts) to raise net proceeds at least equal to the amount expended by Empress prior to the Effective Date in respect of the Empress Royalty Purchases;

"Empress Meeting" means the annual and special meeting of Empress Shareholders and Empress Warrantholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider, among other things, the Arrangement Resolution;

"Empress Nominees" has the meaning ascribed thereto in Section 5.4(e);

"Empress Public Disclosure Record" means all documents and information filed by Empress under applicable Securities Laws on the System for Electronic Document Analysis Retrieval (SEDAR), during the three years prior to the date hereof which are publicly available as of the date hereof;

"Empress Royalty Purchase Cost" means the purchase price, in cash, paid by Empress to complete the Empress Royalty Purchases (with any non-cash consideration paid by Empress to be included in the Empress Royalty Purchase Cost at the fair market value thereof reported in Canadian dollars, on the date such consideration was paid by Empress, as would be recorded in financial statements of Empress prepared in accordance with IFRS);

"Empress Royalty Purchases" means any royalty purchases from third parties completed by Empress prior to the Effective Date;

"Empress Shareholder Approval" has the meaning ascribed to such term in Section 2.2(a)(i)(B);

"Empress Shareholders" means the holders of Empress Shares;

"Empress Shares" means common shares in the capital of Empress, as currently constituted;

"Empress Warrantholders" means the holders of Empress Warrants;

"Empress Warrants" means outstanding warrants to purchase Empress Shares, as set forth in the Empress Disclosure Letter;

"Environmental Laws" means all applicable federal, provincial, state, local and foreign Laws, imposing liability or standards of conduct for, or relating to, the regulation of activities, materials, substances or wastes in connection with, or for, or to, the protection of human health, safety, the environment or natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation);

"Environmental Liabilities" means, with respect to any Person, all liabilities, remedial and removal costs, investigation costs, capital costs, operation and maintenance costs, losses, damages, (including punitive damages, property damages, consequential damages and treble damages), costs and expenses, fines, penalties and sanctions incurred as a result of, or related to, any claim, suit, action, administrative order, investigation, proceeding or demand by any Person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law arising under, or related to, any Environmental Laws, Environmental Permits, or in connection with any Release or threatened Release or presence of a Hazardous Substance whether on, at, in, under, from or about or in the vicinity of any real or personal property;

"Environmental Permits" means all permits, licenses, written authorizations, certificates, approvals, program participation requirements, sign-offs or registrations required by or available with or from any Governmental Entity under any Environmental Laws;

"FCPA" means the *Foreign Corrupt Practices Act of 1977*, of the United States;

"Final Order" means the final order of the Court pursuant to section 291 of the BCBCA, after a hearing upon the fairness of the terms and conditions of the Arrangement, approving the Arrangement, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;

"Former Empress Shareholders" means a registered holder of Empress Shares immediately prior to the Effective Time;

"GAAP" means Canadian generally accepted accounting principles;

"Governmental Entity" means any applicable: (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) subdivision, agent, commission, board or authority of any of the foregoing; (c) quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) stock exchange, including the TSX-V;

"Hazardous Substance" means any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous or deleterious substance, or material, including petroleum, polychlorinated biphenyls, asbestos and urea-formaldehyde insulation, and any other material or contaminant regulated or defined under any Environmental Law;

"IFRS" means International Financial Reporting Standards;

"including" means including without limitation, and **"include"** and **"includes"** each have a corresponding meaning;

"Indemnity Notice" has the meaning ascribed thereto in Section 8.2;

"Indemnified Liability" means any liability for any Tax which is payable to any Governmental Entity by Empress in connection with the disposition of Spinco Shares by Empress to Empress Shareholders (but only to the extent that such Tax is payable after Empress has claimed the maximum amount of all credits, deductions, and other amounts available to it (including any loss carryforwards) for the taxation year of Empress that includes the disposition of Spinco Shares);

"Interim Order" means the interim order of the Court made in connection with the Arrangement and providing for, among other things, the calling and holding of the Empress Meeting, as the same may be amended, supplemented or varied by the Court;

"Key Regulatory Approvals" means those sanctions, rulings, consents, orders, exemptions, permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an objection being made) of Governmental Entities set out in Schedule C hereto;

"Key Third Party Consents" means those consents, approvals and notices required from any third party to proceed with the transactions contemplated by this Agreement and the Plan of Arrangement, set out in Schedule D hereto;

"Law" or **"Laws"** means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgements, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity, and the term **"applicable"** with respect to such Laws and in a context that refers to one or more Parties, means such Laws as are applicable to such Party or its business, undertaking, assets, property or securities and emanate from a Person having jurisdiction over the Party or Parties or its or their business, undertaking, assets, property or securities;

"Liens" means any hypothecs, mortgages, pledges, assignments, liens, charges, security interests, encumbrances and adverse rights or claims, other third Person

interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

"Material Adverse Effect" means, in respect of any Person, any change, effect, event, circumstance, fact or occurrence that individually or in the aggregate with other such changes, effects, events, circumstances, facts or occurrences, is or would reasonably be expected to be, material and adverse to the business, condition (financial or otherwise), properties, assets (tangible or intangible), liabilities (including any contingent liabilities), operations or results of operations of that Person and its subsidiaries, taken as a whole, except any change, effect, event, circumstance, fact or occurrence resulting from or relating to: (i) the announcement of the execution of this Agreement or the transactions contemplated hereby; (ii) general political, economic or financial conditions; (iii) the state of securities or commodity markets in general (provided that it does not have a materially disproportionate effect on that Person relative to comparable exploration and/or mining companies); (iv) changes affecting the mining industry generally (provided that such changes do not have a materially disproportionate effect on that Person relative to comparable mining and/or exploration companies); (v) any change in the price of silver, gold, lead or zinc; (vi) the commencement or continuation of any war, armed hostilities or acts of terrorism (provided that it does not have a materially disproportionate effect on that Person relative to comparable exploration and/or mining companies); (vii) any decrease in the trading price or any decline in the trading volume of that Person's securities (it being understood that the causes underlying such change in trading price or trading volume (other than those in items (i) to (vi) above) may be taken into account in determining whether a Material Adverse Effect has occurred);

"Material Contracts" means, in respect of any Party, any Contract: (i) which, if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect on such Party; (ii) under which such Party or any of its subsidiaries has directly or indirectly guaranteed any liabilities or obligations of a third party (other than ordinary course endorsements for collection) in excess of \$10,000; (iii) relating to indebtedness for borrowed money, whether incurred, assumed, guaranteed or secured by any asset, with an outstanding principal amount in excess of \$10,000; (iv) providing for the establishment, organization or formation of any joint ventures; (v) under which such Party or any of its subsidiaries is obligated to make or expects to receive payments in excess of \$25,000 over the remaining term of the Contract; (vi) that limits or restricts such Party or any of its subsidiaries from engaging in any line of business or any geographic area in any material respect or (vii) that is otherwise material to such Party and its subsidiaries, considered as a whole; and, for greater certainty, in respect of Empress includes the Material Contracts listed in Section 3.1(r) of the Empress Disclosure Letter, and in respect of Alto includes the Material Contracts listed in Section 4.1(v) of the Alto Disclosure Letter;

"material change" has the meaning ascribed thereto in the Securities Act;

- "**material fact**" has the meaning ascribed thereto in the Securities Act;
- "**MD&A**" has the meaning ascribed thereto in Section 3.1(i);
- "**Outside Date**" means June 30, 2020, or such later date as may be agreed to in writing by the Parties;
- "**Parties**" means Empress, Alto and Spinco, and "**Party**" means any of them;
- "**Permit**" means any license, permit, certificate, consent, order, grant, approval, classification, registration or other authorization of and from any Governmental Entity;
- "**Person**" includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;
- "**Plan of Arrangement**" means the plan of arrangement, substantially in the form and on the terms set out in Schedule A hereto, and any amendments or variations thereto made in accordance with Section 10.1 hereof or the Plan of Arrangement;
- "**Release**" means any release, spill, emission, leaking, pumping, pouring, emitting, emptying, escape, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Substance in the indoor or outdoor environment, including the movement of Hazardous Substance through or in the air, soil, surface water, groundwater or property;
- "**Representatives**" means, collectively, in respect of a Person, (a) its directors, officers, employees, agents, representatives and any financial advisor, law firm, accounting firm or other professional firm retained to assist the Person in connection with the transactions contemplated in this Agreement, and (b) the Person's affiliates and subsidiaries and the directors, officers, employees, agents and representatives and advisors thereof;
- "**Response Period**" has the meaning ascribed to such term in Section 7.3(a);
- "**Returns**" means all reports, forms, elections, designations, information statements and returns (whether in tangible, electronic or other form) including any amendments, schedules, attachments, supplements, appendices and exhibits thereto relating to, or required to be filed or prepared in connection with any Taxes;
- "**SEC**" means the United States Securities and Exchange Commission;
- "**Securities Act**" means the *Securities Act* (British Columbia) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"Securities Authorities" means the securities commissions or other securities regulatory authorities in British Columbia, Ontario and each of the other provinces and territories of Canada and the SEC, collectively;

"Securities Laws" means the Securities Act, together with all other applicable Canadian provincial securities laws, rules and regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time;

"Share Consideration" means such fraction of an Alto Share for each Class A Common Share such that the total number of Alto Shares issued as the Share Consideration shall equal 52% of the issued and outstanding Alto Shares after giving effect to such issuance;

"Special Committee" means the special committee of the Empress Board formed to consider the Arrangement;

"Spinco Assets" means those assets listed in Schedule F;

"Spinco Disposition" means the disposition of Spinco Shares by Empress to Empress Shareholders;

"Spinco Information" means the information included in the Empress Circular describing Spinco and the business, operations and affairs of Spinco, including any related financial statements and information regarding the Spinco Shares;

"Spinco Financing" means that offering of subscription receipts of Spinco sufficient to realize net proceeds which will permit Spinco to satisfy the Exchange's minimum listing requirements for an investment issuer upon completion of the Arrangement, such subscription receipts to be exchangeable without further consideration for securities of Spinco upon closing of the Arrangement;

"Spinco Liabilities" means all of the liabilities of Spinco or any of its subsidiaries, contingent or otherwise, described in Section 5.1 of the Empress Disclosure Letter, including all Indemnified Liabilities and any benefit plans relating to employees of Empress and its subsidiaries;

"Spinco Permitted Contract" means, in respect of Spinco or its subsidiaries, a Contract that meets each of the following conditions, if applicable: (i) if terminated or modified or if it ceased to be in effect, would not reasonably be expected to have a Material Adverse Effect on Spinco; (ii) if in respect of a guarantee provided by Spinco or any of its subsidiaries, Spinco or its subsidiaries do not directly or indirectly guarantee any liabilities or obligations of a third party (other than ordinary course endorsements for collection) in excess of \$10,000 in the aggregate; (iii) if relating to indebtedness for borrowed money, whether incurred, assumed, guaranteed or secured by any asset, from any person other than Alto, the principal amount is less than \$10,000; (iv) it does not oblige Spinco

or any of its subsidiaries to make payments thereunder in excess of \$50,000 per month in the aggregate prior to the Outside Date; (v) such Contract will not oblige Spinco or any of its subsidiaries to make payments that together with all other payments made or to be made by them prior to the Effective Date would equal or exceed \$1.8 million; and (vi) it does not impose any liabilities or obligations on Empress or any of its Material Subsidiaries or impose any limit on or restrict Empress or any of its Material Subsidiaries from engaging in any line of business or any geographic area;

"**Spinco Shares**" means the common shares in the capital of Spinco;

"**subsidiary**" means, in respect of a Party, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such Party and shall include any body corporate, partnership, joint venture or other entity over which such Party exercises direction or control or which is in a like relation to a subsidiary;

"**Superior Proposal**" means a *bona fide* unsolicited, written Acquisition Proposal made after the date of this Agreement that:

- (iv) did not result from a breach of Section 7.1 or Section 7.2 by Empress or its Representatives;
- (v) relates to the acquisition of 100% of the outstanding Empress Shares (other than Empress Shares owned by the Person making the Acquisition Proposal together with its affiliates) or all or substantially all of the consolidated assets of Empress and its subsidiaries;
- (vi) is reasonably capable of being completed without undue delay, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal and the Person making such Acquisition Proposal;
- (vii) is not subject, either by the terms of such Acquisition Proposal or by virtue of any applicable Law, rule or regulation of any stock exchange to any requirement that the approval of the shareholders of the Person making the Acquisition Proposal be obtained;
- (viii) if it relates to the acquisition of outstanding Empress Shares, is made available to all Empress Shareholders on the same terms and conditions;
- (ix) is not subject to a due diligence condition;
- (x) is fully financed or in respect of which the Empress Board has concluded, in good faith and after receiving the advice of its outside legal and financial advisors, there is a reasonable likelihood that any required

financing will be obtained without undue delays or conditions (other than the conditions attached to such Acquisition Proposal); and

- (xi) in respect of which the Empress Board determines, in its good faith judgment, after receiving the advice of its outside legal and financial advisors, that
 - (A) failure to recommend such Acquisition Proposal to the holders of Empress Shares would be inconsistent with its fiduciary duties under applicable Law; and
 - (B) having regard to all of its terms and conditions, such Acquisition Proposal, would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable to the holders of Empress Shares from a financial point of view than the Arrangement (after taking into account any change to the Arrangement proposed by Alto pursuant to Section 7.3(b));

"Superior Proposal Notice" has the meaning ascribed thereto in Section 7.3(a);

"Support Agreements" means each of the support agreements dated the date hereof between Alto and each of the Support Agreement Parties;

"Support Agreement Parties" means (i) each of the officers and directors of Empress, or any company under their control that holds Empress Shares, Endeavour Financial Ltd. (Cayman), Endeavour Financial AG, and Terra Capital Natural Resource Fund Pty Ltd.;

"Tax Act" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

"Taxes" in respect of a Party means: (a) any and all taxes, imposts, levies, withholdings, duties, fees, premiums, assessments and other charges of any kind, however denominated and instalments in respect thereof, including any interest, penalties, fines or other additions that have been, are or will become payable in respect thereof, imposed by any Governmental Entity, including for greater certainty all income or profits, taxes (including Canadian federal, provincial and territorial income taxes), payroll and employee withholding taxes, employment taxes, unemployment insurance, disability taxes, social insurance taxes, sales and use taxes, *ad valorem* taxes, excise taxes, goods and services taxes, harmonized sales taxes, franchise taxes, gross receipts taxes, capital taxes, business license taxes, mining royalties, alternative minimum taxes, estimated taxes, abandoned or unclaimed (*escheat*) taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, severance taxes, workers' compensation, Canada, British Columbia and other government pension plan premiums or contributions and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which such Party or any

of its subsidiaries is required to pay, withhold or collect, together with any interest, penalties or other additions to tax that may become payable in respect of such taxes, and any interest in respect of such interest, penalties and additions whether disputed or not; and (b) any liability for the payment of any amount described in clause (a) of this definition as a result of being a member of an affiliated, consolidated, combined or unitary group for any period, as a result of any Tax sharing or Tax allocation agreement, arrangement or understanding, or as a result of being liable to another Person's Taxes as a transferee or successor, by contract or otherwise;

"**Termination Fee**" has the meaning ascribed thereto in Section 9.4(a);

"**Termination Fee Event**" has the meaning ascribed thereto in Section 9.4(a);

"**TSX-V**" means the TSX Venture Exchange;

"**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

"**U.S. Exchange Act**" means the *United States Securities Exchange Act* of 1934, as the same has been, and hereafter from time to time, may be amended;

"**U.S. Securities Act**" means the *United States Securities Act* of 1933 as the same has been, and hereinafter from time to time may be, amended; and

"**U.S. Tax Code**" means the *United States Internal Revenue Code* of 1986, as amended.

1.2 Interpretation Not Affected by Headings

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. Unless the contrary intention appears, references in this Agreement to an Article, Section or Schedule by number or letter or both refer to the Article, Section or Schedule, respectively, bearing that designation in this Agreement.

1.3 Number and Gender

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and *vice versa*, and words importing gender include all genders.

1.4 Date for Any Action

If the date on or by which any action is required or permitted to be taken hereunder by a Party is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

1.5 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada and "\$" refers to Canadian dollars.

1.6 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under GAAP and all determinations of an accounting nature required to be made shall be made in a manner consistent with GAAP consistently applied.

1.7 Knowledge

In this Agreement, references to "the knowledge of Empress" means the actual collective knowledge of Alexandra Woodyer Sherron, Dan O'Brian and Doris Meyer in their respective capacities as Chief Executive Officer and President, Chief Financial Officer, and Corporate Secretary, respectively, of Empress.

In this Agreement, references to "the knowledge of Alto" means the actual collective knowledge of Rick Mazur, Michael Koziol and Ron Schmitz in their respective capacities as Chief Executive Officer, President and Chief Financial Officer, respectively, of Alto.

1.8 Schedules

The following Schedules are annexed to this Agreement and are incorporated by reference into this Agreement and form a part hereof:

Schedule A	-	Plan of Arrangement
Schedule B	-	Arrangement Resolution
Schedule C	-	Key Regulatory Approvals
Schedule D	-	Key Third Party Consents
Schedule E	-	Alto Mining Properties
Schedule F	-	Spinco Assets
Schedule G	-	Alto Royalties
Schedule H	-	Alto Marketable Securities

ARTICLE 2 THE ARRANGEMENT

2.1 Transactions

Alto, Empress and Spinco wish to achieve the following pursuant to, or as a result of the completion of, the Plan of Arrangement:

- (a) prior to the Effective Date Empress will transfer the Spinco Assets to Spinco in exchange for the issuance to Empress of 5,000,000 Spinco Shares;

- (b) immediately prior to and in conjunction with the Plan of Arrangement:
 - (i) Alto will transfer the Alto Royalties and the Alto Marketable Securities to Spinco in exchange for the issuance to Alto of 4,615,384 Spinco Shares;
 - (ii) Empress will transfer the Empress Royalty Purchases to Spinco in exchange for the issuance to Empress of that number of Spinco shares equal to the Empress Royalty Purchase Cost divided by \$0.05; and
 - (iii) Alto will declare a dividend in kind to the holders of the Alto Shares of the 4,615,384 Spinco Shares it receives from Spinco;
- (c) under the Plan of Arrangement:
 - (i) the capital of Empress will be reorganized by creating two new classes of shares (Common A Common Shares and Class B Common Shares), and all Empress Shareholders shall exchange each of their Empress Shares for one Class A Common Share and one Class B Common Share;
 - (ii) the Class B Common Shares will be redeemed by Empress for the transfer to the Empress Shareholders on a pro rata basis of all of the issued and outstanding Spinco Shares held by Empress; and
 - (iii) Empress will become a wholly-owned subsidiary of Alto through the transfer by all Empress Shareholders of their Class A Common Shares to Alto in consideration for the issuance by Alto of the Share Consideration for each Class A Common Share so transferred; and
- (d) all of the Empress Warrants shall be exercised or, pursuant to their terms, following the Effective Time will be assumed by Alto subject to the following adjustments: (i) the per share exercise price thereof shall be reduced by the value of that fraction of a Spinco Share the Empress Shareholders will receive in return for a Class B Common Shares of Empress and, on exercise, the holder will receive the Share Consideration for each Empress Share that would previously have been issuable.

2.2

Court Orders

- (a) Empress shall apply to the Court, in a manner acceptable to Alto, acting reasonably, pursuant to section 291 of the BCBCA for the Interim Order and the Final Order as follows:

- (i) As soon as reasonably practicable following the date of execution of this Agreement, but in any event not later than March 30, 2020, Empress shall prepare, file, proceed with and diligently prosecute an application to the Court for the Interim Order which shall provide, among other things:
 - (A) for the class of Persons to whom notice is to be provided in respect of the Arrangement and the Empress Meeting and the manner in which such notice is to be provided;
 - (B) that the requisite approval for the Arrangement Resolution shall be at least 66-2/3% of the votes cast on the Arrangement Resolution by Empress Shareholders and Empress Warranholders voting as a single class and as a simple majority of the votes cast on the Arrangement Resolution by Empress Shareholders in each case present in person or represented by proxy at the Empress Meeting (the "**Empress Shareholder Approval**");
 - (C) that in all other respects, the terms, conditions and restrictions of the Empress constating documents, including quorum requirements and other matters, shall apply in respect of the Empress Meeting;
 - (D) for the grant of the Dissent Rights to registered holders of Empress Shares, which Dissent Rights shall provide for written objection to any Arrangement Resolution to be sent to Empress by such Empress Shareholders who wish to dissent at least two days before the Empress Meeting;
 - (E) for notice requirements with respect to the presentation of the application to the Court for the Final Order;
 - (F) that the Empress Meeting may be adjourned or postponed from time to time by management of Empress without the need for additional approval of the Court; and
 - (G) that the record date for Empress Shareholders entitled to notice of and to vote at the Empress Meeting will not change in respect of any adjournment(s) or postponement(s) of the Empress Meeting.
- (b) Empress shall advise the Court that it is Alto's intention to rely upon Section 3(a)(10) of the U.S. Securities Act in respect of the issuance of Alto Shares and Empress intends to rely upon such section in respect of the distribution of Spinco Shares to the Empress Shareholders pursuant to the Arrangement.

2.3 Empress Meeting

Subject to receipt of the Interim Order and the terms of this Agreement:

- (a) Empress agrees to convene and conduct the Empress Meeting for the purposes

of considering the Arrangement Resolution in accordance with the Interim Order, Empress's constating documents and applicable Laws as soon as reasonably practicable and in any event on or before June 15, 2020, provided, however, that if prior to the scheduled date of such meeting, Empress receives an Acquisition Proposal within seven Business Days of the date scheduled for the Empress Meeting, Empress shall be permitted to postpone or adjourn that meeting for a period of up to 15 days in order to properly deal with such Acquisition Proposal and, if the Empress Board ultimately determines it to be a Superior Proposal, to observe and satisfy Alto's Response Period, all as contemplated in Article 7 and Article 9 hereof (and to postpone the Empress Meeting to a day not more than five Business Days following the expiry of Alto's Response Period, if requested by Alto to do so); and provided further that, in exercising the right to postpone or adjourn set out in this Section 2.3(a), Empress shall not be permitted to change the record date for its meeting, unless required by applicable Law.

- (b) Empress will use commercially reasonable efforts to solicit proxies in favour of the approval of the Arrangement Resolution, including, if so requested by Alto and at Alto's cost, by using proxy solicitation services, designated by Alto, in compliance with any Laws applicable to the solicitation of proxies. Empress shall instruct Empress's transfer agent and any such proxy solicitation agents to report to Alto and its designated Representatives concurrently with their reports to Empress, and to advise Alto as Alto may reasonably request, and on a daily basis on each of the last ten (10) Business Days prior to the Empress Meeting, as to the aggregate tally of the proxies received by Empress in respect of the Arrangement Resolution.
- (c) Empress will promptly advise Alto of any written notice of dissent or purported exercise by any Empress Shareholder of Dissent Rights received by Empress in relation to the Arrangement Resolution and any withdrawal of Dissent Rights received by Empress and, subject to applicable Law, any written communications sent by or on behalf of Empress to any Empress Shareholder exercising or purporting to exercise Dissent Rights in relation to the Arrangement Resolution.
- (d) Within five days of execution of this Agreement and as soon as practical after the record date for the Empress Meeting, Empress will prepare or cause to be prepared by its transfer agent and provided to Alto a list of the holders of Empress Shares and Empress Warrants, and will deliver to Alto thereafter on demand supplemental lists setting out any changes thereto, all such deliveries to be in electronic format if available from the Empress's transfer agent.

2.4

Empress Circular

- (a) Empress shall prepare the Empress Circular in compliance with applicable Securities Laws and file the Empress Circular on a timely basis, and in any event on or before April 30, 2020, in all jurisdictions where the same is

required to be filed and mail the same as required by the Interim Order and in accordance with all applicable Laws, in all jurisdictions where the same is required. Without limiting the generality of the foregoing, Empress shall, in consultation with Alto, use all commercially reasonable efforts to abridge the timing contemplated by National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, as provided in section 2.20 thereof.

- (b) Empress shall ensure that the Empress Circular complies in all material respects with applicable Securities Laws, and, without limiting the generality of the foregoing, that the Empress Circular does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (other than in each case with respect to any information relating to and provided by Alto and its affiliates, including the Alto Shares) and shall provide Empress Shareholders and Empress Warranholders with information in sufficient detail to permit them to form a reasoned judgement concerning the matters to be placed before them at the Empress Meeting. Subject to Sections 7.1 to 7.3, the Empress Circular will include the unanimous recommendation of the Empress Board that Empress Shareholders and Empress Warranholders vote in favour of the Arrangement Resolution, and a statement that each director of Empress intends to vote all of such director's Empress Shares (including any Empress Shares issued upon the exercise of any Empress Warrants) in favour of the Arrangement Resolution, subject to the other terms of this Agreement and the Support Agreements.
- (c) Alto will furnish to Empress all such information regarding Alto, its affiliates and the Alto Shares as may be reasonably required by Empress in the preparation of the Empress Circular and other documents related thereto. Alto shall ensure that no such information will include any untrue statement of a material fact or omit to state a material fact required to be stated in the Empress Circular in order to make any information so furnished or any information concerning Alto, its affiliates and the Alto Shares not misleading in light of the circumstances in which it is disclosed. Alto shall also provide Empress with disclosure reasonably sufficient to allow Empress to rely upon the exemption from registration provided under Section 3(a)(10) of the U.S. Securities Act with respect to the distribution of Spinco Shares by Empress pursuant to the Arrangement and to similarly allow Alto to rely upon such exemption from registration with respect to the issuance of Alto Shares in exchange for Empress Shares pursuant to the transactions described herein, and Empress shall include such disclosure in the form provided by Alto in the Empress Circular.
- (d) Alto and its legal counsel shall be given a reasonable opportunity to review and comment on the Empress Circular, prior to the Empress Circular being printed and mailed to Empress Shareholders and Empress Warranholders and

filed with the Securities Authorities, and reasonable consideration shall be given to any comments made by Alto and its counsel, provided that all information relating to Alto included in the Empress Circular shall be in form and content satisfactory to Alto, acting reasonably. Empress shall provide Alto with a final copy of the Empress Circular prior to mailing to the Empress Shareholders and Empress Warrantholders.

- (e) Empress and Alto shall each promptly notify the other if at any time before the Effective Date, it becomes aware (in the case of Empress only with respect to Empress and Spinco and in the case of Alto only with respect to Alto) that the Empress Circular contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Empress Circular, and the Parties shall co-operate in the preparation of any amendment or supplement to the Empress Circular, as required or appropriate, and Empress shall promptly mail or otherwise publicly disseminate any amendment or supplement to the Empress Circular to Empress Shareholders and Empress Warrantholders and, if required by the Court or applicable Laws, file the same with the Securities Authorities and as otherwise required.

2.5 Final Order

If (i) the Interim Order is obtained, and (ii) the Arrangement Resolution is passed at the Empress Meeting by Empress Shareholders as provided for in the Interim Order and as required by applicable Law, subject to the terms of this Agreement, Empress shall as soon as reasonably practicable thereafter and in any event within two Business Days thereafter take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to section 291 of the BCBCA.

2.6 Court Proceedings

Subject to the terms of this Agreement, Alto will cooperate with, assist and consent to Empress seeking the Interim Order and the Final Order, including by providing Empress on a timely basis any information required to be supplied by Alto in connection therewith. Empress will provide legal counsel to Alto with a reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, and will give reasonable consideration to all such comments. Empress will also provide legal counsel to Alto on a timely basis with copies of any notice of appearance or notice of intent to oppose and any evidence served on Empress or its legal counsel in respect of the application for the Interim Order or the Final Order or any appeal therefrom. Subject to applicable Law, Empress will not file any material with the Court in connection with the Arrangement or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated hereby or with Alto's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided that nothing herein shall require Alto to agree or consent to any increase in the Consideration or other modification or

amendment to such filed or served materials that expands or increases Alto's obligations set forth in this Agreement.

2.7 Effect on the Arrangement and Effective Date

Subject to the satisfaction or, where not prohibited by applicable Law, the waiver of the conditions set forth in Article 6 by the applicable Party for whose benefit such conditions exist (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited by applicable Law, the waiver of those conditions as of the Effective Date by the applicable Party for whose benefit such conditions exist), upon the Arrangement Resolution having been approved and adopted by the Empress Shareholders at the Empress Meeting, in accordance with the Interim Order and Empress obtaining the Final Order, the Arrangement shall be effective at the Effective Time on the Effective Date.

2.8 Payment of Consideration

Alto will, following receipt of the Final Order and prior to the Effective Time deliver to the Depositary in escrow pending the Effective Time, sufficient Alto Shares in escrow to pay the aggregate Consideration to be paid to Former Empress Shareholders (other than dissenting Empress Shareholders) under the Arrangement.

2.9 Preparation of Filings

Alto and Empress shall co-operate in the preparation of any application for the Key Regulatory Approvals and any other orders, registrations, consents, filings, rulings, exemptions, no-action letters and approvals and the preparation of any documents reasonably deemed by either of them to be necessary to discharge its respective obligations or otherwise advisable under applicable Laws in connection with this Agreement or the Plan of Arrangement.

2.10 Announcement and Shareholder Communications

Alto and Empress shall issue a joint press release with respect to this Agreement and the Arrangement promptly following the execution of this Agreement, the text of such announcement to be in a form approved by each of Alto and Empress in advance, acting reasonably and without delay. Each Party shall consult with the other Party prior to issuing any other press releases or otherwise making public written statements with respect to the Arrangement or this Agreement and shall provide the other Party with a reasonable opportunity to review and comment on all such press releases or public written statements prior to the release thereof. Alto and Empress agree to co-operate in the preparation of presentations, if any, to Empress Shareholders regarding the Plan of Arrangement; *provided, however*, that the foregoing shall be subject to each Party's overriding obligation to make any disclosure or filing required under applicable Laws or stock exchange rules, and the Party making such disclosure shall use all commercially reasonable efforts to give prior oral or written notice to the other Party and reasonable opportunity to review or comment on the disclosure or filing, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing.

2.11 Withholding Taxes

Alto, Empress and the Depositary shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any Person hereunder and from all dividends or other distributions or other payments otherwise payable to any former securityholders of Empress such amounts as Alto, Empress or the Depositary may be required to deduct and withhold therefrom under any provision of applicable Laws in respect of Taxes. To the extent that such amounts are so deducted, withheld and remitted, such amounts shall be treated for all purposes under this Agreement as having been paid to the Person to whom such amounts would otherwise have been paid. For greater certainty, to the extent Alto, Empress or the Depositary is required to deduct and withhold from any consideration that is not cash, Alto, Empress or the Depositary shall be entitled to liquidate such consideration to the extent necessary in order to fund its deduction, withholding and remittance obligations.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES OF EMPRESS AND SPINCO

3.1 Representations and Warranties

Empress hereby represents and warrants to and in favour of Alto as follows, except to the extent that such representations and warranties are qualified by the Empress Disclosure Letter (which shall make reference to the applicable section, subsection, paragraph or subparagraph below in respect of which such qualification is being made), and acknowledges that Alto is relying upon such representations and warranties in connection with the entering into of this Agreement:

- (a) Directors' Approvals. As of the date hereof, the Empress Board, after consultation with its financial and legal advisors, and based upon the unanimous recommendation of the Special Committee, has determined that the Arrangement is in the best interests of Empress and is fair to the Empress Shareholders and accordingly has resolved unanimously to recommend to the Empress Shareholders that they vote in favour of the Arrangement Resolution. The Empress Board has approved the Arrangement pursuant to the Plan of Arrangement and the execution and performance of this Agreement.
- (b) Organization and Qualification. Each of Empress and Spinco is a corporation duly incorporated, amalgamated, continued or created and validly existing under the applicable Laws of its jurisdiction of incorporation, continuance or creation and has all necessary corporate or legal power and capacity to own its property and assets as now owned and to carry on its business as it is now being conducted. A true and complete copy of the constating documents of Empress and Spinco have been provided to Alto. Each of Empress and Spinco is duly registered, licensed or otherwise authorized and qualified to do business and each is in good standing in each jurisdiction in which the character of its properties, owned, leased, licensed or otherwise held, or the nature of its activities, makes such qualification necessary, except where the failure to be so registered or in good standing or to have such permits would

not have a Material Adverse Effect on Empress or Spinco, as applicable.

- (c) Authority Relative to this Agreement. Each of Empress and Spinco has all necessary corporate power, authority and capacity to enter into this Agreement and all other agreements and instruments to be executed by Empress and Spinco as contemplated by this Agreement, and to perform its obligations hereunder and under such agreements and instruments. The execution and delivery of this Agreement by Empress and Spinco and the performance by each of Empress and Spinco of its obligations under this Agreement have been duly authorized by the Empress Board and the Spinco Board, as applicable and except for obtaining Empress Shareholder Approval, the Interim Order and the Final Order in the manner contemplated herein, and providing the Registrar of Companies under the BCBCA any records, information or other documents required by him in connection with the Arrangement, no other corporate proceedings on its part are necessary to authorize this Agreement or the Arrangement, other than, with respect to the Circular and other matters relating thereto, the approval of the Empress Board. This Agreement has been duly executed and delivered by Empress and Spinco and, constitutes a legal, valid and binding obligation of Empress and Spinco, enforceable against Empress in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.
- (d) No Violation. Neither the authorization, execution and delivery of this Agreement by Empress or Spinco nor the completion of the transactions contemplated by this Agreement or the Arrangement, nor the performance of its obligations thereunder, nor compliance by Empress or Spinco with any of the provisions hereof will:
- (i) result in a violation or breach of, constitute a default (or an event which, with notice or lapse of time or both, would become a default), require any consent or approval to be obtained or notice to be given under, or give rise to any third party right of termination, cancellation, suspension, acceleration, penalty or payment obligation or right to purchase or sale under, any provision of:
- (A) its or any Material Subsidiary's articles, charters or by-laws or other comparable organizational documents;
- (B) any Permit or Material Contract to which Empress or Spinco is a party or to which any of them, or any of their respective properties or assets, may be subject or by which Empress is bound; or
- (C) any Laws, regulation, order, judgment or decree applicable to Empress or Spinco or any of their assets;

- (ii) give rise to any rights of first refusal or trigger any change in control provisions, rights of first offer or first refusal or any similar provisions or any restrictions or limitation under any note, bond, mortgage, indenture, Material Contract, license, franchise or Permit to which Empress or Spinco is a party;
- (iii) give rise to any termination or acceleration of indebtedness, or cause any third party indebtedness to come due before its stated maturity or cause any available credit to cease to be available;
- (iv) result in the imposition of any Lien upon any of the property or assets of Empress or a Material Subsidiary or restrict, hinder, impair or limit the ability of Empress or a Material Subsidiary to conduct the business of Empress or a Material Subsidiary as and where it is now being conducted which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Empress; or
- (v) result in any material payment (including retention, severance, unemployment compensation, golden parachute, bonus or otherwise) becoming due to any director, officer or employee of Empress, or increase any benefit payable to such director, officer or employee by Empress, or result in the acceleration of the time of payment or vesting of any such benefits.

The Key Third Party Consents listed in Schedule D are the only consents, approvals and notices required from any third party under any Material Contracts of Empress in order for Empress and its subsidiaries to proceed with the execution and delivery of this Agreement and the completion of the transactions contemplated by this Agreement and the Arrangement pursuant to the Plan of Arrangement.

- (e) Capitalization. The authorized share capital of Empress consists of an unlimited number of Empress Shares. As of the close of business on March 4, 2020, there are 60,737,940 Empress Shares issued and outstanding. As of the close of business on March 4, 2020, an aggregate of up to 49,001,720 Empress Shares are issuable upon the exercise of Empress Warrants. Except for the Empress Warrants and the Plan of Arrangement, there are no options, warrants, conversion privileges or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) of any character whatsoever requiring or which may require the issuance, sale or transfer by Empress of any securities of Empress (including Empress Shares), or any securities or obligations convertible into, or exchangeable or exercisable for, or otherwise evidencing a right or obligation to acquire, any securities of Empress (including Empress Shares). All outstanding Empress Shares have been duly authorized and validly issued, are fully paid and non-assessable, and all Empress Shares issuable upon the exercise of Empress Warrants in accordance with their respective terms have been duly authorized and, upon

issuance, will be validly issued as fully paid and non-assessable, and are not and will not be subject to, or issued in violation of, any pre-emptive rights. All securities of Empress (including the Empress Shares and the Empress Warrants) have been issued in compliance with all applicable Laws and Securities Laws. Other than the Empress Warrants, there are no securities of Empress outstanding which have the right to vote generally (or are convertible into or exchangeable for securities having the right to vote generally) with the Empress Shareholders on any matter. There are no outstanding contractual or other obligations of Empress or any subsidiary to repurchase, redeem or otherwise acquire any of its securities or with respect to the voting or disposition of any outstanding securities. There are no outstanding bonds, debentures or other evidences of indebtedness of Empress having the right to vote with the holders of the outstanding Empress Shares on any matters.

- (f) Subsidiaries. Empress has no subsidiaries other than Spinco, and does not own any securities of any joint venture or other entity.
- (g) Reporting Status and Securities Laws Matters. Empress is a "reporting issuer" and not on the list of reporting issuers in default under applicable Canadian provincial Securities Laws in each of the Provinces of British Columbia and Alberta. The Empress Shares are listed on, and Empress is in compliance with the rules and policies of, the TSX-V. Empress is not subject to regulation by any other stock exchange. No delisting, suspension of trading in or cease trading order with respect to any securities of Empress and, to the knowledge of Empress, no inquiry or investigation (formal or informal) of any Securities Authority (including, for purposes of this paragraph, any similar authority in the United States) or the TSX-V is in effect or ongoing or, to the knowledge of Empress, expected to be implemented or undertaken.
- (h) Public Filings. Empress has filed all documents required to be filed by it in accordance with applicable Securities Laws with the Securities Authorities or the TSX-V. All such documents and information comprising the Empress Public Disclosure Record, as of their respective dates (or, if amended, as of the date of such amendment), (1) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and (2) complied in all material respects with the requirements of applicable Securities Laws, and any amendments to the Empress Public Disclosure Record required to be made have been filed on a timely basis with the Securities Authorities or the TSX-V. Empress has not filed any confidential material change report with any Securities Authorities or the TSX-V that at the date of this Agreement remains confidential.
- (i) Empress Financial Statements. Empress's audited consolidated financial statements as at and for the fiscal years ended March 31, 2018 and 2019 (including the notes thereto) and related management's discussion and analysis

("MD&A") and Empress's unaudited consolidated financial statements as at and for the nine months ended December 31, 2019 (collectively, the "**Empress Financial Statements**") were prepared in accordance with GAAP consistently applied (except (A) as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of Empress's independent auditors, or (B) in the case of unaudited interim statements, are subject to normal period-end adjustments and may omit notes which are not required by applicable Laws in the unaudited statements) and present fairly in all material respects the consolidated financial condition, results of operations, changes in financial position of Empress as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal period-end adjustments) and reflect reserves required by GAAP in respect of all material contingent liabilities, if any, of Empress. There has been no material change in Empress's accounting policies.

- (j) Financial Reporting. Empress has not failed to disclose any information regarding any event, circumstance or action taken or failed to be taken within the knowledge of Empress as at the date of this Agreement which could reasonably be expected to have a Material Adverse Effect on Empress. To the knowledge of Empress, prior to the date of this Agreement there is and has been no fraud, whether or not material, involving management or any other employees who have a significant role in the financial reporting of Empress. Since March 31, 2018, Empress has received no: (x) material complaints from its auditors, the TSX-V or any Governmental Entity regarding accounting, internal accounting controls or auditing matters; or (y) expressions of concern from employees of Empress or any Empress subsidiary regarding questionable accounting or auditing matters.
- (k) No Undisclosed Liabilities. Empress has no outstanding indebtedness, liability or obligation (including liabilities or obligations to fund any operations or work or exploration program, to give any guarantees or for Taxes), whether accrued, absolute, contingent or otherwise, and are not party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any Person, other than those specifically disclosed in the Empress Public Disclosure Record filed prior to the date of this Agreement, specifically identified in the Empress Financial Statements, or incurred in the ordinary course of business since the date of the most recent financial statements of Empress Financial Statements.
- (l) Tax. Empress and its subsidiaries have no liability for unpaid Taxes that, in the aggregate, would be expected to adversely affect the value of the Empress Shares in any material manner.
- (m) Books and Records. The financial books, records and accounts of Empress:
 - (i) have been maintained in accordance with applicable Laws and GAAP on a

basis consistent with prior years; (ii) are stated in reasonable detail and accurately and fairly reflect the material transactions, acquisitions and dispositions of the assets of Empress; and (iii) accurately and fairly reflect the basis for Empress Financial Statements.

- (n) Minute Books. The corporate minute books of Empress and Spinco contain minutes of all meetings and resolutions of their respective boards of directors and committees of such boards of directors or managers, as applicable, other than those portions of minutes of meetings reflecting discussions of the Arrangement, and shareholders or members, as applicable, held according to applicable Laws and are complete and accurate in all material respects.
- (o) No Material Change. Since March 31, 2019, except as contemplated by this Agreement:
- (i) each of Empress and each subsidiary of Empress has conducted its business only in the ordinary and regular course of business;
 - (ii) there has not occurred any event that constituted or with the passage of time would constitute a Material Adverse Effect in respect of Empress;
 - (iii) the business and property of Empress conforms in all material respects to the description thereof contained in the Empress Public Disclosure Record and there has not been any acquisition or sale by Empress or any of its material property or assets;
 - (iv) other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Empress of any debt for borrowed money, any creation or assumption by Empress of any Lien or any making by Empress of any loan, advance or capital contribution to or investment in any other Person;
 - (v) there has been no dividend or distribution of any kind declared, paid or made by Empress on any Empress Shares;
 - (vi) Empress has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Empress Shares; and
 - (vii) there has not been any material increase in or modification of the compensation payable to or to become payable by Empress to any of its directors, officers, employees or consultants or any grant to any such director, officer, employee or consultant of any increase in severance or termination pay or any increase or modification of any bonus, pension, insurance or benefit arrangement made to, for or with any of such directors, officers, employees or consultants.
- (p) Litigation. There is no claim, action, suit, grievance, complaint, proceeding or

investigation that has been commenced or, to the knowledge of Empress, is threatened affecting Empress or affecting any of their respective property or assets at law or in equity before or by any Governmental Entity, including matters arising under Environmental Laws, which, individually or in the aggregate, if determined adversely to Empress, as the case may be, has or could reasonably be expected to result in liability to Empress in excess of \$50,000. Neither Empress nor any of its assets or properties is subject to any outstanding judgment, order, writ, injunction or decree.

- (q) Property. Empress does not hold an interest in any mineral properties.
- (r) Material Contracts. With respect to the Material Contracts of Empress:
 - (i) Section 3.1(r) of the Empress Disclosure Letter includes a complete and accurate list of all Material Contracts to which Empress is a party and that are currently in force and Empress has made available to Alto for inspection true and complete copies of all such Material Contracts.
 - (ii) All of the Material Contracts of are in full force and effect, and Empress is entitled to all rights and benefits thereunder in accordance with the terms thereof. Empress has not waived any rights under a Material Contract and no material default or breach exists in respect thereof on the part of Empress or, to the knowledge of Empress, on the part of any other party thereto, and no event has occurred which, after the giving of notice or the lapse of time or both, would constitute such a default or breach or trigger a right of termination of any of such Material Contracts.
 - (iii) All of the Material Contracts of Empress are valid and binding obligations of Empress, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
 - (iv) As at the date hereof, Empress has not received written notice that any party to a Material Contract of Empress intends to cancel, terminate or otherwise modify or not renew such Material Contract, and to the knowledge of Empress, no such action has been threatened.
 - (v) Empress is not party to any Material Contract that contains any non-competition obligation or otherwise restricts in any material way the business of Empress.
- (s) Environmental Matters.

- (i) Empress has carried on its business and operations in compliance with all applicable Environmental Laws and all terms and conditions of all Environmental Permits;
- (ii) Empress has not received any order, request or notice from any Person alleging a material violation of any Environmental Law;
- (iii) Empress (i) is not a party to any litigation or administrative proceeding, nor is any litigation or administrative proceeding threatened against it or its property or assets, which in either case (1) asserts or alleges that it violated any Environmental Laws, (2) asserts or alleges that it is required to clean up, remove or take remedial or other response action due to the Release of any Hazardous Substances, or (3) asserts or alleges that it is required to pay all or a portion of the cost of any past, present or future cleanup, removal or remedial or other response action which arises out of or is related to the Release of any Hazardous Substances, and (ii) is not subject to any judgment, decree, order or citation related to or arising out of applicable Environmental Law and has not been named or listed as a potentially responsible party by any Governmental Entity in a matter arising under any Environmental Laws; and
- (iv) is not involved in remediation operations and does not know of any facts, circumstances or conditions, including any Release of Hazardous Substance, that would reasonably be expected to result in any Environmental Liabilities.
- (t) Compliance with Laws. Empress has complied with and are not in violation of any applicable Laws, other than non-compliance or violations which would not, individually or in the aggregate, have a Material Adverse Effect on Empress and have not received any written notices or other correspondence from any Governmental Entity regarding any circumstances that have existed or currently exist which would lead to a loss, suspension, or modification of, or a refusal to issue, any material license, permit, authorization, approval, registration or consent of a Governmental Entity relating to its activities which would reasonably be expected to restrict, curtail, limit or adversely affect the ability of Empress to operate their respective businesses in a manner which would have a Material Adverse Effect on Empress.
- (u) Employment Matters.

- (i) Section 3.1(u) of the Empress Disclosure Letter sets forth a complete list of all employees and consultants of Empress, together with their titles, salaries and bonus (whether monetary or otherwise), and a list of the directors and the terms of their compensation. No such employee is on long-term disability leave, extended absence or workers' compensation leave.
- (ii) Except as disclosed in Section 3.1(u) of the Empress Disclosure Letter, Empress is not:
 - (A) a party to any written or oral agreement, arrangement, plan, obligation, policy or understanding providing for severance or termination payments to, or any employment or consulting agreement with, any director or officer of Empress;
 - (B) a party to any collective bargaining agreement nor, to the knowledge of Empress, subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement nor are there any current, or to the knowledge of Empress, pending or threatened strikes or lockouts at Empress; and
 - (C) subject to any claim for wrongful dismissal, constructive dismissal or any other tort claim, actual or, to the knowledge of Empress, threatened, or any litigation, actual or, to the knowledge of Empress, threatened, relating to its employees or independent contractors (including any termination of such individuals).
- (iii) Empress has been and are now in compliance, in all material respects, with all applicable Laws with respect to employment and labour and there are no current, or, to the knowledge of Empress, pending or threatened proceedings before any Governmental Entity with respect to any of the areas listed herein.
- (iv) Empress is not subject to any present or future obligation or liability under, any pension plan, deferred compensation plan, retirement income plan, stock option or stock purchase plan, profit sharing plan, bonus plan, employee benefit plan or policy, employee group insurance plan, program policy or practice, formal or informal, with respect to its employees.
- (v) Related Party Transactions. With the exception of any contracts related to Empress Warrants or as disclosed in Section 3.1(v), there are no Contracts or other transactions currently in place between Empress or Spinco, on the one hand, and: (i) any officer or director of Empress; (ii) any holder of record or, to the knowledge of Empress or Spinco, beneficial owner of 10% or more of the Empress Shares or the Spinco Shares; and (iii) any affiliate or associate of any such, officer, director, holder of record or beneficial owner, on the other

hand.

- (w) Registration Rights. No Empress Shareholder has any right to compel Empress to register or otherwise qualify the Empress Shares (or any of them) for public sale or distribution.
- (x) Rights of Other Persons. No Person has any right of first refusal or option to purchase any of the assets owned by Empress, or any part thereof.
- (y) Restrictions on Business Activities. There is no arbitral award, judgment, injunction, constitutional ruling, order or decree binding upon Empress or Spinco that has or could reasonably be expected to have the effect of prohibiting, restricting, or impairing any business practice of any of them, any acquisition or disposition of property by any of them, or the conduct of the business by any of them as currently conducted, which could reasonably be expected to have a Material Adverse Effect on Empress.
- (z) Brokers. Except as disclosed in Section 3.1(z) of the Empress Disclosure Letter, no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of Empress or Spinco, and the aggregate amount of such fees that may become payable in respect of all such arrangements is set out in Section 3.1(z) to the Empress Disclosure Letter.
- (aa) Insurance. As of the date hereof, Empress has such policies of insurance as are listed in Section 3.1(aa) of the Empress Disclosure Letter. All insurance maintained by Empress is in full force and effect and in good standing.
- (bb) United States Securities Laws.
 - (i) No securities of Empress are registered or required to be registered under Section 12 of the U.S. Exchange Act, and Empress is not required to file reports under Section 13 or section 15(d) of the U.S. Exchange Act; and
 - (ii) Empress is not registered, and is not required to be registered, as an "investment company" under the United States Investment Company Act of 1940, as amended.
- (cc) Data Provided. To the knowledge of Empress, the Confidential Information (as defined in the Confidentiality Agreement) provided by or on behalf of Empress to Alto and its Representatives is true and accurate in all material respects.
- (dd) Certain Business Practices. To the knowledge of Empress, neither Empress nor Spinco nor any director, officer, agent or employee of Empress or Spinco (in their capacities as such) has:

- (i) used or agreed to use funds for contributions, gifts, entertainment or other purposes relating to political activity in violation of Law including the CFPOA or the FCPA; or
- (ii) made or agreed to make any payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns in violation of Law, including the CFPOA or the FCPA.

3.2 Survival of Representations and Warranties

The representations and warranties of Empress contained in this Agreement shall survive the execution and delivery of this Agreement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms. Any investigation by Alto and its Representatives shall not mitigate, diminish or affect the representations and warranties of Empress pursuant to this Agreement.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF ALTO

4.1 Representations and Warranties

Alto hereby represents and warrants to and in favour of Empress as follows, except to the extent that such representations and warranties are qualified by the Alto Disclosure Letter (which shall make reference to the applicable section, subsection, paragraph or subparagraph below in respect of which such qualification is being made), and acknowledges that Empress is relying upon such representations and warranties in connection with the entering into of this Agreement:

- (a) Organization and Qualification. Alto is a corporation duly incorporated, amalgamated, continued or created and validly existing under the applicable Laws of its jurisdiction of incorporation, continuance or creation and has all necessary corporate or legal power and capacity to own its property and assets as now owned and to carry on its business as it is now being conducted. Alto (a) has all Permits necessary to conduct its business substantially as now conducted, and (b) is duly registered, licensed or otherwise authorized and qualified to do business and each is in good standing in each jurisdiction in which the character of its properties, owned, leased, licensed or otherwise held, or the nature of its activities makes such qualification necessary, except where the failure to be so registered or in good standing or to have such Permits would not have a Material Adverse Effect on Alto.
- (b) Authority Relative to this Agreement. Alto has all necessary corporate power, authority and capacity to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by Alto and the performance by Alto of its obligations hereunder have been duly authorized by its board of directors and no other corporate proceedings on its part are necessary to authorize this Agreement or the Arrangement. This

Agreement has been duly executed and delivered by Alto and constitutes a legal, valid and binding obligation of Alto, enforceable against Alto in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors and that equitable remedies, including specific performance, are discretionary and may not be ordered.

- (c) No Violations. Neither the authorization, execution and delivery of this Agreement by Alto nor the completion of the transactions contemplated by the Agreement or the Arrangement, nor the performance of its obligations thereunder, nor compliance by Alto with any of the provisions hereof will:
- (i) result in a violation or breach of, constitute a default (or an event which, with notice or lapse of time or both, would become a default), require any consent or approval to be obtained or notice to be given under, or give rise to any third party right of termination, cancellation, suspension, acceleration, penalty or payment obligation or right to purchase or sale under, any provision of: (A) the articles of incorporation, by-laws or other constating documents of Alto, (B) any Permit or Material Contract to which Alto is a party or to which any of them, or any of their respective properties or assets, may be subject or by which Alto is bound, or (C) any Law, regulation, order, judgment or decree applicable to Alto or any of its properties or assets.
 - (ii) give rise to any rights of first refusal or trigger any change in control provisions, rights of first offer or first refusal or any similar provisions or any restrictions or limitation under any note, bond, mortgage, indenture, Material Contract, license, franchise or Permit to which Alto is a party;
 - (iii) give rise to any termination or acceleration of indebtedness, or cause any third party indebtedness to come due before its stated maturity or cause any available credit to cease to be available; or
 - (iv) result in the imposition of any Lien upon any of the property or assets of Alto or any of its subsidiaries or restrict, hinder, impair or limit the ability of Alto to conduct the business of Alto as and where it is now being conducted which would, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Alto.

affect any consents, approvals and notices required from any third party under any Material Contracts of Alto in order for Alto to proceed with the execution and delivery of this Agreement and the completion of the transactions contemplated by this Agreement and the Arrangement pursuant to the Plan of Arrangement.

- (d) Capitalization. The authorized share capital of Alto consists of an unlimited

number of Alto Shares. As of the close of business on March 4, 2020, 56,373,295 Alto Shares were issued and outstanding, an aggregate of up to 3,025,000 Alto Shares were issuable upon the exercise of Alto Options and an aggregate of up to 5,466,057 Alto Shares were issuable upon the exercise of Alto Warrants and, except for such Alto Options and Alto Warrants, as of the date hereof, there are no options, warrants, conversion privileges or other rights, shareholder rights plans, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) of any character whatsoever requiring or which may require the issuance, sale or transfer by Alto of any securities of Alto (including Alto Shares), or any securities or obligations convertible into, or exchangeable or exercisable for, or otherwise evidencing a right or obligation to acquire, any securities of Alto (including Alto Shares) or subsidiaries of Alto. All outstanding Alto Shares have been duly authorized and validly issued, are fully paid and non-assessable, and all Alto Shares issuable upon the exercise of Alto Options in accordance with their respective terms have been duly authorized and, upon issuance, will be validly issued as fully paid and non-assessable, and are not and will not be subject to, or issued in violation of, any pre-emptive rights.

- (e) Subsidiaries. Alto has no subsidiaries and does not own any securities of any joint venture or other entity other than as set out in Schedule H.
- (f) Reporting Status and Securities Laws Matters. Alto is a "reporting issuer" and not on the list of reporting issuers in default under applicable Canadian provincial Securities Laws in the Provinces of British Columbia, Alberta and Ontario. The Alto Shares are listed on, and Alto is in material compliance with the rules and policies of, the TSX-V. No delisting, suspension of trading in or cease trading order with respect to any securities of Alto and, to the knowledge of Alto, no inquiry or investigation (formal or informal) of any Securities Authority (including, for purposes of this paragraph, any similar authority in the United States) or the TSX-V, is in effect or ongoing or, to the knowledge of Alto, expected to be implemented or undertaken.
- (g) Public Filings. Alto has filed all documents required to be filed by it in accordance with applicable Securities Laws with the Securities Authorities or the TSX-V. All such documents and information comprising the Alto Public Disclosure Record, as of their respective dates (and the dates of any amendments thereto), (1) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading, and (2) complied in all material respects with the requirements of applicable Securities Laws, and any amendments to the Alto Public Disclosure Record required to be made have been filed on a timely basis with the Securities Authorities or the TSX-V. Alto has not filed any confidential material change report with any Securities Authorities that at the date of this Agreement remains confidential. There has been no change in a material fact or a material change (as those terms are defined under the

Securities Act) in any of the information contained in the Alto Public Disclosure Record, except for changes in material facts or material changes that are reflected in a subsequently filed document included in the Alto Public Disclosure Record.

- (h) Alto Financial Statements. Alto's audited consolidated financial statements as at and for the fiscal years ended June 30, 2018 and 2019 including the notes thereto and related management's discussion and analysis ("**Alto MD&A**") and Alto's unaudited consolidated financial statements as at and for the six months ended December 31, 2019 (collectively, the "**Alto Financial Statements**") were prepared in accordance with GAAP consistently applied (except as otherwise indicated in such financial statements and the notes thereto or in the related report of Alto's independent auditors) and present fairly in all material respects the consolidated financial condition, results of operations and changes in financial position of Alto and its subsidiaries as of the dates thereof and for the periods indicated therein and reflect reserves required by GAAP in respect of all material contingent liabilities, if any, of Alto and its subsidiaries on a consolidated basis.
- (i) No Undisclosed Liabilities. Alto has no outstanding indebtedness, liability or obligation (including liabilities or obligations to fund any operations or work or exploration program, to give any guarantees or for Taxes), whether accrued, absolute, contingent or otherwise, and is not party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any Person, other than those specifically disclosed in the Alto Public Disclosure Record filed prior to the date of this Agreement, specifically identified in the Alto Financial Statements, or incurred in the ordinary course of business since the date of the most recent financial statements of Alto Financial Statements.
- (j) Tax. Alto has no liability for unpaid Taxes that, in the aggregate, would be expected to adversely affect the value of the Alto Shares in any material manner.
- (k) Mineral Resources. Alto has the current mineral resources detailed in the Alto Public Disclosure Record.
- (l) Books and Records. The financial books, records and accounts of Alto: (i) have been maintained in accordance with applicable Laws and GAAP on a basis consistent with prior years; (ii) are stated in reasonable detail and accurately and fairly reflect the material transactions, acquisitions and dispositions of the assets of Alto; and (iii) accurately and fairly reflect the basis for Alto Financial Statements.
- (m) Minute Books. The corporate minute books of Alto contain minutes of all meetings and resolutions of their respective boards of directors and

committees of such boards of directors or managers, as applicable, other than those portions of minutes of meetings reflecting discussions of the Arrangement, and shareholders or members, as applicable, held according to applicable Laws and are complete and accurate in all material respects.

- (n) No Material Change. Since June 30, 2019, except as disclosed in the Alto Public Disclosure Record:
- (i) Alto has conducted its business only in the ordinary and regular course of business;
 - (ii) there has not occurred any event that constituted or with the passage of time would constitute a Material Adverse Effect in respect of Alto;
 - (iii) Alto has not effected or passed any resolution to approve a split, consolidation or reclassification of any of the outstanding Alto Shares;
 - (iv) Alto has not effected any material change in its accounting methods, principles or practices;
 - (v) there has been no dividend or distribution of any kind declared, paid or made by Alto on any Alto Shares;
 - (vi) there has not occurred any event that constituted or with the passage of time would constitute a Material Adverse Effect in respect of Alto;
 - (vii) the business and property of Alto and its subsidiaries conform in all material respects to the description thereof contained in the Alto Public Disclosure Record and there has not been any acquisition or sale by Alto of any material property or assets; and
 - (viii) other than in the ordinary and regular course of business consistent with past practice, there has not been any incurrence, assumption or guarantee by Alto of any debt for borrowed money, any creation or assumption by Alto of any Lien or any making by Alto or any of its subsidiaries of any loan, advance or capital contribution to or investment in any other Person.
- (o) Litigation. There are no material claims, actions, suits, grievances, complaints or proceedings pending or, to the knowledge of Alto, threatened affecting Alto or affecting any of their respective property or assets at law or in equity before or by any Governmental Entity, including matters arising under Environmental Laws. Neither Alto nor its respective assets or properties is subject to any outstanding material judgment, order, writ, injunction or decree.
- (p) Permits.

- (i) Alto has obtained and is in material compliance with all material Permits required by applicable Laws, necessary to conduct its current business as now being conducted; and
 - (ii) there are no facts, events or circumstances that would reasonably be expected to result in a failure to obtain or be in material compliance with such material Permits as are necessary to conduct the business of Alto as it is currently being conducted as set forth in the Alto Public Disclosure Documents.
- (q) Issuance of Alto Shares. The Alto Shares to be issued as part of the Consideration will, when issued pursuant to the Arrangement, be duly and validly issued as fully paid and non-assessable common shares in the capital of Alto. The Alto Shares to be issued in connection with the exercise of the Alto Warrants after the Effective Date will when issued in accordance with the terms thereof be duly and validly issued as fully paid and non-assessable common shares in the capital of Alto.
- (r) Expropriation. No part of the property or assets of Alto has been taken, condemned or expropriated by any Governmental Entity nor has any written notice or proceeding in respect thereof been given or commenced nor does Alto know of any intent or proposal to give such notice or commence any such proceedings.
- (s) Rights of Other Persons. No Person has any right of first refusal or option to purchase or any other right of participation in any of the material properties or assets owned by Alto, or any part thereof, except as disclosed in the Alto Financial Statements.
- (t) Alto Mining Properties. To the knowledge of Alto, there is no:
- (i) material information, including assay results, in respect of the Alto Mining Properties in the possession of Alto that it has not disclosed to Alto; or
 - (ii) material change relating to the Alto Mining Properties that Alto has not publicly disclosed;
 - (iii) applying customary standards in the mining industry, to the knowledge of Alto:
 - (A) the Alto Mining Properties are in good standing with the applicable Governmental Entities;
 - (B) any and all Taxes and other payments required to be paid during in respect of the Alto Mining Properties and all rental payments required to be paid in respect of the Alto Mining Properties have been paid by Alto;

- (C) any and all filings required to be filed in respect of the Alto Mining Properties have been filed by Alto;
- (D) Alto has not received any notice, whether written or oral from any Governmental Entity or any Person with jurisdiction or applicable authority of any revocation or intention to revoke Alto's or any of its Material Subsidiaries' interests in the Alto Mining Properties;
- (E) Alto has the right, title, ownership and right to use all exploration information, data reports and studies including all geological, geophysical and geochemical information and data (including all drill, sample and assay results and all maps) and all technical reports, feasibility studies and other similar reports and studies concerning the Alto Mining Properties that is in the possession of Alto or that Alto has the right to obtain; and
- (F) all work and activities carried out on the Alto Mining Properties by Alto or any other Person appointed by Alto have been carried out in all material respects in compliance with all applicable Laws, and neither Alto, any of its subsidiaries, nor, to the knowledge of Alto, any other Person, has received any notice of any material breach of any such applicable Laws.

(u) Environmental Matters.

- (i) Alto has carried on its business and operations in compliance with all applicable Environmental Laws and all terms and conditions of all Environmental Permits;
- (ii) Alto has not received any order, request or notice from any Person alleging a material violation of any Environmental Law; and
- (iii) Alto is not involved in remediation operations and does not know of any facts, circumstances or conditions, including any Release of Hazardous Substance, that would reasonably be expected to result in any Environmental Liabilities.

(v) Material Contracts. With respect to the Material Contracts of Alto:

- (i) Section 4.1(v) of the Alto Disclosure Letter includes a complete and accurate list of all Material Contracts to which Alto is a party and that are currently in force and Alto has made available to Empress for inspection true and complete copies of all such Material Contracts.
- (ii) All of the Material Contracts of are in full force and effect, and Alto is entitled to all rights and benefits thereunder in accordance with the terms thereof. Alto has not waived any rights under a Material Contract and no material default or breach exists in respect thereof on the part of Alto or,

to the knowledge of Alto, on the part of any other party thereto, and no event has occurred which, after the giving of notice or the lapse of time or both, would constitute such a default or breach or trigger a right of termination of any of such Material Contracts.

- (iii) All of the Material Contracts of Alto are valid and binding obligations of Alto, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction.
- (iv) As at the date hereof, Alto has not received written notice that any party to a Material Contract of Alto intends to cancel, terminate or otherwise modify or not renew such Material Contract, and to the knowledge of Alto, no such action has been threatened.
- (v) Alto is not party to any Material Contract that contains any non-competition obligation or otherwise restricts in any material way the business of Alto.
- (w) Compliance with Laws. Alto and each of its subsidiaries have complied with and are not in violation of any applicable Laws, other than non-compliance or violations which would not, individually or in the aggregate, have a Material Adverse Effect on Alto and have not received any written notices or other correspondence from any Governmental Entity regarding any circumstances that have existed or currently exist which would lead to a loss, suspension, or modification of, or a refusal to issue, any material license, permit, authorization, approval, registration or consent of a Governmental Entity relating to its activities which would reasonably be expected to restrict, curtail, limit or adversely affect the ability of Alto and its subsidiaries to operate their respective businesses in a manner which would have a Material Adverse Effect on Alto.
- (x) Employment Matters.
 - (i) Section 4.1(x) of the Alto Disclosure Letter sets forth a complete list of all employees and consultants of Alto, together with their titles, salaries and bonus (whether monetary or otherwise), and a list of the directors and the terms of their compensation. No such employee is on long-term disability leave, extended absence or workers' compensation leave.
 - (ii) Alto is not:
 - (A) a party to any written or oral agreement, arrangement, plan, obligation, policy or understanding providing for severance or termination payments to, or any employment or consulting agreement with, any director or officer of Alto;

- (B) a party to any collective bargaining agreement nor, to the knowledge of Alto, subject to any application for certification or threatened or apparent union-organizing campaigns for employees not covered under a collective bargaining agreement nor are there any current, or to the knowledge of Alto, pending or threatened strikes or lockouts at Alto; and
 - (C) subject to any claim for wrongful dismissal, constructive dismissal or any other tort claim, actual or, to the knowledge of Alto, threatened, or any litigation, actual or, to the knowledge of Alto, threatened, relating to its employees or independent contractors (including any termination of such individuals).
- (iii) Alto has been and are now in compliance, in all material respects, with all applicable Laws with respect to employment and labour and there are no current, or, to the knowledge of Alto, pending or threatened proceedings before any Governmental Entity with respect to any of the areas listed herein.
 - (iv) Other than the Alto Stock Option Plan, Alto is not subject to any present or future obligation or liability under, any pension plan, deferred compensation plan, retirement income plan, stock option or stock purchase plan, profit sharing plan, bonus plan, employee benefit plan or policy, employee group insurance plan, program policy or practice, formal or informal, with respect to its employees.
- (y) Related Party Transactions. With the exception of any contracts related to Alto Warrants, there are no Contracts or other transactions currently in place between Alto, on the one hand, and: (i) any officer or director of Alto; (ii) any holder of record or, to the knowledge of Alto, beneficial owner of 10% or more of the Alto Shares; and (iii) any affiliate or associate of any such, officer, director, holder of record or beneficial owner, on the other hand.
 - (z) Registration Rights. No Alto Shareholder has any right to compel Alto to register or otherwise qualify the Alto Shares (or any of them) for public sale or distribution.
 - (aa) Rights of Other Persons. No Person has any right of first refusal or option to purchase any of the assets owned by Alto, or any part thereof.
 - (bb) Restrictions on Business Activities. There is no arbitral award, judgment, injunction, constitutional ruling, order or decree binding upon Alto that has or could reasonably be expected to have the effect of prohibiting, restricting, or impairing any business practice of any of them, any acquisition or disposition of property by any of them, or the conduct of the business by any of them as currently conducted, which could reasonably be expected to have a Material Adverse Effect on Alto.

- (cc) Brokers. Except as disclosed by Alto to Empress, no broker, investment banker, financial advisor or other Person is entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of Alto, and the aggregate amount of such fees that may become payable in respect of all such arrangements is set out in Section 4.1(cc) to the Alto Disclosure Letter.
- (dd) Insurance. As of the date hereof, Alto has such policies of insurance as are listed in Section 4.1(dd) of the Alto Disclosure Letter. All insurance maintained by Alto is in full force and effect and in good standing.
- (ee) United States Securities Laws.
 - (i) No securities of Alto are registered or required to be registered under Section 12 of the U.S. Exchange Act, and Alto is not required to file reports under Section 13 or section 15(d) of the U.S. Exchange Act; and
 - (ii) Alto is not registered, and is not required to be registered, as an "investment company" under the United States Investment Company Act of 1940, as amended.
- (ff) Data Provided. To the knowledge of Alto, the Confidential Information (as defined in the Confidentiality Agreement) provided by or on behalf of Alto to Alto and its Representatives is true and accurate in all material respects.
- (gg) Certain Business Practices. To the knowledge of Alto, neither Alto nor any director, officer, agent or employee of Alto (in their capacities as such) has
 - (i) used or agreed to use funds for contributions, gifts, entertainment or other purposes relating to political activity in violation of Law including the CFPOA or the FCPA; or made or agreed to make any payment to foreign or domestic government officials or employees or to foreign or domestic political parties or campaigns in violation of Law, including the CFPOA or the FCPA.

4.2 Survival of Representations and Warranties

The representations and warranties of Alto contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms. Any investigation by Empress and its Representatives shall not mitigate, diminish or affect the representations and warranties of Alto pursuant to this Agreement.

ARTICLE 5
COVENANTS OF EMPRESS AND ALTO

5.1 Covenants of Empress Regarding the Conduct of Business

Empress covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except as required or permitted by this Agreement, required by applicable Laws or any Governmental Entities or consented to by Alto in writing (which consent shall not be unreasonably withheld or delayed), Empress shall, and shall cause each of its subsidiaries to conduct its business in the ordinary course of business consistent with past practice, and use commercially reasonable efforts to maintain and preserve their business organization, assets, employees, goodwill and business relationships. Without limiting the generality of the foregoing, from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except as required or permitted by this Agreement or as disclosed in the Empress Disclosure Letter (including for greater certainty the transfer of the Spinco Assets to Spinco and the assumption of the Spinco Liabilities by Spinco, provided that such transfers and assumption are completed with prior notice to Alto and in a manner acceptable to Alto, acting reasonably), Empress shall not, nor shall it permit any of its subsidiaries to, directly or indirectly, without the prior written consent of Alto (such consent not to be unreasonably withheld, conditioned or delayed):

- (a) take any action except in the ordinary course of business of Empress and its Material Subsidiaries;
- (b) (i) amend its articles, charter or by-laws or other comparable organizational documents; (ii) split, combine or reclassify any shares in the capital of Empress or any of its subsidiaries; (iii) issue, grant, deliver, sell or pledge, or agree to issue, grant, deliver, sell or pledge, any shares of Empress or its subsidiaries, or any rights convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares or other securities of Empress or its subsidiaries, other than the issuance of Empress Shares pursuant to the terms of the outstanding Empress Warrants; (iv) redeem, purchase or otherwise acquire, or offer to redeem, purchase or otherwise acquire, any outstanding securities of Empress or any of its subsidiaries, (v) amend the terms of any of its securities except as disclosed in Section 5.1 of the Empress Disclosure Letter; (vi) adopt a plan of liquidation or resolution providing for the liquidation or dissolution of Empress or any of its Material Subsidiaries; (vii) amend its accounting policies or adopt new accounting policies, in each case except as required in accordance with IFRS; or (viii) enter into any agreement with respect to any of the foregoing;
- (c) (i) sell, pledge, hypothecate, lease, license, sell and lease back, mortgage, dispose of or encumber or otherwise transfer, in whole or in part, any of its interest in the Alto Mining Properties; (ii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets or otherwise), directly or indirectly, any assets, securities, properties, interests, business, corporation, partnership or other business organization or division thereof, or make any

investment either by the purchase of securities, contribution of capital, property transfer, or purchase of any other property or assets of any other Person other than pursuant to a Contract in existence on the date hereof or a Spinco Permitted Contract; (iii) incur, create, assume or otherwise become liable for, any indebtedness for borrowed money or any other liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other Person, or make any loans, capital contributions, investments or advances other than pursuant to a Contract in existence on the date hereof or a Spinco Permitted Contract; (iv) waive, release, grant or transfer any rights of material value; or (v) authorize or propose any of the foregoing or enter into any agreement to do any of the foregoing;

- (d) except in the ordinary course of business (i) sell, pledge, hypothecate, lease, license, sell and lease back, mortgage, dispose of or encumber or otherwise transfer any assets, securities, properties, interests or businesses of Empress or any of its subsidiaries; (ii) pay, discharge or satisfy any material liabilities or obligations; or (iii) authorize or propose any of the foregoing or enter into any agreement to do any of the foregoing;
- (e) other than as is necessary to comply with applicable Laws or Material Contracts (i) grant to any officer, employee, consultant or director of Empress or any of its subsidiaries an increase in compensation in any form, or grant any general salary increase; (ii) make any loan to any officer, employee, consultant or director of Empress or any of its subsidiaries; (iii) take any action with respect to the grant of any severance, change of control, bonus or termination pay to, or enter into any employment agreement, deferred compensation or other similar agreement (or amend any such existing agreement) with, or hire or terminate employment (except for just cause) of, any officer, employee, consultant or director of Empress or any of its subsidiaries; (iv) increase any benefits payable under any existing severance or termination pay policies or employment agreements, or adopt or materially amend any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, compensation or other similar plan, agreement, trust, fund or arrangement for the benefit of directors, officers, employees, consultants or former directors, officers, employees or consultants of Empress or any of its subsidiaries; (v) increase bonus levels or other benefits payable to any director, executive officer, consultant or employee of Empress or any of its subsidiaries; (vi) provide for accelerated vesting, removal of restrictions or an exercise of any stock based or stock related awards (including stock options, stock appreciation rights, deferred share units, performance units and restricted share awards) upon a change of control occurring on or prior to the Effective Time; or (vii) establish, adopt or amend (except as required by applicable Law) any collective bargaining agreement or similar agreement;
- (f) settle, pay, discharge, satisfy, compromise, waive, assign or release (i) any

material action, claim or proceeding brought against Empress and/or any of its subsidiaries; or (ii) any action, claim or proceeding brought by any present, former or purported holder of its securities in connection with the transactions contemplated by this Agreement or the Plan of Arrangement;

- (g) enter into any agreement or arrangement that limits or otherwise restricts in any material respect Empress or any of its Material Subsidiaries or any successor thereto, or that would, after the Effective Time, limit or restrict in any material respect Empress or any of its affiliates from competing in any manner;
- (h) waive, release or assign any material rights, claims or benefits of Empress or any of its subsidiaries;
- (i) (i) enter into any agreement that if entered into prior to the date hereof would be a Material Contract; (ii) modify or amend in any material respect, transfer or terminate any Material Contract, or waive, release or assign any material rights or claims thereto or thereunder; or (iii) enter into or modify any Contract or series of Contracts resulting in a new Contract or series of related new Contracts or enter into any modifications to an existing Contract or series of related existing Contracts outside of the ordinary course of business; provided that Spinco will be entitled to enter into any contract, agreement, commitment or understanding that is a Spinco Permitted Contract;
- (j) change any method of Tax accounting, make or change any Tax election, file any amended Tax return, settle or compromise any Tax liability, agree to an extension or waiver of the limitation period with respect to the assessment, reassessment or determination of Taxes, enter into any closing agreement with respect to any Tax or surrender any right to claim a Tax refund;
- (k) take any action or fail to take any action which action or failure to act would result in the material loss, expiration or surrender of, or the loss of any material benefit under, or reasonably be expected to cause any Governmental Entity to institute proceedings for the suspension, revocation or limitation of rights under, any material Permits or any Approvals listed in Section 5.1(k) of the Empress Disclosure Letter or from any Governmental Entity necessary to conduct its businesses as now conducted or as proposed to be conducted, or fail to prosecute with commercially reasonable due diligence any pending applications to any Governmental Entities for Approvals;
- (l) take any action or fail to take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the ability of Empress to consummate the Arrangement or the other transactions contemplated by this Agreement;
- (m) take any action or enter into any transaction that would preclude the Canadian tax "bump" rules from applying upon an amalgamation or winding-up of

Empress (or its successor by amalgamation), in calculating the tax cost of capital property distributed to Alto under paragraphs 88(1)(c) and (d) of the Tax Act; or

- (n) agree, resolve or commit to do any of the foregoing.

For clarity, notwithstanding any other provision of this Agreement, Empress shall be entitled to undertake the Empress Financing and the Empress Royalty Purchases, and Spinco shall be entitled to undertake the Spinco Financing.

Empress shall use commercially reasonable efforts to cause the current insurance (or re-insurance) policies maintained by Empress or any of its subsidiaries, including directors' and officers' insurance, not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductibles and providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect; provided that, subject to Section 7.5, none of Empress or any of its subsidiaries shall obtain or renew any insurance (or re-insurance) policy for a term exceeding 12 months.

Empress shall promptly notify Alto in writing of any circumstance or development that, to the knowledge of Empress, is or could reasonably be expected to constitute a Material Adverse Effect.

5.2 Covenants of Empress Relating to the Arrangement

Empress shall and shall cause its subsidiaries to perform all obligations required or desirable to be performed by Empress or any of its subsidiaries under this Agreement, cooperate with Alto in connection therewith, and do or cause to be done all such further acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement, including the execution and delivery of such documents as the other Party hereto may reasonably require. Without limiting the generality of the foregoing, Empress shall and, where applicable, shall cause its subsidiaries to:

- (a) provide to Alto at least two Business Days prior to the Effective Date (i) a reasonable estimate of the cash that will be held by Spinco and its subsidiaries immediately before the Effective Time that is not held in trust for, or for the benefit of, any joint venture partner or similar Person and (ii) a statement of all intercompany payables that will be owing by Spinco or any of its subsidiaries to Empress or any of the Material Subsidiaries immediately prior to the Effective Time;
- (b) subject to obtaining confirmation that insurance coverage is maintained as contemplated in Section 7.5 and subject to Section 5.4(e), it shall use commercially reasonable efforts to cause to be delivered to Alto on the Effective Date resignations and releases, effective on the Effective Date or at such other time and in the manner requested by Alto, of the directors and

officers of Empress or its subsidiaries designated in writing by Alto together with any employees or consultants, with nominees of Alto to be appointed to the Empress Board immediately after each such resignation;

- (c) apply for and use commercially reasonable efforts to obtain all required approvals from Governmental Entities, including the Key Regulatory Approvals, relating to Empress or any of its subsidiaries which are typically applied for by a Empress company and, in doing so, keep Alto informed as to the status of the proceedings related to obtaining such approvals, including providing Alto with copies of all related applications and notifications, in draft form (except where such material is confidential in which case it will be provided (subject to applicable Laws) to Alto's outside counsel on an "external counsel" basis), in order for Alto to provide its comments thereon, which shall be given due and reasonable consideration;
- (d) use commercially reasonable efforts to obtain as soon as practicable following execution of this Agreement all third party consents, approvals and notices required under any of the Material Contracts, including all Key Third Party Consents;
- (e) at the request of Alto, take all commercially reasonable steps to ensure that, on or prior to the Effective Date, the Spinco Assets have been duly transferred to Spinco and Spinco has assumed all of the Spinco Liabilities in a manner satisfactory to Alto, acting reasonably; provided that taking any such step does not result in, and would not reasonably be expected to result in, any Taxes being imposed on, or any adverse Tax on or being suffered by, the Empress Shareholders or the Empress Warrantholders;
- (f) defend all lawsuits or other legal, regulatory or other proceedings against Empress challenging or affecting this Agreement or the consummation of the transactions contemplated hereby;
- (g) allow representatives of Alto (including legal and financial advisors) to attend the Empress Meeting; and
- (h) use commercially reasonable efforts to have the holders of greater than 10% of the issued and outstanding Empress Shares enter into a voting support agreement in a form acceptable to Alto, acting reasonably, wherein they agree to vote for management nominees for directors at any Alto meeting held prior to January 1, 2023 called to elect directors

5.3 Covenants of Alto Regarding the Conduct of Business

Alto covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except for the Alto Financing, as required or permitted by this Agreement, as required by applicable Laws or any Governmental Entities or consented to by Empress in writing (which consent shall not be unreasonably withheld or delayed), Alto shall,

and shall cause each of its subsidiaries to conduct its business in the ordinary course of business consistent with past practice, and use commercially reasonable efforts to maintain and preserve their business organization, assets, employees, goodwill and business relationships. Without limiting the generality of the foregoing, from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except as required or permitted by this Agreement or as disclosed in the Alto Disclosure Letter (including for greater certainty the transfer of the Spinco Assets to Spinco, provided that such transfers and assumption are completed with prior notice to Empress and in a manner acceptable to Empress, acting reasonably), Alto shall not, directly or indirectly, without the prior written consent of Empress (such consent not to be unreasonably withheld, conditioned or delayed):

- (a) take any action except in the ordinary course of business of;
- (b) (i) amend its articles, charter or by-laws or other comparable organizational documents; (ii) split, combine or reclassify any shares in the capital of Alto; (iii) issue, grant, deliver, sell or pledge, or agree to issue, grant, deliver, sell or pledge, any shares of Alto or its subsidiaries, or any rights convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares or other securities of Alto other than the issuance of Alto Shares pursuant to the terms of the outstanding Alto Warrants; (iv) redeem, purchase or otherwise acquire, or offer to redeem, purchase or otherwise acquire, any outstanding securities of Alto, (v) amend the terms of any of its securities other than as disclosed to Empress in Section 5.3 of the Alto Disclosure Letter; (vi) adopt a plan of liquidation or resolution providing for the liquidation or dissolution of Alto; (vii) amend its accounting policies or adopt new accounting policies, in each case except as required in accordance with IFRS; or (viii) enter into any agreement with respect to any of the foregoing;
- (c) (i) sell, pledge, hypothecate, lease, license, sell and lease back, mortgage, dispose of or encumber or otherwise transfer, in whole or in part, any of its interest in the Alto Mining Properties; (ii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets or otherwise), directly or indirectly, any assets, securities, properties, interests, business, corporation, partnership or other business organization or division thereof, or make any investment either by the purchase of securities, contribution of capital, property transfer, or purchase of any other property or assets of any other Person other than pursuant to a Contract in existence on the date hereof or a Spinco Permitted Contract; (iii) incur, create, assume or otherwise become liable for, any indebtedness for borrowed money or any other liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other Person, or make any loans, capital contributions, investments or advances other than pursuant to a Contract in existence on the date hereof or a Spinco Permitted Contract; (iv) waive, release, grant or transfer any rights of material value; or (v) authorize or propose any of the foregoing or enter into any agreement to do any of the foregoing;

- (d) except in the ordinary course of business (i) sell, pledge, hypothecate, lease, license, sell and lease back, mortgage, dispose of or encumber or otherwise transfer any assets, securities, properties, interests or businesses of Alto; (ii) pay, discharge or satisfy any material liabilities or obligations; or (iii) authorize or propose any of the foregoing or enter into any agreement to do any of the foregoing;
- (e) other than as is necessary to comply with applicable Laws or Material Contracts, or in accordance with the Alto Stock Option Plan: (i) grant to any officer, employee, consultant or director of Alto an increase in compensation in any form, or grant any general salary increase; (ii) make any loan to any officer, employee, consultant or director of Alto; (iii) take any action with respect to the grant of any severance, change of control, bonus or termination pay to, or enter into any employment agreement, deferred compensation or other similar agreement (or amend any such existing agreement) with, or hire or terminate employment (except for just cause) of, any officer, employee, consultant or director of Alto; (iv) increase any benefits payable under any existing severance or termination pay policies or employment agreements, or adopt or materially amend any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, compensation or other similar plan, agreement, trust, fund or arrangement for the benefit of directors, officers, employees, consultants or former directors, officers, employees or consultants of Alto; (v) increase bonus levels or other benefits payable to any director, executive officer, consultant or employee of Alto; (vi) provide for accelerated vesting, removal of restrictions or an exercise of any stock based or stock related awards (including stock options, stock appreciation rights, deferred share units, performance units and restricted share awards) upon a change of control occurring on or prior to the Effective Time; or (vii) establish, adopt or amend (except as required by applicable Law) any collective bargaining agreement or similar agreement;
- (f) settle, pay, discharge, satisfy, compromise, waive, assign or release (i) any material action, claim or proceeding brought against Alto; or (ii) any action, claim or proceeding brought by any present, former or purported holder of its securities in connection with the transactions contemplated by this Agreement or the Plan of Arrangement;
- (g) enter into any agreement or arrangement that limits or otherwise restricts in any material respect Alto or any successor thereto, or that would, after the Effective Time, limit or restrict in any material respect Alto or any of its affiliates from competing in any manner;
- (h) waive, release or assign any material rights, claims or benefits of Alto;
- (i) (i) enter into any agreement that if entered into prior to the date hereof would be a Material Contract; (ii) modify or amend in any material respect, transfer or terminate any Material Contract, or waive, release or assign any material

rights or claims thereto or thereunder; or (iii) enter into or modify any Contract or series of Contracts resulting in a new Contract or series of related new Contracts or enter into any modifications to an existing Contract or series of related existing Contracts outside of the ordinary course of business; provided that Spinco will be entitled to enter into any contract, agreement, commitment or understanding that is a Spinco Permitted Contract;

- (j) change any method of Tax accounting, make or change any Tax election, file any amended Tax return, settle or compromise any Tax liability, agree to an extension or waiver of the limitation period with respect to the assessment, reassessment or determination of Taxes, enter into any closing agreement with respect to any Tax or surrender any right to claim a Tax refund;
- (k) take any action or fail to take any action which action or failure to act would result in the material loss, expiration or surrender of, or the loss of any material benefit under, or reasonably be expected to cause any Governmental Entity to institute proceedings for the suspension, revocation or limitation of rights under, any material Permits or any Approvals listed in Section 5.1(k) of the Alto Disclosure Letter or from any Governmental Entity necessary to conduct its businesses as now conducted or as proposed to be conducted, or fail to prosecute with commercially reasonable due diligence any pending applications to any Governmental Entities for Approvals;
- (l) take any action or fail to take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the ability of Alto to consummate the Arrangement or the other transactions contemplated by this Agreement;
- (m) take any action or enter into any transaction that would preclude the Canadian tax "bump" rules from applying upon an amalgamation or winding-up of Alto (or its successor by amalgamation), in calculating the tax cost of capital property distributed to Alto under paragraphs 88(1)(c) and (d) of the Tax Act; or
- (n) agree, resolve or commit to do any of the foregoing.

Alto shall use commercially reasonable efforts to cause the current insurance (or re-insurance) policies maintained by Alto, including directors' and officers' insurance, not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductibles and providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect; provided that, subject to Section 7.5, Alto shall not obtain or renew any insurance (or re-insurance) policy for a term exceeding 12 months.

Alto shall promptly notify Empress in writing of any circumstance or development that, to the knowledge of Alto, is or could reasonably be expected to constitute a Material Adverse Effect.

5.4 Covenants of Alto Regarding the Performance of Obligations

Alto shall perform all obligations required to be performed by Alto under this Agreement, co-operate with Empress in connection therewith, and shall use commercially reasonable efforts to do or cause to be done all such further acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement. Without limiting the generality of the foregoing, Alto shall:

- (a) use commercially reasonable efforts to (i) prior to the completion of the Arrangement, obtain conditional listing on the TSX-V of the Alto Shares to be issued in connection with the Arrangement (including for greater certainty, the number of Alto Shares issuable upon exercise of all of the outstanding Empress Warrants), and (ii) in connection with the completion of the Arrangement, obtain the final approval of the TSX-V to have the Alto Shares to be issued in connection with the Arrangement listed and posted for trading on the TSX-V;
- (b) at or prior to the Effective Time, allot and reserve for issuance a sufficient number of Alto Shares to meet the obligations of Alto under the Plan of Arrangement (including for greater certainty, the number of Alto Shares issuable under the Empress Warrants);
- (c) apply for and use commercially reasonable efforts to obtain all Key Regulatory Approvals relating to Alto which are typically applied for by an Alto and, in doing so, keep Empress reasonably informed as to the status of the proceedings related to obtaining the Key Regulatory Approvals, including providing Empress with copies of all related applications and notifications in draft form (except where such material is confidential in which case it will be provided (subject to applicable Laws) to Empress's outside counsel on an "external counsel" basis), in order for Empress to provide its reasonable comments thereon;
- (d) subject to the terms and conditions of this Agreement and of the Plan of Arrangement and applicable Laws and in compliance with Section 2.8, pay the aggregate Consideration to be paid pursuant to the Arrangement at the time provided herein including making arrangements for the prompt delivery of certificates representing the securities of Alto issuable to the securityholders of Empress under the Plan of Arrangement;
- (e) take all necessary actions such that at the Effective Time, three nominees of Empress (the "**Empress Nominees**") and Richard Mazur and Michael Bandrowski (the "**Alto Nominees**") shall be appointed to the Board of

Directors of Alto and shall be nominated for re-election to the Board of Directors of Alto at, and included in the meeting materials for, the first two annual general meetings of Alto following the Effective Date. At the Effective Time and at the time of nomination for re-election, the board of directors of Alto will be comprised of no more than five (5) directors (including the Empress Nominees and the Alto Nominees). If the Effective Date occurs, this Section 5.4(e) shall survive the termination of this Agreement and the obligations of Alto may be enforced by the beneficiaries thereof;

- (f) upon reasonable notice and subject to the Confidentiality Agreement and applicable Laws, until the earlier of the Effective Date and termination of this Agreement, Alto shall provide Empress and its representatives reasonable access (without disruption of the conduct of Alto's business), during normal business hours, to the, books, contracts and records as well as to the management personnel of Alto and its subsidiaries' on an as reasonably requested basis as well as reasonable access to Alto's and its subsidiaries' properties for the purpose of confirming the representations and warranties of Alto contained herein;
- (g) take all necessary actions to:
 - (i) issue Alto Shares upon the exercise by the holders of Empress Warrants in accordance with the adjustment provisions (the "**Adjustment Provisions**") included in the certificates representing the Empress Warrants and to execute all necessary documents, instruments, or supplemental indentures required to ensure that each unexercised Empress Warrant outstanding after the Effective Time will entitle the holder thereof to receive upon exercise the Consideration, and for greater certainty the exercise price of such Empress Warrants shall be adjusted downward in accordance with their terms to reflect the distribution of Spinco Shares to the Empress Shareholders at the Effective Time; and
 - (ii) if necessary, make such changes to the Plan of Arrangement to give effect to the covenants in paragraph (i) above as they relate to the Empress Warrants; and
- (h) effect a 5 for 1 consolidation of the Alto Shares forthwith after the Effective Date;
- (i) at the Effective Time, transfer the Alto Royalties and the Alto Negotiable Securities to Spinco in consideration for the issuance of 4,615,384 Spinco Shares, which it will distribute to the Alto Shareholders as a dividend.
- (j) use commercially reasonable efforts to have the holders of greater than 10% of the issued and outstanding Empress Shares enter into a voting support agreement in a form acceptable to Alto, acting reasonably, wherein they agree

to vote for management nominees for directors at any Alto meeting held prior to January 1, 2023 called to elect directors; and

- (k) document the new Alto Royalties, as designated in Schedule G, in a form acceptable to Empress, acting reasonably.

5.5 Adjustment to Consideration regarding Distributions

- (a) If on or after the date hereof, either Empress or Alto declares, sets aside or pays any dividend or other distribution to the Empress Shareholders of record as of a time prior to the Effective Time (except for the distribution of Spinco Shares pursuant to the Arrangement) or to the shareholders of Alto, as applicable, the Board of Directors of Alto and Empress shall make such adjustments to the Consideration as they determine acting in good faith to be necessary to restore the original intention of the Parties in the circumstances. For greater certainty, if Empress takes any of the actions referred to above, the aggregate consideration to be paid by Alto shall be decreased by an equivalent amount, and if Alto takes any of such actions, the aggregate cash consideration to be paid by Alto to Former Empress Shareholders shall be increased by an equivalent amount. Notwithstanding the foregoing, nothing in this Section 5.5 shall restrict the ability of Alto to terminate this Agreement pursuant to Section 9.2(c)(ii) in the event the condition precedent to the obligations of Alto set out in Section 6.2(d) shall not have been met.
- (b) If, at any time prior to the Effective Date, Alto amalgamates or merges with or into any other corporation or other entity (other than an amalgamation or merger which does not result in any reclassification of the outstanding Alto Shares or a change of the Alto Shares into other shares), then the Board of Directors of Alto shall ensure that, pursuant to the Arrangement, Empress Shareholders are entitled to receive, in lieu of the number of Alto Shares to which they were theretofore entitled under the Arrangement, the aggregate number of shares, other securities or other property which such holder would have been entitled to receive as a result of the transaction if, on the effective date or record date thereof, as the case may be, it had been the registered holder of the number of Alto Shares to which such holder was entitled upon completion of the Arrangement.

5.6 Mutual Covenants

Each of the Parties covenants and agrees that, except as contemplated in this Agreement, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms:

- (a) it shall, and shall cause its subsidiaries to, use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder as set forth in Article 6 to the extent the same is within its control and to take, or cause to be taken, all other actions and to do, or

cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Plan of Arrangement, including using commercially reasonable efforts to: (i) obtain all Key Regulatory Approvals required to be obtained by it; (ii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the Plan of Arrangement; (iii) oppose, lift or rescind any injunction or restraining order against it or other order or action against it seeking to stop, or otherwise adversely affecting its ability to make and complete, the Plan of Arrangement; and (iv) co-operate with the other Party in connection with the performance by it and its subsidiaries of their obligations hereunder; in addition, subject to the terms and conditions of this Agreement, none of the Parties shall knowingly take or cause to be taken any action which would reasonably be expected to prevent or materially delay the consummation of the transactions contemplated hereby;

- (b) it shall not take any action, refrain from taking any commercially reasonable action, or permit any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to, individually or in the aggregate, materially delay or materially impede the making or completion of the Plan of Arrangement except as permitted by this Agreement;

5.7 Empress Guarantee

Empress hereby unconditionally and irrevocably guarantees the due and punctual performance by Spinco of each and every covenant and obligation of Spinco arising under the Arrangement. Empress hereby agrees that Alto shall not have to proceed first against Spinco before exercising its rights under this guarantee against Empress.

ARTICLE 6 **CONDITIONS**

6.1 Mutual Conditions Precedent

The obligations of the Parties to complete the transactions contemplated by this Agreement are subject to the fulfillment, on or before the Effective Time, of each of the following conditions precedent, each of which may only be waived with the mutual consent of the Parties:

- (a) the Arrangement Resolution shall have been approved and adopted by the Empress Shareholders and Empress Warrant holders at the Empress Meeting in accordance with the Interim Order;
- (b) the Interim Order and the Final Order shall each have been obtained on terms consistent with this Agreement, and shall not have been set aside or modified in a manner unacceptable to Empress and Alto, acting reasonably, on appeal or otherwise;

- (c) there shall not exist any prohibition at Law, including a cease trade order, injunction or other prohibition or order at Law or under applicable legislation, and there shall not have been any action taken under any Law or by any Governmental Entity or other regulatory authority, that makes it illegal or otherwise directly or indirectly restrains, enjoins, prevents or prohibits the consummation of the Arrangement;
- (d) the Alto Shares and Spinco Shares to be issued to the holders of Empress Shares pursuant to the Arrangement shall be exempt from the registration requirements of the U.S. Securities Act pursuant to Section 3(a)(10) thereof and, in the case of the Alto Shares to be issued to holders of the Empress Shares in connection with the Arrangement, will not be subject to resale restrictions under the U.S. Securities Act, subject to restrictions applicable to affiliates (as defined in Rule 405 of the U.S. Securities Act) of Alto following the Effective Date;
- (e) the TSX-V shall have conditionally approved for listing, subject to the payment of fees and the filing of customary required documents, the Alto Shares issuable pursuant to the Arrangement and upon the exercise of the Empress Warrants;
- (f) the Key Regulatory Approvals shall have been obtained applicable to the purchase of Empress Shares as contemplated by this Agreement;
- (g) this Agreement shall not have been terminated pursuant to Article 9;
- (h) the distribution of the securities pursuant to the Arrangement or as otherwise contemplated by this Agreement shall be exempt from the prospectus and registration requirements of applicable Securities Laws either by virtue of exemptive relief from the securities regulatory authorities of each of the provinces of Canada or by virtue of applicable exemptions under Securities Laws and shall not be subject to resale restrictions under applicable Securities Laws (other than as applicable to control Persons or pursuant to section 2.6 of National Instrument 45-102);
- (i) all conditions precedent to the completion of the Spinco Financing and the Alto Financing shall have been met; and
- (j) the Empress Financing shall have closed or been terminated;
- (k) Spinco shall have received confirmation from the TSXV that following the completion of the transactions contemplated by this Agreement, it shall have satisfied the TSXV's minimum listing requirements for a Tier 2 Investment Issuer.

6.2 Additional Conditions Precedent to the Obligations of Alto

The obligations of Alto to complete the transactions contemplated by this Agreement are subject to the fulfillment of each of the following conditions precedent on or before the Effective Date or such other time as specified below (each of which is for the exclusive benefit of Alto and may be waived by Alto in whole or in part at any time):

- (a) all covenants of Empress and Spinco under this Agreement to be performed on or before the Effective Date which have not been waived by Alto shall have been duly performed by Empress and Spinco in all material respects, and Alto shall have received a certificate of Empress and Spinco addressed to Alto and dated the Effective Date, signed on behalf of Empress and Spinco as applicable by a senior executive officer of Empress and Spinco as the case may be (on Empress or Spinco behalf and without personal liability), confirming the same as at the Effective Date;
- (b) all representations and warranties of Empress and Spinco set forth in this Agreement shall be true and correct in all respects as of the Effective Date as though made on and as of the Effective Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where any failure or failures of any such representations and warranties to be so true and correct in all respects would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Empress or Spinco, as applicable; and Alto shall have received a certificate of Empress and Spinco addressed to Alto and dated the Effective Date, signed on behalf of Empress and Spinco by a senior executive officer of Empress or Spinco, as applicable (on Empress's or Spinco's behalf and without personal liability), confirming the same as at the Effective Date;
- (c) since the date of this Agreement, there shall not have occurred, or have been disclosed to the public (if previously undisclosed to the public) any Material Adverse Effect in respect of Empress or Spinco, and Empress and Spinco shall have provided to Alto a certificate of a senior executive officer of Empress and Spinco certifying the same as at the Effective Date;
- (d) holders of no more than 5% of the Empress Shares shall have exercised Dissent Rights (and not withdrawn such exercise) and Alto shall have received a certificate of a senior executive officer of Empress confirming the same as at the Effective Date; and
- (e) the Key Third Party Consents shall have been obtained.

6.3 Additional Conditions Precedent to the Obligations of Empress

The obligations of Empress to complete the transactions contemplated by this Agreement are subject to the following conditions precedent on or before the Effective Date or

such other time as specified below (each of which is for the exclusive benefit of Empress and may be waived by Empress in whole or in part at any time):

- (a) all covenants of Alto under this Agreement to be performed on or before the Effective Date shall have been duly performed by Alto in all material respects, and Empress shall have received a certificate of Alto, addressed to Empress and dated the Effective Date, signed on behalf of Alto by a senior executive officer (on Alto's behalf and without personal liability), confirming the same as at the Effective Date;
- (b) all representations and warranties of Alto set forth in this Agreement shall be true and correct in all respects as at the Effective Date as though made on and as at the Effective Date (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on Alto; and Empress shall have received a certificate of Alto, addressed to Empress and dated the Effective Date, signed on behalf of Alto by a senior executive officer of Alto (on Alto's behalf and without personal liability), confirming the same as at the Effective Date;
- (c) since the date of this Agreement, there shall not have occurred, or have been disclosed to the public (if previously undisclosed to the public) any Material Adverse Effect in respect of Alto, and Alto shall have provided to Empress a certificate of a senior executive officer of Alto certifying the same as at the Effective Date; and
- (d) Alto shall have fully satisfied its obligations under Section 2.8.

6.4 Satisfaction of Conditions

The conditions precedent set out in Section 6.1, Section 6.2 and Section 6.3 shall be conclusively deemed to have been satisfied, waived or released at the Effective Time.

6.5 Notice and Cure Provisions

Each Party will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date hereof until the earlier to occur of the termination of this Agreement and the Effective Time of any event or state of facts which occurrence or failure would, or would be likely to:

- (a) cause any of the representations or warranties of such Party contained herein to be untrue or inaccurate in any material respect on the date hereof or at the Effective Time; or
- (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party hereunder prior to

the Effective Time.

Alto may not exercise its rights to terminate this Agreement pursuant to Section 9.2(c)(iii) and Empress may not exercise its right to terminate this Agreement pursuant to Section 9.2(d)(iii) unless the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfilment or the applicable condition or termination right, as the case may be. If any such notice is delivered, provided that a Party is proceeding diligently to cure such matter and such matter is capable of being cured, no Party may terminate this Agreement until the expiration of a period of 10 Business Days from such notice, and then only if such matter has not been cured by such date. If such notice has been delivered prior to the making of the application for the Final Order or the Empress Meeting, such application and/or such filing shall be postponed until the expiry of such period.

ARTICLE 7

ADDITIONAL COVENANTS

7.1 Non-Solicitation

- (a) On and after the date hereof until the date upon which this Agreement is terminated, and except as otherwise expressly provided in this Section 7.1, Empress shall not, directly or indirectly, or through any of its Representatives, and shall cause its subsidiaries and their Representatives not to:

- (i) solicit, initiate, encourage or facilitate (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) the initiation of any inquiries or proposals whatsoever which would constitute an Acquisition Proposal;
 - (ii) participate in any discussions or negotiations with any Person (other than Alto, any of its affiliates or its or their Representatives) regarding an Acquisition Proposal;
 - (iii) approve, accept, endorse or recommend, or propose publicly to accept, approve, endorse or recommend, any Acquisition Proposal;
 - (iv) accept or enter into or publicly propose to accept or enter into, any agreement, understanding or arrangement or other contract in respect of an Acquisition Proposal; or
 - (v) make a Change in Recommendation, unless (A) it does not relate to an Acquisition Proposal and (B) in the opinion of the Empress Board, acting in good faith and after receiving advice from its outside financial advisors and outside legal counsel, the Empress Board is required to make a Change in Recommendation in order to comply with the fiduciary duties of such directors under applicable Law.
- (b) Except as otherwise provided in this Section 7.1, Empress shall, and shall cause its subsidiaries and its and their Representatives to, immediately cease and cause to be terminated any solicitation, encouragement, discussion or negotiation with any Persons (other than Alto and its Representatives) conducted heretofore by Empress, its subsidiaries or its or their Representatives with respect to any potential Acquisition Proposal and, in connection therewith, Empress will discontinue access to any of its confidential information (and not establish or allow access to any of its confidential information, or any data room, virtual or otherwise) and shall as soon as possible request, to the extent that it is entitled to do so (and exercise all rights it has to require) the return or destruction of all confidential information (including all material including or incorporating or otherwise reflecting any material confidential information) regarding Empress and its subsidiaries previously provided to any such Person or any other Person. Empress agrees that, except as permitted by Section 7.1(c), neither it nor any of its subsidiaries shall terminate, waive, amend or modify any provision of any existing confidentiality agreement relating to a potential Acquisition Proposal or any standstill agreement to which it or any of its subsidiaries is a party (it being acknowledged and agreed that the automatic termination of any standstill provisions of any such agreement as the result of the entering into and announcement of this Agreement by Empress, pursuant to the express terms of any such agreement, shall not be a violation of this Section 7.1(b)) and Empress undertakes to enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants that it or any of its

subsidiaries have entered into prior to the date hereof; provided, however, that the foregoing shall not prevent the Empress Board from considering an Acquisition Proposal that is reasonably likely to lead to a Superior Proposal and accepting a Superior Proposal that might be made by any such third party if the remaining provisions of this Agreement have been complied with.

- (c) Notwithstanding Sections 7.1(a) and 7.1(b) and any other provision of this Agreement or of any other agreement between Alto and Empress, if at any time following the date of this Agreement and prior to obtaining the Empress Shareholder Approval of the Arrangement Resolution at the Empress Meeting, Empress receives a written Acquisition Proposal (that was not solicited after the date hereof in contravention of Section 7.1(a) and provided that Empress is in compliance with Sections 7.1(b) and 7.2(a)), the Empress Board may (directly or through its advisors or Representatives):
- (i) if it believes, acting in good faith, that the Acquisition Proposal could reasonably lead to a Superior Proposal, contact the Person(s) making such Acquisition Proposal and its advisors solely for the purpose of clarifying such Acquisition Proposal and any material terms thereof and the conditions thereto and likelihood of consummation so as to determine whether such proposal is, or is reasonably likely to lead to, a Superior Proposal; and
 - (ii) if, in the opinion of the Empress Board, acting in good faith and after receiving advice from its outside financial advisors and outside legal counsel, the Acquisition Proposal constitutes or, if consummated in accordance with its terms (disregarding, for the purposes of any such determination, any term of such Acquisition Proposal that provides for a due diligence investigation), is reasonably likely to be or lead to a Superior Proposal, then, and only in such case, Empress may:
 - (A) furnish information with respect to Empress and its subsidiaries to the Person making such Acquisition Proposal; and/or
 - (B) participate in discussions or negotiations with, the Person making such Acquisition Proposal, and/or
 - (C) waive any standstill provision or agreement that would otherwise prohibit such person from making an Acquisition Proposal,

provided that Empress shall not, and shall not allow its Representatives to, disclose any non-public information with respect to Empress to such Person (i) if such non-public information has not been previously provided to, or is not concurrently provided to, Alto; (ii) without entering into a confidentiality and standstill agreement (if one has not already been entered into) which is customary in such situations and which is no less favourable to Empress and no more favourable to the counterparty than the confidentiality and standstill provisions

contained in the Confidentiality Agreement; and (iii) without providing a copy of such confidentiality agreement to Alto.

7.2

Notification of Acquisition Proposals

- (a) Empress shall promptly notify Alto, at first orally and then in writing within 24 hours of receipt of any proposal, inquiry, offer or request received by Empress or its Representatives after the date hereof (i) relating to an Acquisition Proposal or potential Acquisition Proposal or inquiry that could reasonably lead to or be expected to lead to an Acquisition Proposal; (ii) for discussions or negotiations in respect of an Acquisition Proposal or potential Acquisition Proposal; or (iii) for non-public information relating to Empress or its subsidiaries, access to properties, books and records or a list of the Empress Shareholders. Such notice shall indicate the identity of the Person making such proposal, inquiry or request, include a copy of the Acquisition Proposal and include a copy of any other documentation received by Empress or its Representatives and such other details of the Acquisition Proposal known to Empress as Alto may reasonably request. Empress shall keep Alto promptly and fully informed of the status, including any change to the material terms, of such proposal, inquiry, offer or request and shall respond promptly to all reasonable inquiries by Alto with respect thereto and shall provide copies of any written documents or correspondence provided to Empress relating to such Acquisition Proposal.
- (b) Subject to Section 7.3(a), at any time following the date of this Agreement and prior to obtaining Empress Shareholder Approval, if Empress receives an Acquisition Proposal which the Empress Board concludes in good faith constitutes a Superior Proposal, the Empress Board may, subject to compliance with the procedures set forth in Section 9.2 and Section 9.4, terminate this Agreement to enter into a definitive agreement with respect to such Superior Proposal.

7.3

Responding to Acquisition Proposal and Superior Proposals

- (a) Notwithstanding Section 7.1 and subject to compliance with Empress's obligations in Section 7.1 and Section 7.2, Empress may enter into a definitive agreement (a "**Proposed Agreement**") with any third party providing for an Acquisition Proposal, if such Acquisition Proposal is a Superior Proposal; provided that Empress may do so only after Empress has provided Alto with written notice that the Empress Board has determined that it has received a Superior Proposal (a "**Superior Proposal Notice**"), which identifies the party making the Superior Proposal, specifies the cash amount that the Empress Board has ascribed to any non-cash consideration being offered in the Superior Proposal, and provides Alto with a copy of any Proposed Agreement, in each case not less than five Business Days (the "**Response Period**") prior to the proposed execution of such Proposed Agreement by Empress. For purposes of this Agreement, the Response Period shall expire at 5:00 p.m.

(Vancouver time) on the fifth Business Day following the day on which the Superior Proposal Notice and Proposed Agreement was provided to Alto.

- (b) During the Response Period, Empress acknowledges and agrees that Alto shall have the right, but not the obligation, to offer to amend the terms of the Agreement and the Plan of Arrangement (including increasing or modifying the consideration to be received by the Former Empress Shareholders) in order to provide for terms at least equivalent to those provided for in the Superior Proposal. If Alto does so, then the Empress Board shall review any such proposal by Alto to determine (acting in good faith and in accordance with its fiduciary duties) whether the Acquisition Proposal to which Alto is responding would continue to be a Superior Proposal when assessed against the amended Agreement and Plan of Arrangement as proposed by Alto. If the Empress Board determines that the Acquisition Proposal would thereby cease to be a Superior Proposal, it will cause Empress to enter into an amendment to this Agreement and the Plan of Arrangement reflecting the offer by Alto to amend the terms of the Agreement and Plan of Arrangement and will further agree not to enter into the applicable Proposed Agreement and not to withdraw, modify or change any recommendation regarding the Plan of Arrangement save and except to reaffirm its recommendation of the amended Plan of Arrangement.
- (c) If (i) Alto does not offer to amend the terms of the Agreement and Plan of Arrangement within the Response Period or (ii) the Empress Board determines acting in good faith and in the proper discharge of its fiduciary duties (after consultation with its financial advisor and after receiving advice from its outside legal counsel) that the Acquisition Proposal would nonetheless remain a Superior Proposal with respect to Alto's proposal to amend the Agreement and Plan of Arrangement, and therefore rejects Alto's offer to amend the Plan of Arrangement and this Agreement, Empress shall be entitled to terminate this Agreement pursuant to Section 9.2(d)(i) following the expiry of the Response Period and enter into the Proposed Agreement upon payment to Alto of the amount payable pursuant to Section 9.4.
- (d) Empress acknowledges and agrees that each successive modification of any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the holders of the Empress Shares shall constitute a new Acquisition Proposal for purposes of the requirement of Section 7.3(a) to initiate an additional five Business Day Response Period.
- (e) Nothing in this Agreement shall prevent the Empress Board from responding through a directors' circular or otherwise as required by applicable Laws to an Acquisition Proposal that it determines is not a Superior Proposal. Alto and its advisors shall be given a reasonable opportunity to review and comment on the content of any directors' circular prior to its printing and Empress shall consider for inclusion all reasonable comments made by Alto and its advisors.

7.4 Access to Information; Confidentiality

From the date hereof until the earlier of the Effective Time and the termination of this Agreement, subject to compliance with applicable Law and the terms of any existing Contracts, Empress shall, and shall cause its subsidiaries and their respective officers, directors, employees, independent auditors, accounting advisors and agents to, afford to Alto and to the officers, employees, agents and representatives of Alto (upon reasonable advance notice and, at the option of Empress, with a Empress representative present), such reasonable access during regular business hours as Alto may reasonably require at all reasonable times, without disruption to the conduct of Empress business, including for the purpose of facilitating integration business planning, to their officers, employees, agents, properties, books, records and Contracts of Empress and its subsidiaries, and shall furnish Alto with all data and information (other than data and information relating to the Empress Exploration Properties except as may be required to confirm that the Spinco Assets and Spinco Liabilities have been duly transferred to Spinco prior to the Effective Time) as Alto may reasonably request. Alto and Empress acknowledge and agree that information furnished pursuant to this Section 7.4 shall be subject to the terms and conditions of the Confidentiality Agreement.

7.5 Insurance and Indemnification

- (a) Empress shall be entitled to purchase run off directors' and officers' liability insurance for a period of up to six years from the Effective Date with the prior written consent of Alto, not to be unreasonably withheld. Alto shall cause Empress to ensure that the articles and/or by-laws of Empress and its subsidiaries (or their respective successors) shall contain the provisions with respect to indemnification set forth in Empress's or the applicable subsidiary's current articles and/or by-laws, which provisions shall not, except to the extent required by applicable Laws, be amended, repealed or otherwise modified for a period of six years from the Effective Date in any manner that would adversely affect any rights of indemnification of individuals who, immediately prior to the Effective Date, were directors or officers of Empress or any of its subsidiaries.
- (b) Alto agrees that it shall directly honour all rights to indemnification or exculpation now existing in favour of present and former officers and directors of Empress and its subsidiaries to the extent that they are disclosed in Section 7.5(b) of the Empress Disclosure Letter, and acknowledges that such rights, to the extent that they are disclosed in Section 7.5(b) of the Empress Disclosure Letter, shall survive the completion of the Plan of Arrangement and shall continue in full force and effect for a period of not less than six years from the Effective Date.
- (c) The provisions of this Section 7.5 are intended for the benefit of, and shall be enforceable by, each insured or indemnified Person, his or her heirs and his or her legal representatives and, for such purpose, Empress hereby confirms that it is acting as agent and trustee on their behalf. Furthermore, this Section 7.5 shall survive the termination of this Agreement as a result of the occurrence of

the Effective Date for a period of six years.

- (d) Empress agrees to elect in prescribed form pursuant to subsection 110(1.1) of the Tax Act that neither it nor any person not dealing at arm's length with it will deduct in computing its income for a taxation year any amount in respect of a payment made to an Empress Optionholder pursuant to the Plan of Arrangement.

ARTICLE 8

SPINCO COVENANTS

8.1 Spinco Indemnity

From the Effective Time, Spinco hereby agrees to indemnify and save harmless Alto, Empress and its subsidiaries from all losses suffered or incurred by Alto, Empress or its subsidiaries as a result of or arising directly or indirectly out of or in connection with an Indemnified Liability; provided that Spinco shall have no liability hereunder in respect of any Claims unless Alto or Empress shall have delivered an Indemnity Notice in respect of such Claim within six years following the Effective Date. If the Effective Date occurs, this Section 8.1 shall survive the termination of this Agreement.

8.2 Indemnified Claims

If any claim, proceeding or other matter resulting from the occurrence of any of the events contemplated by Section 8.1 above (a "**Claim**") is made against Alto, Empress or any of its subsidiaries by a third party for which Alto, Empress or any of its subsidiaries may be entitled to indemnification, Alto, Empress or its subsidiaries, as applicable, shall give notice (the "**Indemnity Notice**") to Spinco specifying the particulars of such Claim within 20 days after it receives notification of the Claim. Spinco shall have the right to participate in any negotiations or proceedings with respect to such Claim. Alto, Empress or its subsidiaries, as applicable, shall not settle or compromise any such Claim without the prior written consent of Spinco, unless Spinco has not, within 20 Business Days after the giving of the Indemnity Notice, given notice to Alto, Empress or its subsidiaries, as applicable, that it wishes to dispute such Claim. If Spinco does give such a notice, it shall have the right to assume the defence of such Claim and to defend such Claim in the name of Alto, Empress or its subsidiaries, as applicable. Alto, Empress and its subsidiaries shall provide to Spinco all files, books, records and other information in their possession or control which may be relevant to the defence of such Claim. If Spinco fails after giving such notice, diligently and reasonably to defend such Claim throughout the period such Claim exists, its right to defend the Claim shall terminate and Alto, Empress or its subsidiaries may assume the defence of such Claim. In such event, Alto, Empress or its subsidiaries may assume the defence of such Claim. In such event, Alto, Empress or its subsidiaries may compromise or settle such Claim without the consent of Spinco. If the Effective Date occurs, this Section 8.2 shall survive the termination of this Agreement.

8.3 Alto Mining Properties

Until the third anniversary of the Effective Date, none of Spinco or its subsidiaries will, without Alto's prior written consent, stake, lease or otherwise purchase or acquire or become entitled to acquire, directly or indirectly, alone or in concert with any other person, any interest whatsoever in any real property, land rights, surface rights, water rights or any mineral concessions, leases, claims or other form of mineral rights whatsoever, any part of which lies within the boundary of the Alto Mining Properties, and if Spinco or any of its subsidiaries acquires any such interest, directly or indirectly, alone or in concert with any other person, in contravention of the foregoing, such Spinco party will notify Alto immediately and Spinco (or its subsidiary if applicable) will hold such interest in trust for Alto and promptly convey such interest to Alto.

If the Effective Date occurs, this Section 8.3 shall survive the termination of this Agreement.

ARTICLE 9 TERM, TERMINATION, AMENDMENT AND WAIVER

9.1 Term

This Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms.

9.2 Termination

Subject to the last paragraph of this Section 9.2, this Agreement, may be terminated and the Arrangement may be abandoned at any time prior to the Effective Time (notwithstanding any approval of this Agreement or the Arrangement Resolution by the Empress Shareholders or the Arrangement by the Court):

- (a) by mutual written agreement of Empress and Alto;
- (b) by either Empress or Alto, if:

- (i) the Effective Date shall not have occurred on or before the Outside Date, except that the right to terminate this Agreement under this Section 9.2(b)(i) shall not be available to any Party whose failure to fulfill any of its obligations or breach of any of its representations and warranties under this Agreement has been the cause of, or resulted in, the failure of the Effective Time to occur by the Outside Date;
 - (ii) after the date hereof, there shall be enacted or made any applicable Law or there shall exist any injunction or court order that makes consummation of the Arrangement illegal or otherwise prohibits or enjoins Empress or Alto from consummating the Arrangement and such applicable Law, injunction or court order shall have become final and non-appealable; or
 - (iii) the Arrangement Resolution shall have failed to obtain the Empress Shareholder Approval at the Empress Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order;
- (c) by Alto, if:
- (i) prior to obtaining the Empress Shareholder Approval, the Empress Board withdraws, amends or modifies, in a manner adverse to Alto, or fails to reaffirm its recommendation of the Arrangement within five Business Days (and in any case prior to the Empress Meeting) after having been requested in writing by Alto to do so, including for greater certainty in the circumstances described in Section 7.1(a)(v) (a "**Change in Recommendation**");
 - (ii) any of the conditions set forth in Section 6.1 or Section 6.2 has not been satisfied or waived by the Outside Date or it is clear that such condition is incapable of being satisfied by the Outside Date provided that Alto is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 6.1 or Section 6.3 not to be satisfied;
 - (iii) subject to Section 6.5, Empress breaches any representation or warranty of Empress set forth in this Agreement which breach would, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect on Empress, or Empress breaches any covenant (with the exception of the covenants contained in Sections 7.1, 7.2 and 7.3), or material obligation made in this Agreement, in each case, in any material respect; provided that Alto is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 6.1 or Section 6.3 not to be satisfied;
 - (iv) Empress is in breach or in default of any of its obligations or covenants set forth in Sections 7.1, 7.2 and 7.3;
 - (v) the Empress Meeting has not occurred on or before June 15, 2020 or such later date to which the Empress meeting may have been postponed or adjourned in accordance with section 2.3(a) provided that the right to

terminate this Agreement pursuant to this Section 9.2(c)(v) shall not be available to Alto if the failure by Alto to fulfil any obligation hereunder is the cause of, or results in, the failure of the Empress Meeting to occur on or before such date;

- (vi) Empress provides Alto with a Superior Proposal Notice; or
 - (vii) if there shall occur after the date hereof any change, effect, event, circumstance or fact that constitutes a Material Adverse Effect in respect of Empress and its subsidiaries, taken as a whole;
- (d) by Empress, if:
- (i) Empress, subject to complying with the terms of this Agreement including Section 7.3, proposes to enter into a Proposed Agreement with respect to a Superior Proposal; provided that concurrently with such termination, Empress pays the Termination Fee payable pursuant to Section 9.4;
 - (ii) any of the conditions set forth in Section 6.1 or Section 6.3 has not been satisfied or waived by the Outside Date or it is clear that such condition is incapable of being satisfied by the Outside Date provided that Empress is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 6.1 or Section 6.2 not to be satisfied;
 - (iii) subject to Section 6.5, Alto breaches any representation or warranty of Alto set forth in this Agreement which breach would, individually or in the aggregate, be reasonably expected to have a Material Adverse Effect on Alto, or Alto breaches any covenant or material obligation in this Agreement, in each case, in any material respect; provided that Empress is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 6.1 or Section 6.2 not to be satisfied;
 - (iv) if there shall occur after the date hereof any change, effect, event, circumstance or fact that constitutes a Material Adverse Effect in respect of Alto and its subsidiaries, taken as a whole; or
- (e) by either Alto or Empress in the event that Alto is required by any Governmental Entity or Securities Authority to call and hold a meeting of its shareholders to obtain their approval for the issuance of Alto Shares pursuant to the Arrangement or any other aspect of the Arrangement and such approval is not obtained at that meeting.

The Party desiring to terminate this Agreement pursuant to this Section 9.2 (other than pursuant to Section 9.2(a)) shall give notice of such termination to the other Party. If this Agreement is terminated pursuant to this Section 9.2, this Agreement shall become void and of no effect without liability of any Party (or any shareholder, director, officer, employee, agent, consultant or representative of such Party) to any other Party hereto, except as otherwise expressly contemplated hereby, and provided that the provisions of this paragraph and Sections

9.3, 9.4, 10.4, 10.8 and 10.9 and the provisions of the Confidentiality Agreement (pursuant to the terms set out therein) shall survive any termination hereof pursuant to Section 9.2; provided further that neither the termination of this Agreement nor anything contained in this Section 9.2 shall relieve a Party from any liability arising prior to such termination.

9.3 Expenses Reimbursement

All fees, costs and expenses incurred in connection with this Agreement and the Plan of Arrangement shall be paid by the Party incurring such fees, costs or expenses. If this Agreement is terminated pursuant to Section 9.2(b)(iii), Section 9.2(c)(iii), Section 9.2(c)(v) or pursuant to any other Section as a result of a failure on the part of the Empress to hold the Empress Meeting, then Empress shall promptly, but in no event later than two Business Days following the request by Alto, pay to Alto by wire transfer of same day funds an expense reimbursement fee of \$100,000.

If this Agreement is terminated pursuant to Section 9.2(d)(iii) or 9.2(e) or pursuant to any other Section in the event that Alto calls and holds a meeting of its shareholders to obtain their approval for the issuance of Alto Shares pursuant to the Arrangement or any other aspect of the Arrangement and such approval is not obtained at that meeting, then Alto shall promptly, but in no event later than two Business Days following the request by Empress, pay to Empress by wire transfer of same day funds an expense reimbursement fee of \$100,000.

9.4 Termination Fee

- (a) Alto shall be entitled to a fee of \$100,000 (the "**Termination Fee**") upon the occurrence of any of the following events (each a "**Termination Fee Event**") which shall be paid by Empress within the time specified in respect of each such Termination Fee Event:
 - (i) The Agreement is terminated by Alto pursuant to Section 9.2(c)(i), 9.2(c)(iv), or Section 9.2(c)(vi) in which case the termination fee shall be paid on the first Business Day following such termination;
 - (ii) The Agreement is terminated by Empress pursuant to Section 9.2(d)(i), in which case the Termination Fee shall be paid concurrent with such termination; or
 - (iii) The Agreement is terminated by Alto pursuant to Section 9.2(b)(i), Section 9.2(c)(iii) or Section 9.2(c)(v) or by either Party pursuant to Section 9.2(b)(iii), but only if, in the case of this Section 9.4(a)(iii), prior to the earlier of the termination of this Agreement or the holding of the Empress Meeting, an Acquisition Proposal shall have been made to Empress, or the intention to make an Acquisition Proposal with respect to Empress shall have been publicly announced by any Person (other than Alto or any of its affiliates) and within twelve months following the date of such termination:
 - (A) an Acquisition Proposal is consummated by Empress with such

Person; or

- (B) Empress and/or one or more of its subsidiaries enters into a definitive agreement in respect of, or the Empress Board approves or recommends, an Acquisition Proposal with such Person and at any time thereafter (whether or not within twelve months following the date of termination of this Agreement), such Acquisition Proposal is consummated;

in which case the Termination Fee shall be payable within two Business Days following the closing of the applicable transaction referred to therein.

- (b) The Termination Fee shall be payable by Empress to Alto by wire transfer in immediately available funds to an account specified by Alto.
- (c) Each of the Parties acknowledges that the agreements contained in this Section 9.4 are an integral part of the transactions contemplated in this Agreement and that, without those agreements, the Parties would not enter into this Agreement. Empress acknowledges that the Termination Fee is a payment of liquidated damages which is a genuine pre-estimate of the damages, which Alto will suffer or incur as a result of the event giving rise to such payment and the resultant non-completion of the Arrangement, and is not a penalty. Empress irrevocably waives any right it may have to raise as a defense that any such liquidated damages are excessive or punitive. Alto hereby acknowledges and agrees that, upon any termination of this Agreement under circumstances where Alto is entitled to the Termination Fee and such Termination Fee is paid in full to Alto, Alto shall be precluded from any other remedy against Empress at law or in equity or otherwise (including, without limitation, an order for specific performance), and shall not seek to obtain any recovery, judgment, or damages of any kind, including consequential, indirect, or punitive damages, against Empress or any of its subsidiaries or any of their respective directors, officers, employees, partners, managers, members, shareholders or affiliates in connection with this Agreement or the transactions contemplated hereby.
- (d) Nothing in this Section 9.4 shall relieve or have the effect of relieving any Party in any way from liability for damages incurred or suffered by a Party as a result of an intentional or wilful breach of this Agreement.
- (e) Nothing in this Section 9.4 shall preclude a Party from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement or otherwise to obtain specific performance of any such covenants or agreements, without the necessity of posting bond or security in connection therewith.

ARTICLE 10
GENERAL PROVISIONS

10.1 **Amendment**

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Empress Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, and any such amendment may, subject to the Interim Order and the Final Order and applicable Law, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify the performance of any of the obligations of the Parties; and/or
- (d) waive compliance with or modify any mutual conditions precedent herein contained.

10.2 **Waiver**

Any Party may (i) extend the time for the performance of any of the obligations or acts of the other Party, (ii) waive compliance, except as provided herein, with any of the other Party's agreements or the fulfilment of any conditions to its own obligations contained herein, or (iii) waive inaccuracies in any of the other Party's representations or warranties contained herein or in any document delivered by the other Party; *provided, however*, that any such extension or waiver shall be valid only if set forth in an instrument in writing signed on behalf of such Party and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived.

10.3 **Notices**

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or sent by facsimile transmission (with transmission confirmation), or as of the following Business Day if sent by prepaid overnight courier, to the Parties at the following addresses (or at such other addresses as shall be specified by any Party by notice to the other given in accordance with these provisions):

- (a) if to Alto:

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

David Cowan
 3426 West 33rd Avenue
 Vancouver, BC V6N 2H2

- (b) if to Empress or Spinco:

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

Stikeman Elliott LLP
 1700 – 666 Burrard Street
 Vancouver, BC V6C 2X8

Attention: Neville McClure
 Facsimile: (604) 681-1825

10.4 Governing Law; Waiver of Jury Trial

This Agreement shall be governed, including as to validity, interpretation and effect, by the laws of the Province of British Columbia and the laws of Canada applicable therein. Each of the Parties hereby irrevocably attorns to the exclusive jurisdiction of the Courts of the Province of British Columbia in respect of all matters arising under and in relation to this Agreement and waives any defences to the maintenance of an action in the Courts of the Province of British Columbia. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF THE PARTIES IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT OF THIS AGREEMENT.

10.5 Injunctive Relief

The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to an injunction or injunctions and other equitable relief to prevent breaches of this Agreement, any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief hereby being waived.

10.6 Further Assurances

Each of the Parties intends that, from and after the Effective Time, Alto will hold all of the Alto Mining Properties and Spinco and its subsidiaries will hold all of the Spinco Assets and Spinco shall assume all of the Spinco Liabilities. In order to give effect to the foregoing intent, if following the Effective Time:

- (a) Spinco or Alto identifies any Alto Mining Properties which are held by Spinco or its subsidiaries; or

- (b) Alto or Spinco identifies any Spinco Assets or Spinco Liabilities which are held or payable, as applicable, by Spinco or any of its subsidiaries,
- (c) the Party making such identification will promptly give written notice to the holder of such asset, property, Contract or liability and, as soon as practicable following receipt of such notice, the Party holding such asset, property or Contract will, or if held by a subsidiary of such Party, such Party will cause its subsidiary to transfer such asset, property or Contract to or to the direction of the appropriate Party. In the event that the Party making such identification identifies a Spinco Liability, Spinco shall assume such liability as soon as practicable following receipt of such notice by executing such documents or instruments as requested by Alto. If the Effective Date occurs, this Section 10.6 shall survive the termination of this Agreement.

10.7 Time of Essence

Time shall be of the essence in this Agreement.

10.8 Entire Agreement, Binding Effect and Assignment

Alto may assign all or any part of its rights under this Agreement to, and its obligations under this Agreement may be assumed by, a wholly-owned direct or indirect subsidiary of Alto, provided that if such assignment and/or assumption takes place, Alto shall continue to be liable jointly and severally with such subsidiary for all of its obligations hereunder. This Agreement shall be binding on and shall enure to the benefit of the Parties and their respective successors and permitted assigns.

This Agreement and the Confidentiality Agreement constitute the entire agreement, and supersede all other prior agreements and understandings, both written and oral, between the parties, or any of them, with respect to the subject matter hereof and thereof and, except as expressly provided herein, this Agreement is not intended to and shall not confer upon any Person other than the Parties any rights or remedies hereunder. Except as expressly permitted by the terms hereof, neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned by either of the Parties without the prior written consent of the other Party.

10.9 Severability

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

10.10 Counterparts, Execution

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

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

IN WITNESS WHEREOF Alto, Empress and Spinco have caused this Agreement to be executed as of the date first written above.

ALTO VENTURES LTD.

By: /s/ "Rick Mazur"
Name: Rick Mazur
Title: CEO

EMPRESS RESOURCES CORP.

By: /s/ "Alexandra Woodyer Sherron"
Name: Alexandra Woodyer Sherron
Title: President & CEO

EMPRESS ROYALTY CORP.

By: /s/ "Alexandra Woodyer Sherron"
Name: Alexandra Woodyer Sherron
Title: President & CEO

SCHEDULE A

**PLAN OF ARRANGEMENT
UNDER SECTION 288 OF THE
BUSINESS CORPORATIONS ACT (BRITISH COLUMBIA)**

1. INTERPRETATION

- (a) **Definitions:** In this Plan of Arrangement, unless the context otherwise requires, the following words and terms shall have the meaning hereinafter set out:
- (i) "**affiliate**" has the meaning given to such term in the Arrangement Agreement;
 - (ii) "**Alto**" means Alto Ventures Ltd., a corporation existing under the laws of British Columbia;
 - (iii) "**Alto Shares**" means the common shares of Alto;
 - (iv) "**Arrangement**" means the arrangement under the provisions of section 288 of the BCBCA on the terms and subject to the conditions set out in this Plan of Arrangement, as may be amended, varied or supplemented from time to time in accordance with section 10.1 of the Arrangement Agreement and the provisions hereof;
 - (v) "**Arrangement Agreement**" means the Arrangement Agreement dated March 5, 2020 to which this Plan of Arrangement is attached as Schedule A, as the same may be amended, varied or supplemented from time to time;
 - (vi) "**Arrangement Resolution**" means the special resolution of Empress Shareholders approving the Arrangement;
 - (vii) "**BCBCA**" means the Business Corporations Act (British Columbia) and the regulations made thereunder, as promulgated or amended from time to time, and includes any successor thereto;
 - (viii) "**Business Day**" means any day, other than a Saturday, Sunday or a statutory or civic holiday in Toronto, Ontario, or Vancouver, British Columbia;
 - (ix) "**Class A Common Shares**" means the Class A voting common shares of Empress which are to be created in accordance with this Plan of Arrangement and which shall have the rights and restrictions set out in Section 3(a)(ii)(A) hereof;
 - (x) "**Class B Common Shares**" means the Class B voting common shares of Empress which are to be created in accordance with this Plan of

Arrangement and which shall have the rights and restrictions set out in Section 3(a)(ii)(B) hereof;

- (xi) "**Court**" means the Supreme Court of British Columbia;
- (xii) "**Depositary**" means any trust company, bank or financial institution agreed to in writing between Alto and Empress for the purpose of, among other things, receiving Letters of Transmittal and distributing certificates representing Alto Shares and Spinco Shares in connection with the Arrangement;
- (xiii) "**Dissenting Empress Shareholder**" means a registered Empress Shareholder who has duly exercised a Dissent Right;
- (xiv) "**Dissent Rights**" shall have the meaning set out in Section 5 hereof;
- (xv) "**Dissent Shares**" means the Empress Shares held by a Dissenting Empress Shareholder and in respect of which the Dissenting Empress Shareholder has validly exercised Dissent Rights;
- (xvi) "**Effective Date**" means the date upon which all of the conditions to completion of the Arrangement as set out in sections 6.1, 6.2 and 6.3 of the Arrangement Agreement have been satisfied or waived in accordance with the Arrangement Agreement, all documents agreed to be delivered thereunder have been delivered to the satisfaction of the recipient, acting reasonably (or such other date as Alto and Empress may agree);
- (xvii) "**Effective Time**" means 12:01 a.m. (Vancouver time) on the Effective Date;
- (xviii) "**Empress**" means Empress Resources Corp., a corporation existing under the laws of British Columbia;
- (xix) "**Empress Meeting**" means the annual and special meeting of Empress Shareholders, including any adjournment or postponement thereof, to be held for the purpose of, among other things, obtaining approval by Empress Shareholders of the Arrangement Resolution;
- (xx) "**Empress Shareholders**" means the holders of Empress Shares;
- (xxi) "**Empress Shares**" means common shares in the capital of Empress, as currently constituted;
- (xxii) "**Fair Market Value**", when applied to Empress Shares, means the volume weighted average price of the Empress Shares over the five trading days on the TSX-V ending the day prior to such determination; and, when applied to the Spinco Shares, means the value determined as of the Effective Time by the directors of Spinco, acting reasonably, and a

certificate setting out such value shall forthwith thereafter be provided to Alto;

- (xv) "**Final Order**" means the final order of the Court pursuant to section 291 of the BCBCA, after a hearing upon the fairness of the terms and conditions of the Arrangement, approving the Arrangement, as such order may be amended by the Court at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended on appeal;
- (xvi) "**Former Empress Shareholder**" means a Person who is a registered holder of Empress Shares as shown on the share register of Empress Shares immediately prior to the Effective Time;
- (xvii) "**Governmental Entity**" has the meaning given to such term in the Arrangement Agreement;
- (xx) "**Interim Order**" means the interim order of the Court providing for, among other things, the calling and holding of the Empress Meeting, as such order may be amended, supplement or varied by the Court;
- (xxi) "**Letter of Transmittal**" means the letter of transmittal(s) to be delivered by Empress to the Empress Shareholders providing for the delivery of the Empress Shares to the Depositary;
- (xxii) "**Lien**" means any hypothec, mortgage, pledge, assignment, lien, charge, security interest, encumbrance or adverse right or claim, other third Person interest or encumbrance of any kind, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing;
- (xxiii) "**paid-up capital**" has the meaning ascribed to such term for purposes of the Tax Act;
- (xxiv) "**Person**" means an individual, general partnership, limited partnership, corporation, company, limited liability company, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;
- (xxv) "**Spinco**" means Empress Royalty Corp., a corporation existing under the laws of British Columbia;
- (xxvi) "**Share Consideration**" means such fraction of an Alto Share for each Class A Common Share such that the total number of Alto Shares issued for the Share Consideration shall equal 52% of the outstanding Alto Shares after giving effect to such issuance;
- (xxvii) "**Spinco Shares**" means the common shares of Spinco;

(xxviii) "**Tax Act**" means the Income Tax Act (Canada) and the regulations thereunder, as amended from time to time; and

- (b) Interpretation Not Affected by Headings. The headings contained in this Plan of Arrangement are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Plan of Arrangement. The terms "this Plan of Arrangement", "hereof", "herein", "hereto", "hereunder" and similar expressions refer to this Plan of Arrangement and not to any particular article, section, subsection, paragraph, subparagraph, clause or sub-clause hereof and include any agreement or instrument supplementary or ancillary hereto.
- (c) Date for any Action. If the date on which any action is required to be taken hereunder is not a Business Day, such action shall be required to be taken on the next succeeding day which is a Business Day.
- (d) Number and Gender. In this Plan of Arrangement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders and neuter.
- (e) Reference to Persons. A reference to a Person includes any successor to that Person. A reference to any statute includes all regulations made pursuant to such statute and the provisions of any statute or regulation which amends, supplements or supersedes any such statute or regulation.
- (f) Currency. Unless otherwise stated in this Plan of Arrangement, all references herein to amounts of money are expressed in lawful money of Canada.

2. **EFFECT OF THE ARRANGEMENT**

- (a) This Plan of Arrangement is made pursuant to and subject to the provisions of the Arrangement Agreement.
- (b) At the Effective Time, the Arrangement shall without any further authorization, act or formality on the part of the Court be binding upon Alto, Empress, Spinco, the Empress Shareholders and Empress Warranholders.

3. **THE ARRANGEMENT**

- (a) The Arrangement. Commencing at the Effective Time, the following shall occur and shall be deemed to occur in the following order without any further act or formality:
 - (i) Each Empress Share held by a Dissenting Empress Shareholder shall be deemed to be transferred by the holder thereof, without any further act or formality on its part, free and clear of all Liens, to Alto and thereupon each Dissenting Empress Shareholder shall have the rights set out in Section 5;

- (ii) the authorized share capital of Empress will be amended by the creation of two new classes of shares consisting of an unlimited number of Class A Common Shares and an unlimited number of Class B Common Shares and the notice of articles and articles of Empress shall be deemed to be amended accordingly;
 - (A) the following rights, privileges, restrictions and conditions shall attach to the Class A Common Shares:
 - (I) entitled to one vote per share;
 - (II) dividends may be paid on the Class A Common Shares to the exclusion of any other classes of shares;
 - (III) on dissolution, liquidation or winding-up participate on pro-rata basis with the holders of the Class B Common Shares; and
 - (IV) the special rights and restrictions attached to the Class A Common Shares shall not be modified, abrogated, dealt with or affected unless the holders of the Class A Common Shares consent thereto by separate resolution. Such consent may be obtained in writing signed by the holders of all of the issued and outstanding Class A Common Shares or by a resolution passed by at least seventy-five percent (75%) of the votes cast at a separate meeting of the holders of Class A Common Shares who are present in person or represented by proxy;
 - (B) the following rights, privileges, restrictions and conditions shall attach to the Empress Class B Common Shares:
 - (I) entitled to one vote per share;
 - (II) dividends may be paid on the Class B Common Shares to the exclusion of any other classes of shares;
 - (III) on dissolution, liquidation or winding-up participate on pro-rata basis with the holders of the Class A Common Shares;
 - (IV) the special rights and restrictions attached to the Class B Common Shares shall not be modified, abrogated, dealt with or affected unless the holders of the Class B Common Shares consent thereto by separate resolution. Such consent may be obtained in writing signed by the holders of all of the issued and outstanding Class A Common Shares or by a resolution passed by at least sixty six and two-thirds

percent (66 2/3%) of the votes cast at a separate meeting of the holders of Class B Common Shares who are present in person or represented by proxy;

- (iii) Empress will acquire 5,000,000 Spinco Shares plus a further number of Spinco Shares equal in value to the amount paid by Empress for the Empress Royalty Purchases at a deemed price of \$0.05 per SpinCo Share;
- (vi) each Empress Share (excluding any Empress Shares transferred to Alto pursuant to Section 3(a)(i)) will be exchanged with Empress (without any action on the part of the holder of the Empress Share) for one Class A Common Share and one Class B Common Share, and such Empress Shares shall thereupon be cancelled, and:
 - (A) each Former Empress Shareholder (other than Dissenting Empress Shareholders with respect to Dissent Shares) shall cease to be the holder of such Empress Shares so exchanged and such holder's name shall be removed from the central securities register of Empress in respect of such shares at such time;
 - (B) each Former Empress Shareholder (other than Dissenting Empress Shareholders with respect to Dissent Shares) shall be the holder of the Class A Common Share and one Class B Common Share, (in each case, free and clear of any Lien) exchanged for the Empress Shares on the Effective Date and shall be entered in the central securities register of Empress or Spinco, as the case may be, as the holder thereof;
- (vii) the Class B Common Shares will be redeemed by Empress for the transfer to their holders on a pro rata basis of all of the issued and outstanding Spinco Shares held by Empress;
- (vii) the stated capital of Empress for the outstanding Class A Common Shares will be an amount equal to the paid-up capital of Empress for the Empress Shares, less the Fair Market Value of the Spinco Shares distributed to the holders of the Class B Common Shares on such exchange;
- (viii) Each outstanding Class A Common Share will be transferred to, and acquired by Alto, free and clear of all Liens, from its holder in exchange for the Share Consideration, and in respect of each Class A Common Share:
 - (A) each holder shall cease to be the holder of such Class A Common Share and such holder's name shall be removed from the central securities register of Empress in respect of such share at such time; and

- (B) Alto shall be deemed to be the transferee of such Class A Common Share (free and clear of any Lien) and shall be entered in the central securities register of Empress as the holder thereof;
- (b) No Fractional Shares. Following the Effective Time, if the aggregate number of Alto Shares to which an Empress Shareholder would otherwise be entitled would include a fractional share, then the number of Alto Shares that such Empress Shareholder is entitled to receive shall be rounded down to the preceding whole number and no Empress Shareholder will be entitled to any compensation in respect of such fractional Alto Share. In addition, following the Effective Time, if the aggregate number of Spinco Shares to which an Empress Shareholder would otherwise be entitled would include a fractional share, then the number of Spinco Shares that such Empress Shareholder is entitled to receive shall be rounded down to the preceding whole number.

4. DELIVERY OF ALTO SHARES AND SPINCO SHARES

- (a) Entitlement to Spinco Certificates and Alto Certificates.
- (i) At or prior to the Effective Date, Alto shall deposit with the Depository, for the benefit of the Former Empress Shareholders certificate(s) representing the Share Consideration at the Effective Time after giving effect to the steps in section 3(a)(i) – (viii) above and after giving effect to all exercises of Empress Warrants prior to the Effective Time.
- (ii) Until such time as a Former Empress Shareholder deposits with the Depository a duly completed Letter of Transmittal, documents, certificates and instruments contemplated by the Letter of Transmittal and such other documents and instruments as the Depository or Alto reasonably requires, all certificates to Alto Shares to which such Former Empress Shareholder is entitled (and all dividends paid or distributions made in respect thereof) shall, subject to Section 4(a)(iii), in each case be delivered or paid to the Depository to be held in trust for such Former Empress Shareholder for delivery to the Former Empress Shareholder, without interest and net of all applicable withholding and other taxes, if any, upon delivery of the Letter of Transmittal, documents, certificates and instruments contemplated by the Letter of Transmittal and such other documents and instruments as the Depository or Alto reasonably requires.
- (iii) Upon surrender to the Depository for cancellation of a certificate which immediately prior to the Effective Time represented one or more Empress Shares which were exchanged for Class A Common Shares and Class B Common Shares which were exchanged for Spinco Shares and Alto Shares respectively in accordance with Section 3 hereof, if applicable, a completed Letter of Transmittal and such additional documents and instruments as the Depository may reasonably require, the holder of such surrendered certificate or the deliverer of such Letter of Transmittal, as

applicable, shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such Former Empress Shareholder following the Effective Time, certificates representing the Alto Shares and the Spinco Shares to which such Former Empress Shareholder is entitled to receive in accordance with Section 3 hereof.

- (iv) After the Effective Time and until surrender for cancellation as contemplated by Section 4(a)(iii) hereof, each certificate which immediately prior to the Effective Time represented one or more Empress Shares shall be deemed at all times to represent only the right to receive in exchange therefor certificates representing the Alto Shares and the Spinco Shares to which the holder of such certificate is entitled to receive in accordance with Section 4(a)(iii) hereof.
- (b) Lost Certificates. In the event that any certificate which immediately prior to the Effective Time represented one or more Empress Shares which were exchanged for Alto Shares and Spinco Shares in accordance with Section 3 hereof shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the holder claiming such certificate to be lost, stolen or destroyed, the Depositary shall deliver in exchange for such lost, stolen or destroyed certificate, certificates representing the Alto Shares and the Spinco Shares which such Former Empress Shareholder is entitled to receive in accordance with Section 3 hereof. When authorizing such delivery of certificates representing the Alto Shares and the Spinco Shares and the cheque for the cash consideration which such Former Empress Shareholder is entitled to receive in exchange for such lost, stolen or destroyed certificate, the Former Empress Shareholder to whom certificates representing such Alto Shares and Spinco Shares are to be delivered shall, as a condition precedent to the delivery of such Alto Shares and Spinco Shares give a bond satisfactory to Alto, Spinco and the Depositary in such amount as Alto, Spinco and the Depositary may direct, or otherwise indemnify Alto, Spinco and the Depositary in a manner satisfactory to Alto, Spinco and the Depositary, against any claim that may be made against Alto, Spinco or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed and shall otherwise take such actions as may be required by the by-laws of Empress.
- (c) Termination of Rights. Any certificate formerly representing Empress Shares that is not deposited, with all other documents as provided in this Section 4 on or before the sixth anniversary of the Effective Date, shall cease to represent any claim or interest of any kind or nature against Alto, Empress, Spinco or the Depositary.
- (d) Dividends or other Distributions. No dividends or distributions declared or made after the Effective Date with respect to Alto Shares with a record date after the Effective Date will be payable or paid to the holder of any unsurrendered certificate or certificates which, immediately prior to the Effective Date, represented outstanding Empress Shares unless and until the holder of such certificate shall have complied with the provisions of this Section 4. Subject to

Applicable Law and to Section 4 hereof, at the time of such compliance, there shall, in addition to the delivery of a certificate representing the Alto Shares and the Spinco Shares to which such holder is thereby entitled, be delivered to such holder, without interest, the amount of the dividend or other distribution with a record date after the Effective Time theretofore paid with respect to such Alto Shares and Spinco Shares.

- (e) Withholding Rights. Alto, Empress, Spinco and the Depositary shall be entitled to deduct and withhold from all dividends, distributions, other payments or other consideration otherwise payable to any person such amounts as Alto, Empress, Spinco or the Depositary is required or permitted to deduct and withhold with respect to such payment under the Tax Act, the United States Revenue Code of 1986 or any provision of any applicable federal, provincial, state, local or foreign tax law, in each case, as amended. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the person in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate taxing authority. For greater certainty, to the extent Alto, Empress or the Depositary is required to deduct and withhold from any consideration that is not cash, Alto, Empress or the Depositary shall be entitled to liquidate such consideration to the extent necessary in order to fund its deduction, withholding and remittance obligations.

5. DISSENT RIGHTS

- (a) Each registered Empress Shareholder may exercise rights of dissent ("**Dissent Rights**") with respect to the Empress Shares held by it pursuant to and in the manner set forth in the Interim Order. Dissenting Empress Shareholders who:
- (i) are ultimately entitled to be paid by Alto the fair value for their Dissent Shares shall be deemed to have transferred such Dissent Shares (free of any liens, claims or encumbrances) to Alto for cancellation in accordance with Section 3(a)(i); or
 - (ii) are ultimately not entitled, for any reason, to be paid by Alto fair value for their Dissent Shares in respect of which they dissent, shall be deemed to have participated in the Arrangement in respect of those Empress Shares on the same basis as a non-dissenting Empress Shareholder and shall be entitled to receive only the Spinco Shares and Alto Shares that such non-dissenting Empress Shareholders are entitled to receive, on the basis set forth in Sections 3(a)(v) and 3(a)(vii) and, for greater certainty, will be considered to have exchanged such Empress Shares for Class A Common Shares and Class B Common Shares pursuant to, and at the same time as Empress Shares were exchanged pursuant to, Section 3(a)(vi) and to have subsequently transferred such Class B Common Shares in exchange for Spinco Shares pursuant to and as at the same time as Class B Common Shares were exchanged by Former Empress Shareholders to Empress

pursuant to Section 3(a)(vi) and such Class A Common Shares in exchange for Alto Shares pursuant to, and at the same time as Class A Common Shares were transferred by Former Empress Shareholders to Alto pursuant to Section 3(a)(vii)

- (b) In no event shall Alto, Empress or Spinco or any other person be required to recognize a Dissenting Empress Shareholder as a registered or beneficial owner of Empress Shares at or after the Effective Time, and at the Effective Time the names of such Dissenting Empress Shareholders shall be deleted from the central securities register of Empress as at the Effective Time.
- (c) For greater certainty, in addition to any other restrictions in the Interim Order, no person shall be entitled to exercise Dissent Rights with respect to Empress Shares in respect of which a person has voted in favour of the Arrangement.

6. AMENDMENT

- (a) Alto, Empress and Spinco reserve the right to amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that any amendment, modification or supplement must be contained in a written document which is filed with the Court and, if made following the Empress Meeting, then: (i) approved by the Court, and (ii) if the Court directs, approved by the Empress Shareholders and Empress Warranholders voting as a single class and in any event communicated to them, and in either case in the manner required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement, if agreed to by Empress and Alto, may be made at any time prior to or at the Empress Meeting, with or without any other prior notice or communication and, if so proposed and accepted by the Persons voting at the Empress Meeting (other than as may be required under the Interim Order) shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Empress Meeting will be effective only if it is consented to by Empress and Alto and, if required by the Court, by the Empress Shareholders and Empress Warranholders, voting as a single class.
- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made by Empress and Alto without approval of the Empress Shareholders and the Empress Warranholders provided that it concerns a matter which, in the reasonable opinion of Empress and Alto is of an administrative or ministerial nature required to better give effect to the implementation of this Plan of Arrangement and is not materially adverse to the financial or economic interests of any of the Empress Shareholders and the Empress Warranholders.

- (e) Notwithstanding the foregoing provisions of this Section 6, no amendment, modification or supplement of this Plan of Arrangement may be made prior to the Effective Time except in accordance with the terms of the Arrangement Agreement.

SCHEDULE B
ARRANGEMENT RESOLUTION

BE IT RESOLVED THAT:

1. The arrangement (the "**Arrangement**") under Section 288 of the British Columbia Business Corporations Act (the "**BCBCA**") involving Empress Resources Corp. ("**Empress**"), all as more particularly described and set forth in the Management Proxy Circular (the "**Proxy Circular**") of Empress dated •, 2020, accompanying the notice of this meeting (as the Arrangement may be modified or amended), is hereby authorized, approved and adopted;
2. The plan of arrangement, as it may be or has been amended (the "**Plan of Arrangement**"), involving Empress and implementing the Arrangement, the full text of which is set out in Appendix B to the Proxy Circular, is hereby authorized, approved and adopted;
3. The arrangement agreement (the "**Arrangement Agreement**") between Empress, Alto Ventures Ltd. and Empress Royalty Corp., dated March 5, 2020 and all the transactions contemplated therein, the actions of the directors of Empress in approving the Arrangement and the actions of the officers of Empress in executing and delivering the Arrangement Agreement and any amendments thereto are hereby confirmed, ratified, authorized and approved;
4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) or that the Arrangement has been approved by the Supreme Court of British Columbia, the directors of Empress are hereby authorized and empowered, without further notice to, or approval of, any securityholders of Empress:
 - (a) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement or the Plan of Arrangement; or
 - (b) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement;
5. Any one or more directors or officers of Empress is hereby authorized, for and on behalf and in the name of Empress, to execute and deliver, whether under corporate seal of Empress or not, all such agreements, applications, forms, waivers, notices, certificates, confirmations and other documents and instruments and to do or cause to be done all such other acts and things as in the opinion of such director or officer may be necessary, desirable or useful for the purpose of giving effect to these resolutions, the Arrangement Agreement and the completion of the Plan of Arrangement in accordance with the terms of the Arrangement Agreement, including:

- (a) all actions required to be taken by or on behalf of Empress, and all necessary filings and obtaining the necessary approvals, consents and acceptances of appropriate regulatory authorities; and
- (b) the signing of the certificates, consents and other documents or declarations required under the Arrangement Agreement or otherwise to be entered into by Empress; such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

SCHEDULE C

KEY REGULATORY APPROVALS

Key Regulatory Approvals Related to Alto

1. Approval of the TSX-V for the issuance and listing of Alto Shares under the Plan of Arrangement.

Key Regulatory Approvals Related to Empress

1. TSX-V acceptance of the Arrangement and the transactions contemplated hereby.

SCHEDULE D

KEY THIRD PARTY CONSENTS

Alto:

- Consent of Wesdome Gold Mines Ltd. to assignment of Coldstream royalty

Empress:

- Consent of Endeavour Financial Ltd. (Cayman) pursuant to the May 28, 2018 Relationship Agreement between Empress and Endeavour Financial Ltd. (Cayman).

SCHEDULE E

ALTO MINING PROPERTIES

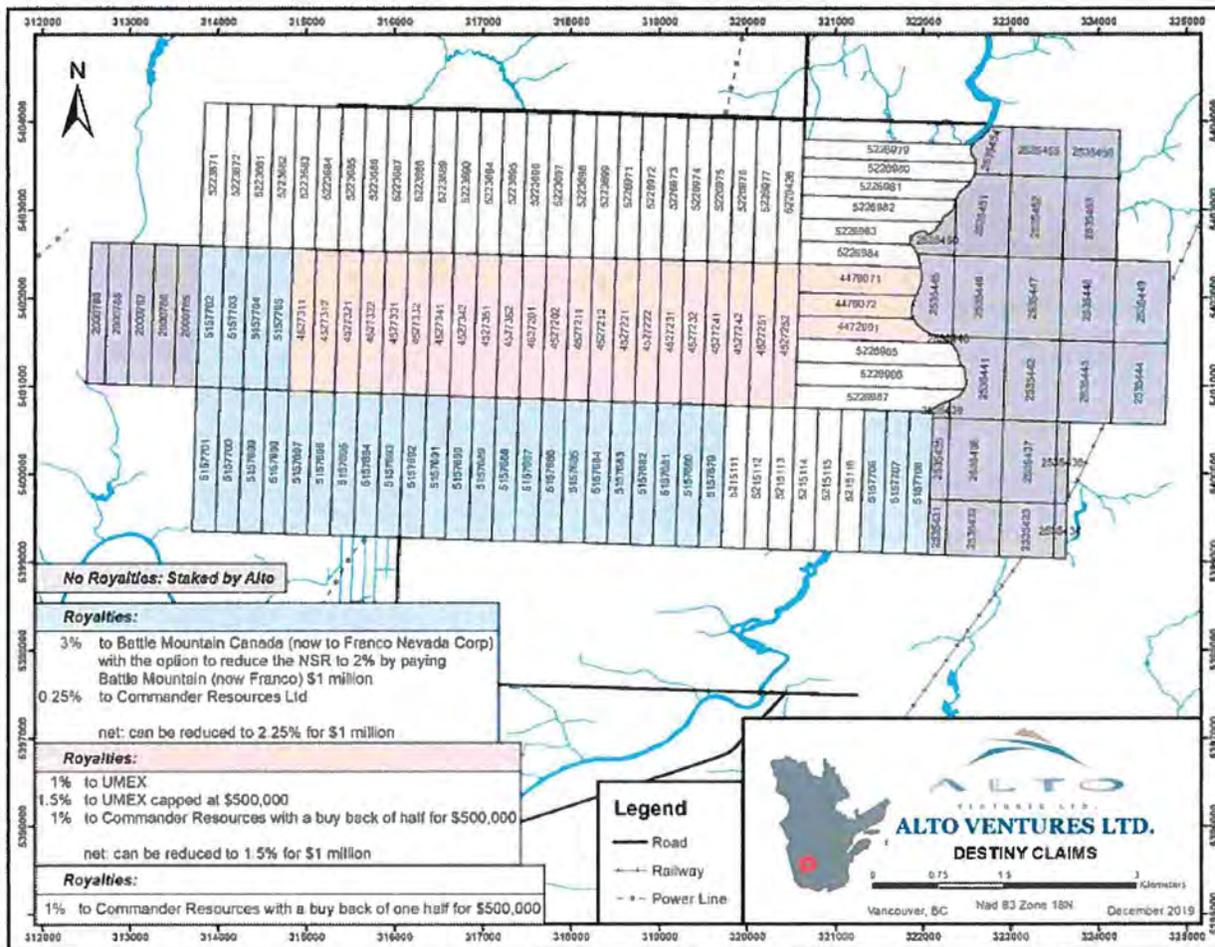
Properties Operated by Alto are:

1. Destiny, Quebec
2. Oxford Lake, Manitoba
3. Miner Lake, Ontario
4. Greenoaks, Ontario
5. Mud Lake, Ontario
6. Brookbank East, Ontario
7. Three Towers, Ontario
8. Golden Heart, Ontario
9. Empress, Ontario
10. Dog Lake, Ontario
11. Fisher, Saskatchewan

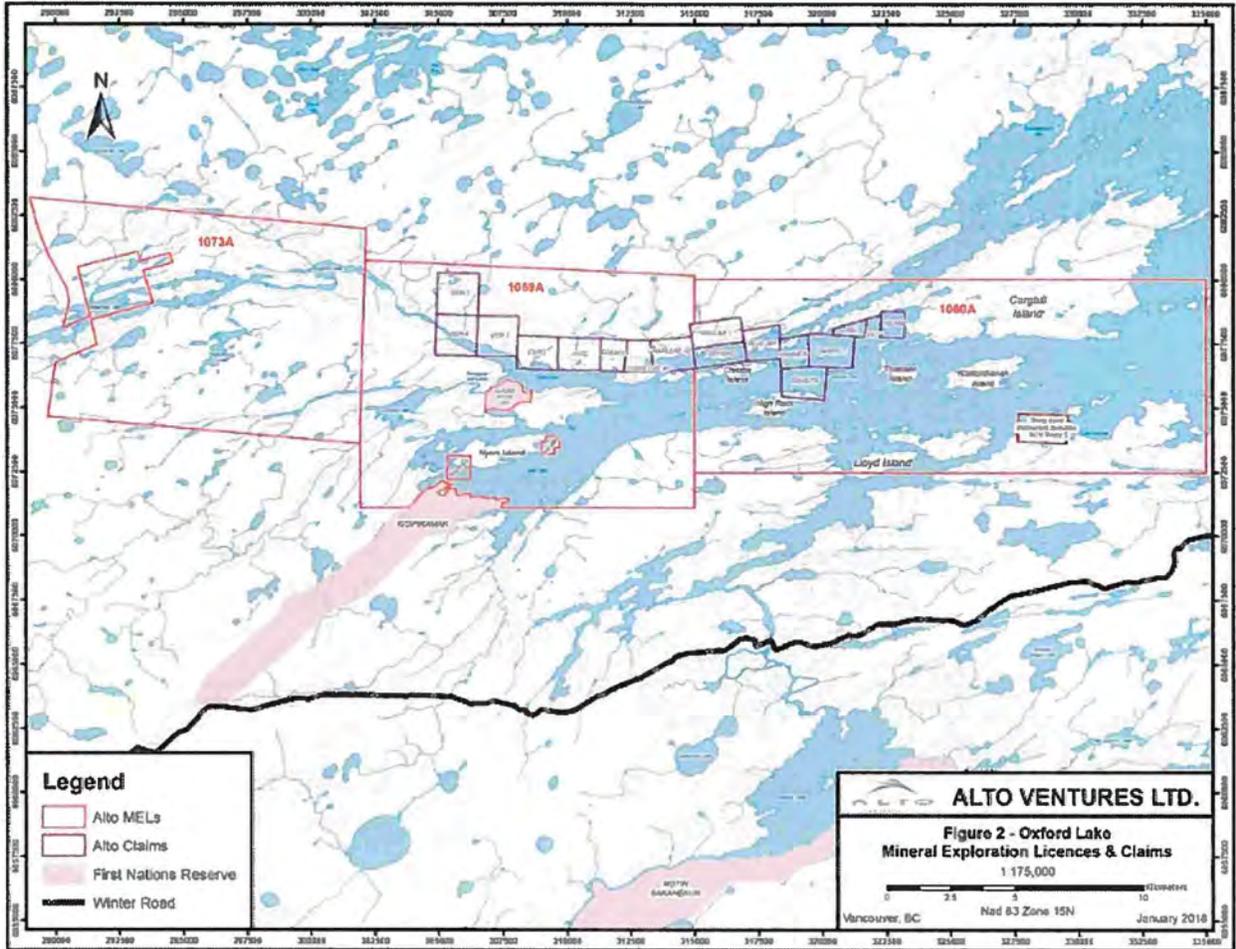
Properties in which Alto holds an NSR Royalty:

12. Windfall East, Quebec
13. Coldstream, Ontario

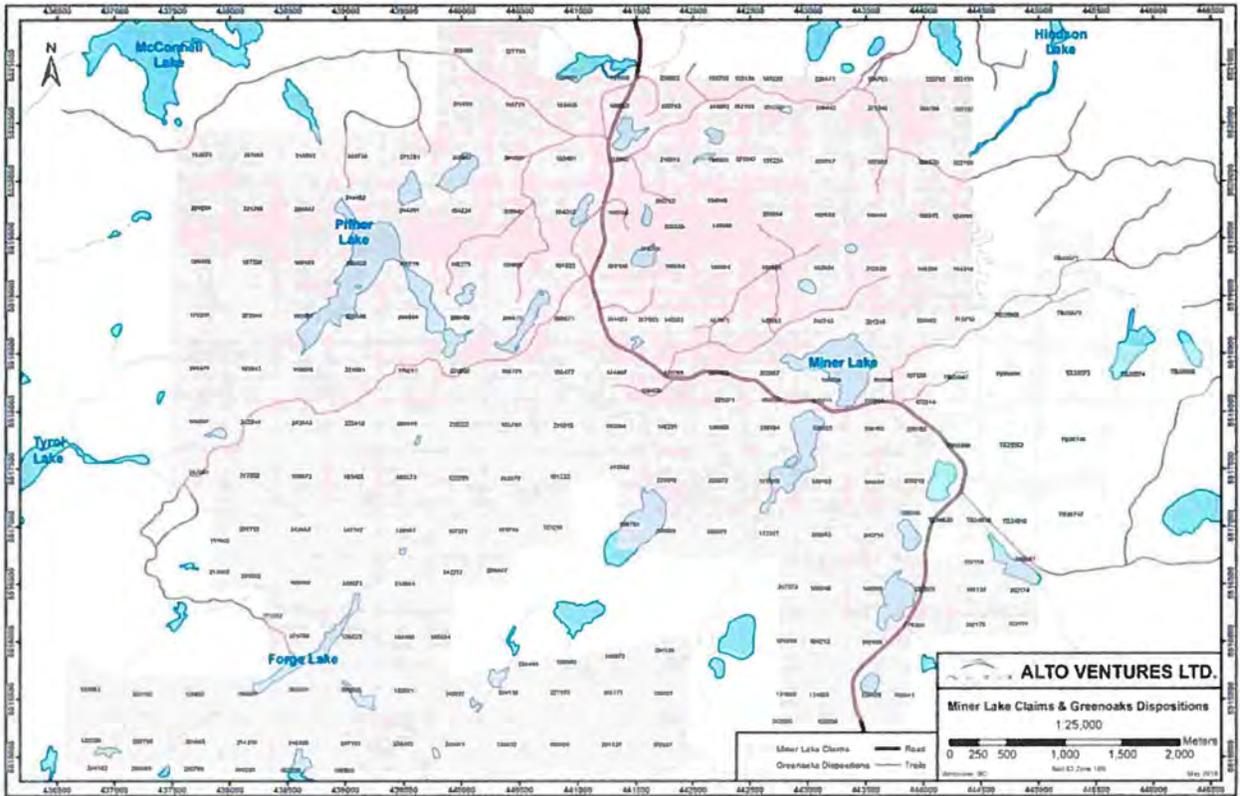
1. Destiny Quebec Claims Map



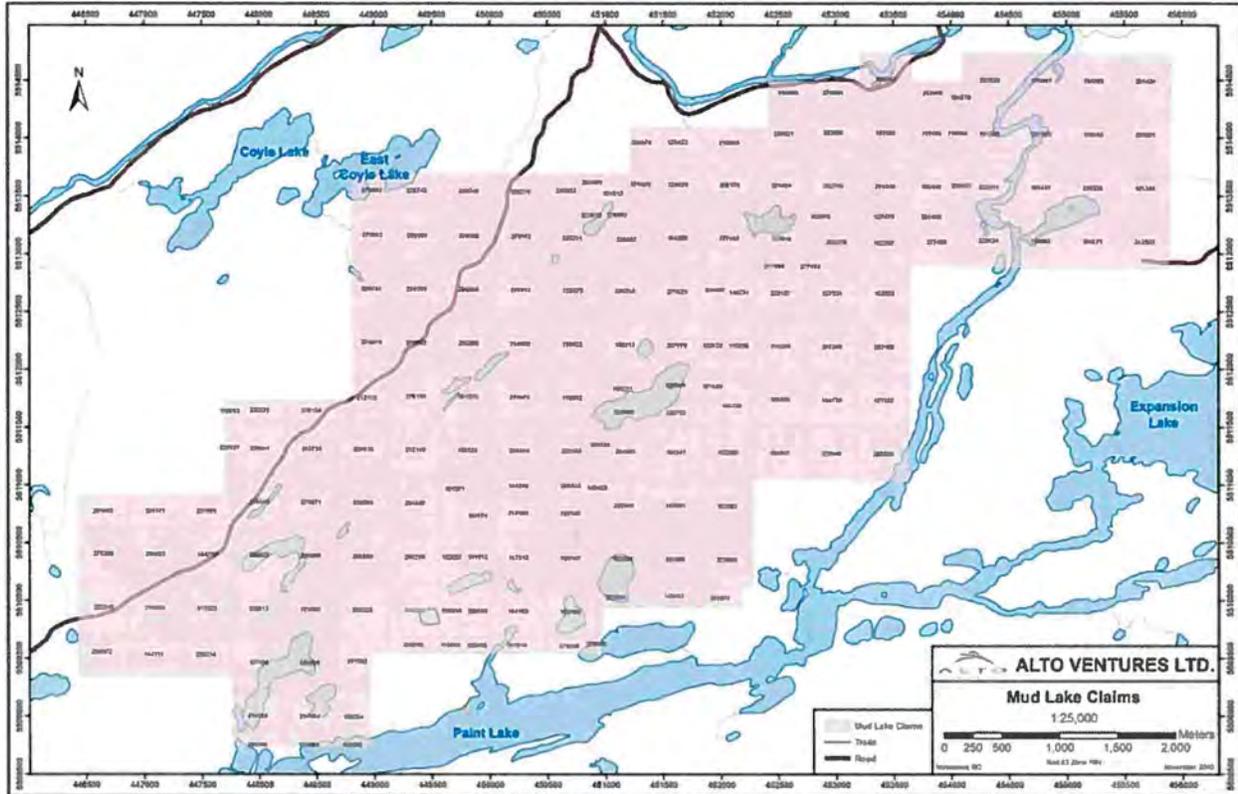
2. Oxford Lake Manitoba Claim Map



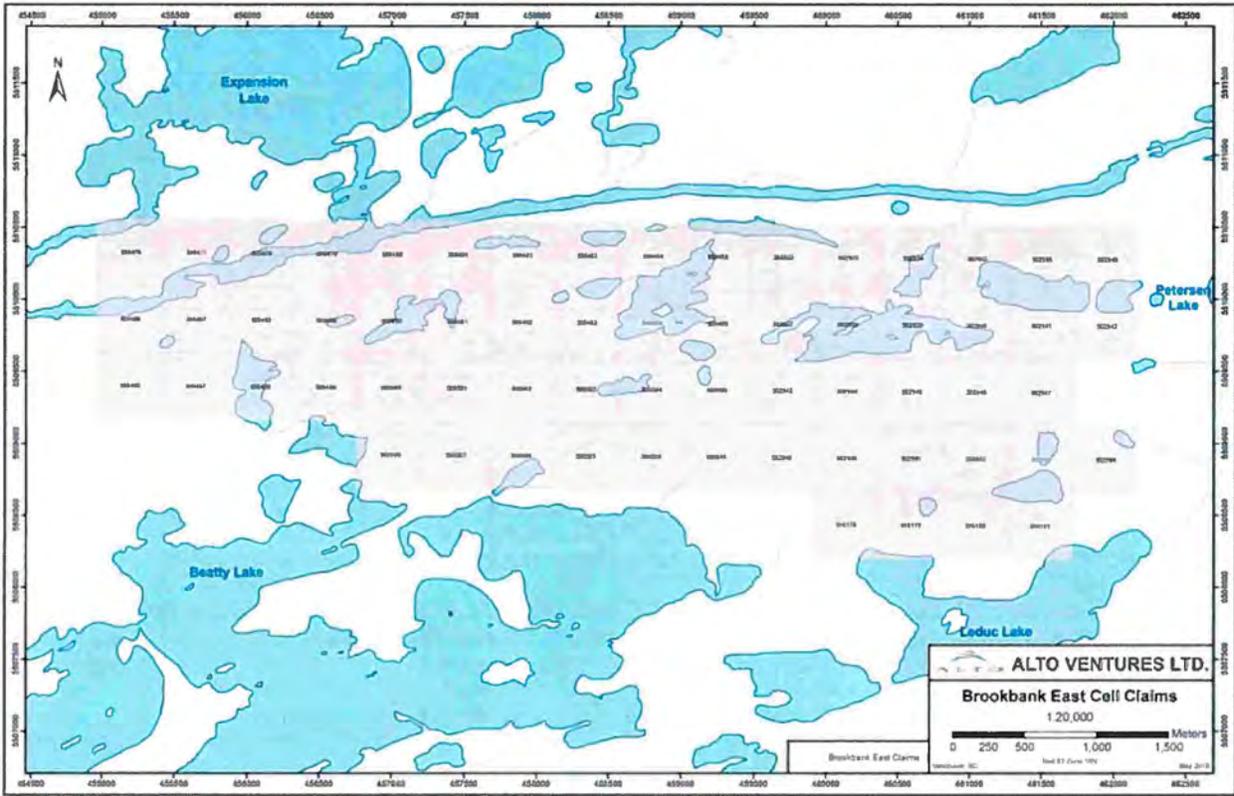
3. 3 and 4 Miner Lake and Greenoaks Ontario Claims Map



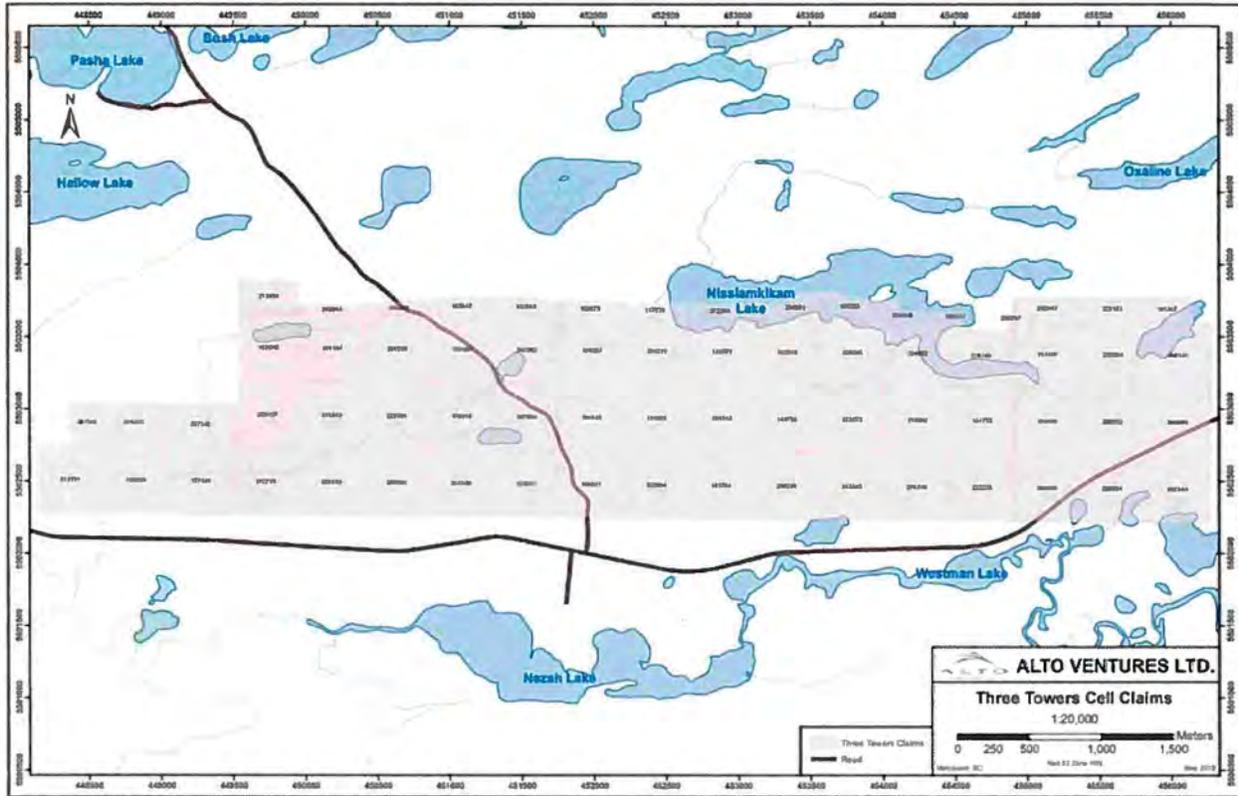
5. Mud Lake Ontario Claims Map



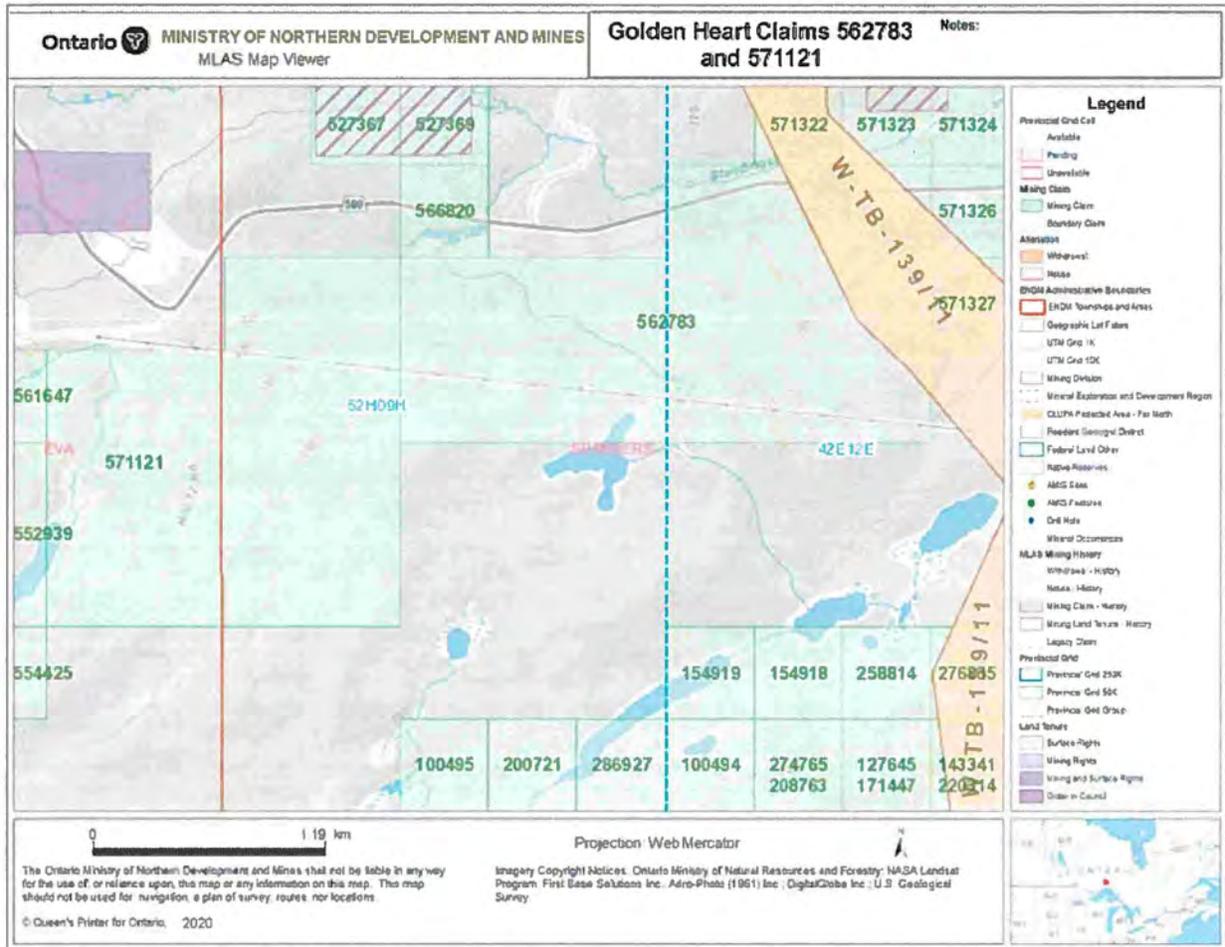
6. Brookbank East Claims Map



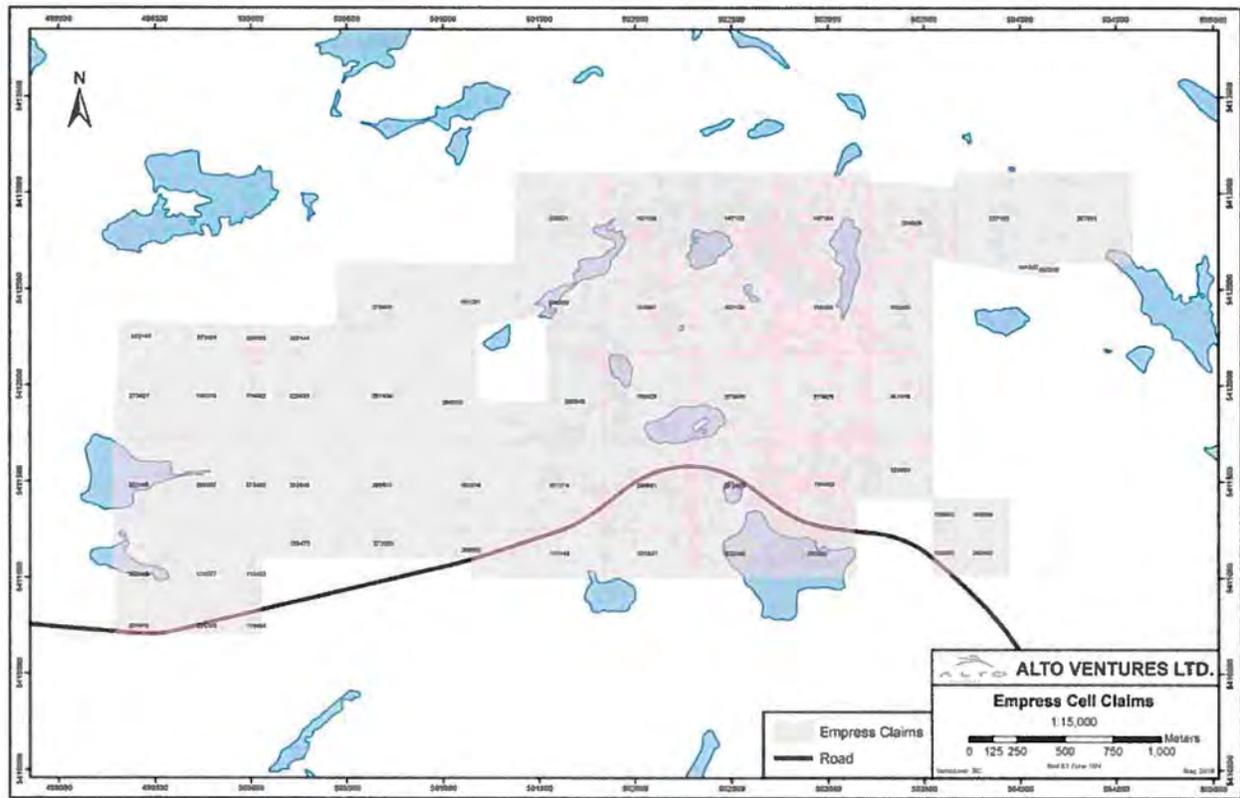
7. Three Towers, Ontario, Claims Map



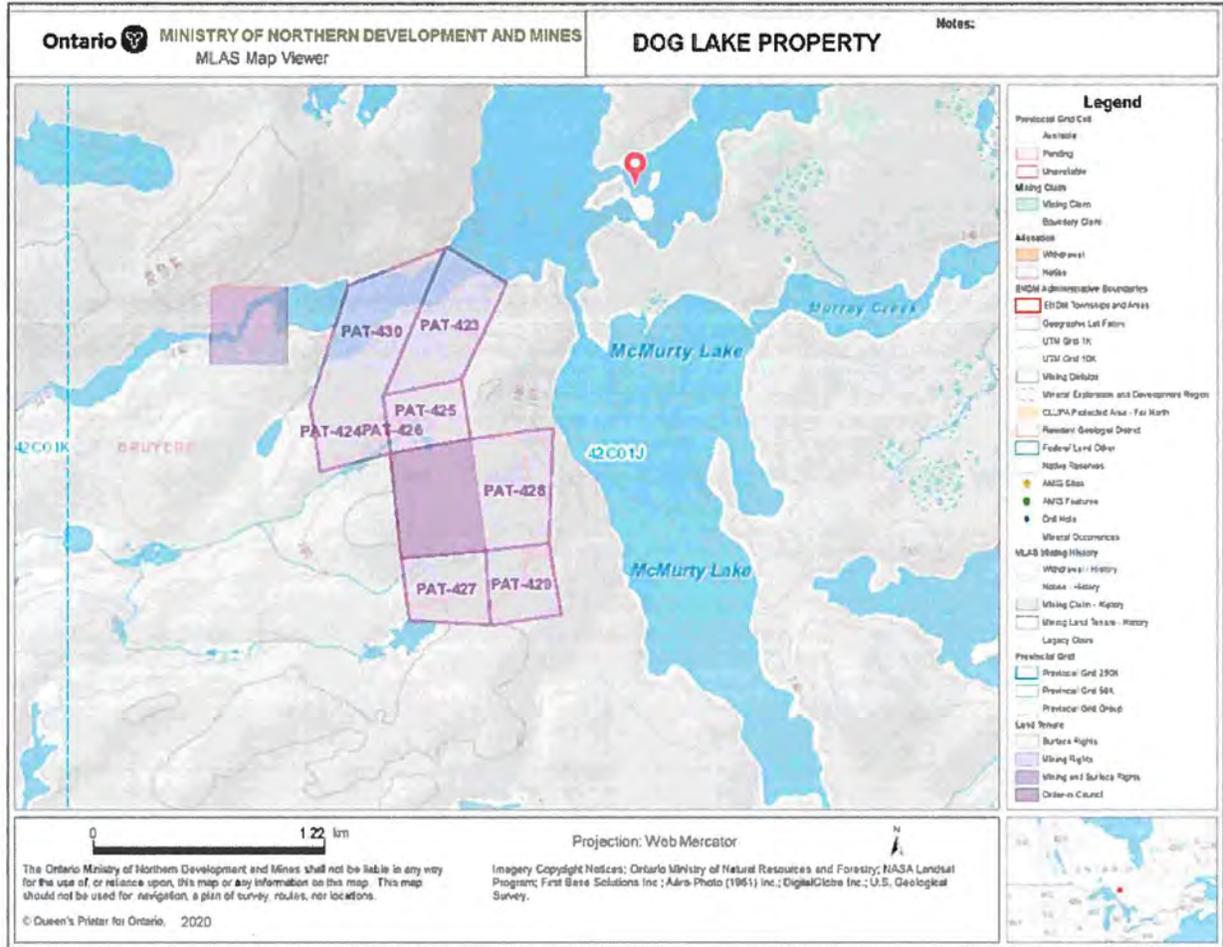
8. Golden Heart Claims Map



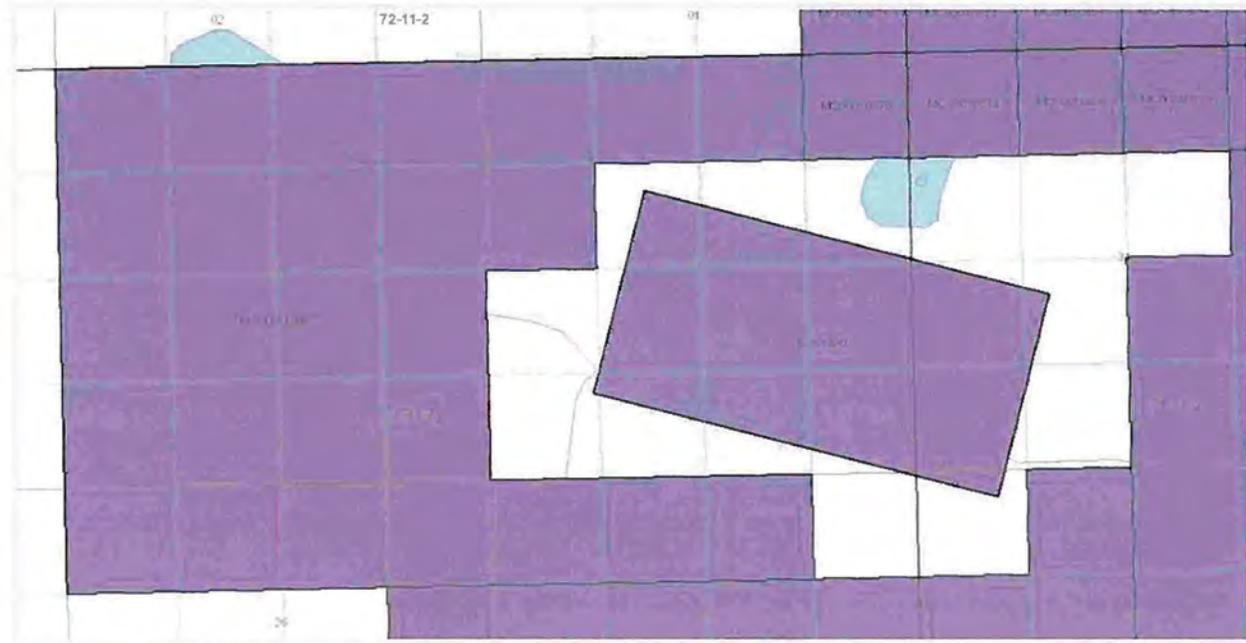
9. Empress Ontario Claims Map



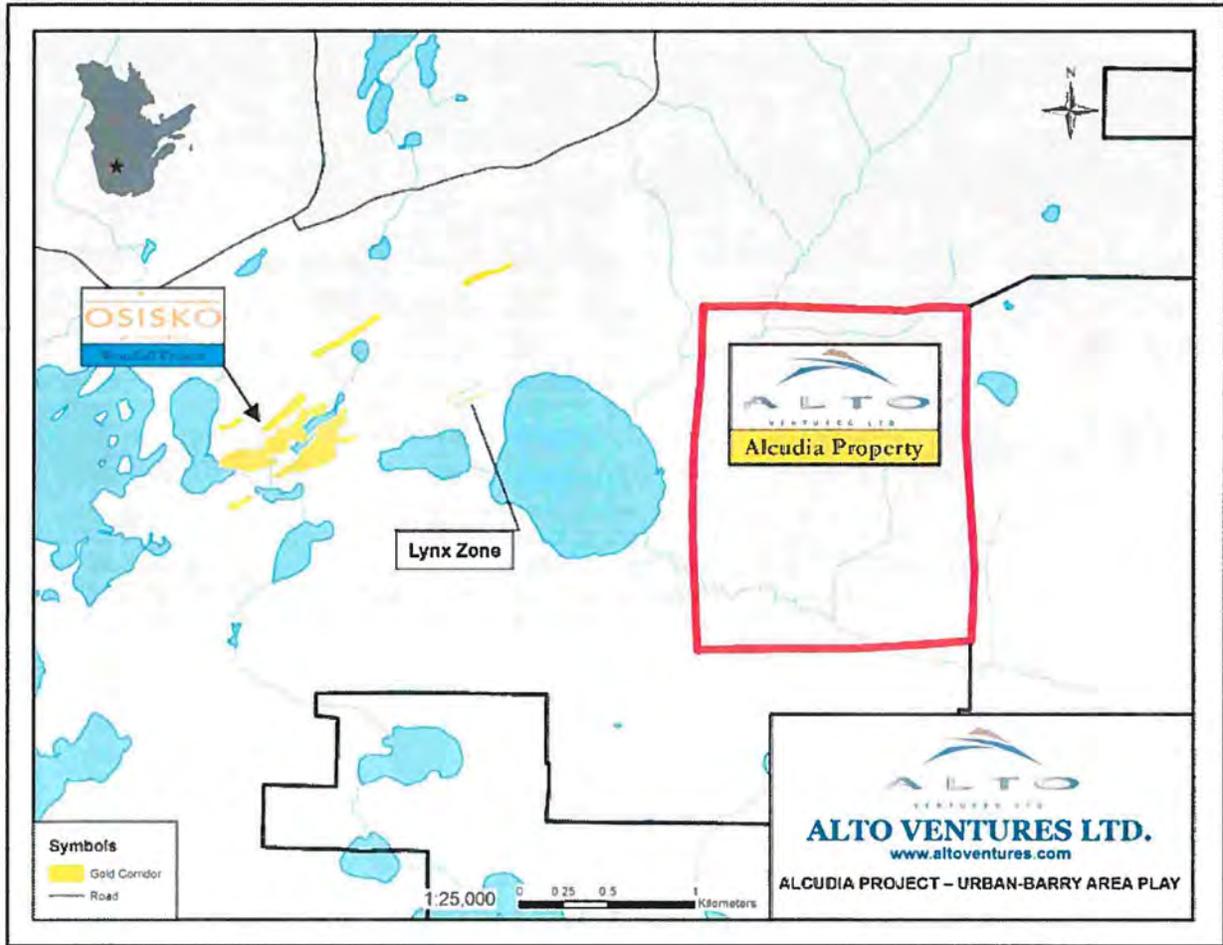
10. Dog Lake Ontario Claims Map



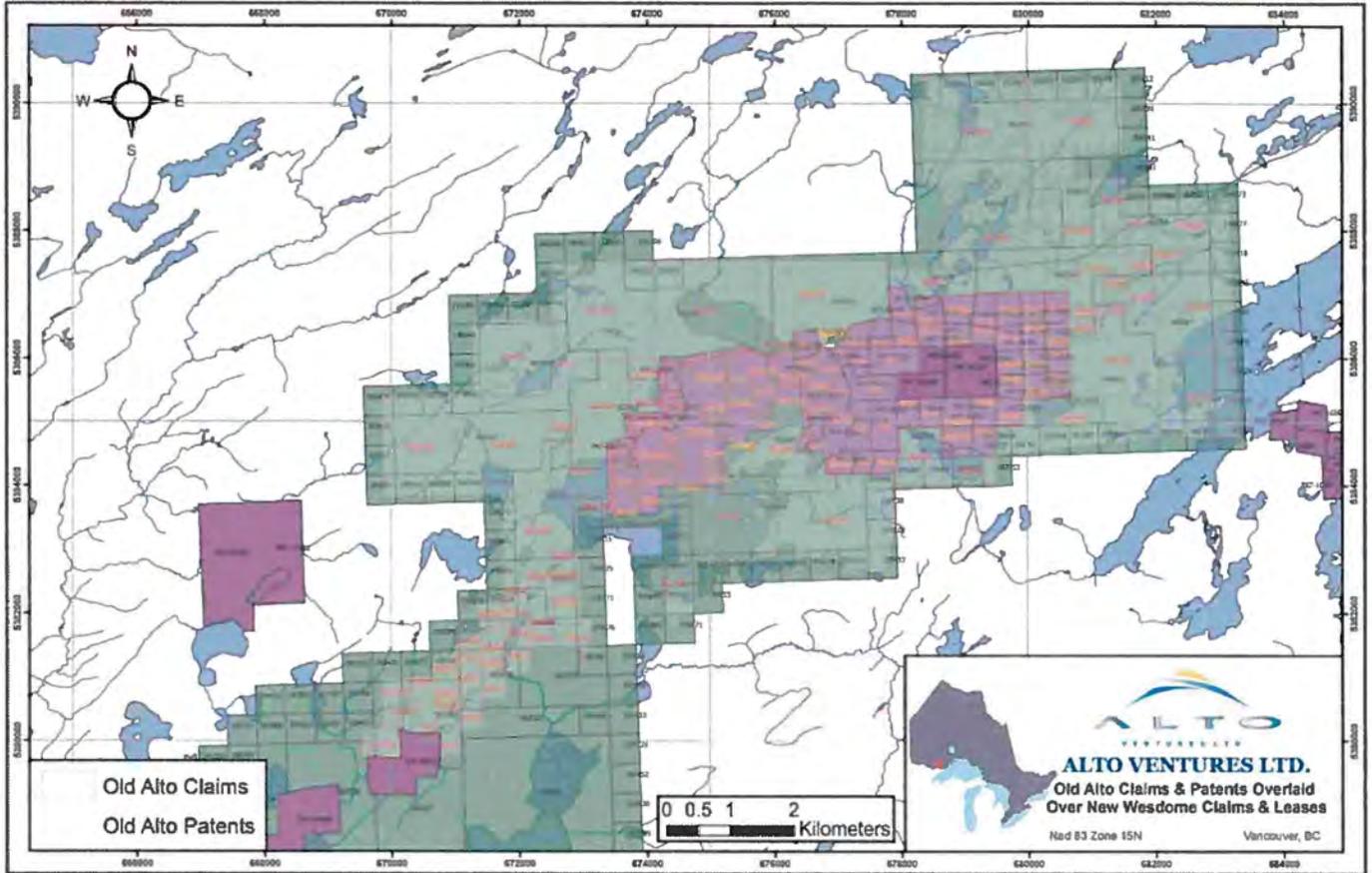
11. Fisher Saskatchewan claims S111800 and MC00011500



12. Windfall East, Quebec (formerly Alcudia) Claims Map



13. Coldstream Claims Map



SCHEDULE F
SPINCO ASSETS

\$250,000 in cash.

SCHEDULE G**ALTO ROYALTIES**

Project	Description/Summary	Property Name	Royalty
Windfall East Existing Quebec	The Windfall East property lies adjacent to Osisko's Windfall project in the Urban Township. Recent drilling by Osisko indicates that if the trend of their high-grade Lynx Zone extends to the northeast, it may pass onto the northwest corner of Alto's former Windfall East project.	Windfall East	1% NSR due from Osisko - adjacent to Osisko Lynx Zone. Osisko has a buyback right of 0.5% for \$1 million.
Coldstream Existing Ontario	Located in northwestern Ontario in the Shebandowan greenstone belt. The claims cover the East Coldstream gold deposit with NI43-101 compliant resources of 2.25 Mt Indicated at an average grade of 1.05 g/t Au (76,000 contained ounces) and 16.97 Mt Inferred at an average grade of 1.01 g/t Au (549,000 contained ounces), using a 0.6 g/t Au cut-off grade. The property adjoins Wesdome's Moss Lake gold deposit and Alto interprets that the northwestern extension of Moss extends onto the Coldstream project claims.	Coldstream	Several claims subject to 0.5% - 1.5% NSR from Wesdome.
Empress Existing Ontario	The Empress property lies within the Archean Hemlo-Schreiber Greenstone Belt in the Wawa sub-province in the Superior Province of Ontario. The property covers approximately 3 km segment of a mineralized shear zone with quartz veins locally carrying high-grade gold values.	Empress	1% NSR From Sanatana. Currently the project is under option to Sanatana Resources. If Sanatana completes the option, Alto will be granted a 1% NSR Royalty and pass it to SpinCo. If Sanatana defaults, Alto will get the property back and will grant 0.5% NSR on claims not already burdened by underlying royalties and 1% on those claims with no underlying royalties. A decision on the status of the Sanatana option will be known in March, 2020.
Three Towers New Ontario	The property lies in the Beardmore-Geraldton greenstone belt, within the southern Wabigoon lithotectonic domain of the Superior Province.	Three Towers	0.5% NSR on all claims.
Miner Lakes & Greenoaks New Ontario	The Miner Lake and Greenoaks Properties are contiguous claims situated in the Eastern Wabigoon Subprovince of the Superior Province of Ontario, within the Elmhirst-Castlewood-Koltz greenstone belt north of the	Miner Lake - With NSR	0.5% NSR on claims which already have a 3.0% NSR.

	Beardmore-Geraldton greenstone belt. The Miner Lake property hosts numerous surface and in drill core gold occurrences that have geological similarities to the Cote gold deposit being developed by Iamgold approximately 100 km southwest of Timmins.	Miner Lake - No NSR	1.0% NSR on claims which have no NSR.
		Greenoaks	0.5% NSR on all claims.
Brookbank East New Ontario	The Brookbank East gold property is situated in the Beardmore-Geraldton greenstone belt south of the Pain Lake Fault.	Brookbank East	1.0 % NSR on all claims.
Golden Heart New Ontario	The property lies in the Beardmore-Geraldton gold belt and is located approximately 10 km west of Beardmore, covers over 5 km segment of a sheared package of intercalated clastic meta-sediments and banded iron formation (BIF). The property adjoins the southern property line of the former producing Leitch gold mine which produced almost 850,000 ounces of gold. The average head grade of the Leitch was over 31 g/t Au.	Golden Heart	1.0% NSR on all claims.
Mud Lake New Ontario	The Mud Lake Property is in the Onaman-Tashota greenstone belt (OTGB) in the southern Wabigoon Subprovince of the Superior Province, of Ontario. The property hosts at least 12 shear hosted gold occurrences along a six kilometer segment of the Mud Lake Shear Zone.	Mud Lake - With NSR	0.5% NSR on claims which already have a 2.5% NSR.
		Mud Lake - No NSR	1.0% NSR on claims which have no NSR.
Destiny New Quebec	The Destiny Property covers a 12 kilometer-long, gold endowed segment of the Amos-Barraute section of the southeastern portion of the Abitibi Greenstone Belt along the Despinassy Shear (a splay off the regionally extensive Chicobi Fault Zone). The Destiny property hosts the DAC gold deposit, one of several significant gold occurrences on the property. The DAC deposit host NI43-101 compliant resources of 10.8 Mt Indicated at an average grade of 1.05 g/t Au (364,000 contained ounces) and 8.3 Mt Inferred at an average grade of 0.92 g/t Au (247,000 contained ounces) using a 0.5 g/t Au cut-off grade. The mineralization is open on strike to the east and west and to depth.	Destiny – A Claims	No royalty due to existing royalties of 3.5% but right of first refusal if New Alto does any future royalty or stream financings in relation to these claims.
		Destiny – B Claims	0.5% NSR on all claims which have an NSR Royalty of <3.5%.
		Destiny – C Claims	0.5% NSR on all C Claims.
		Destiny – D Claims	1.0% NSR.

Oxford Lake New Manitoba	The Oxford Lake property lies in the southwest portion of the Archean Oxford-Knee Lake greenstone belt in the Oxford-Stull Domain of the western Superior Province of Manitoba. The principal target model for Oxford Lake is Banded Iron Formation (BIF) and there already is a historical deposit, the Rusty Gold Deposit that was discovered in the late 1980's. The Rusty deposit has reported historical resources of 800,000 tonnes averaging 6 g/t Au. The deposit is open on strike and to depth. Another significant area of mineralization is the Blue Jay zone, located approximately 2 km east of Rusty; gold mineralization here is also associated with BIF. To the west, a large target area, extending for over 10 km is interpreted to be BIF but it has been tested by only two drill holes, one of which returned almost 1 g/t over 3 m intercept in BIF.	Oxford Lake - Mineral Exploration Licenses	1.0% NSR.
		Oxford Lake - Disposition Number W46695	0.5% NSR.
		Oxford Lake - All Other Disposition Number	No royalty due to existing royalties of 3.5% on the claims but right of first refusal if New Alto does any future royalty or stream financing.
Fisher New Saskatchewan	The property is located in the Glennie Lake Domain, approximately 80 km northwest of Flin Flon. The property hosts a historical deposit containing 650,000 tons grading 3.5% Zn, 0.5% Cu. Main target is VMS style zinc mineralization.	Fisher	0.5% NSR on claims which already have NSR, 1% NSR on Alto staked claims.
Dog Lake New Ontario	The property is located in the Wawa area, approximately 14 km south of Missinabie. Historical work was limited, dating back to the 1960's and resulted in the discovery of a gold bearing shear that was traced for over 1.5 km along strike and returned up to 25 g/t Au in grab samples.	Dog Lake	1% NSR on all claims.

SCHEDULE H**ALTO MARKETABLE SECURITIES**

Company	Ticker	Shares
Trakopolis IOT Corp.	TRAK	7,500
Canoe Mining Ventures Corp	CLV	1,342,700
Wescan Goldfields Inc	WGF	305,000
New Age Metals Inc	NAM	16,667
Razore Rock Resources Inc	RZR	40,000
Osisko Mining Inc	OSK	24,100
Sanatana Resources Inc	STA	4,200,000