AGENCY AGREEMENT

August 25, 2020

Kootenay Silver Inc.
1075 West Georgia Street, Suite 1650
Vancouver, BC
V6E 3C9

Attention: Mr. James McDonald, President and Chief Executive Officer

Mackie Research Capital Corporation and PI Financial Corp. (together, the "**Agents**") understand that Kootenay Silver Inc. (the "**Corporation**") proposes to issue and sell up to 17,500,000 Units (as hereinafter defined) (the "**Offered Units**") at a price of $0.40 per Unit (the "**Offering**") for aggregate gross proceeds of up to $7,000,000, and further that the Corporation wishes to appoint the Agents as agents for the Offering on an exclusive basis as set forth in this Agreement.

Upon and subject to the terms and conditions set out below, the Corporation hereby appoints the Agents, and the Agents agree, to act as the Corporation's exclusive agents and to use their commercially reasonable efforts to solicit subscriptions for the Offered Units. For greater certainty, it is understood that the obligations of the Agents with respect to the sale of the Offered Units will be limited to their commercially reasonable efforts, with no undertaking, express or implied, nor commitment of the Agents to purchase or arrange for the purchase of any Offered Units.

The Offered Units may also be offered by the Agents in the United States (as defined below) and to, or for the account or benefit of, U.S. Persons (as defined below) acting through their respective U.S. Affiliates (as defined below) in compliance with applicable federal and state securities laws of the United States, to persons who the subject Agent and its U.S. Affiliate reasonably believe to a be a U.S. Accredited Investor (as defined below) or a Qualified Institutional Buyer (as defined below) in compliance with Rule 506(b) of Regulation D and/or Section 4(a)(2) under the U.S. Securities Act and similar exemptions under applicable U.S. state securities laws, in accordance with the provisions of Schedule "D" to this Agreement.

The Agents and the Corporation acknowledge that Schedules "A", "B", "C" and "D" form part of this Agreement.

In consideration for their services hereunder, the Corporation agrees to pay and issue to the Agents the fees and other compensation set forth in this Agreement.

The following are the terms and conditions of the agreement between the Corporation and the Agents:

ARTICLE 1- INTERPRETATION

1.1 In this Agreement,

"**Agency Fee**" means the fee payable to the Agents as specified in Section 7.1 of this Agreement;

"**Agents**" has the meaning given to it in the first paragraph of this Agreement;

"**Agents' Counsel**" means McCarthy Tétrault LLP;

"**Agreement**" means this agreement, as it may be amended, modified or supplemented from time to time in accordance with its terms;

"**Ancillary Documents**" means the Transaction Documents and all other agreements, certificates and documents executed and delivered, or to be executed and delivered, by the Corporation in connection with the transactions contemplated by this Agreement;

"**Applicable Securities Laws**" means, collectively, and, as the context may require, (i) all applicable securities Laws of each of the Canadian Offering Jurisdictions, together with the published regulations, rules, rulings and orders made under those securities Laws and forms prescribed thereunder together with all the applicable published policy statements, blanket orders and rulings of multilateral or national instruments and similar instruments issued or adopted by the Securities Commissions; and (ii) the securities Laws of each other relevant jurisdiction together with applicable published policy statements of the Securities Commission of such other relevant jurisdictions;

"**Broker Warrants**" has the meaning given to it in Section 7.2 of this Agreement;

"**Broker Warrant Units**" means the Unit Securities issuable upon exercise of the Broker Warrants;

"**Business Day**" means a day other than a Saturday, Sunday or statutory or banking holiday in the Province of Ontario or the Province of British Columbia;

"**Canadian Offering Jurisdictions**" means each of the provinces of Canada;

"**Claim**" has the meaning given to it in Section 9.1 of this Agreement;

"**Closing**" means the closing of the Offering;

"**Closing Date**" means August 25, 2020, or such other date(s) as the Agents and the Corporation may agree upon;

"**Closing Title Opinions**" means the title opinions in respect of the Material Mexican Projects to be delivered in accordance with Section 5.1(g) of this Agreement;

"**Columba Project**" means the Corporation's Columba silver project located in Chihuahua State, Mexico, as more particularly described in the Corporation's Information Record;

"**Common Shares**" means common shares in the capital of the Corporation, as currently constituted;

"**Contract**" means any written or oral agreement, indenture, contract, lease, sublease, deed of trust, licence, option, or other legally enforceable obligation of or in favour of the applicable person;

"**Copalito Project**" means the Corporation's Copalito gold-silver project located in Sinaloa State, Mexico, as more particularly described in the Corporation's Information Record;

"**Corporation**" has the meaning given to it in the first paragraph of this Agreement;

"**Corporation's Counsel**" means Maxis Law Corporation;

"**Corporation's Information Record**" means: (i) any statement contained in any press release, material change report, financial statement, annual information form, annual or interim report, proxy circular or other document of the Corporation which has been filed on SEDAR, and (ii) any information which appears on the Corporation's website;

"**CRA**" means the Canada Revenue Agency;

"**Employee Plans**" has the meaning given to it in Section 3.2(hh) of this Agreement;

"**Environmental Laws**" has the meaning given to it in Section 3.2(n) of this Agreement;

"**Enforceability Qualifications**" means that enforceability is subject to bankruptcy, insolvency and other similar Laws affecting creditors' rights generally and to general principles of equity;

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

"**Exchange Approval**" means the conditional approval of the Exchange for the Offering;

"**FCPA Legislation**" means all applicable foreign corrupt practice Laws, including the *Corruption of Foreign Public Officials Act* (Canada);

"**Financial Information**" means (i) the audited financial statements of the Corporation as at and for the years ended December 31, 2019 and 2018, including the notes thereto, together with the report of the auditors thereon; (ii) the unaudited financial statements of the Corporation as at and for the three months ended March 31, 2020, including the notes thereto, and (iii) in the case of each of (i) and (ii), the applicable accompanying management's discussion and analysis of financial condition and results of operations;

"**Governmental Authority**" means any (i) multinational, federal, provincial, state, municipal, local or other governmental or public department, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the foregoing; (iii) any quasi-governmental, self-regulatory organization or private body exercising any regulatory, expropriation or taxing authority under or for the account of its members or any of the above (including the Exchange); or (iv) any arbitrator exercising jurisdiction over the affairs of the applicable person, asset, obligation or other matter;

"**IFRS**" has the meaning given to it in Section 3.2(f);

"**including**" means including without limitation and shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it;

"**Indemnified Party**" has the meaning given to it in Section 9.1 of this Agreement;

"**Law**" means any federal, provincial, state or municipal law, statute, ordinance, regulation, rule, by-law, judgment, decree, order or award of any Governmental Authority of competent jurisdiction;

"**Lien**" means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by Law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, hypothec, pledge, title retention agreement, reservation of title, servitude, right of way, restrictive covenant, right of use or any matter capable of registration against title or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or the right to use or occupy property or assets;

"**Material Adverse Effect**" means the effect resulting from any event or change which has a material adverse effect on the consolidated business, affairs, capital, operations or assets (including assets in which the Corporation has a direct or indirect economic interest) of the Corporation;

"**material change**" has the meaning ascribed to such term in NI 51-102;

"**material fact**" means a fact that significantly affects, or would reasonably be expected to have a significant effect, on the market price or value of the Common Shares;

"**Material Mexican Projects**" means, together, the Columba Project and the Copalito Project;

"**Material Subsidiaries**" means Minera J.M. S.A. de C.V., Northair Silver Corp. and Grupo Northair de Mexico S.A. de C.V.;

"**Mining Claims**" has the meaning given to it in Section 3.2(nn) of this Agreement;

"**misrepresentation**" means a misrepresentation as defined under the Applicable Securities Laws or any of them or, where undefined under the Applicable Securities Laws of a jurisdiction, means (i) an untrue statement of a material fact, or (ii) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made;

"**MRCC**" means Mackie Research Capital Corporation, the lead agent and sole bookrunner for the Offering;

"**NEO**" has the meaning given to it in Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*;

"**NI 43-101**" means National Instrument 43-101 *Standards of Disclosure for Mineral Projects*;

"**NI 45-102**" means National Instrument 45-102 *Resale of Securities*;

"**NI-45-106**" means National Instrument 45-106 *Prospectus Exemptions*;

"**NI 51-102**" means National Instrument 51-102 *Continuous Disclosure Obligations*;

"**Offered Units**" has the meaning given to it in the first paragraph of this Agreement;

"**Offering**" has the meaning given to it in the first paragraph of this Agreement;

"**Offering Jurisdictions**" means the Canadian Offering Jurisdictions and any other jurisdiction outside of Canada as may be designated by the Agents provided no prospectus filing, offering memorandum, registration statement requirement or comparable obligations arise in such jurisdictions as a result of such offer or sale;

"**Other Projects**" means the Corporation's La Cigarra, Promontorio, Cervantes, Silver Fox, Mark, La Mina and Meachen Bend projects, each as more particularly described in the Corporation's Information Record;

"**Outstanding Convertible Securities**" means all options (whether put or call options), including options granted or proposed to be granted to officers, directors, employees or consultants, share purchase or acquisition rights or warrants and other convertible securities outstanding, whether issued pursuant to an established plan or otherwise;

"**person**" means any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;

"**Projects**" means, collectively, the Material Mexican Projects and the Other Projects;

"**Qualified Institutional Buyer**" means a "qualified institutional buyer" within the meaning of Rule 144A under the U.S. Securities Act;

"**Regulation D**" means Regulation D under the U.S. Securities Act;

"**Regulation S**" means Regulation S under the U.S. Securities Act;

"**Rule 144A**" means Rule 144A under the U.S. Securities Act;

"**SEC**" means the United States Securities Exchange Commission;

"**Securities Commissions**" means, collectively, the securities commissions or similar regulatory authorities in each of the Canadian Offering Jurisdictions and each other relevant jurisdiction and "**Securities Commission**" means a securities commission or other securities regulatory authority in any one Canadian Offering Jurisdiction or other relevant jurisdiction, as the context may require;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"**Subscribers**" means purchasers of the Offered Units under the Offering;

"**Subscription Agreements**" means the subscription agreements entered into between the Subscribers, the Corporation and the Agents in respect of the Offering, including all schedules thereto;

"**Subsidiaries**" means Northair Silver Corp., Kootenay Resources Inc., Minera J.M. S.A. de C.V., Grupo Northair de Mexico S.A. de C.V., Kootenay Gold (US) Corp., Servicios de Exploraciones Sonora S.A. de C.V. and 536736 Yukon Inc.;

"**subsidiary**" has the meaning given to such term under NI 45-106;

"**Survival Limitation Date**" means the second anniversary of the Closing Date;

"**Tax Act**" means the *Income Tax Act* (Canada), as amended, re-enacted or replaced from time to time;

"**Time of Closing**" means 8:30 am (Toronto time) on the Closing Date, or such other time on the Closing Date as may be agreed to by the Corporation and the Agents;

"**Transaction Documents**" means the Subscription Agreements, the Warrant Agreement, the certificates evidencing the Warrants and the certificates evidencing the Broker Warrants;

"**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland;

"**United States**" or "**U.S.**" means the United States of America, its territories and possessions, any state of the United States and the District of Columbia;

"**Units**" means units of securities of the Corporation, each consisting of one Common Share and one-half of one Warrant;

"**Unit Securities**" means, collectively, the Unit Shares and Warrants comprising the Offered Units or the Broker Warrant Units, as applicable;

"**Unit Shares**" means the Common Shares comprised in the Units;

"**U.S. Accredited Investor**" means an "accredited investor" satisfying one or more of the categories specified in Rule 501(a) of Regulation D;

"**U.S. Affiliates**" means one or more of the U.S. registered broker-dealer affiliates of the Agents;

"**U.S. Person**" has the meaning given to such term in Rule 902(k) of Regulation S promulgated under the U.S. Securities Act;

"**U.S. Securities Act**" means the United States *Securities Act of 1933,* as amended;

"**Warrant Agreement**" means the warrant agreement between the Corporation and Computershare Trust Company of Canada, as warrant agent, dated as of the Closing Date with respect to the Warrants;

"**Warrants**" means warrants of the Corporation comprised in the Units, with each whole warrant exercisable until the second anniversary of the Closing Date and entitling the holder to purchase one Common Share at an exercise price of $0.55 per share, subject to customary adjustment provisions; and

"**Warrant Shares**" means the Common Shares issuable upon exercise of the Warrants.

1.2 The division of this Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 Unless otherwise expressly provided in this Agreement, words importing only the singular number include the plural and *vice versa* and words importing gender include all genders. References to "paragraph" and "Section" (unless otherwise indicated) are to the appropriate paragraphs and Sections of this Agreement. Unless the context otherwise requires, any reference to a statute shall be deemed to include regulations made pursuant thereto, all amendments in force from time to time and any statute or regulation that may be passed that has the effect of supplementing or superseding the statute or regulation referred to.

1.4 Any action or payment required or permitted to be taken or made hereunder on a day which is not a Business Day shall or may be, as the case may be, taken or made on the next succeeding Business Day, except when otherwise prescribed by Applicable Securities Laws or rules and policies of the Exchange, with the same force and effect as if taken or made within the period for the taking or making of such action.

1.5 This Agreement shall be governed by and construed in accordance with the internal laws of the Province of British Columbia and the federal laws of Canada applicable therein, without reference to conflicts of law rules.

1.6 All amounts expressed herein in terms of money refer to lawful currency of Canada and all payments to be made hereunder shall be made in such currency.

1.7 In this Agreement, a reference to "**knowledge**" of the Corporation means to the best of the knowledge of the senior officers of the Corporation, in each case having made due inquiry.

1.8 The following are the schedules attached to this Agreement, which schedules are deemed to be a part hereof and are hereby incorporated by reference herein:

Schedule "A" - Details of the Mining Claims for Material Mexican Projects

Schedule "B" - Details as to Outstanding Convertible Securities

Schedule "C" - Interests in Subsidiaries

Schedule "D" - United States Offers and Sales

ARTICLE 2- PURCHASE, SALE AND DISTRIBUTION

2.1 Subject to the terms and conditions of this Agreement, the Agents will use their commercially reasonable efforts to obtain offers and subscriptions to purchase the Offered Units under the Offering. The obligation of the Agents with respect to the sale of the Offered Units will be limited to their commercially reasonable efforts, with no undertaking, express or implied, nor commitment of the Agents to purchase or arrange for the purchase of any Offered Units.

2.2 If required by the Exchange, the Agents will give written notice of the distribution of the Offered Units to the Exchange, in such form as may be required by the Exchange, in order to permit the Unit Shares and the Warrant Shares to be listed on the Exchange upon or prior to their issuance.

2.3 Each Subscriber who is resident in one of the Canadian Offering Jurisdictions will purchase under one or more "private placement" exemptions so that the Corporation will be exempt from the prospectus requirements of the Applicable Securities Laws in Canada. The Corporation hereby agrees to use its commercially reasonable efforts to secure compliance with all securities regulatory requirements on a timely basis in connection with the distribution of the Offered Units to the Subscribers, including by filing within the periods stipulated under Applicable Securities Laws and at the Corporation's expense all private placement forms required to be filed by the Corporation in connection with the Offering and paying all filing fees required to be paid in connection therewith so that the distribution of the Offered Units may lawfully occur without the necessity of filing a prospectus or any similar document under the Applicable Securities Laws (including so as to ensure that the requirements from the Closing Date under NI 45-102 that are within the Corporation's power to control are complied with by the Corporation such that the Unit Securities and Warrant Shares will be subject to a "hold period" which expires four months and one day following the Closing Date). The Agents agree to assist the Corporation in all reasonable respects to secure compliance with all regulatory requirements in connection with the Offering. The Agents will notify the Corporation with respect to the identity of each Subscriber and other necessary information respecting each Subscriber as soon as practicable, and with a view to leaving sufficient time to allow the Corporation to secure compliance with all relevant regulatory requirements under Applicable Securities Laws relating to the sale of the Offered Units.

2.4 The certificates, if any, or ownership statements representing the Offered Units and Broker Warrants, and any further Unit Securities and any Warrant Shares issued during the relevant hold period (and each certificate or ownership statement issued in transfer of

any such securities prior to the date which is four months and one day after the Closing Date), will bear or be deemed to bear, as applicable, the following legend, in addition to any other legend required under Applicable Securities Laws, substantially in the following form with the necessary information inserted:

"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [insert date that is four months and one day after Closing Date]."

and the certificates, if any, or ownership statements representing the Unit Shares and any Warrant Shares (and each certificate or ownership statement issued in transfer of any of such share) which are issued during the relevant hold period, will bear or be deemed to bear, as applicable, a further legend, substantially in the following form with the necessary information inserted.

"WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [insert date that is four months and one day after Closing Date]."

2.5 The Agents at their own expense may offer selling group participation in the normal course of the brokerage business to selling groups of other licenced dealers, brokers and investment dealers, who may or who may not be offered part of the Agency Fee or Broker Warrants (any such remuneration to be the sole responsibility of the Agents), provided that any such selling group participants will be required to comply with the terms of this Agreement as if they were original signatories hereto.

ARTICLE 3- REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations, Warranties, Covenants and Acknowledgements of the Agents

Each Agent hereby severally represents, warrants and covenants with the Corporation that:

(a) it will conduct (and has conducted) activities in connection with arranging for the sale of the Offered Units in compliance with the Applicable Securities Laws;

(b) it will not solicit (and has not solicited) offers to purchase or sell the Offered Units generally or so as to require registration of, or filing of a prospectus, offering memorandum or similar disclosure document with respect to, the Offered Units under the laws of any jurisdiction, including the United States and the United Kingdom, and not, without the consent of the Corporation or as otherwise contemplated in this Agreement, solicit offers to purchase or sell the Offered Units in any jurisdiction outside of Canada where the solicitation or sale of the Offered Units would result in any ongoing disclosure requirements in such jurisdiction, any registration or filing requirements in such jurisdiction, or any requirement in such

jurisdiction to deliver an offering memorandum, or where the Corporation may be subject to liability in connection with the sale of the Offered Units which is more onerous than its liability under, taken together, the Applicable Securities Laws to which it is subject as at the date of this Agreement;

(c) it will obtain from each Subscriber subscribing through it a completed and executed Subscription Agreement in a form reasonably acceptable to the Corporation and to the Agents relating to the transactions herein contemplated, together with all documentation (including questionnaires, corporate placee registration forms, undertakings and documents required by the Exchange, if any, and certificates) as may be necessary in connection with subscriptions for Offered Units, to ensure compliance with Applicable Securities Laws and the Exchange Approval;

(d) it will not provide (and has not provided) to prospective purchasers an offering memorandum within the meaning of Applicable Securities Laws or other material detailing the business or affairs of the Corporation and will not advertise (and has not advertised) the Offering in (i) printed media of general and regular paid circulation, (ii) radio, (iii) television, or (iv) telecommunication (including electronic display) and will not make (and has not made) use of any green sheet or other internal marketing document without the prior consent of the Corporation, such consent to be promptly considered and not to be unreasonably withheld;

(e) it will not make (and has not made) any representations or warranties with respect to the Offering other than those contained in the Corporation's Information Record and the Ancillary Documents;

(f) the Agent is an "accredited investor" as such term is defined under NI 45-106 or Section 73.3 of the *Securities Act* (Ontario) by virtue of being registered under Applicable Securities Laws of a jurisdiction of Canada as an advisor or dealer;

(g) the Agent will be acquiring the Broker Warrants as principal for its own account and not for the benefit of any other person;

(h) it is not a U.S. Person, was not offered the Broker Warrants within the United States, and is not acquiring the Broker Warrants for the account or benefit of a U.S. Person or a person in the United States, and that this Agreement was not executed on its behalf within the United States; and

(i) it understands and acknowledges that neither the Broker Warrants nor any securities directly or indirectly underlying the Broker Warrants have been or will be registered under the U.S. Securities Act, and that the Broker Warrants and the Warrants to be comprised in the Broker Warrant Units may be exercised only in transactions exempt from, or not subject to, registration under the U.S. Securities Act and any applicable state securities laws, and that prior to any such exercise, the Corporation may require the delivery of evidence reasonably satisfactory to the Corporation to that effect.

The Agents further acknowledge and agree that none of the Unit Securities, Broker Warrants or Warrant Shares have been or will be registered with the SEC under the U.S. Securities Act. The Offered Units may be offered and sold in the United States only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. The Agents acknowledge and agree that offers of the Offered Units may be directed only to persons in member states of the European Economic Community who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive ("**Qualified Investors**"). In addition, the Agents acknowledge and agree that in the United Kingdom offers of the Offered Units may be directed only to Qualified Investors meeting other specified requirements.

3.2 Representations, Warranties and Covenants of the Corporation

The Corporation hereby represents and warrants to, and covenants with, the Agents, on their own behalf and on behalf of the Subscribers, intending that the same may be relied upon by the Agents and the Subscribers, that:

(a) *Good Standing of the Corporation*. The Corporation has been duly continued and is validly existing under the *Business Corporations Act* (British Columbia) and is current and up to date with all filings required to be made by it, and has all requisite corporate power and authority to carry on its business as currently conducted, and to own, lease and operate its properties and assets and to carry out the transactions contemplated by this Agreement and the Ancillary Documents and carrying out the obligations hereunder and thereunder, and has all requisite corporate power to carry on its business as presently proposed to be conducted by it. The Corporation is duly qualified or authorized to transact business and is in good standing (in respect of the filing of annual returns where required or other information filings under applicable corporations information legislation) in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business.

(b) *Subsidiaries*. Other than the Subsidiaries, the Corporation has no other subsidiaries. The Corporation beneficially owns, directly or indirectly, the percentages indicated in Schedule "C" hereto of the issued and outstanding shares in the capital of the Subsidiaries free and clear of all Liens of any kind whatsoever other than as adequately disclosed in the Corporation's Information Record, all of such shares have been duly authorized and validly issued and are outstanding as fully paid and non-assessable shares (or the equivalent legal concept in another jurisdiction), and no person has any right, agreement or option for the purchase from the Corporation of any interest in any of such shares or for the issue or allotment of any unissued shares in the capital of the Subsidiaries or any other security convertible into or exchangeable for any such shares. Each of the Subsidiaries has been duly incorporated and is validly existing under the Laws of its jurisdiction of incorporation and has all requisite corporate power, capacity and authority to own, lease and operate, as applicable, its properties, permits and assets and conduct its business as currently conducted, and has all requisite corporate power to conduct its business as presently proposed to be conducted by

it, and each of the Subsidiaries is current with all material filings required to be made under its jurisdiction of incorporation and all other jurisdictions in which it exists or carries on any material business.

(c) *Share Capital of the Corporation*. As of the date hereof, prior to giving effect to the Offering, the authorized share capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As of the date hereof, 290,754,175 Common Shares (and no other shares) are issued and outstanding (and such Common Shares have been issued as fully paid and non-assessable shares). As of the date hereof, other than as described in Schedule "B" to this Agreement and other than pursuant to this Agreement, there are no Outstanding Convertible Securities of the Corporation or any Subsidiary.

(d) *Authorization*. The Corporation has full corporate power and authority to issue the Unit Securities (including those to comprise the Broker Warrant Units), Broker Warrants and Warrant Shares. The Unit Securities and Broker Warrants, when issued (in the case of the Unit Securities, upon receipt by the Corporation of the full consideration therefor), will have been duly and validly issued (in the case of the Unit Shares, as fully paid and non-assessable). Upon exercise of the Warrants (including those to be comprised in the Broker Warrant Units), including receipt by the Corporation of the full consideration therefor, the Warrant Shares issuable thereunder will be validly issued as fully paid and non-assessable Common Shares.

(e) *Absence of Rights*. Except as adequately otherwise disclosed in the Corporation's Information Record, there is no right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the issue or allotment of any unissued Common Shares (or other shares in the capital of the Corporation) or any other agreement or option, for the issue or allotment of any unissued Common Shares (or other shares in the capital of the Corporation) or any other security convertible into or exchangeable for any Common Shares (or other shares in the capital of the Corporation) or to require the Corporation to purchase, redeem or otherwise acquire any of the issued and outstanding Common Shares.

(f) *Financial Information*. The Financial Information:

(i) presents fairly, in all material respects, the consolidated financial position of the Corporation, and the consolidated results of its operations and its cash flows, for the periods specified in such Financial Information;

(ii) conforms with International Financial Reporting Standards applicable in Canada ("**IFRS**"); and

(iii) does not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to any period covered by the Financial Information.

(g) *Off Balance Sheet*. The Corporation has not engaged in any "off balance sheet" or similar financing.

(h) *Liabilities*. Neither the Corporation nor any of the Subsidiaries has any liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not adequately disclosed or referred to in the Financial Information, other than liabilities, obligations or indebtedness or commitments incurred after the last period covered by the Financial Information in the normal course of business or in connection with the Offering and which would not reasonably be expected to have a Material Adverse Effect.

(i) *Non-Contravention*. Neither the Corporation nor any Subsidiary is in violation of its constating documents. None of the Offering, the execution, delivery and performance of this Agreement or the Ancillary Documents or the consummation of the transactions contemplated herein and therein, including the issue of the Unit Securities (including those to comprise the Broker Warrant Units), Broker Warrants or Warrant Shares, does or will:

(i) subject to compliance by the Agents with the provisions of this Agreement, require the consent, approval, authorization, order or agreement of, or registration or qualification with, any Governmental Authority or other person, except:

A. such as have been obtained, or

B. such as may be required under the Applicable Securities Laws and the policies of the Exchange and will be obtained by the Closing Date (other than the receipt of the final approval of the Offering by the Exchange, which will be obtained following the Closing Date); or

(ii) conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to the loss of or Lien upon any of the consolidated properties or assets of the Corporation under any provision of:

A. the constating documents of the Corporation or the comparable organizational documents of any Subsidiary, or

B. subject to the filings and other matters referred to in the immediately following sentence:

(1) any Contract to which the Corporation or any Subsidiary is a party or by which any of their respective properties or assets are bound;

(2) any Law applicable to the Corporation or any Subsidiary or any of their respective properties or assets; or

(3) any authorization held or obtained by the Corporation or any Subsidiary,

other than any such conflicts, violations, defaults, rights, losses or Liens that would not, in any case of (i) or (ii) above, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(j) *Independent Accountants*. To the knowledge of the Corporation, the accountants who reported on the Financial Information are independent with respect to the Corporation within the meaning of Applicable Securities Laws. There has never been any reportable event (within the meaning of NI 51-102) with the current auditors or any former auditors (if any) of the Corporation.

(k) *Material Assets*. The Corporation is, directly or indirectly, the legal and beneficial owner of, and has good and marketable right, title and interest in and to the assets of the Corporation and the Subsidiaries reflected in the Corporation's Information Record, free and clear of all Liens (except as otherwise adequately disclosed in the Corporation's Information Record). The Corporation's direct or indirect ownership interests in the Mining Claims of the Material Mexican Projects are as will be set forth in the Closing Title Opinions. Any and all Contracts pursuant to which the Corporation or any Subsidiary holds material assets or is entitled to the use of or acquire ownership of material assets (whether directly or indirectly) (including in respect of the Material Mexican Projects, subject to the qualifications to be provided in the Closing Title Opinions) are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, and there is currently no material default of any of the provisions of any such agreements nor has any such default been alleged, and the Corporation, after making due enquiries, is not aware of any disputes with respect thereto and such assets are in good standing under the applicable Laws of the jurisdictions in which they are situate, and all leases, licences, concessions, mineral rights and claims pursuant to which the Corporation and the Subsidiaries derive their interests (whether legal or beneficial) in such material assets are in good standing (subject to the qualifications to be provided in the applicable Closing Title Opinion) and there has been no material default under any such leases, licences, concessions, and claims and all taxes required to be paid with respect to such assets to the date hereof have been paid.

(l) *Technical Information.* The Corporation has filed all technical reports as required by NI 43-101 for each mineral project on a property material to the Corporation, and any such technical reports have been prepared in material compliance with the requirements thereof. The technical information set forth in the Corporation's Information Record, including relating to any estimates by the Corporation of mineral resources and mineral reserves, has been reviewed and approved by qualified persons (as defined in NI 43-101) and, in all cases, the resource

information has been prepared in accordance with Canadian industry standards set forth in NI 43-101, and the information upon which any estimates of resources and reserves were based was, at the time of delivery thereof, complete and accurate in all material respects and there have been no material adverse changes to such information since the date of delivery or preparation thereof, except as adequately disclosed in the Corporation's Information Record.

(m) *Exploration and Development Activities*. To the knowledge of the Corporation:

(i) all assessments or other work required to be performed within the areas covered by the Mining Claims in respect of the Projects in order to maintain the Corporation's and its Subsidiaries' interests therein have been performed to date and the Corporation and its Subsidiaries have complied in all material respects with all applicable Laws in this regard, as well as with regard to legal, contractual obligations to third parties in this regard except for any non-compliance that could not, either individually or in the aggregate, have a Material Adverse Effect;

(ii) there are no expropriations or similar proceedings against any property in which the Corporation has a direct or indirect economic interest or any related mining claim; and

(iii) all exploration and development activities conducted on premises in which the Corporation has a direct or indirect economic interest have been conducted in all respects in accordance with good mining and engineering practices and all applicable workers' compensation and health and safety and workplace Laws have been duly complied with, except where the failure to so conduct operations could not reasonably be expected to have a Material Adverse Effect.

(n) *Environmental Laws*. To the Corporation's knowledge (i) neither the Corporation nor any Subsidiary is in violation of any federal, provincial, state, local, municipal or foreign Law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to pollution or protection of human health, the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including Laws relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "**Hazardous Materials**") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**") except where such violations would not be reasonably expected, on an individual or aggregate basis, to have a Material Adverse Effect, (ii) the Corporation and the Subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, except where the failure to have such permits, authorizations and approvals would not reasonably be expected, on an individual or aggregate basis, to have a Material

Adverse Effect, and (iii) there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against the Corporation or any Subsidiary, which, if determined adversely, would reasonably be expected to have a Material Adverse Effect. Other than for ongoing legislative reporting, there are no environmental audits, evaluations, assessments, studies or tests that were commissioned by the Corporation or any Subsidiary respecting the business, operations, properties or facilities of the Corporation or any Subsidiary or in which it has a direct or indirect economic interest.

The Mining Claims are not located in any environmental conservation unit, whether 'full protection units' or 'sustainable use units', nor in their buffer zones, or in Aboriginal protection areas.

There is no tailings dam (or water dam) within, or within a radius of 100 km outside of, the areas covered by the Mining Claims. The Mining Claims are not located within any tailings (or water) dam rescue zones.

(o) *Conduct of Business; Possession of Licenses and Permits*. To the knowledge of the Corporation, the Corporation and each Subsidiary has conducted and is conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which it carries on business. The Corporation and each Subsidiary possesses such permits, certificates, licenses, approvals, consents and other authorizations (collectively, "**Governmental Licenses**") issued by the appropriate federal, provincial, state, local or foreign, as applicable, Governmental Authorities necessary to own, lease, stake or maintain the mining rights and property claims and other property interests and to conduct the business now operated, including to conduct exploration at their various projects, except where the failure to possess such permits, certificates, licenses, approvals, consents or authorizations would not reasonably be expected to have a Material Adverse Effect. The Corporation and each Subsidiary is in compliance with the terms and conditions of all such Governmental Licenses, and is not in violation of, or in default under, applicable Laws (including Environmental Laws) of any Governmental Authorities having, asserting or claiming jurisdiction over the Corporation or any Subsidiary or over any part of the Corporation's or any Subsidiary's operations or assets except where such non-compliance, violation or default would not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Corporation, all of the Governmental Licenses are valid and in full force and effect. Neither the Corporation nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses.

(p) *Material Contracts.* All of the material Contracts of the Corporation and the Subsidiaries (collectively, the "**Material Contracts**") have been adequately disclosed in the Corporation's Information Record and if required under the Applicable Securities Laws have been filed at the Corporation's profile on SEDAR. Neither the Corporation nor any Subsidiary has received notification from any party

claiming that the Corporation is in material breach or default under any Material Contract.

(q) *Restrictions on Dividends or Business*. There is not, in the constating documents, by-laws or in any Contract or other instrument or document to which the Corporation is a party, any restriction upon or impediment to, the declaration or payment of dividends by the directors of the Corporation or the payment of dividends by the Corporation to the holders of its Common Shares. No Subsidiary is currently prohibited, directly or indirectly, under any Contract or other instrument to which it is a party or is subject, from paying any dividends to the Corporation, from making any other distribution on such Subsidiary's outstanding equity securities, from repaying to the Corporation any loans or advances to such Subsidiary from the Corporation or from transferring any of such Subsidiary's properties or assets to the Corporation or any other Subsidiary. Neither the Corporation nor any Subsidiary is a party to or bound or affected by any Contract containing any covenant which expressly limits the freedom of the Corporation or any Subsidiary to compete in any line of business, transfer or move any of its assets or operations or which materially or adversely affects the consolidated business practices, operations or condition of the Corporation, except as adequately disclosed in the Corporation's Information Record.

(r) *No Material Adverse Effect*. Since December 31, 2019, (i) there has been no change in the consolidated condition (financial or otherwise), or in the consolidated properties, capital, affairs, prospects, operations, assets or liabilities of the Corporation, whether or not arising in the ordinary course of business, which would reasonably be expected to give rise to a Material Adverse Effect and except as adequately disclosed in the Corporation's Information Record, and (ii) there have been no transactions entered into by the Corporation, other than those in the ordinary course of business, which are material with respect to the Corporation, except as adequately disclosed in the Corporation's Information Record.

(s) *Absence of Changes*. Since December 31, 2019, the Corporation has carried on business in the ordinary course and, except as adequately disclosed in the Corporation's Information Record, there has not been:

(i) any material change in the consolidated assets, liabilities or obligations (absolute, accrued, contingent or otherwise), business, business prospects, condition (financial or otherwise) or results of operations of the Corporation, other than those changes occurring in the ordinary course of business, none of which (either singly or taken together) has had or would reasonably be expected to have a Material Adverse Effect to the Corporation;

(ii) except as contemplated in this Agreement, any material change in the share capital or long-term debt of the Corporation;

(iii) any declaration, setting aside or payment of any dividend or other distribution with respect to any shares in the capital of the Corporation or any direct or indirect redemption, purchase or other acquisition of any shares; or

(iv) any change in accounting or tax practices followed by the Corporation.

(t) *Absence of Proceedings*. To the Corporation's knowledge, there is no action, suit, proceeding, inquiry or investigation before or brought by any court or other Governmental Authority, domestic or foreign, now pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation or any Subsidiary, which has not been adequately disclosed in the Corporation's Information Record, or which if determined adversely would reasonably be expected to have a Material Adverse Effect, or which, if determined adversely, would reasonably be expected to materially adversely affect the consummation of the transactions contemplated in this Agreement or the performance by the Corporation of its obligations hereunder or under any of the Ancillary Documents.

(u) *Outstanding Judgements*. There is no outstanding judgement, order, decree, arbitral award or decision of any court, tribunal or other Governmental Authority against the Corporation or any Subsidiary.

(v) *No Insolvency*. Neither the Corporation nor any Subsidiary has committed an act of bankruptcy or sought protection from its creditors from any court or pursuant to any Law, proposed a compromise or arrangement to its creditors generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound up, as the case may be, taken any proceeding to have a receiver appointed of any part of its assets, had any encumbrancer or receiver take possession of any of its property, had an execution or distress become enforceable or levied upon any portion of its property or had any petition for a receiving order in bankruptcy or application for a bankruptcy order filed against it, and at the Time of Closing neither the Corporation nor any Subsidiary will be an insolvent person (as that term is defined in the *Bankruptcy and Insolvency Ac*t (Canada)).

(w) *Unlawful Payment*. To the knowledge of the Corporation, neither the Corporation nor any Subsidiary, nor any employee or agent of the Corporation or any Subsidiary, has made any unlawful contribution or other payment to any person holding, or candidate for, any federal, state, provincial or other public office, Canadian or foreign, or failed to disclose fully any contribution, in violation of any Law, or made any payment, to any federal, state, provincial or other governmental officer or official, Canadian or foreign, or other person charged with similar public or quasi-public duties, other than payments required or permitted by applicable Laws. Without limiting the generality of the foregoing, to the knowledge of the Corporation, neither the Corporation or any Subsidiary nor any employee or agent of the Corporation or any Subsidiary has violated FCPA Legislation.

(x) *Brokerage Fees*. Other than the Agents (or as otherwise disclosed to the Agents), there is no person acting or, to the knowledge of the Corporation, purporting to act at the request of the Corporation, who is entitled to any brokerage or finder's fees in connection with the Offering.

(y) *Authorization of Documents, etc.* This Agreement has been, and at the Closing Time each of the Ancillary Documents, and the transactions contemplated herein and therein, will have been, duly authorized, executed and delivered by the Corporation and, in each case, will be a legal, valid and binding obligation of, and be enforceable against, the Corporation in accordance with its terms (subject to the Enforceability Qualifications). All corporate action required to be taken by the Corporation for the authorization, issuance, sale and delivery of the Unit Securities (including the Unit Securities to comprise the Broker Warrant Units), the Broker Warrants and the Warrant Shares, has been validly taken at the date hereof or will have been taken by the Closing Date.

(z) *No Default of Securities Laws*. The Corporation is not in default of any requirement of Applicable Securities Laws which would reasonably be expected to have a Material Adverse Effect on the Offering or the Corporation.

(aa) *Disclosure*. All information which has been prepared or compiled by the Corporation relating to the Corporation and its business, properties and liabilities, and either filed on SEDAR or provided to the Agents, including all financial, marketing, sales, technical mining and operational information, is as of the date of such information, true and correct in all material respects, and no material fact or facts have been omitted therefrom which would make such information misleading. In addition, the Corporation has filed all documents required to be filed by it under Applicable Securities Laws and the documents filed by the Corporation constituting the Corporation's Information Record did not contain a misrepresentation at the time of their filing on SEDAR.

(bb) *No Default*. Neither the Corporation nor any Subsidiary is in default of any material term, covenant or condition under or in respect of any judgment, order, agreement or instrument to which it is a party or to which it or any of the material property or assets (including any royalty or interest therein) thereof are or may be subject, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any Contract to which the Corporation or any Subsidiary is a party or by which any of them is otherwise bound entitling any other party thereto to accelerate the maturity of any amount owing thereunder or which could reasonably be expected to have a Material Adverse Effect.

(cc) *Voting Agreements*. The Corporation is not party to any agreement, nor is the Corporation aware of any agreement, which in any manner affects the voting control of any of the securities of the Corporation or a Subsidiary.

(dd) *Shareholder Agreements*. Neither the Corporation nor, to the knowledge of the Corporation, any shareholder of the Corporation is a party to any shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of the Corporation.

(ee) *Interest of Insiders; Conflicts*. Other than as adequately disclosed in the Corporation's Information Record, to the knowledge of the Corporation:

(i) none of the directors, officers or employees of the Corporation or the Subsidiaries, any known holder of more than 10% of any class of shares of the Corporation, or any known associate or affiliate of any of the foregoing persons (as such terms are defined in the *Securities Act* (Ontario)), has had any material interest, direct or indirect, in any material transaction within the previous two years or has any material interest in any proposed material transaction involving the Corporation or a Subsidiary which, as the case may be, materially affected, is material to or will materially affect the Corporation or any of the Subsidiaries. To the knowledge of the Corporation, no insider of the Corporation (within the meaning of Applicable Securities Laws) has a present intention to sell any securities of the Corporation;

(ii) no officer, director or employee of the Corporation or any Subsidiary, and no person which is an affiliate or associate of one or more of the foregoing, owns, directly or indirectly, any interest in (except for shares representing less than 10% of the outstanding shares of any class or series of any publicly traded company), or is an officer, director, employee or consultant of any person which is, or is engaged in, a business competitive with the Corporation or any Subsidiary, as applicable, which, in either case, materially adversely impacts, or can reasonably be expected to materially and adversely impact, on their ability to duly and properly perform their services;

(iii) to the knowledge of the Corporation, no officer, director, employee or security holder of the Corporation or any of the Subsidiaries has any cause of action or other claim whatsoever against, or owes any amount to, the Corporation or any Subsidiary, as applicable, in connection with its business except for claims in the ordinary and normal course of the business such as for accrued vacation pay or other amounts or matters which would not be material to the Corporation on a consolidated basis; and

(iv) neither the Corporation nor any Subsidiary owes any monies to, has any present loans to, or borrowed any monies from or is otherwise indebted to, any officer, director, employee, shareholder or any person not dealing at "arm's length" (as such term is defined in the Tax Act) with any of them except for usual employee reimbursements and compensation paid in the ordinary and normal course of its business. To the Corporation's knowledge, except as adequately disclosed in the Corporation's Information

Record and usual employee or consulting arrangements made in the ordinary and normal course of business, neither the Corporation nor any Subsidiary is a party to any Contract or understanding with any officer, director, employee, shareholder or any other person not dealing at arm's length with it.

The directors and executive officers of the Corporation and the Subsidiaries who are NEOs and their compensation arrangements (as applicable) with the Corporation and the Subsidiaries, as applicable, whether as directors, officers or employees are, in all material respects, as disclosed in the Corporation's Information Record.

(ff) *Interest in Revenues*. Except as adequately disclosed in the Corporation's Information Record, no officer, director, employee or any other person not dealing at arm's length with the Corporation (within the meaning of the Tax Act), or to the knowledge of the Corporation, any associate or affiliate of such person, owns, has or is entitled to any royalty, net profits interest, carried interest, licensing fee, or any other Liens or claims of any nature whatsoever which are based on the revenues, profits, results of mineral project exploitation or other economic measure of the Corporation.

(gg) *Employees*. All material employment agreements, severance agreements and change of control agreements in respect of any NEOs, and all Employee Plans have been, in all material respects, adequately disclosed in the Corporation's Information Record (to the extent such Employee Plans are so required to be disclosed by Applicable Securities Laws). The Corporation and the Subsidiaries are in material compliance with all Laws respecting employment and employment practices, terms and conditions of employment, occupational health and safety, pay equity and wages, and there is not currently any labour disruption or conflict involving the Corporation or any Subsidiary. Neither the Corporation nor any Subsidiary is a party to a collective bargaining agreement. To the best of the Corporation's knowledge, there are no union organizing efforts being made at the Corporation or the Subsidiaries.

(hh) *Employee Plans*. Each material plan, if any, for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by the Corporation or any Subsidiary for the benefit of any current or former director, officer, employee or consultant (collectively, the "**Employee Plans**") has been maintained in material compliance with its terms and with the requirements prescribed by any and all Laws that are applicable to such Employee Plan. The Corporation does not have, nor has had, any pension plan (as such term is defined in the relevant legislation of the applicable jurisdiction). All material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or provincial pension plan

premiums, accrued wages, salaries and commissions and Employee Plan payments have been reflected in the books and records of the Corporation.

(ii) *Indebtedness*. Neither the Corporation nor any Subsidiary has guaranteed or otherwise given security for or agreed to guarantee or give security for any liability, debt or obligation of any other person.

(jj) *Insurance*. The properties and assets of the Corporation and the Subsidiaries are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and the terms of any policies in respect thereof have not been breached and the insured has not failed to promptly give any notice or present any material claim thereunder.

(kk) *Taxes*. All tax returns, reports, elections, remittances and payments of the Corporation and the Subsidiaries required by applicable Law to have been filed or made in any applicable jurisdiction, have been filed or made (as the case may be), and are substantially true, complete and correct, and all taxes of the Corporation and of the Subsidiaries have been paid or accrued in the Financial Information (except in any case in which the failure to file, pay or accrue such taxes would not result in a Material Adverse Effect).

(ll) *Reporting Issuer*. The Corporation is, and will at the Time of Closing be, a "reporting issuer" (or its equivalent) in British Columbia, Alberta, and Ontario and is not in default of any requirement of Applicable Securities Laws, except such as would not have or would not reasonably be expected to have a Material Adverse Effect. The Corporation has made timely disclosure of all material changes relating to it and no such disclosure has been made on a confidential basis and there is no material change relating to the Corporation which has occurred with respect to which the requisite material change report has not been filed.

(mm) *Accounting Controls*. The Corporation and each of the Subsidiaries maintains, and will maintain, a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(nn) *Mining Claims*. The material mining licenses, claims, leases and other mineral property rights in respect of the Projects (collectively, the "**Mining Claims**") are validly held (directly or indirectly) by the Corporation (subject, with respect to the Material Mexican Projects, to the qualifications to be set out in the Closing Title Opinions). Such Mining Claims are free and clear of any material Liens and no material royalty is payable in respect of any of them, except as described in

Schedule "A" or adequately disclosed in the Corporation's Information Record. The Mining Claims in respect of the Material Mexican Projects are set forth in Schedule "A", which schedule is a complete and accurate list of all such rights held (directly or indirectly) by the Corporation. Except as adequately disclosed in the Corporation's Information Record, no other mineral or property rights are necessary for the conduct of the Corporation or any Subsidiary's business as presently conducted and as contemplated in the Corporation's Information Record; and there are no material restrictions on the ability of the Corporation or any Subsidiary to use, access, transfer or otherwise explore or exploit any such mineral or property rights except as required by applicable Law and as adequately disclosed in the Corporation's Information Record. Except as adequately disclosed in the Corporation's Information Record, and except in respect of permits to be obtained in the ordinary course that are reasonably expected to be received by the Corporation or a Subsidiary in a timely fashion, the Corporation and its Subsidiaries beneficially and legally own 100% of the Mining Claims necessary to carry on their current and proposed exploration and exploitation activities. In respect of all such Mining Claims:

(i) neither the Corporation nor any Subsidiary has received or has knowledge of there having been issued any notice of default of any of the terms or provisions of the Mining Claims;

(ii) the execution, delivery and performance of this Agreement and the Ancillary Documents by the Corporation, and the consummation of the transactions contemplated herein, will not cause a default or termination, or give rise to the right of termination, or rights of first refusal or other pre-emptive rights under any of the Mining Claims;

(iii) all exploration permits, leases, concessions, licenses and mining claim payments, rentals, taxes, rates, assessments, renewal fees and other governmental charges owing in respect of the Mining Claims have been paid in full up to the date of this Agreement except as would not have a Material Adverse Effect;

(iv) the Mining Claims are in good standing in all material respects with respect to the performance of all material obligations required under applicable Law (including the performance of all required exploration and exploitation work, the performance of all minimum assessment work and the timely filing of any reports, applications and further documents) and the condition of any related surface rights is in compliance with all Laws and all orders of all Governmental Authorities having jurisdiction, including in respect of any material Environmental Laws; and

(v) there is no actual or, to the knowledge of the Corporation, threatened adverse claim against, or challenge to, the ownership of, or title to, the Mining Claims.

(oo) *Aboriginal Claims*. To the knowledge of the Corporation, there are no claims with respect to Aboriginal rights currently, or pending or threatened, with respect to either of the Projects or in respect of any other properties in which the Corporation has a direct or indirect economic interest.

(pp) *No Cease Trade Orders*. No Securities Commission in any jurisdiction has issued any order which is currently outstanding preventing or suspending trading in any securities of the Corporation, no such proceeding is, to the knowledge of the Corporation, pending, contemplated or threatened, and the Corporation is not in default of any requirement of Canadian Applicable Securities Laws, except such as would not have or would not reasonably be expected to have a Material Adverse Effect.

(qq) *Stock Exchange Listing*. The Corporation is in compliance in all material respects with the current listing requirements and all other applicable rules and regulations of the Exchange and has not taken any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the Exchange.

(rr) *Transfer Agent and Registrar*. Computershare Investor Services Inc., at its principal offices in Vancouver, British Columbia, has been duly appointed as the transfer agent and registrar for the Common Shares.

(ss) *Money Laundering Laws*. To the knowledge of the Corporation, the operations of the Corporation and the Subsidiaries are and have been conducted at all times in material compliance with applicable financial recordkeeping and reporting requirements of the money laundering Laws of all relevant jurisdictions, the rules and regulations thereunder and any related Laws issued, administered or enforced by any Governmental Authority (collectively, the "**Money Laundering Laws**"), and no action, suit or proceeding by or before any court or other Governmental Authority or any arbitrator non-Governmental Authority involving the Corporation or any Subsidiary with respect to the Money Laundering Laws is, to the best knowledge of the Corporation, pending or threatened.

(tt) *No Pending Changes to Law, etc*. The Corporation is not aware of any pending change or contemplated change to any applicable Law that could reasonably be expected to materially affect the business of the Corporation or the business or legal environment under which the Corporation or any Subsidiary operates.

(uu) *Corporate Records*. The minute books and corporate records of the Corporation made or to be made available to the Agents' Counsel in connection with the Agents' due diligence investigations of the Corporation for the period from its date of incorporation to the date of examination thereof, are the original minute books and records of the Corporation or true copies thereof and contain copies of all proceedings (or certified copies thereof) of the shareholders, the boards of directors and all committees of the boards of directors of the Corporation and there have been no other proceedings of the shareholders, boards of directors or any committee of

the boards of directors of the Corporation that are required to be included in such minute books and records to the date of review of such corporate records and minute books not reflected in such minute books and corporate and other records other than those which have been disclosed to the Agents in writing and those which are or are not material in the context of the Corporation.

(vv) *Subscription Agreement Reps*. The representations and warranties of the Corporation in the Subscription Agreements are, and will at the Time of Closing be, true and correct.

ARTICLE 4- ADDITIONAL COVENANTS OF THE CORPORATION

4.1 The Corporation hereby further covenants to and with the Agents, on their own behalf and on behalf of the Subscribers, as follows:

(a) the Corporation will enter into duly and fully completed Subscription Agreements, accompanied by properly completed and executed applicable schedules thereto and the subscription amount, with the Subscribers and, unless the Corporation reasonably believes that it would be unlawful to do so or in breach of any Applicable Securities Laws or the number of Offered Units subscribed for pursuant to the Subscription Agreement exceeds the maximum number of Offered Units to be sold under this Agreement and the Offering, will fully accept the subscriptions in each duly executed Subscription Agreement submitted to the Corporation accompanied by properly completed and executed applicable schedules thereto and the required subscription funds;

(b) the Corporation will fulfil all legal requirements to permit the creation, issuance, offering and sale of the Unit Securities (including those to comprise the Broker Warrant Units), the Broker Warrants and the Warrant Shares, all as contemplated in this Agreement, and file or cause to be filed all documents, applications, forms or undertakings required to be filed by the Corporation and take or cause to be taken all action required to be taken by the Corporation in connection with the Offering;

(c) the Corporation will comply with each of the covenants of the Corporation set out in the Subscription Agreements;

(d) the Corporation will make all necessary filings, use its commercially reasonable efforts to obtain all necessary regulatory consents and approvals, including approvals required by the Applicable Securities Laws and the Exchange, and the Corporation will pay all filing fees required to be paid in connection with the transactions contemplated in this Agreement and the Ancillary Documents;

(e) the Corporation will not, directly or indirectly, without the prior written consent of MRCC, on behalf of the Agents (such consent not to be unreasonably withheld or delayed), offer to sell, grant any option to purchase or otherwise dispose of (or announce any intention to do so) any Common Shares, or any securities of the Corporation convertible into or exercisable or exchangeable for Common Shares, for a period commencing on the date hereof and ending on the earlier of termination

of this Agreement in accordance with its terms and 120 days after the Closing Date, other than pursuant to: (i) the grant or exercise of options issued or that may be issued in the future pursuant to the Corporation's existing employee stock option plan, or in connection with the issuance of securities of the Corporation pursuant to employee or executive incentive compensation arrangements or other existing commitments of the Corporation to issue Common Shares as of the date hereof; (ii) the exercise of Outstanding Convertible Securities listed on Schedule "B"; or (iii) any contractual obligations outstanding on the date hereof;

(f) prior to the Closing Time, the Corporation will allow the Agents (and the Agents' counsel and consultants) to conduct all due diligence which the Agents may reasonably require or which may be considered necessary or appropriate by the Agents. The Corporation will provide to the Agents (and the Agents' counsel) reasonable access to the Corporation's senior management personnel and corporate, financial and other records, for the purposes of conducting such due diligence. Without limiting the scope of the due diligence inquiry that the Agents (or the Agents' counsel) may conduct, the Corporation shall also make available its directors, senior management (including its qualified person(s) for the purposes of NI 43-101), the Chairman of the Audit Committee of its board of directors, the auditors, the authors of its technical reports and the Corporation's counsel to answer any questions which the Agents may have and to participate in one or more due diligence sessions to be held prior to Closing and to use its commercial best efforts to arrange for the auditors of the Corporation to participate in any such due diligence session;

(g) the Corporation will ensure that the Unit Securities, Broker Warrants and Warrant Shares, have the attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Ancillary Documents;

(h) during the period commencing on the date hereof and ending on the Closing Date, the Corporation will promptly inform the Agents of the full particulars of any request of any Securities Commission or the Exchange for any information, or the receipt by the Corporation of any communication from any Securities Commission, the Exchange or any other competent Governmental Authority relating to the Corporation or which may be relevant to the distribution of the Offered Units. Without limiting the foregoing, the Corporation will advise the Agents, promptly after receiving notice or obtaining knowledge thereof, of:

(i) the institution, threatening or contemplation of any proceeding for any such purpose; or

(ii) any order, ruling, or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation (including the Unit Securities) having been issued by any Securities Commission or the institution, threatening or contemplation of any proceeding for any such purposes;

(i) during the period commencing on the date hereof and ending on the Closing Date, the Corporation will promptly inform the Agents of the full particulars of:

(i) any material change (whether actual, anticipated, threatened, contemplated, or proposed by, to, or against), whether financial or otherwise, in the consolidated assets, liabilities (contingent or otherwise), business, affairs, operations, assets, financial condition or capital of the Corporation; or

(ii) any change in any material fact or any misstatement of any material fact contained in the Corporation's Information Record,

which change or new material fact is, or could reasonably be expected to be, of such a nature as:

(i) to render this Agreement or any of the Ancillary Documents, as they exist taken together in their entirety immediately prior to such change or new material fact, misleading or untrue in any material respect or would result in any of such documents, as they exist taken together in their entirety immediately prior to such change or material fact, containing a misrepresentation;

(ii) would result in this Agreement or any of the Ancillary Documents, as they exist taken together in their entirety immediately prior to such change or material fact, not complying with any Applicable Securities Laws; or

(iii) would reasonably be expected to have a material and adverse effect on the market price or value of the Common Shares or constitute a Material Adverse Effect.

In such regard to "material changes", the Corporation will comply with Part 7 of NI 51-102, and the Corporation will prepare and will file promptly any document which may be necessary, and will otherwise comply with all applicable filing and other requirements under Applicable Securities Laws arising as a result of such fact or change; and

(j) the Corporation will use the proceeds from the Offering for exploration and development activities and working capital requirements and other general corporate purposes.

ARTICLE 5- CONDITIONS TO PURCHASE OBLIGATION

5.1 The following are conditions of the Agents' and the Subscribers' obligations to close the Offering, which conditions the Corporation covenants to exercise its commercially reasonable efforts to have fulfilled at or prior to the Time of Closing, which conditions may be waived in writing in whole or in part by the Agents on their own behalf and on behalf of the Subscribers:

(a) the Corporation's board of directors will have authorized and approved (i) this Agreement and the Ancillary Documents, (ii) the issuance of the Unit Securities (including the Unit Securities to comprise the Broker Warrant Units), the Broker Warrants and the Warrant Shares, and (iii) all matters relating to the foregoing;

(b) the Corporation will have made and/or obtained the necessary filings, approvals, consents and acceptances of the appropriate regulatory authorities in the Offering Jurisdictions and the Exchange Approval, on terms which are acceptable to the Corporation and the Agents, each acting reasonably, it being understood that the Agents will do all that is reasonably required to assist the Corporation to fulfil this condition;

(c) the Unit Shares and Warrant Shares will have been conditionally accepted for listing (subject only to the usual conditions of the Exchange);

(d) the representations and warranties of the Corporation contained in this Agreement and the Ancillary Documents are true and correct in all material respects (or, if qualified by materiality, in all respects) as at the Time of Closing, with the same force and effect as if made on and as at the Time of Closing, except for such representations and warranties which are in respect of a specific date in which case such representations and warranties will be true and correct, in all material respects (or, if qualified by materiality, in all respects), as of such date, after giving effect to the transactions contemplated by this Agreement, and the Corporation will have complied with all the covenants and satisfied all the terms and conditions of this Agreement to be complied with and satisfied by the Corporation at or prior to the Time of Closing;

(e) the Corporation will have caused a favourable legal opinion to be delivered by its counsel addressed to the Agents and the Subscribers with respect to such matters as the Agents may reasonably request relating to this transaction, acceptable in all reasonable respects to the Agents' Counsel, including substantially to the effect that:

(i) the Corporation is a corporation continued under the laws of the Province of British Columbia and is a valid and existing company under the *Business Corporations Act* (British Columbia) and has all requisite corporate power, authority and capacity to carry on its business as now conducted and to own, lease and operate its properties and assets and to perform its obligations hereunder (and an analogous opinion with respect to the Canadian Material Subsidiary);

(ii) the Corporation has the corporate capacity and power to execute and deliver this Agreement and the Ancillary Documents and to perform its obligations hereunder and thereunder;

(iii) this Agreement and the Ancillary Documents have been duly authorized, executed and delivered by the Corporation and are legally binding upon the

Corporation and enforceable in accordance with their respective terms (subject to the Enforceability Qualifications and such other qualifications as are customary in such circumstances);

(iv) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement and the Ancillary Documents, and the performance of its obligations hereunder and thereunder and this Agreement and the Ancillary Documents have been duly executed and delivered by the Corporation;

(v) as to the authorized and issued capital of the Corporation (which opinion shall be based solely on a certificate of the transfer agent of the Corporation) and as to the authorized and issued capital of the Canadian Material Subsidiary and the ownership thereof;

(vi) the Unit Securities and Broker Warrants been validly issued (in respect of the Unit Shares, as fully paid and non-assessable);

(vii) the Exchange having accepted notice of the issuance of the Offered Units and Broker Warrants and having conditionally approved the listing of the Unit Shares and Warrant Shares, subject to the usual post-closing filings (which opinion shall be based solely on the Exchange Approval letter);

(viii) the execution and delivery of this Agreement and the Ancillary Documents, the fulfilment of the terms hereof and thereof, the issue, sale and delivery on the Closing Date of the Unit Securities and the Broker Warrants, do not constitute a default under, any applicable Laws or any term or provision of the Corporation's constating documents;

(ix) the offering, sale, issuance and delivery by the Corporation of the Unit Securities to the Subscribers and the Broker Warrants to the Agents are exempt from the prospectus requirements of the Applicable Securities Laws of the Canadian Offering Jurisdictions and no documents are required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations obtained under the Applicable Securities Laws of the relevant Canadian Offering Jurisdictions to permit such offering, sale, issuance and delivery, noting, however, the filing of customary private placement reports, fees or undertakings required to be filed under such Laws will be necessary;

(x) the issuance and delivery by the Corporation of Broker Warrant Units and Warrant Shares upon due exercise of the applicable convertible securities will be exempt from the prospectus requirements of the Applicable Securities Laws of the Canadian Offering Jurisdictions; and

(xi) as to the first trade rights and restrictions relating to the Unit Securities and the Warrant Shares under Canadian Applicable Securities Laws.

In giving such opinions, the Corporation's Counsel will be entitled to arrange for and rely, to the extent appropriate in the circumstances, upon local counsel, it being understood that certain of the opinions which are not matters of British Columbia law may be opined upon directly by local counsel, and that the Corporation's Counsel will not be required to also give such opinions, and will be entitled as to matters of fact not within their knowledge to rely upon a certificate of fact from public officials and/or responsible persons in a position to have knowledge of such facts and their accuracy, and such opinion will be subject to customary qualifications, assumptions, exceptions and reliances. The Corporation agrees, and the aforesaid legal opinion will expressly provide, that the Agents may deliver copies of the opinion to each of the addressees thereof;

(f) the Agents will have received favourable legal opinions, dated the Closing Date and addressed to the Agents, from counsel to the Corporation, as to (i) the incorporation and existence of the non-Canadian Material Subsidiaries, (ii) such Material Subsidiaries having the requisite corporate power and capacity to own and lease their properties and assets and to conduct their businesses as presently carried on, and (iii) the registered ownership of the issued and outstanding shares of such Material Subsidiaries, and as to such other legal matters which the Agents' Counsel may reasonably request;

(g) the Agents will have received legal opinions, dated the Closing Date and addressed to the Agents, in form and substance acceptable to the Agent and the Agents' Counsel, acting reasonably, as to (i) the title and ownership interests of the Corporation and the Material Subsidiaries in the Material Mexican Projects and the registered Liens thereon;

(h) if any Offered Units are sold in the United States or to, or for the account or benefit of, U.S. Persons, the Agents will have received favourable legal opinions, dated the Closing Date and addressed to the Agents, in form and substance satisfactory to the Agents, acting reasonably, to the effect that registration of (i) the Unit Securities upon offer and sale pursuant to this Agreement and (ii) the issuance of Warrant Shares upon exercise of the Warrants will not be required under the U.S. Securities Act; provided that it being understood that no opinion is expressed as to any subsequent resale of any Unit Securities or Warrant Shares;

(i) the Agents will have received a certificate dated the Closing Date signed by the Chief Executive Officer and the Chief Financial Officer of the Corporation or another officer acceptable to the Agents, in form and substance acceptable to Agents with respect to:

(i) the constating documents of the Corporation;

(ii) the resolutions of the directors of the Corporation relevant to the Offering, the Unit Securities, Broker Warrants, and the authorization of this Agreement and the Ancillary Documents; and

(iii) the incumbency and signatures of signing officers of the Corporation;

(j) the Agents will have received certificates of status and/or compliance (or the equivalent), where issuable under applicable Law (and if available using commercially reasonable efforts), for the Corporation and each of the Material Subsidiaries, each dated within two days of the Closing Date, or such other reasonable period as may be dictated by local requirements;

(k) the Corporation will have delivered to the Agents a certificate dated the Closing Date and signed by the Chief Executive Officer and Chief Financial Officer of the Corporation, certifying for and on behalf of the Corporation, and not in their personal capacities, with respect to the following matters:

(i) the representations and warranties of the Corporation contained in this Agreement are true and correct in all material respects (or, if qualified by materiality, in all respects) as at the Time of Closing, with the same force and effect as if made on and as at the Time of Closing, except for such representations and warranties which are in respect of a specific date in which case such representations and warranties were true and correct, in all material respects (or, if qualified by materiality, in all respects), as of such date, after giving effect to the transactions contemplated by this Agreement;

(ii) the Corporation having complied with all the covenants and satisfied all the terms and conditions of this Agreement to be complied with and satisfied by the Corporation at or prior to the Time of Closing;

(iii) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Corporation or prohibiting the sale of the Unit Securities or any of the Corporation's issued securities having been issued or, to the knowledge of such officers, threatened; and

(iv) there having not occurred a Material Adverse Effect, or any change or development that would reasonably be expected to result in a Material Adverse Effect, or the coming into existence or discovery of a new material fact, other than as disclosed in the Corporation's Information Record;

(l) the Corporation will have caused each of the directors and senior officers of the Corporation to enter into lock-up agreements in a form satisfactory to the Agents, acting reasonably, which will be negotiated in good faith and contain customary provisions, pursuant to which each such person agrees, for a period of 120 days after the Closing Date, not to directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, transfer, or otherwise dispose of or monetize the economic value of (or announce any intention to do any of the foregoing) any securities of the Corporation, whether now owned directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership, subject to the following exceptions: (i) if the Corporation receives an offer, which has not been withdrawn, to enter into a transaction or

arrangement, or proposed transaction or arrangement, pursuant to which, if entered into or completed substantially in accordance with its terms, a party could, directly or indirectly acquire an interest (including an economic interest) in, or become the holder of, 100% of the total number of Common Shares in the Corporation, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buyback, securities issue, reverse takeover, dual-listed company structure or other synthetic merger, transaction or arrangement; (ii) in respect of sales to affiliates or family members of such shareholder or any company, trust or other entity owned by or maintained for the benefit of the shareholder or family member of the shareholder (provided that the transferee provides an analogous lock-up agreement to the Agents); (iii) as a result of the death of such shareholder; (iv) disposal on the exercise of fully vested stock options duly granted under the Corporation's stock option plan; or (v) with the written consent of the MRCC (on behalf of the Agents), such consent not to be unreasonably withheld or delayed;

(m) at the Time of Closing, the Corporation will not be the subject of a cease trading order made by any Securities Commission which has not been rescinded;

(n) prior to the Time of Closing, the Agents, Agents' Counsel and the Agents' technical consultants will have been provided with timely access to all information reasonably required to permit them to conduct a due diligence investigation of the Corporation and its consolidated business operations, properties, assets, affairs, prospects and financial condition, including access to management of the Corporation (including its qualified person(s) for purposes of NI 43-101), the Corporation's auditors, the authors of its technical reports and the legal counsel of the Corporation in connection with one or more due diligence sessions to be held prior to the Time of Closing; and

(o) the Agents not having exercised any rights of termination set out in Article 8.

ARTICLE 6- CLOSING

6.1 The Closing will be held at the offices of the Corporation's Counsel in the Vancouver, British Columbia at the Time of Closing or such other place, date or time as may be mutually agreed to; provided that if the Corporation has not been able to comply with any of the covenants or conditions set out herein required to be complied with by the Time of Closing or such other date and time as may be mutually agreed to, the respective obligations of the parties will terminate without further liability or obligation except for payment of expenses in accordance with Article 11, indemnity in accordance with Article 9, and contribution in accordance with Article 10.

6.2 At the Time of Closing, the Corporation will deliver to the Agents:

(a) certificates representing the Offered Units to be settled through the Agents (or, if so requested by the Agents, electronic deposit of such Offered Units in the manner

so requested) and the Broker Warrants, duly registered as the Agents may direct; and

(b) the requisite legal opinions and certificates as contemplated in Section 5.1.

against payment of the purchase price for the Offered Units to be settled through the Agents by wire transfer or by certified cheque or bank draft and delivery of the Subscription Agreements (including applicable schedules thereto, properly completed and executed) and other documentation required to be provided by or on behalf of the Subscribers or the Agents pursuant to this Agreement or as may be required by Applicable Securities Laws or the rules of the Exchange.

6.3 The Corporation will, at the Time of Closing, and upon such payment of the purchase price for the Offered Units to be settled through the Agents, pay the Agency Fee, and issue the Broker Warrants, to the Agents. At the Time of Closing the Corporation will reimburse the Agents for all of their reasonable estimated expenses incurred up to the Closing Date, including the reasonable fees and disbursements of the Agents' Counsel, and expenses incurred by the Agents related to marketing road shows (including travel expenses, hotel accommodations and meals), printing costs and such other expenses incurred by the Agents as are necessary and reasonable in connection with the Offering, subject to any adjustment when such actual expenses are finally determined, in accordance with Article 11 hereof.

6.4 It is understood that the Agents may waive in whole or in part, or extend the time for compliance with, any of the terms and conditions of this Agreement on behalf of the Agents and the Subscribers without prejudice to their rights in respect of any such terms and conditions or any other subsequent breach or non-compliance; provided that to be binding on the Agents and the Subscribers, any such waiver or extension must be in writing.

6.5 The Corporation acknowledges that it (and neither of the Agents) is responsible for delivery to the relevant Subscribers of the certificates evidencing the Unit Securities being purchased and settled directly with the Corporation.

ARTICLE 7– COMPENSATION OF THE AGENTS

7.1 In consideration for the Agents' services, including acting as the Corporation's agents in arranging for the sale of the Offered Units and performing administrative work in connection with the sales of the Offered Units, the Corporation will pay to the Agents at the Time of Closing an aggregate cash commission (the "**Agency Fee**") equal to 6.0% of the aggregate gross proceeds of the Offered Units sold pursuant to the Offering; provided that the Agency Fee percentage for "president's list" purchases (to a maximum of $1 million of such purchases) shall be 3.0%.

7.2 As additional compensation for the services described in Section 7.1, the Corporation will grant to the Agents such number of non-transferable warrants (the "**Broker Warrants**") as is equal to 6.0% of the aggregate number of Offered Units sold. Each Broker Warrant will entitle the holder to acquire one Unit at an exercise price of $0.40 per Unit at any time until 5:00 pm (Eastern Standard time) on the second anniversary of the Closing Date.

ARTICLE 8– TERMINATION RIGHTS

8.1 It is understood that the Agents may waive, in whole or in part, or extend the time for compliance with, any of the terms and conditions of this Agreement without prejudice to its rights in respect of any other of such terms and conditions or any other subsequent breach or non-compliance; provided, however, that to be binding on the Agents any such waiver or extension must be in writing and signed by the Agents. No act of the Agents in offering the Offered Units will constitute a waiver or estoppel against the Agents.

8.2 Without limiting any of the foregoing provisions of this Agreement, and in addition to any other remedies which may be available to them, the Agents (on their own behalf and on behalf of the Subscribers) will be entitled, at their option, to terminate and cancel, without any liability, their obligations under this Agreement and those of the Subscribers, by giving written notice to the Corporation at any time through to the Time of Closing if:

(a) the Agents are not satisfied with the results of their due diligence investigations carried out prior to the Time of Closing;

(b) any order or ruling is issued, any inquiry, investigation or other proceeding (whether formal or informal) in relation to the Corporation or any of its directors or officers is made, threatened or announced by any officer or official of any stock exchange, Securities Commission or other Governmental Authority (other than an order based solely upon the activities or alleged activities of the Agents) or any Law is promulgated or changed which operates to prevent or restrict trading in or distribution of the Unit Securities or any other securities of the Corporation;

(c) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including, without limitation, any natural catastrophe, any outbreak or escalation of war, hostilities or terrorism, any declared pandemic of a serious contagious disease, or national emergency or similar event) or any new Law or regulation is enacted (including a change in any existing Law or regulation), inquiry or other occurrence of any nature whatsoever (including the COVID-19 outbreak, to the extent that there is any material adverse development related thereto, or similar event or the escalation thereof) or any other event, action or occurrence of any nature whatsoever which, in the reasonable opinion of the Agents, materially and adversely affects or may materially and adversely affect the financial markets in Canada generally or the consolidated business, affairs or capital of the Corporation;

(d) there should occur any material change or change in a material fact in respect of the Corporation (on a consolidated basis), or the Agents become aware of any undisclosed material fact relating to the Corporation of the nature contemplated in Section 4.1(i) (and for greater certainty, whether it arose before or after the date of this Agreement) which, in the reasonable opinion of the Agents, impacts materially and adversely on the market price or value of the Offered Units;

(e) the Corporation is in material breach of any term, condition or covenant of this Agreement or any representation or warranty given by the Corporation in this Agreement becomes, is discovered to be or is materially false, and such material breach or such materially false representation (i) is in the reasonable opinion of the Agents not capable of being cured prior to the Time of Closing, (ii) would, at the Time of Closing, result in the failure of any condition precedent set out in Article 5 hereof, or (iii) has not been rectified to the satisfaction of the Agents (acting reasonably) within 48 hours of when the Agents provide written notice to the Corporation of the same; or

(f) if the Agents otherwise determine that the Offered Units cannot be profitably marketed,

the occurrence or non-occurrence of any of the foregoing events or circumstances to be determined in the sole discretion of the Agents, acting reasonably and in good faith.

8.3 The Agents will give prompt notice to the Corporation (in writing or by other means) of the occurrence of any of the events referred to in Section 8.2, provided that neither the giving nor the failure to give such notice will in any way affect the Agents' entitlement to exercise this right at any time through to the Time of Closing.

8.4 The Agents' rights of termination contained in this section are in addition to any other rights or remedies they may have in respect of any default, act or failure to act or non-compliance by the Corporation in respect of any of the matters contemplated by this Agreement.

8.5 If the obligations of the Agents and the Subscribers are terminated under this Agreement pursuant to the termination rights provided for in Section 8.2, the Corporation's liabilities to the Agents will be limited to the Corporation's obligations under the indemnity, contribution and expense provisions of Articles 9, 10 and 11, respectively, of this Agreement.

ARTICLE 9- INDEMNITY

9.1 The Corporation covenants and agrees to protect, indemnify, and save harmless the Agents and each of their respective directors, officers, employees, agents and affiliates and each person, if any, who controls any Agent (individually, an "**Indemnified Party**" and collectively, the "**Indemnified Parties**"), against all losses (other than loss of profits), claims, damages, suits, liabilities, costs, or expenses (collectively, a "**Claim**") caused or incurred, whether directly or indirectly, by reason of:

(a) the Agents having acted as agents of the Corporation in respect of the Offering;

(b) any statement (other than a statement relating solely to, and provided by, the Agents) contained in this Agreement, the Ancillary Documents or the Corporation's Information Record which, at the time and in the light of the circumstances under which it was made, contains or is alleged to contain a misrepresentation;

(c) the omission or alleged omission to state in any certificate of the Corporation delivered hereunder or pursuant hereto, or in this Agreement, the Ancillary Documents or the Corporation's Information Record any material fact (other than a material fact omitted in reliance upon information furnished to the Corporation by or on behalf of the Agents) required to be stated therein or necessary to make any statement therein not misleading in light of the circumstances under which it was made;

(d) any order made or inquiry, investigation or proceeding commenced or threatened by any Securities Commission or other competent authority based upon any misrepresentation or alleged misrepresentation in the Corporation's Information Record (other than a statement included in reliance upon information furnished to the Corporation by or on behalf of the Agents) which prevents or restricts the trading in the Unit Securities or Warrant Shares or the distribution of the Unit Securities or Warrant Shares, in any of the Canadian Offering Jurisdictions;

(e) the material non-compliance by the Corporation with any requirement of any Applicable Securities Laws or regulatory requirements (including any private placement filing or other requirement under any of the Applicable Securities Laws) in connection with the Offering; or

(f) any material breach of any representation or warranty of the Corporation contained herein or the failure of the Corporation to comply with any of its obligations hereunder.

9.2 The Corporation agrees that in case any legal proceeding is brought against the Corporation and the Agents by any Governmental Authority, or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Corporation and the Agents, and any personnel of the Agents are required to testify in connection therewith or to respond to procedures designed to discover information regarding, in connection with, or by reason of, the performance of professional services rendered to the Corporation by the Agents, the Agents will have the right to employ their own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agents for time spent by their personnel (at the normal per diem rates of such personnel) in connection therewith) and out-of-pocket expenses reasonably incurred by their personnel in connection therewith will be paid by the Corporation as they occur.

9.3 Promptly after receipt of notice of the commencement of any legal proceeding against any of the Indemnified Parties or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Corporation under this Agreement, the Agents will notify the Corporation in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Corporation, will keep the Corporation advised of the progress thereof and will discuss with the Corporation all significant actions proposed. The omission to so notify the Corporation will not relieve the Corporation of any liability which the Corporation may have to the Indemnified Parties

except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defence of such action, suit, proceeding, claim or investigation or results in any material increase in the liability which the Corporation would not otherwise have incurred under this indemnity had the Agents not so delayed in giving or failed to give the notice required hereunder.

9.4 The Corporation will be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defence thereof, provided such defence is conducted by experienced and competent counsel. Upon the Corporation notifying the Agents in writing of its election to assume the defence and retaining counsel, the Corporation will not be liable to the Agents for any legal expenses subsequently incurred by them in connection with such defence. If such defence is assumed by the Corporation, the Corporation throughout the course thereof will provide copies of all relevant documentation to the Agents, will keep the Agents advised of the progress thereof and will discuss with the Agents all significant actions proposed.

9.5 Notwithstanding the foregoing paragraph, the Agents will have the right, at the Corporation's expense, to employ one counsel of the Agents' choice, in respect of the defence of any action, suit, proceeding, claim or investigation if: (i) the employment of such counsel has been authorized in writing by the Corporation; or (ii) the Corporation has not assumed the defence and employed counsel therefor within 30 days after receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Corporation or the Agents has advised in writing that representation of both parties by the same counsel would be inappropriate for any reason, including because there may be legal defences available to the Corporation which are different from or in addition to those available to the Indemnified Parties (in which event and to that extent, the Corporation will not have the right to assume or direct the defence on the Agents' behalf) or that there is a conflict of interest between the Corporation and the Agents or the subject matter of the action, suit, proceeding, claim or investigation may not fall within the indemnity set forth herein (in either of which events the Agents will not have the right to assume or direct the defence on the Corporation's behalf).

9.6 No admission of liability and no settlement of any action, suit, proceeding, claim or investigation will be made without the consent of the Agents or other parties affected (such consent not to be unreasonably withheld or delayed). No admission of liability will be made and the Corporation will not be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent (such consent not to be unreasonably withheld or delayed).

9.7 The indemnity and contribution obligations of the Corporation will be in addition to any liability which the Corporation may otherwise have, will extend upon the same terms and conditions to all Indemnified Parties and will be binding upon and enure to the benefit of any of the respective successors, assigns, heirs and personal representatives of the Corporation and the Indemnified Parties. The foregoing provisions will survive the completion of professional services rendered under this agreement and the termination of this Agreement.

9.8 To the extent that any Indemnified Party is not a party to this Agreement, the Agents will obtain and hold the right and benefit of this section in trust for and on behalf of such Indemnified Party.

9.9 The foregoing indemnity will cease to apply in respect of a claim if and to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable will determine that such Claim to which the Indemnified Party may be subject was caused by the negligence, bad faith, fraud, fraudulent misrepresentation or wilful misconduct of the Indemnified Party or the Indemnified Party being in breach of this Agreement or the Ancillary Documents.

ARTICLE 10- CONTRIBUTION

10.1 In the event that the indemnity provided for in Article 9 is declared by a court of competent jurisdiction to be illegal or unenforceable as being contrary to public policy or for any other reason, the Agents and the Corporation will contribute to the aggregate of all losses, claims, costs, damages, expenses or liabilities of the nature provided for above such that the Agents will be responsible for that portion represented by the percentage equal to the Agency Fee actually received by the Agents, and the Corporation will be responsible for the balance; provided that, in no event, will an Agent be responsible for any amount in excess of the portion of the Agency Fee actually received by such Agent. In the event that the Corporation may be held to be entitled to contribution from the Agents under the provisions of any statute or law, the Corporation will be limited to contribution from the Agents in an amount not exceeding the lesser of: (a) the portion of the full amount of losses, claims, costs, damages, expenses or liabilities giving rise to such contribution for which the Agents are responsible; and (b) the amount of the Agency Fee actually received by the subject Agent. Notwithstanding the foregoing, a person guilty of negligence, bad faith, fraud, fraudulent misrepresentation or wilful misconduct will not be entitled to contribution from any other party. Any party entitled to contribution will, promptly after receiving notice of commencement of any Claim, action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this section, notify such party or parties from whom contribution may be sought, but the omission to so notify such party will not relieve the party from whom contribution may be sought from any obligation it may have otherwise under this section, except to the extent that the party from whom contribution may be sought is prejudiced by such omission. The right to contribution provided herein will be in addition and not in derogation of any other right to contribution which the Agents may have by statute or otherwise by law.

ARTICLE 11- EXPENSES

11.1 Whether or not the Offering is completed, the Corporation will be responsible for all reasonable expenses incurred from time to time in connection with the Offering including the Agents' reasonable out-of-pocket expenses, all reasonable fees and disbursements of legal counsel to the Agents and other expenses incidental to the sale, issue or distribution of the Offered Units and all matters in connection with the transactions herein. The Corporation will also be responsible for any exigible HST on the foregoing amounts. The Corporation covenants and agrees to fully reimburse the Agents from time to time for all

such reasonable expenses as soon as practical following the receipt by the Corporation of one or more invoices.

ARTICLE 12- SURVIVAL OF WARRANTIES AND REPRESENTATIONS

12.1 All warranties and representations of the Agents herein contained will survive the purchase by the Subscribers of the Offered Units and will continue in full force and effect for the benefit of the Corporation until the Survival Limitation Date. All warranties and representations of the Corporation herein contained or contained in documents submitted or required to be submitted pursuant to this Agreement will survive the purchase by the Subscribers of the Offered Units and will continue in full force and effect (with respect to representations and warranties, as to their truth and accuracy as at the Time of Closing) for the benefit of the Agents and the Subscribers until the Survival Limitation Date.

ARTICLE 13- ADVERTISEMENTS AND PRESS RELEASES

13.1 The Corporation and the Agents each agree the Corporation will provide to the Agents, in advance any press release concerning the Offering and the Corporation will give effect to any changes reasonably and timely requested by the Agents. The Corporation will also ensure that any press release concerning the Offering complies with Applicable Securities Law. At the request of the Agents, and to the extent permitted by Law, the Corporation will ensure the Agents are disclosed as the agents (and MRCC is disclosed as the lead agent) for the Offering in any press release relating to the Offering.

13.2 At the completion of the Offering, and to the extent permitted by Law, the Agents may, at their sole expense and upon consultation with the Corporation, place advertisements or announcements in any newspapers, periodicals or other publications, or otherwise disclose to third parties, that they acted as agents in connection with the Offering (and as to each Agent's role).

13.3 No press release will be issued in the United States by the Corporation concerning the Offering during the Offering, and any press release issued by the Corporation concerning the Offering will include the following legends and will comply with Rule 135e under the U.S. Securities Act:

> "Not for distribution to United States news wire services or dissemination in the United States;" and
>
> "The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful."

ARTICLE 14– CONFLICT OF INTEREST

14.1 The Corporation: (i) acknowledges and agrees that the Agents have certain statutory obligations as registrants under the Applicable Securities Laws and have fiduciary relationships with their clients; and (ii) consents to the Agents acting hereunder while continuing to act for their respective clients. To the extent that any Agent's statutory obligations as registrant under the Applicable Securities Laws or fiduciary relationships with its clients conflict with their obligations hereunder, such Agent will be entitled to fulfil its statutory obligations as registrant under the Applicable Securities Laws and its fiduciary duties to its clients. Nothing in this Agreement will be interpreted to prevent the Agents from fulfilling their statutory obligations as registrant under the Applicable Securities Laws or to satisfy their fiduciary duties to their clients.

ARTICLE 15- AUTHORITY OF MRCC

15.1 All actions which must be taken or may be taken by the Agents in connection with this Agreement may be taken by MRCC on behalf of the other Agent and this is an irrevocable authority for the Corporation accepting notification of any such actions provided that, as between the Agents, MRCC agrees to consult with the other Agent with respect to such actions.

ARTICLE 16– GENERAL CONTRACT PROVISIONS

16.1 Except as expressly provided for in this Agreement, the covenants and agreements of the Corporation contained herein and in the Subscription Agreements which by their nature are required to be completed after the Time of Closing will survive the purchase by the Subscribers of the Offered Units and will continue in full force and effect, regardless of the closing of the sale of the Offered Units and regardless of any investigation which may be carried on by the Agents, or on their behalf. Without limitation of the foregoing, the provisions contained in this Agreement in any way related to the indemnification or the contribution obligations will survive and continue in full force and effect, indefinitely, subject only to the limitation requirements of applicable law.

16.2 Any notice or other communication to be given hereunder will be in writing and will be given by delivery or by electronic transmission, as follows:

(a) to the Corporation at:

Kootenay Silver Inc.
1075 West Georgia Street, Suite 1650
Vancouver, BC
V6E 3C9

Attention: James McDonald, President and Chief Executive Officer
Email.: **[Redacted]**

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

Maxis Law Corporation
Suite 910 – 800 West Pender Street
Vancouver, BC
V6C 2V6

Attention: Michael Varabioff
Email: mvarabioff@maxislaw.com

(b) to the Agents:

Mackie Research Capital Corporation
199 Bay Street, Suite 4500
Commerce Court West
Toronto, ON
M5C 1G2

Attention: David Greifenberger
Email: dgreifenberger@mackieresearch.com

PI Financial Corp.
1900 – 666 Burrard Street
Vancouver, BC
V6C 3N1

Attention: Dan Barnholden
Email: dbarnholden@pifinancial.com

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

McCarthy Tétrault LLP
66 Wellington Street West, Suite 5300
TD Bank Tower
Toronto, ON
M5K 1E6

Attention: Gary Litwack
Email: glitwack@mccarthy.ca

and if so given, any such notice, direction or other instrument, if delivered personally, will be deemed to have been given and received on the day on which it was delivered, provided that if such day is not a Business Day then the notice, direction or other instrument will be deemed to have been given and received on the first Business Day following such day, and if transmitted by email, will be deemed to have been given and received on the day of its transmission, provided that if such day is not a Business Day or if it is transmitted after the end of normal business hours then the notice, direction or other instrument will be deemed to have been given and received on the first Business Day following the day of such

transmission. Any party may, at any time, give notice in writing to the others in the manner provided for above of any change of address.

16.3 This Agreement and the other documents herein referred to constitute the entire agreement between the Agents and the Corporation relating to the subject matter hereof and (except as otherwise provided below) supersedes all prior agreements between the Agents and the Corporation with respect to their respective rights and obligations in respect of the Offering, including the engagement letter between MRCC and the Corporation dated July 27, 2020, as amended on July 28, 2020, in its entirety. Notwithstanding the foregoing, the Corporation acknowledges and agrees that paragraph (m) of such engagement letter is not superseded and remains in full force and effect in accordance with its terms.

16.4 Time will be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.

16.5 The parties hereto covenant and agree to sign such other documents, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every provision of it.

16.6 No party to this Agreement may assign this Agreement, any part hereof or its rights hereunder without the prior written consent of the other parties. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

16.7 In the event that any provision or part of this Agreement will be deemed void or invalid by a court of competent jurisdiction, the remaining provisions or parts shall be and remain in full force and effect. If, in any judicial proceeding, any provision of this Agreement is found to be so broad as to be unenforceable, it is hereby agreed that such provision shall be interpreted to be only so broad as to be enforceable.

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

16.9 This Agreement may be executed by any one or more of the parties in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. The transmission by facsimile or pdf of a copy of the execution page hereof reflecting the execution of this agreement by any party hereto shall be effective to evidence that party's intention to be bound by this agreement and that party's agreement to the terms, provisions and conditions hereof, all without the necessity of having to produce an original copy of such execution page.

[Execution Page Follows]

IN WITNESS WHEREOF the parties have executed this Agreement.

KOOTENAY SILVER INC.

Per: *"James McDonald"*
Name: James McDonald
Title: President and Chief Executive Officer

MACKIE RESEARCH CAPITAL CORPORATION

Per: *"David Greifenberger"*
Name: David Greifenberger
Title: Managing Director

PI FINANCIAL CORP.

Per: *"Dan Barnholden"*
Name: Dan Barnholden
Title: Managing Director, Co-Head of Investment Banking

SCHEDULE "A"

DETAILS OF MINING CLAIMS OF MATERIAL MEXICAN PROJECTS

Columba Concessions.

Name of The Lot	Title number	Surface (Hectares)	Date of Issuance
America	245747	121.0000	November 9, 2017
America 1	245237	48.0000	November 14, 2016
Nueva Fortuna	244190	484.0000	June 29, 2015
Jupiter	243940	101.3221	January 23, 2015
America 2	246240	96.0000	April 5, 2018

Copalito Concessions.

Name of The Lot	Title number	Surface (Hectares)	Date of Issuance
La Verde	239870	719.3369	February 28, 2012
La Verde 2	240220	1,476.2091	April 26, 2012
La Verde 4	242886	200.0000	February 20, 2014
El Copalito	241199	97.4702	November 21, 2012
La Verde 3	246207	335.5314	March 22, de 2018
La Verde 5	246052	596.5568	December 19, 2017
Copalito 2	246055	347.1727	December 19, 2017

SCHEDULE "B"

DETAILS AS TO OUTSTANDING CONVERTIBLE SECURITIES

Stock Options

The Corporation has the following Common Shares reserved for issuance pursuant to outstanding stock options:

	Number	Exercise Price	Expiry Date
	6,695,000	0.40	January 20, 2022
	7,000,000	0.14	June 26, 2024
TOTAL:	**13,695,000**		

Warrants

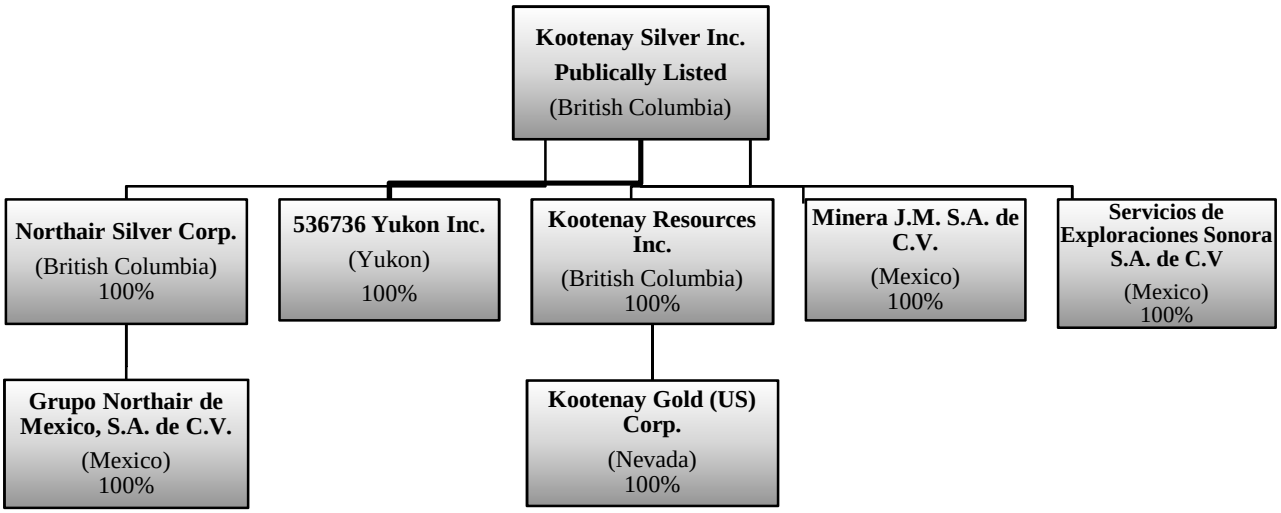
The Corporation has the following Common Shares reserved for issuance pursuant to outstanding Common Share purchase warrants:

	Number	Exercise Price	Expiry Date
	26,871,141*	0.55	April 22, 2021
	9,427,240	0.30	December 13, 2020
	272,500	0.30	January 5, 2021
	47,329,511	0.20	March 5, 2024
	16,250,000	0.22	August 22, 2022
	3,846,154	0.40	October 11, 2021
TOTAL:	**103,996,546**		

* Warrants trade on the TSX.V under the symbol "KTN.WT".

SCHEDULE “C”

INTERESTS IN SUBSIDIARIES



SCHEDULE "D"

UNITED STATES OFFERS AND SALES

1. As used in this Schedule "D", capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the agreement to which this Schedule "D" is annexed, and the following terms shall have the meanings indicated:

   (a) "**affiliate**" means "affiliate" as defined in Rule 405 under the U.S. Securities Act;

   (b) "**Directed Selling Efforts**" means "directed selling efforts" as that term is defined in Rule 902(c) of Regulation S; without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of "directed selling efforts" contained in Regulation S under the U.S. Securities Act, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Units and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Offered Units;

   (c) "**Foreign Issuer**" shall have the meaning ascribed thereto in Rule 902(e) of Regulation S under the U.S. Securities Act; without limiting the foregoing, but for greater clarity, it means any issuer that is (a) the government of any country other than the United States, of any political subdivision thereof or a national of any country other than the United States; or (b) a corporation or other organization incorporated under the laws of any country other than the United States, except an issuer meeting the following conditions as of the last business day of its most recently completed second fiscal quarter: (i) more than 50% of the outstanding voting securities of such issuer are owned of record either directly or indirectly by residents of the United States; and (ii) any of the following: (A) the majority of the executive officers or directors are United States citizens or residents, (B) more than 50% of the assets of the issuer are located in the United States, or (C) the business of the issuer is administered principally in the United States;

   (d) "**General Solicitation**" and "**General Advertising**" means "general solicitation" and "general advertising", respectively, as used under Rule 502(c) of Regulation D under the U.S. Securities Act, including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet or broadcast over radio or any other telecommunications medium, including electronic display or television, or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

   (e) "**Offshore Transaction**" means an "offshore transaction" as that term is defined in Rule 902(h) of Regulation S under the U.S. Securities Act;

   (f) "**SEC**" means the United States Securities and Exchange Commission;

(g) "**Substantial U.S. Market Interest**" means "substantial U.S. market interest" as that term is defined in Rule 902(j) of Regulation S under the U.S. Securities Act;

(h) "**U.S. Accredited Investor Certificate**" means the U.S. Accredited Investor Certificate attached as Schedule "F" to the U.S. Subscription Agreement;

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

(j) "**U.S. Purchaser**" means any Purchaser that is (a) a U.S. Person or in the United States, (b) a person purchasing Units on behalf of, or for the account or benefit of, any U.S. Person or any person in the United States, (c) a person who receives or received an offer to acquire the Units while in the United States, and (d) a person who was in the United States at the time such person's buy order was made or the Subscription Agreement pursuant to which it is acquiring Units was executed or delivered;

(k) "**U.S. QIB Letter**" means the U.S. Qualified Institutional Buyer Letter attached as Schedule "E" to the U.S. Subscription Agreement; and

(l) "**U.S. Subscription Agreement**" means the Subscription Agreement for U.S. Purchasers.

2. Representations, Warranties and Covenants of the Agent

The Agents, through their U.S. Affiliates, may offer the Offered Units within the United States or to, or for the account or benefit of, U.S. Persons that are U.S. Accredited Investors or Qualified Institutional Buyers in reliance upon the exemption from registration under the U.S. Securities Act provided by Rule 506(b) and/or Section 4(a)(2) of the U.S. Securities Act, on the terms and subject to the conditions of this Schedule "D" and in compliance with applicable state securities laws. In connection therewith, the Agents (for and on behalf of themselves and its U.S. Affiliates) represents, warrants and covenants to the Corporation as of the date hereof and the Closing Date that:

(a) It has not offered and sold, and will not offer and sell, any Offered Units except (i) in an Offshore Transaction in accordance with Rule 903 of Regulation S, or (ii) in the United States or to, or for the account or benefit of, U.S. Persons or persons in the United States as provided in paragraphs (b) through (m) below. Accordingly, neither the Agents, the U.S. Affiliates, nor any of their affiliates or any persons acting on their behalf has (i) made or will make any offer to sell, or any solicitation of an offer to buy, any Offered Units to a person in the United States or U.S. Person; or (ii) made or will make any sale of Offered Units unless, at the time the buy order was or will have been originated, the Subscriber is (A) outside the United States or (B) such offeror reasonably believes that the Subscriber is outside the United States and not a U.S. Person; and (iii) engaged or will engage in any Directed Selling Efforts with respect to the Offered Units.

(b) They have not entered into and will not enter into any contractual arrangement with respect to the distribution of the Offered Units except with its affiliates or the U.S. Affiliates without the prior written consent of the Corporation. They shall require their U.S. Affiliates and each other affiliate to agree, for the benefit of the Corporation, to comply with, and shall use its best efforts to ensure that the U.S. Affiliates and each other affiliate complies with, the provisions of this Schedule "D" applicable to the Agents as if such provisions applied to such U.S. Affiliates or other affiliate, as applicable.

(c) All offers and sales of Offered Units in the United States or to, or for the account or benefit of, U.S. Persons shall be made through a U.S. Affiliate, each of which is, on the date of each such offer and sale of the Offered Units, a duly registered broker or dealer with the SEC and a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. and a broker-dealer in each state where such offer or sale is made (unless exempted from the respective state's broker-dealer registration requirements), in compliance with all applicable U.S. broker-dealer requirements.

(d) In connection with offers and sales of Offered Units in the United States or to, or for the account or benefit of, U.S. Persons, none of it, each of its U.S. Affiliates, its other affiliates or any person acting on its or their behalf has engaged or will engage in (i) any form of General Solicitation or General Advertising, or (ii) any conduct in the United States involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.

(e) Any offer, sale or solicitation of an offer to buy Offered Units that has been made or will be made in the United States or to, or for the account or benefit of, U.S. Persons was or will be made only on behalf of the Agents or its U.S. Affiliates, acting as principal, to (a) Qualified Institutional Buyers, each of who is acquiring the Offered Units for its own account or for the account of Qualified Institutional Buyers with respect to which it exercises sole investment discretion, or (b) or U.S. Accredited Investors, each of who is acquiring the Offered Units for its own account or for the account of U.S. Accredited Investors with respect to which it exercises sole investment discretion, in each case in compliance with Rule 506(b) and/or Section 4(a)(2) of the U.S. Securities Act.

(f) Each offeree in the United States or that is purchasing for the account or benefit of a U.S. Person or person in the United States shall be provided, prior to the time of purchase of any Offered Units, with a copy of the U.S. Subscription Agreement and no other written material will be used in connection with the offer or sale of the Offered Units in the United States or to, or for the account or benefit of, U.S. Persons.

(g) Each offeree in the United States or purchasing for the account or benefit of a U.S. Person shall be a Qualified Institutional Buyer or a U.S. Accredited Investor with whom it had a pre-existing relationship, such that it was in a position to determine and continues to be in a position to determine that the offeree, or beneficial

purchaser, if any, for whom the offeree is acting as trustee or agent, was and still is a Qualified Institutional Buyer or a U.S. Accredited Investor and has such knowledge and experience in financial and business matters that the offeree is capable of evaluating the merits and risks of its investment in the Offered Units.

(h) At least one business day prior to the Closing Date, it will provide the transfer agent, the Corporation and its counsel with a list of each purchaser of the Offered Units in the United States or purchasing for the account or benefit of U.S. Persons or that was Offered Units in the United States.

(i) At Closing, the Agents and U.S. Affiliates who made offers or sales of the Offered Units in the United States or to, or for the account or benefit of, U.S. Persons will (i) provide a certificate, substantially in the form of Exhibit A to this Schedule "D", relating to the manner of the offer and sale of the Offered Units in the United States or to, or for the account or benefit, of U.S. Persons or will be deemed to have represented that neither it nor its U.S. Affiliate offered or sold Offered Units in the United States or to, or for the account or benefit of, U.S. Persons, and (ii) provide copies of the (A) completed U.S. Subscription Agreements, including the Qualified Institutional Buyer Letter, for each U.S. Purchaser that is a Qualified Institutional Buyer or (B) the completed U.S. Subscription Agreements, including the U.S. Accredited Investor Certificate, for each U.S. Purchaser that is a U.S. Accredited Investor, together with any applicable schedules to the Subscription Agreement.

(j) It will inform all offerees in the United States and U.S. Purchasers of the Offered Units that such securities have not been and will not be registered under the U.S. Securities Act or any states securities laws and are being sold only to Qualified Institutional Buyers and U.S. Accredited Investors without registration under the U.S. Securities Act in reliance on available exemptions and that such securities are "restricted securities" (as defined in Rule 144 under the U.S. Securities Act) and may not be exercised, offered, sold, pledged or otherwise transferred except pursuant to a registration statement under United States federal and state securities laws or an available exemption from such registration requirements and in compliance with applicable legends set forth on such securities and the restrictions set forth in the documents and agreements governing such securities.

(k) None of it, its affiliates or any person acting on its or their behalf has engaged or will engage, directly or indirectly, in any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Units.

(l) With respect to the Offered Units to be offered and sold hereunder in reliance on Rule 506(b) of Regulation D (the "**Regulation D Securities**"), each of the Agents and U.S. Affiliates who made offers or sales of the Offered Units represent that none of (i) the Agent or its U.S. Affiliate, (ii) the Agent or its U.S. Affiliate's general partners or managing members, (iii) any of the Agent's or its U.S. Affiliate's directors, executive officers or other officers participating in the offering of the Regulation D Securities, (iv) any of the Agent's or its U.S. Affiliate's general partners' or managing members' directors, executive officers or other officers

participating in the offering of the Regulation D Securities or (v) any other person associated with any of the above persons, including any selling group member and any such persons related to such selling group member, that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with sale of the Regulation D Securities (each, a "**Dealer Covered Person**" and, collectively, the "**Dealer Covered Persons**"), is subject to any Disqualification Event, except for a Disqualification Event (i) contemplated by Rule 506(d)(2) of Regulation D and (ii) a description of which has been furnished in writing to the Corporation prior to the date thereof and which is described in the U.S. Subscription Agreement.

(m) The Agents are not aware of any person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Regulation D Securities.

3. Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants and covenants to the Agents and its U.S. Affiliates as of the date hereof and the Closing Date that:

(a) The Corporation is a Foreign Issuer with no Substantial U.S. Market Interest in its common shares.

(b) The Corporation is not, and as a result of the sale of the Offered Units contemplated hereby will not be an "investment company" as defined in the United States Investment Company Act of 1940, as amended.

(c) Except with respect to offers and sales to Qualified Institutional Buyers and U.S. Accredited Investors in reliance upon exemptions from registration under the U.S. Securities Act and state securities laws, neither the Corporation nor any of its affiliates, nor any person acting on its or their behalf (other than the Agents, its U.S. Affiliates and any person acting on its or their behalf, as to whom the Corporation makes no representation, warranty, agreement or covenant), has made or will make: (i) any offer to sell, or any solicitation of an offer to buy, any Offered Units to a person in the United States or U.S. Person; or (ii) any sale of Offered Units unless, at the time the buy order was or will have been originated, the purchaser is (A) outside the United States or (B) such offeror reasonably believes that the purchaser is outside the United States and not a U.S. Person.

(d) None of the Corporation, any of its affiliates or any person acting on its or their behalf (other than the Agents, its U.S. Affiliates and any person acting on its or their behalf, as to whom the Corporation makes no representation, warranty, agreement or covenant), has made or will make any Directed Selling Efforts with respect to the Offered Units.

(e) None of the Corporation, any of its affiliates or any person acting on its or their behalf (other than the Agents, its U.S. Affiliates and any person acting on its or their behalf, as to whom the Corporation makes no representation, warranty,

agreement or covenant), has engaged in or will engage in any (i) form of General Solicitation or General Advertising with respect to offers or sales of the Offered Units in the United States or (ii) conduct in the United States involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.

(f) The Subscription Agreement includes statements to the effect that the securities have not been registered under the U.S. Securities Act and may not be offered or sold in the United States unless exemptions from the registration requirements of the U.S. Securities Act and state securities laws are available.

(g) The Offered Units are not, and as of the Closing, will not be, and no securities of the same class as the Offered Units are or will be, (i) listed on a national securities exchange registered under Section 6 of the U.S. Exchange Act, (ii) quoted in a "U.S. automated inter-dealer quotation system", as such term is used in Rule 144A, or (iii) convertible or exchangeable at an effective conversion premium (calculated as specified in paragraph (a)(6) of Rule 144A) of less than 10% for securities so listed or quoted.

(h) None of the Corporation, any of its affiliates or any person acting on any of their behalf (other than the Agents, its U.S. Affiliates, their respective affiliates, or any person acting on any of their behalf, in respect of which no representation is made) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Securities Act in connection with the offer and sale of the Offered Units.

(i) For so long as any Offered Units which have been sold in the United States in reliance upon Rule 144A are outstanding and are "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and if the Corporation is not subject to and in compliance with the reporting requirements of Section 13 or 15(d) of, or exempt from reporting pursuant to Rule 12g3-2(b) under, the U.S. Exchange Act, the Corporation will furnish to any holder of the Offered Units in the United States and any prospective purchaser of the Offered Units designated by such holder in the United States, upon request of such holder, the information required to be delivered pursuant to Rule 144A(d)(4) under the U. S. Securities Act (so long as such requirement is necessary in order to permit holders of the Offered Units to effect resales under Rule 144A).

(j) None of the Corporation, its affiliates, or any person acting on its or their behalf, has taken or will take any action that would cause the exemption from the registration requirements of the U.S. Securities Act afforded by Rule 506(b) or Section 4(a)(2) of the U.S. Securities Act or the exclusion from registration provided by Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Units pursuant to this Agreement.

(k) Neither the Corporation nor any of the predecessors or affiliates thereof has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to

comply with Rule 503 of Regulation D concerning the filing of notice of sales on Form D.

(l) None of the Corporation, any of its predecessors, any affiliated issuer, any director, executive officer or other officer of the Corporation participating in the offering, any beneficial owner of 20% or more of the Corporation's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Corporation in any capacity at the time of sale of the Units (but excluding the Agents and its U.S. Affiliates, as to whom no representation, warranty or covenant is made) (each, an "**Issuer Covered Person**" and, collectively, the "**Issuer Covered Persons**") is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under Regulation D (a "**Disqualification Event**"), except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under Regulation D. The Corporation has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. If applicable, the Corporation has complied with its disclosure obligations under Rule 506(e) under Regulation D, and has furnished to the Agents and its U.S. Affiliate a copy of any disclosures provided thereunder. The Corporation has not paid and will not pay, nor is it aware of any person that has paid or will pay, directly or indirectly, any remuneration to any person (other than the Agents or Selling Firms) for solicitation of purchasers of the Regulation D Securities. The Corporation will notify the Agents and the U.S. Affiliates in writing, prior to the Closing Date, of (a) any Disqualification Event relating to any Issuer Covered Person not previously known and disclosed by the Corporation hereunder, and (b) any event that would, with the passage of time, become a Disqualification Event relating to any Issuer Covered Person.

(m) If required, the Corporation shall cause a Form D to be filed with the SEC within 15 days of the first sale of Securities in the United States in reliance upon Regulation D and shall make such other filings as shall be required by applicable state securities laws to secure exemption from registration under such securities laws for the sale of the Securities in such states.

EXHIBIT A
TO SCHEDULE "D"
AGENT CERTIFICATE

In connection with the private placement in the United States of Units of Kootenay Silver Inc. (the "**Corporation**") pursuant to an agency agreement (the "**Agency Agreement**") dated August 25, 2020, between the Corporation, Mackie Research Capital Corporation and PI Financial Corp., the undersigned hereby certifies as follows:

(a) the U.S. Affiliate for the undersigned is on the date hereof, and was on the date of each offer and sale of Offered Units made in the United States by the undersigned or its U.S. Affiliate, as applicable, a duly registered broker or dealer with the SEC and in each applicable state pursuant to such state's broker-dealer laws (unless exempted from the respective state's broker-dealer registration requirements), and a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. and all offers and sales of Offered Units in the United States or to, or for the account or benefit of, U.S. Persons by the undersigned will be effected in accordance with all U.S. federal and state broker-dealer requirements and in compliance with, or pursuant to exemptions from, the registration or qualification requirements of all applicable state securities laws;

(b) the undersigned provided each of its offerees with a copy of the Subscription Agreement no other written material was used or will be used in connection with the offer and sale of the Offered Units in the United States or to, or for the account or benefit of, U.S. Persons;

(c) Immediately prior to transmitting the Subscription Agreement to offerees of the undersigned, the undersigned had reasonable grounds to believe and did believe that each of its offerees in the United States or purchasing for the account or benefit of a U.S. Persons was a Qualified Institutional Buyer or a U.S. Accredited Investor and, on the date hereof, each person purchasing Offered Units in the United States or for the account or benefit of a U.S. Person, which purchase is from or arranged by the undersigned, is a Qualified Institutional Buyer or a U.S. Accredited Investor, as applicable, and the undersigned continues to believe that each person it Offered Units to in the United States or that was a U.S. Person is a Qualified Institutional Buyer or a U.S. Accredited Investor, as applicable;

(d) no form of General Solicitation or General Advertising was used by the undersigned in connection with the offer or sale of the Offered Units in the United States, nor have the undersigned solicited offers for or offered to sell the Offered Units by any means involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;

(e) prior to any sale of Offered Units to (i) a Qualified Institutional Buyer that was purchasing the Offered Units pursuant to Rule 506 (b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act, the undersigned caused each such purchaser to execute a U.S. QIB Letter in the form of Schedule "E" attached to the

U.S. Subscription Agreement, and (ii) a U.S. Accredited Investor that was purchasing the Offered Units pursuant to Rule 506 (b) of Regulation D and/or Section 4(a)(2) of the U.S. Securities Act, the undersigned caused each such purchaser to execute a U.S. Accredited Investor Certificate in the form of Schedule "F" attached to the U.S. Subscription Agreement;

(f) none of the undersigned, or their respective affiliates or any person acting on any of their behalf, has taken or will take any action, directly or indirectly, that would constitute a violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Units; and

(g) all offers and sales of the Offered Units in the United States or to, or for the account or benefit of, U.S. Persons have been conducted in accordance with the terms of the Agency Agreement.

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

DATED this _____ day of _____, 2020.

[Agent]	**[U.S. Affiliate of Agent]**
By: _____	By: _____
Authorized Signatory	Authorized Signatory