

## AGENCY AGREEMENT

Effective as of September 11, 2020

Pancontinental Resources Corporation  
9275 Bayview Avenue  
PO Box 31317  
Richmond Hill, ON  
L4C 0V7

**Attention:** Thomas Layton Croft, President and Chief Executive Officer

Dear Sir:

**Re:** Private Placement of Units

Paradigm Capital Inc. (“**Paradigm**” or the “**Agent**”), as sole agent and bookrunner understands that Pancontinental Resources Corporation (the “**Corporation**”) proposes to issue up to 16,666,700 units of the Corporation (the “**Units**”) at a price of \$0.12 per Unit (the “**Issue Price**”) for aggregate gross proceeds of up to \$2,000,004. Each Unit will consist of one common share in the capital of the Corporation (a “**Unit Share**”) and one-half of one common share purchase warrant (each whole warrant a “**Warrant**”). Each whole Warrant will entitle the holder thereof to purchase one common share (a “**Warrant Share**”) at a price of \$0.18 (the “**Warrant Exercise Price**”) for a period of two years following the Closing Date (as defined below), subject to acceleration if the common shares of the Corporation (“**Common Shares**”) trade at or above a price of \$0.30 per share for a period of 20 consecutive trading days on the TSX Venture Exchange (the “**TSX-V**”) based on a volume weighted average trading price. In such case, the Corporation may give notice by news release to the holders of Warrants that the Warrants will expire 20 days from the date of providing such notice. The Warrants shall be created and issued pursuant to the terms and conditions of a warrant indenture (the “**Warrant Indenture**”) to be entered into by the Corporation and TSX Trust Company as warrant agent (the “**Warrant Agent**”) as of the Closing Date. The offering of the Units by the Corporation is referred to in this Agreement as the “**Offering**”.

The Agent acknowledges and agrees that, in addition to the Offering, the Company will be completing a concurrent non-brokered offering (the “**Non-Brokered Offering**”) of up to 8,333,334 Units for gross proceeds of up to \$1,000,000. The Agent acknowledges it will not receive any fees in connection with the Non-Brokered Offering.

Subject to the terms and conditions of this Agreement, the Agent agrees to act, and the Corporation appoints the Agent, as the exclusive agent of the Corporation to offer the Units for sale and purchase on a “best efforts” agency basis. The Agent may offer the Units and may solicit offers to purchase the Units (i) in all provinces and territories of Canada on a private placement basis; and (ii) in the United States and to, or for the account or benefit of, U.S. Persons that are either Institutional Accredited Investors and Qualified Institutional Buyers pursuant to Rule 506(b) of Regulation D under the United States Securities Act of 1933 (the “**U.S. Securities Act**”) in the manner contemplated by this Agreement, including in compliance with Schedule “A” to this

Agreement which is incorporated into and forms part of this Agreement (collectively, the “**Offering Jurisdictions**”). The Corporation acknowledges and agrees that the Agent may, but is not obligated to, purchase any of the Units as principal.

The Corporation agrees that the Agent shall be permitted to appoint, at its expense, other registered dealers or other dealers duly qualified in their respective jurisdictions, as agents, to assist in the Offering in the Offering Jurisdictions and that the Agent may determine, and shall be solely responsible for, the remuneration payable to such other dealers appointed.

In consideration of the Agent’s services to be rendered in connection with the Offering, including assisting in preparing documentation relating to the Units and distributing the Units, directly and through other investment dealers and brokers, subject to the paragraph below, the Corporation shall pay to the Agent at the Closing Time (as defined below) a cash fee equal to 7.0% of the gross proceeds of the Offering (the “**Agent’s Fee**”). As additional compensation for the services provided by the Agent, the Corporation shall issue to the Agent at the Closing Time that number of non-transferable broker warrants (the “**Broker Warrants**”) equal to 7.0% of the total number of Units sold pursuant to the Offering. Subject to regulatory approval, each Broker Warrant shall be exercisable to acquire one common share (each a “**Broker Warrant Share**”) at a price of \$0.12 (“**Broker Warrant Exercise Price**”) for a period of two years following the Closing Date, pursuant to the terms of the certificate representing the Broker Warrants (the “**Broker Warrant Certificate**”). The Agent will not receive any compensation with respect to the Non-Brokered Offering.

The Agent acknowledges that the Broker Warrants and, upon exercise thereof, the Broker Warrant Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States. In connection with the issuance of the Broker Warrants, the Agent represents, warrants and covenants that (i) it is acquiring the Broker Warrants as principal for its own account and not for the benefit of any other person; (ii) it is not a U.S. Person and is not acquiring the Broker Warrants in the United States, or on behalf of a U.S. Person or a person located in the United States; and (iii) this Agreement was executed and delivered outside the United States. The Agent acknowledges and agrees that the Broker Warrants may not be exercised in the United States or by or on behalf or for the benefit of a U.S. Person or a person in the United States, unless such exercise is not subject to registration under the U.S. Securities Act or the securities laws of any state of the United States.

## 1. Definitions

In this Agreement:

- (a) “**affiliate**”, “**distribution**”, “**material change**”, “**material fact**”, “**misrepresentation**”, and “**subsidiary**” have the respective meanings given to them in the *Securities Act* (Ontario);
- (b) “**Agent**” has the meaning given to it above;
- (c) “**Agent’s Counsel**” means Borden Ladner Gervais LLP;

- (d) “**Agent’s Fee**” has the meaning given to it above;
- (e) “**Agreement**” means this agreement resulting from the acceptance by the Corporation of the offer made by the Agent hereby, including all schedules hereto, as amended or supplemented from time to time;
- (f) “**Annual Financial Statements**” means the audited consolidated financial statements of the Corporation with respect to the years ended December 31, 2019 and 2018, together with the notes to such financial statements, the report of the auditors of the Corporation on such financial statements and management’s discussion and analysis in respect of such financial statements;
- (g) “**Applicable Securities Laws**” means all applicable securities, corporate and other laws, rules, regulations, notices and policies in the Offering Jurisdictions;
- (h) “**Brewer Gold Project**” means the exploration-stage gold project located on the Carolina Slate Belt in Chesterfield County, South Carolina, USA;
- (i) “**Broker Warrant Certificate**” has the meaning given to it above;
- (j) “**Broker Warrant Exercise Price**” has the meaning given to it above;
- (k) “**Broker Warrant Shares**” has the meaning given to it above;
- (l) “**Broker Warrants**” has the meaning given to it above;
- (m) “**Business Day**” means any day, other than a Saturday or Sunday on which banking institutions in Toronto, Ontario are open for commercial banking business during normal banking hours;
- (n) “**Canadian Securities Laws**” means, collectively, the Applicable Securities Laws of the Selling Jurisdictions and the policies of the TSX-V;
- (o) “**Closing**” means the completion of the Offering;
- (p) “**Closing Date**” means September 11, 2020, or such other date as the Agent and the Corporation may agree upon in writing;
- (q) “**Closing Time**” means 9:00 a.m. (Toronto time) or such other time on the Closing Date as the Agent and the Corporation may agree upon;
- (r) “**Common Share**” has the meaning given to it above;
- (s) “**Corporation**” has the meaning given to it above;
- (t) “**Corporation’s Counsel**” means Irwin Lowy LLP;
- (u) “**Documents**” means, collectively:

- (i) the Annual Financial Statements;
- (ii) the Interim Financial Statements;
- (iii) the management information circular of the Corporation dated August 24, 2020 with respect to the annual and special meeting of shareholders of the Corporation to be held on September 30, 2020;
- (iv) all press releases released by the Corporation since January 1, 2020; and
- (v) all material change reports filed by the Corporation since January 1, 2020;
- (v) **“Due Diligence Session”** has the meaning given to it in Section 5(a);
- (w) **“Due Diligence Session Responses”** means the written or oral responses of the Corporation, as given by any director or officer of the Corporation, at the Due Diligence Session;
- (x) **“Employment Laws”** has the meaning given to it in Section 4(kk);
- (y) **“Engagement Letter”** means the engagement letter dated August 19, 2020 between the Corporation and the Agent relating to the Offering, as amended on August 20, 2020;
- (z) **“Environmental Laws”** means any federal, provincial, state, local or foreign law, statute, ordinance, rule, regulation, order, decree, judgment, injunction, permit, license, authorization or other binding requirement or common law, relating to health, safety or the regulation, protection, cleanup or restoration of the environment or natural resources, including those relating to the distribution, processing, generation, treatment, control, storage, disposal, transportation, other handling or release or threatened release of Hazardous Materials or Conditions, and **“Hazardous Materials or Conditions”** means any material, substance (including, without limitation, pollutants, contaminants, hazardous or toxic substances or wastes) or condition that is regulated by or may give rise to liability under any Environmental Laws;
- (aa) **“Governmental Authority”** means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities:
  - (i) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or
  - (ii) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

- (bb) “**Governmental Licences**” has the meaning given to it in Section 4(cc);
- (cc) “**Interim Financial Statements**” means the unaudited condensed interim financial statements of the Corporation for the six months ended June 30, 2020 together with the notes to such financial statements and management’s discussion and analysis in respect of such financial statements;
- (dd) “**Institutional Accredited Investor**” means an “accredited investor” within the meaning of Rule 501(a)(1), (2), (3) or (7) of Regulation D;
- (ee) “**Issue Price**” has the meaning given to it above;
- (ff) “**Jefferson Gold Project**” means the Corporation’s 100% interest in the exploration-stage gold project located on the Carolina Slate Belt in Chesterfield County, South Carolina, USA;
- (gg) “**Laws**” means the Canadian Securities Laws and all other statutes, regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or license, or any judgment, order, decision, ruling, award, policy or guideline, of any Governmental Authority, and the term “applicable” with respect to such Laws and in the context that refers to one or more persons, means that such Laws apply to such person or persons or its or their business, undertaking, property or securities and emanate from a Governmental Authority having and exercising jurisdiction over the person or persons or its or their business, undertaking, property or securities;
- (hh) “**Lien**” means any mortgage, charge, pledge, hypothec, security interest, assignment, lien (statutory or otherwise), charge, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition which, in substance, secures payment or performance of an obligation;
- (ii) “**Material Adverse Effect**” means any effect, change, event or occurrence that is, or is reasonably likely to be, materially adverse to the results of operations, condition (financial or otherwise), assets, properties, capital, liabilities (contingent or otherwise), cash flow, income or business operations of the Corporation or the Subsidiaries; provided that a Material Adverse Effect shall not include an adverse effect (or any condition, event or development involving a prospective effect) in the business, operations, results of operations, assets, capitalization, financial condition, licenses, permits, concessions, rights, liabilities, prospects or privileges, whether contractual or otherwise, of the Corporation or the Subsidiaries that arises or results from or is in any way connected with, either directly or indirectly: (i) any matter or prospective matter, either alone or in combination with other matters or prospective matter, either alone or in combination with other matters or prospective matters, that relate to or arise out of a matter that has been publicly disclosed as of the date of this Agreement; and (ii) conditions affective the mining industry generally;

- (jj) “**Material Agreements**” means, collectively, the Subscription Agreements, this Agreement and the Warrant Indenture;
- (kk) “**Material Mining Agreements**” has the meaning given to it in Section 4(gg)(i);
- (ll) “**Material Properties**” means the Brewer Gold Project and the Jefferson Gold Project;
- (mm) “**Mineral Title**” has the meaning given to it in Section 4(ee);
- (nn) “**Montcalm, Nova and Gambler Projects**” means exploration-stage nickel-copper-cobalt opportunities near Timmins, Ontario;
- (oo) “**Non-Brokered Offering**” has the meaning given to it above;
- (pp) “**Notice**” has the meaning given to it in Section 17;
- (qq) “**Offering**” has the meaning given to it above;
- (rr) “**Offering Jurisdictions**” has the meaning given to it above;
- (ss) “**Public Record**” means all information filed by or on behalf of the Corporation with the Securities Commissions via SEDAR in Canada since January 1, 2018, including without limitation, the Documents and any other information filed with any Securities Commission in Canada in compliance, or intended compliance, with Canadian Securities Laws;
- (tt) “**Qualified Institutional Buyer**” means a “qualified institutional buyer” within the meaning of Rule 144A under the U.S. Securities Act that is also an Institutional Accredited Investor;
- (uu) “**Regulation D**” means Regulation D adopted by the SEC under the U.S. Securities Act;
- (vv) “**Regulation S**” means Regulation S adopted by the SEC under the U.S. Securities Act;
- (ww) “**SEC**” means the United States Securities and Exchange Commission;
- (xx) “**Securities Commissions**” means the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada;
- (yy) “**SEDAR**” means the System for Electronic Document Analysis and Retrieval;
- (zz) “**Selling Jurisdictions**” means all of the provinces and territories of Canada;

- (aaa) “**St. Laurent Project**” means an exploration-stage nickel-copper-cobalt-gold-platinum-palladium project in northeastern Ontario in St. Laurent township, approximately 160 kilometres northeast of Timmins, Ontario;
- (bbb) “**Subscriber**” means, for the purposes of this Agreement, the person who executes a Subscription Agreement or, if such person executes a Subscription Agreement as a duly authorized agent of one or more principals, the principal or principals of such person;
- (ccc) “**Subscription Agreements**” means, collectively, the agreements entered into by each Subscriber for Units and the Corporation in respect of the Subscriber’s subscription for Units in the form and on terms and conditions satisfactory to each of the Corporation and the Agent, acting reasonably;
- (ddd) “**Subsidiaries**” means the Corporation’s wholly owned subsidiaries Palmetto Mining Corporation, a corporation incorporated pursuant to the laws of South Carolina, United States and Maya Gold Corporation S.A. de C.V., a corporation incorporated pursuant to the laws of Honduras (which is currently inactive);
- (eee) “**Subsidiary Officer’s Certificate**” has the meaning given to it in Section 6(e);
- (fff) “**Subsidiary Opinion**” has the meaning given to it in Section 6(c);
- (ggg) “**TSX-V**” means the TSX Venture Exchange;
- (hhh) “**Underlying Securities**” means the Common Shares and Warrants issuable upon exercise of the Unit;
- (iii) “**Unit**” has the meaning given to it above;
- (jjj) “**Unit Share**” has the meaning given to it above;
- (kkk) “**United States**” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
- (lll) “**U.S. Person**” means a “U.S. person” as that term is defined in Rule 902(k) of Regulation S;
- (mmm) “**U.S. Securities Act**” has the meaning given to it above;
- (nnn) “**U.S. Subscription Agreement**” means the Subscription Agreement used in connection with the offer and sale of the Units in the United States;
- (ooo) “**Warrant**” has the meaning given to it above;
- (ppp) “**Warrant Agent**” has the meaning given to it above;
- (qqq) “**Warrant Exercise Price**” has the meaning given to it above;

- (rrr) “**Warrant Indenture**” has the meaning given to it above; and
- (sss) “**Warrant Share**” has the meaning given to it above.

## 2. **Restrictions on Sale**

The Agent hereby represents, warrants, covenants and agrees with the Corporation and acknowledges that the Corporation is relying upon such representations, warranties and covenants, that:

- (a) it will not solicit subscriptions for Units, trade in Units or otherwise do any act in furtherance of a trade of Units outside of the Offering Jurisdictions, provided that the Agent may so solicit, trade or act within such jurisdictions only if such solicitation, trade or act is in compliance with Applicable Securities Laws in such jurisdiction and does not (i) obligate the Corporation to take any action to register or qualify any of its securities or any trade of any of its securities, or the filing of a prospectus or registration statement with respect to any of its securities; (ii) obligate the Corporation to establish or maintain any office or director or officer in such jurisdiction; or (iii) subject the Corporation to any reporting or other requirement in such jurisdiction, if any, comparable to and not greater than the liability with respect thereto under the Canadian Securities Laws of one of the Selling Jurisdictions;
- (b) in respect of the offer and sale of the Units, it will conduct its activities in connection with the Offering and comply with all Applicable Securities Laws and the provisions of this Agreement and the Subscription Agreements;
- (c) it is, and will be at the Closing Time, duly registered pursuant to the provisions of the Canadian Securities Laws, and is duly registered or licensed as an investment dealer in those jurisdictions in which it is required to be so registered in order to perform the services contemplated by this Agreement, or where not so registered or licensed, the Agent will act only through members of a selling group who are so registered or licensed;
- (d) it shall not make any representation or warranty with respect to the Units in connection with the Offering, other than as set forth in this Agreement or the Subscription Agreements; and
- (e) it will not advertise the proposed sale of the Units in printed media of general and regular paid circulation, radio or television nor provide or make available to prospective purchasers of Units any document or material which would constitute an offering memorandum as defined in Canadian Securities Laws.

The parties to this Agreement acknowledge that the Units have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and will not be offered or sold to, or for the account or benefit of, persons in the United States or U.S. Persons except in compliance with Schedule “A” to this Agreement.

### **3. Delivery of Subscription Agreements**

- (a) The Agent agrees to obtain from each Subscriber executed Subscription Agreements (including the execution of applicable schedules to such Subscription Agreements) and deliver such Subscription Agreements (including applicable schedules) to the Corporation on the Closing Date. In addition, the Agent agrees to obtain from each Subscriber such forms and other documents as may be required by the Securities Commissions and provided by the Corporation to the Agent for delivery under this Agreement.
- (b) The Corporation may not reject any properly completed Subscription Agreement unless the number of Units subscribed for pursuant to the Subscription Agreements and tendered by the Agent exceed the maximum number of Units to be sold under this Agreement or unless the distribution cannot be completed in accordance with Applicable Securities Laws.

### **4. Representations and Warranties of the Corporation**

The Corporation represents and warrants to the Agent and acknowledges that the Agent is relying upon such representations and warranties that:

- (a) since January 1, 2018, the Corporation has been and is in compliance, in all material respects, with its timely disclosure obligations under Canadian Securities Laws and the rules and regulations of the TSX-V; no confidential material change report has been filed by the Corporation under Canadian Securities Laws that remains confidential at the date of this Agreement; the Corporation has not completed a “significant acquisition”, which would require the Corporation to file a business acquisition report under Canadian Securities Laws; all of the material contracts and agreements of the Corporation not made in the ordinary course of business, if required under the Canadian Securities Laws, have been filed with the applicable Securities Commissions;
- (b) other than as disclosed in the Public Record, since the date of the most recent audited balance sheet (i) there has been no material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Corporation and (ii) there has been no dividend or distribution of any kind declared, paid or made by the Corporation on any class of its shares;
- (c) other than the agreement dated June 22, 2020 with Tempus Resources Inc. pursuant to which Tempus obtained the right to acquire up to a 100% interest in the St. Laurent Project and the Montcalm, Nova and Gambler Projects, there have been no transactions entered into by the Corporation which are material with respect to the Corporation, other than those in the ordinary course of business;

- (d) the Corporation has been duly continued and organized and is subsisting under the federal laws of Canada and is properly registered or licensed to carry on business under the laws of all jurisdictions in which its business is carried on;
- (e) the Corporation has the requisite corporate power, authority and capacity to enter into the Material Agreements and to perform its obligations under the Material Agreements and the Corporation has the requisite corporate power, authority and capacity to own, lease and operate its property and assets and to carry on its business as currently carried on or as proposed to be carried on;
- (f) the Corporation has authorized share capital consisting of an unlimited number of Common Shares, of which 216,847,290 Common Shares are issued and outstanding as of the date of this Agreement. Other than as disclosed in the Public Record, no person, firm or corporation has any agreement or option, or right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Corporation of any unissued shares of the Corporation, other than stock options and Common Share purchase warrants issued in the ordinary course;
- (g) all of the issued and outstanding securities of the Corporation have been duly and validly authorized and issued and are fully paid and non-assessable shares of the Corporation, and none of the outstanding securities of the Corporation were issued in violation of the pre-emptive or similar rights of any securityholder of the Corporation;
- (h) the Corporation has no subsidiaries or affiliates other than the Subsidiaries and the Corporation beneficially owns, directly or indirectly, all of the issued and outstanding shares in the capital of the Subsidiaries free and clear of all Liens of any kind whatsoever, all of such shares have been duly authorized and validly issued and are outstanding as fully paid shares and subject to no further call for contribution and no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a 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;
- (i) Palmetto Mining Corporation has been duly incorporated and is validly existing under the laws of the state of South Carolina, has all requisite corporate power and authority and is duly qualified to carry on its business as now conducted and to own or lease its properties and assets;
- (j) Maya Gold Corporation S.A. de C.V. has been duly incorporated and is validly existing under the laws of Honduras and is currently inactive;
- (k) the Corporation has full corporate power and authority to issue the Units and the Broker Warrants;

- (l) at the Closing Time, the Unit Shares underlying the Units shall be duly authorized and validly issued as fully paid and non-assessable Common Shares;
- (m) the Warrant Shares and the Broker Warrant Shares issuable upon exercise of the Warrants and Broker Warrants, respectively, have been duly authorized and reserved for issuance and such shares will be, when issued upon due exercise of the Warrants and the Broker Warrants, including payment of the Warrant Exercise Price and the Broker Warrant Exercise Price, as applicable, validly issued as fully paid and non-assessable Common Shares;
- (n) the Unit Shares, Warrant Shares and the Broker Warrant Shares are conditionally listed for trading on the TSX-V, subject to the satisfaction of customary conditions required by the TSX-V;
- (o) at all times prior to the expiry of the Warrants and the Broker Warrants, a sufficient number of Warrant Shares and Broker Warrant Shares shall be allocated and reserved for issuance upon due exercise of the Warrants and the Broker Warrants, respectively, in accordance with their terms;
- (p) the Corporation is not in default or breach of, and the execution and delivery of, and the performance of and compliance with the terms of, the Material Agreements and the performance of any of the transactions contemplated by the Material Agreements by the Corporation, do not and will not result in any breach of, or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under any applicable laws or any term or provision of the articles, by-laws or resolutions of the directors or shareholders of the Corporation, or any mortgage, note, indenture, contract, agreement (written or oral), instrument, lease or other document to which the Corporation is a party or by which it is bound, or any judgment, decree, order, statute, rule or regulation applicable to the Corporation;
- (q) the Material Agreements and the performance of the Corporation's obligations under the Material Agreements have been duly authorized by all necessary corporate action and the Material Agreements have been duly executed and delivered by the Corporation and constitute legal, valid and binding obligations of the Corporation, enforceable against the Corporation in accordance with their terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the rights of creditors generally and, with respect to this Agreement, by the application of equitable principles when equitable remedies are sought and subject to the fact that rights of indemnity and contribution may be limited by applicable law;
- (r) no approval, authorization, consent or other order of, and no filing, registration or recording with any Governmental Authority or other person is required of the Corporation in connection with the execution and delivery of or with the performance by the Corporation of its obligations under the Material Agreements,

except as required by Applicable Securities Laws with regard to the distribution of the Units, if any, in the Offering Jurisdictions;

- (s) the Corporation is not aware of any pending change or contemplated change to any applicable law or regulation or governmental position that would have a Material Adverse Effect;
- (t) the Annual Financial Statements and Interim Financial Statements have been prepared in conformity with Canadian generally accepted accounting principles applied on a consistent basis throughout the periods involved, contain no material misrepresentations and present fairly in all material respects the financial position, results of operations and cash flows of the Corporation on a consolidated basis as at the date of the Annual Financial Statements and Interim Financial Statements, as applicable;
- (u) the Corporation maintains a system of internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principles and maintains a system of disclosure controls and procedures that is designed to provide reasonable assurances that information required to be disclosed by the Corporation under Applicable Securities Laws is recorded, processed, summarized and reported within the time periods specified under Applicable Securities Laws and to ensure that information required to be disclosed by the Corporation under Applicable Securities Laws is accumulated and communicated to the Corporation's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure;
- (v) as of the Closing Date, no director or officer, former director or officer, or shareholder or employee of, or any other person not dealing at arm's length with, the Corporation or the Subsidiaries is engaged or, to the knowledge of the Corporation, will become engaged, in any material transaction or arrangement with or be a party to a material contract with, or has any indebtedness, liability or obligation to, the Corporation or the Subsidiaries, except as disclosed in the Documents or for employment or consulting arrangements with employees or consultants or those serving as a director or officer of the Corporation or the Subsidiaries as described in the Documents;
- (w) neither the Corporation nor the Subsidiaries have incurred any liabilities or obligations (whether accrued, absolute, contingent or otherwise) that continue to be outstanding except (i) as disclosed or contemplated in the Documents, or (ii) as incurred in the ordinary course of business by the Corporation or the Subsidiaries, as the case may be;
- (x) except as disclosed in the Public Record, there has been no closure, suspension or disruption to, the business or operations of the Corporation and the Subsidiaries as a result of the novel coronavirus outbreak (the "**COVID-19 Pandemic**"). The

Corporation has been monitoring the COVID-19 Pandemic and the potential impact at its operations and has put appropriate control measures in place to ensure the wellness of all of its employees in the jurisdictions where the Corporation and the Subsidiaries operate;

- (y) there is no litigation or governmental or other proceeding or investigation at law or in equity before any Governmental Authority, domestic or foreign, in progress, pending or, to the Corporation's knowledge, threatened (and the Corporation does not know of any basis therefor) against, or involving the assets, properties or business of, the Corporation or the Subsidiaries, nor are there any matters under discussion with any Governmental Authority relating to taxes, governmental charges, orders or assessments asserted by any such authority and to the Corporation's knowledge there are no facts or circumstances which would reasonably be expected to form the basis for any such litigation, governmental or other proceeding or investigation, taxes, governmental charges, orders or assessments;
- (z) RSM Canada LLP is independent with respect to the Corporation within the meaning of the rules of professional conduct applicable to auditors in Ontario and there has not been any reportable event (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations of the Canadian Securities Administrators*) with such firm or any other prior auditor of the Corporation;
- (aa) all tax returns required to be filed by the Corporation and the Subsidiaries on or prior to the date of this Agreement have been filed and all taxes and other assessments of a similar nature (whether imposed directly or through withholding), including any interest, additions to tax or penalties applicable thereto, due or claimed to be due have been paid and neither the Corporation nor the Subsidiaries are party to any agreement, waiver or arrangement with any taxing authority which relates to any extension of time with respect to the filing of any tax returns, any payment of taxes or any assessment of taxes; there is no tax deficiency which has been asserted against the Corporation or any Subsidiary and all material tax liabilities are adequately provided for in accordance with Canadian generally accepted accounting principles within the financial statements of the Corporation for all periods up to the date of the latest audited balance sheet; there are no assessments or investigations in progress, pending or, to the knowledge of the Corporation, threatened against the Corporation or the Subsidiaries in respect of taxes; there are no Liens for taxes upon the assets of the Corporation or the Subsidiaries;
- (bb) the Corporation and the Subsidiaries have conducted and are conducting their businesses in compliance with all applicable Laws of each jurisdiction in which it carries on business and neither the Corporation nor any Subsidiary has received any notice of any alleged violation of any such laws, rules and regulations;
- (cc) the Corporation and the Subsidiaries and, to the best of the knowledge of the Corporation, the Corporation's option and joint venture partners, as the case may

be, possesses such permits, licences, approvals, consents and other authorizations issued by a Governmental Authority (collectively, “**Governmental Licences**”) necessary to conduct the business now operated by them and currently proposed to be operated by them with respect to the Material Properties, and all such Governmental Licences are valid and existing and in good standing; each of the Corporation, the Subsidiaries and, to the best of the knowledge of the Corporation, the Corporation’s option and joint venture partners, as the case may be, is in compliance with the terms and conditions of all such Governmental Licences;

- (dd) with respect to the Material Properties: (i) neither the Corporation, the Subsidiaries, nor, to the knowledge of the Corporation, the Corporation’s option and joint venture partners, are in violation of any Environmental Laws, (ii) the Corporation, any Subsidiary and, to the knowledge of the Corporation, the Corporation’s option and joint venture partners have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, and (iii) there are no pending administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Liens, orders, directions, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Law against the Corporation, any Subsidiary, or, to the knowledge of the Corporation, the Corporation’s option and joint venture partners, and there are no facts or circumstances which would reasonably be expected to form the basis for any such administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Liens, orders, directions, notices of non-compliance or violation, investigation or proceedings;
- (ee) the Corporation or one of its Subsidiaries holds freehold title, mining leases, mining claims, mining licences, mining concessions or other conventional proprietary interests or rights (“**Mineral Title**”) recognized in the jurisdiction in which the Material Properties are located, under valid, subsisting and enforceable title documents, contracts, leases, licenses of occupation, licences, mining concessions, permits, or other recognized and enforceable instruments and documents, sufficient to permit the Corporation or one of its Subsidiaries, as the case may be, to carry out its current operations. In addition, the Corporation or one of its Subsidiaries has all necessary surface rights, access rights and water rights, and all other presently required rights and interests granting the Corporation or its Subsidiaries, as the case may be, the rights and ability to carry out its current operations with only such exceptions as are set out in the Public Record. Each of the aforementioned interests and rights is currently in good standing or those interests and rights which, if not kept in good standing, would not have a Material Adverse Effect;
- (ff) to the best of the knowledge, information and belief of the Corporation, all assessments or other work required to be performed in relation to the Mineral Title of the Corporation and each of the Subsidiaries, in order to maintain their interest in the Material Properties, if any, have been performed to date and the Corporation and the Subsidiaries have complied in all material respects with all applicable Laws in connection with such work and assessments as well as with regard to legal, contractual obligations to third parties in connection with such work and

assessments except in respect of Mineral Title that the Corporation or a Subsidiary intends to abandon or relinquish;

- (gg) except as set out in the Public Record:
- (i) all of the agreements and other documents and instruments pursuant to which the Corporation or any Subsidiary holds the property and assets of the Material Properties (including any interest in, or right to earn an interest in, any Mineral Title or other property right related thereto) (collectively, the “**Material Mining Agreements**”) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof;
  - (ii) none of the Corporation nor any Subsidiary has received written or oral notice of the termination, cancellation, or declaration of invalidity or unenforceability by any Person of any Material Mining Agreement or Mineral Title, or has become aware of any intention on the part of, nor has there been any announcement by, any Person to terminate, cancel, declare invalid or unenforceable or revoke any Material Mining Agreement or Mineral Title;
  - (iii) none of the Corporation nor any Subsidiary is in default of any provision of any Material Mining Agreement nor has any such default been alleged, and the properties and assets of the Material Mining Property are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated, all leases, licences and claims pursuant to which the Corporation or any Subsidiary derive the interests thereof in such property and assets are in good standing and there has been no default under any such lease, licence or claim and all taxes required to be paid with respect to such properties and assets to the date hereof have been paid; and
  - (iv) none of the properties (or any interest in, or right to earn an interest in, any such property) or other assets of the Corporation or any Subsidiary is subject to any right of first refusal or purchase or acquisition right;
- (hh) there are no expropriations or similar proceedings or any material challenges to title or ownership, actual or threatened, of which the Corporation or any of the Subsidiaries has received notice or of which any of them has knowledge against the Mineral Title of the Corporation or any of the Subsidiaries or any part thereof.
- (ii) to the knowledge of the Corporation, all mineral exploration activities on the Material Properties have been conducted in accordance with good mining and engineering practices and all applicable workers’ compensation and health and safety and workplace laws, regulations and policies have been duly complied with;

- (jj) there are no claims with respect to native or indigenous rights currently or pending or threatened with respect to any of the properties of the Corporation or any of the Subsidiaries;
- (kk) (i) each of the Corporation and its Subsidiaries are in compliance, in all material respects, with the provisions of all applicable federal, provincial, local and foreign laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours (collectively, “**Employment Laws**”), (ii) no collective labour dispute, grievance, arbitration or legal proceeding is ongoing, pending or, to the knowledge of the Corporation, threatened and no individual labour dispute, grievance, arbitration or legal proceeding is ongoing, pending or, to the knowledge of the Corporation, threatened with any employee of the Corporation or any Subsidiary and none has occurred during the past year, and (iii) no union has been accredited or otherwise designated to represent any employees of the Corporation or any Subsidiary and, to the knowledge of the Corporation, no accreditation request or other representation question is pending with respect to the employees of the Corporation or its Subsidiaries and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the facilities of the Corporation or its Subsidiaries and none is currently being negotiated by the Corporation or the Subsidiaries;
- (ll) no existing supplier, manufacturer or contractor of the Corporation or its Subsidiaries has indicated that it intends to terminate its relationship with the Corporation or the Subsidiaries or that it will be unable to meet the Corporation’s or any Subsidiary’s supply, manufacturing or contracting requirements;
- (mm) neither the Corporation nor any Subsidiary is in default or breach, in any material respect, of any real property lease, and neither the Corporation nor any Subsidiary has received any notice or other communication from the owner or manager of any real property leased by the Corporation or the Subsidiaries that either the Corporation or any Subsidiary is not in compliance with any real property lease, and to the knowledge of the Corporation, no such notice or other communication is pending or has been threatened;
- (nn) the Corporation and its Subsidiaries have insurance policies covering its operations, directors and officers, and a general liability insurance policy covering the Corporation, as the Corporation reasonably deems adequate; such insurance insures against such losses and risks to an extent which is adequate in accordance with customary industry practice to protect the Corporation and the Corporation’s directors and officers; all such insurance is fully in force on the date hereof and will be fully in force on the Closing Date; the Corporation has no reason to believe that it will not be able to renew any such insurance as and when such insurance expires;
- (oo) each of the Corporation and the Subsidiaries have good and marketable title to all of their respective assets and property and no person has any contract or any right

or privilege capable of becoming a right to purchase any personal property from the Corporation or the Subsidiaries;

- (pp) neither the Corporation nor any Subsidiary has any loans or other indebtedness outstanding which have been made to or from any of Corporation's or a Subsidiary's shareholders, officers, directors or employees or any other person not dealing at arm's length with the Corporation or the Subsidiaries that are currently outstanding;
- (qq) no officer, director, employee or any other person not dealing at arm's length with the Corporation or the Subsidiaries or, to the knowledge of the Corporation, any associate or affiliate of any such person, owns, has or is entitled to any royalty, net profits interest, carried interest or any other encumbrances or claims of any nature whatsoever which are based on production from the Corporation's or any Subsidiary's properties or assets or any revenue or rights attributed to the Corporation's or any Subsidiary's properties or assets;
- (rr) to the knowledge of the Corporation, no insider of the Corporation has a present intention to sell any securities of the Corporation held by it;
- (ss) neither the Corporation nor the Subsidiaries have any outstanding debentures, notes, mortgages, or other indebtedness that is material to the Corporation or the Subsidiaries;
- (tt) the minute books and corporate records of the Corporation and the Subsidiaries made available to Agent's Counsel in connection with the Agent's due diligence investigations are the original minute books and records or true and complete copies of the original minute books and contain copies of all proceedings of the shareholders, the boards of directors and all committees of the boards of directors of each of such entities that have been minuted or resolved and there have been no other meetings, resolutions or proceedings of the shareholders, boards of directors or any committee thereof to the date of review of such corporate records and minute books not reflected in such minute books and other corporate records, other than those which are not material in the context of such entities, as applicable;
- (uu) to the knowledge of the Corporation, no securities commission, stock exchange or comparable authority has issued any order requiring trading in any of the Corporation's securities to cease or preventing the distribution of the Units, or the Underlying Securities, in any Offering Jurisdiction nor instituted proceedings for that purpose and no such proceedings are pending or contemplated;
- (vv) TSX Trust Company, at its principal office in the City of Toronto, has been duly appointed as registrar and transfer agent for the Common Shares;
- (ww) TSX Trust Company, at its principal office in the City of Toronto, has been duly appointed as warrant agent in respect of the Warrants;

- (xx) other than as contemplated by this Agreement, there is no person acting at the request of the Corporation who is entitled to any brokerage or agency fee in connection with the sale of the Units;
- (yy) there are no shareholders' agreements, voting agreements, investors' rights agreements or other agreements in force or effect which in any manner affects or will affect the voting or control of any of the securities of the Corporation or the Subsidiaries or the operations or affairs of the Corporation or the Subsidiaries;
- (zz) the representations and warranties of the Corporation in the Subscription Agreements are and will be at the Closing Time, true and correct;
- (aaa) the Corporation is a reporting issuer in British Columbia, Alberta and Ontario not in default of any requirement under Canadian Securities Laws;
- (bbb) the information and statements set forth in the Public Record are true, correct and complete in all material respects and did not contain any misrepresentation as of the date of such information or statements; and
- (ccc) any Units, Commons Shares or Warrants issued and sold by the Corporation separately but contemporaneously pursuant to the concurrent non-brokered private placement of the Corporation shall be issued and sold by the Corporation in compliance with exemptions from the prospectus and registration requirements pursuant to the Applicable Securities Laws of each of the Offering Jurisdictions.

It is further agreed by the Corporation that all representations, warranties and covenants contained in this Agreement made by the Corporation to the Agent shall also be deemed to be made for the benefit of Subscribers as if the Subscribers were also parties to this Agreement (it being agreed that the Agent is acting for and on behalf of the Subscribers for this purpose).

## **5. Covenants of the Corporation**

The Corporation covenants with the Agent that:

- (a) prior to the Closing Time, the Corporation shall allow the Agent the opportunity to conduct required due diligence and to obtain, acting reasonably, satisfactory results from such due diligence and in particular, the Corporation shall allow the Agent and Agent's Counsel to conduct all due diligence which the Agent may reasonably require in order to confirm the Documents and the Public Record are accurate, complete and current in all material respects and to fulfill the Agent's obligations as a registrant and, in this regard, without limiting the scope of the additional due diligence inquiries that the Agent may conduct, the Corporation made available its senior management, directors, qualified persons and auditors who participated in a due diligence session on September 8, 2020 (the "**Due Diligence Session**") and answered in person the questions submitted by the Agent;

- (b) if any of the facts or information underlying or supporting the statement provided in the Due Diligence Session Responses have changed, the Corporation shall provide the Agent with prompt notice of the particulars of any such changes;
- (c) it will comply with all the obligations to be performed by it, and all of its covenants and agreements, under and pursuant to the Material Agreements;
- (d) during the period commencing on the date of this Agreement and ending at the Closing Time, it will promptly provide to the Agent, for review by the Agent and Agent's Counsel, prior to filing or issuance of the same, any proposed public disclosure document, including without limitation, any financial statements of the Corporation, report to shareholders, information circular or any press release or material change report and any press release issued by the Corporation concerning the Units;
- (e) during the period commencing as of the date of this Agreement and ending as of the Closing Time any press release issued by the Corporation concerning the Units is to include the following or substantially similar legend: "NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.", provided however, that any press release issued announcing the closing of the Offering shall not bear such legend;
- (f) during the period commencing on the date of this Agreement and ending at the Closing Time, promptly notify the Agent in writing of any of the representations or warranties made by the Corporation in this Agreement being no longer true and correct;
- (g) during the period commencing on the date of this Agreement and ending on the Closing Time, the Corporation will promptly inform the Agent of the full particulars of any material change (actual, anticipated, contemplated or threatened) in the business, affairs, operations, capital or condition (financial or otherwise) of the Corporation or the Subsidiaries or properties or assets of the Corporation or the Subsidiaries; provided, however, that if the Corporation is uncertain as to whether a material change, occurrence or event of the nature referred to in this Section 5(g) has occurred, the Corporation shall promptly inform the Agent of the full particulars of the occurrence giving rise to the uncertainty and shall consult with the Agent as to whether the occurrence is of such a nature;
- (h) during the period commencing on the date of this Agreement and ending at the Closing Time, the Corporation will promptly inform the Agent of the receipt by the Corporation of (i) any communication of a material nature from any Securities Commission or similar regulatory authority, any stock exchange or any other Governmental Authority relating to the Corporation or the distribution of the Units, and (ii) the issuance by any Securities Commission or similar regulatory authority, any stock exchange or any other Governmental Authority of any order to cease or

suspend trading of any securities of the Corporation or of the institution or threat of institution of any proceedings for that purpose;

- (i) the Corporation will promptly, and in any event within any applicable time limitation, comply to the reasonable satisfaction of the Agent and Agent's Counsel with Canadian Securities Laws of the Selling Jurisdictions in which it is a reporting issuer with respect to any material change, occurrence or event of the nature referred to in Sections 5(g) and 5(h);
- (j) the Corporation will use the net proceeds from the Offering for further exploration and development of the Corporation's Material Properties, as well as for working capital and general corporate purposes; and
- (k) as soon as reasonably possible, and in any event by the Closing Date, the Corporation shall take all such steps as may reasonably be necessary to enable the Units to be offered for sale and sold on a private placement basis to Subscribers in the Offering Jurisdictions through the Agent or any other investment dealers or brokers registered in any of the Offering Jurisdictions by way of the exemptions set forth in Applicable Securities Laws of each of the Offering Jurisdictions.

## 6. Conditions to Purchase

The obligations of the Agent under this Agreement shall be conditional upon the Agent receiving, and the Agent shall have the right on behalf of Subscribers for Units to withdraw all Subscription Agreements delivered and not previously withdrawn by Subscribers unless the Agent receives, on the Closing Date:

- (a) a favourable legal opinion dated the Closing Date from Corporation's Counsel, addressed to the Agent and Agent's Counsel, in form and substance satisfactory to the Agent, acting reasonably, together with corresponding opinions (where relevant) of local counsel to the Corporation in relation to the laws of the Selling Jurisdictions in which the Units are sold and on which Corporation's Counsel is not qualified to express opinions;
- (b) a favourable legal opinion dated the Closing Date from Nauth LPC, U.S. counsel to the Corporation, addressed to the Agent and Agent's Counsel, in form and substance satisfactory to the Agent, acting reasonably, to the effect that registration of the Units or the Underlying Securities will not be required under the U.S. Securities Act in connection with the offer and sale of such Units in the United States pursuant to this Agreement, including Schedule "A";
- (c) a favourable legal opinion addressed to the Agent and Agent's Counsel, in form and substance satisfactory to the Agent, acting reasonably, in respect of Palmetto Mining Corporation (the "**Subsidiary Opinion**") dated as of the Closing Date from the Corporation's Counsel or local counsel, as applicable, with respect to the following matters, and all such opinions may be subject to customary assumptions, reliance's and qualifications:

- (i) the incorporation, existence and good standing of Palmetto Mining Corporation under the laws of its jurisdiction of incorporation;
  - (ii) the authorized capital of Palmetto Mining Corporation and the ownership thereof;
  - (iii) that Palmetto Mining Corporation has all necessary corporate power under the laws of its jurisdiction of incorporation to carry on its business as presently carried on and own and lease its properties and assets and to conduct its business; and
- (d) a favourable legal opinion addressed to the Agent and Agent's Counsel, in form and substance satisfactory to the Agent, acting reasonably, with respect to the ownership and mining title to the Brewer Gold Project;
- (e) a certificate (the "**Subsidiary Officer's Certificate**") dated as of the Closing Date, as applicable, of Palmetto Mining Corporation signed by an appropriate officer of Palmetto Mining Corporation, addressed to the Agent and Agent's Counsel, in form and substance satisfactory to the Agent acting reasonably, certifying for and on behalf of Palmetto Mining Corporation and not in their personal capacity that, to the actual knowledge of the person signing such certificate, after having made due and relevant inquiry, as to (i) the corporate good standing, and (ii) as to the authorized capital and ownership thereof, of such Subsidiary;
- (f) a certificate of the Corporation dated the Closing Date, addressed to the Agent and signed on the Corporation's behalf by its Chief Executive Officer or such other officer or director of the Corporation satisfactory to the Agent acting reasonably, with respect to the constating documents of the Corporation, all resolutions of the board of directors of the Corporation relating to this Agreement and the incumbency and specimen signatures of signing officers of the Corporation and such other matters as the Agent may reasonably request;
- (g) a certificate of the Corporation dated the Closing Date, addressed to the Agent and signed on the Corporation's behalf by its Chief Executive Officer or such other officer or director of the Corporation satisfactory to the Agent acting reasonably, certifying that:
- (i) the Corporation has complied with and satisfied all terms and conditions of this Agreement and the Subscription Agreements on its part to be complied with or satisfied at or prior to the Closing Time;
  - (ii) the representations and warranties of the Corporation contained in this Agreement are true and correct at the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement;

- (iii) the Due Diligence Session Responses provided at the Due Diligence Session are true and correct and would not be different in any material respect if the Due Diligence Session were held immediately prior to the Closing Time;
  - (iv) the Corporation has made and/or obtained on or prior to the Closing Time, all necessary filings, approvals, consents and acceptances of applicable regulatory authorities and under any applicable agreement or document to which the Corporation is a party or by which it is bound, required for the execution and delivery of this Agreement and the Subscription Agreements, the offering and sale of the Units and the consummation of the other transactions contemplated by this Agreement (subject to completion of filings with certain regulatory authorities following the Closing Date); and
  - (v) no order, ruling or determination having the effect of suspending the sale or cease trading of the Common Shares or any other securities of the Corporation has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officer of the Corporation, contemplated or threatened under any Applicable Securities Laws or by any other regulatory authority;
- (h) lock up agreements of the Corporation's executive officers and directors pursuant to Section 8(b) below;
  - (i) satisfactory evidence that all requisite approvals have been obtained by the Corporation in order to complete the Offering.

The foregoing conditions contained in this Section 6(a), (b), (c), (d) and (e) are for the sole benefit of the Agent and may be waived in whole or in part by the Agent at any time and without limitation. If any of the foregoing conditions have not been met at the Closing Time, the Agent may terminate its obligations under this Agreement without prejudice to any other remedies it may have and the Agent shall have the right on behalf of the Subscribers to withdraw all Subscription Agreements delivered and not previously withdrawn by Subscribers.

## **7. Deliveries and Compensation**

The sale of the Units shall be completed at the Closing Time electronically, or at such other place as the Corporation and the Agent may agree. At the Closing Time, the Corporation shall deliver to the Agent:

- (a) the opinions, certificates and agreements referred to in Section 6 and all other documents required to be provided by the Corporation to the Agent pursuant to this Agreement and the Subscription Agreements;
- (b) definitive certificates representing the Units registered in the name of "CDS & Co." or in such other name or names as the Agent may direct the Corporation in writing

not less than 24 hours prior to the Closing Time; provided that, alternatively, if requested by the Agent at the Closing Time, the Corporation shall duly and validly deliver in uncertificated form to the Agent, or in any manner directed by the Agent in writing, the Units purchased from the Corporation, registered in the name of "CDS & Co." or such other name or names as the Agent may direct the Corporation in writing not less than 24 hours prior to the Closing Time;

- (c) the Warrant Indenture;
- (d) the Broker Warrant Certificates;
- (e) lock up agreements pursuant to Section 8(b) below;
- (f) the Corporation's receipt for payment by the Agent of an amount equal to the aggregate purchase price for the Units sold pursuant to the Offering, less an amount equal to the costs and expenses of the Agent provided for in Section 8; and
- (g) such further documentation as may be contemplated by this Agreement or as Agent's Counsel or the applicable regulatory authorities may reasonably require;

against:

- (h) all duly completed Subscription Agreements tendered by the Subscribers for the Units being issued and sold and, where applicable, all completed forms, schedules and certificates contemplated by the Subscription Agreements;
- (i) a wire transfer of immediately available funds in an amount equal to the aggregate purchase price for the Units sold pursuant to the Offering, less an amount equal to the costs and expenses of the Agent provided for in Section 8; and
- (j) the Agent's receipt for the Agent's Fee and their costs and expenses and the Broker Warrant Certificate.

## **8. Restrictions on Offerings**

- (a) The Corporation will not, directly or indirectly, without the prior written consent of the Agent, such consent not to be unreasonably withheld, issue, offer, sell, grant any option to purchase or otherwise dispose of (or announce any intention to do so) any equity securities, debt or commodity-linked securities, preferred equity securities of the Corporation, or any securities convertible into, or exchangeable or exercisable for, equity securities of the Corporation, for a period commencing on the date of the closing of the Offering and ending 120 days after the Closing Date, except: (i) pursuant to the Offering, (ii) pursuant to the exercise of options issued pursuant to the Corporation's stock option plan outstanding as of the date hereof, (iii) pursuant to the exercise of options or warrants outstanding as at the date hereof; or (iv) pursuant to any mineral property option or acquisition agreements.

- (b) For a period ending 120 days following the Closing Date, the Corporation's executive officers and directors shall not, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any common shares or other securities of the Corporation convertible into, exchangeable for or exercisable to acquire, common shares, directly or indirectly, unless (i) they first obtain the prior consent of the Agent, (ii) there occurs a take-over bid or similar transaction involving a change of control of the Corporation, or (iii) pursuant to the exercise of options already validly issued pursuant to the Corporation's stock option plan or other share compensation agreements.

## **9. Expenses**

- (a) Whether or not the transactions contemplated by this Agreement shall be completed, all expenses of or incidental to the issue, sale and delivery of the Units and all expenses of or incidental to all other matters in connection with the Offering shall be borne by the Corporation including, without limitation, all fees and disbursements of the Corporation's Counsel (including foreign and local counsel), all fees and disbursements of the Corporation's accountants and auditors, all expenses related to road shows and marketing activities, all printing costs incurred in connection with the Offering, including certificates, if any, representing the Units, all filing fees, all fees and expenses relating to listing the Units on any exchanges, all fees and expenses of the Corporation's road show consultants, all transfer agent and warrant agent fees and expenses, all reasonable out-of-pocket expenses of the Agent incurred in connection with the offering of the Units, including without limitation the reasonable fees of Agent's Counsel up to a maximum of \$50,000 exclusive of taxes and disbursements, and any advertising, printing, courier, telecommunications, data search, presentation, travel and other expenses incurred by the Agent, together with all related taxes (including, without limitation, applicable taxes).

## **10. Rights of Termination**

- (a) **Due Diligence Out.**

If prior to the Closing Time, there shall exist any material fact or circumstance not disclosed as at the date hereof which, in the opinion of the Agent, results or could be expected to have a significant adverse effect on the market price or value of the Units.

(b) **Litigation.**

If prior to the Closing Time, there shall have occurred any change in the laws of Canada or of the Offering Jurisdictions, or any inquiry, investigation or other proceeding is made or any order is issued under or pursuant to any law of Canada or of the Selling Jurisdictions or by the TSX-V in relation to the Corporation or any of its securities (except for any inquiry, investigation or other proceeding or order based upon activities of the Agent and not upon activities of the Corporation or its Subsidiaries), which, in the opinion of the Agent, acting reasonably and in good faith, could reasonably have a significant adverse effect on the ability to market the Units.

(c) **Disaster Out.**

If prior to the Closing Time, there should develop, occur or come into effect or existence any event, action, state, condition, including without limitation, COVID-19 (but only to the extent to which there are material adverse developments related thereto on or after September 11, 2020, or major financial occurrence of national or international consequence or any law or regulation, which, in the reasonable opinion of the Agent, seriously adversely affects, or involves, or will seriously adversely affect or involve, (a) the financial markets, (b) the business, operations or affairs of the Corporation and its subsidiaries taken as a whole, or (c) the market price or value of the Units of the Corporation.

(d) **Change in Material Fact.**

If prior to the Closing Time, there shall occur any material change or change in a material fact which, in the reasonable opinion of the Agent, would be expected to have a significant adverse effect on the market price or value of the Units.

(e) **Non-Compliance With Conditions.**

If prior to the Closing Time, there is any material breach or failure by the Corporation to comply with any terms, conditions or covenants in the letter agreement or the Agreement, or in the event that any representation or warranty given by the Corporation in this Agreement becomes false and is not rectified as at the Closing Time. The Agent may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to their respective rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon the Agent only if the same is in writing and signed by them.

(f) **Market Out.**

If prior to the Closing Time, the state of the financial markets in Canada or elsewhere where it is planned to market the Units is such that, in the reasonable opinion of the Agent, the Units cannot be marketed profitably.

(g) **Exercise of Termination Rights.**

If prior to the Closing Time, the rights of termination contained in this Section 10 may be exercised by the Agent and are in addition to any other rights or remedies the Agent 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 or otherwise. In the event of any such termination by the Agent, there shall be no further liability on the part of the Agent to the Corporation or on the part of the Corporation to the Agent except in respect of any liability which may have arisen or may arise after such termination in respect of acts or omissions prior to such termination.

**11. Indemnity**

(a) **Rights of Indemnity**

The Corporation (the "**Indemnitor**") hereby agrees to indemnify and hold the Agent and any other syndicate members (referred to collectively in this Section 11 and Section 12 as the "**Agents**") and the directors, officers, employees, agents and shareholders of the Agents (hereinafter referred to as the "**Personnel**") harmless from and against any and all expenses, losses (other than loss of profits), claims, actions, damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of its counsel that may be incurred in advising with respect to and/or defending any claim that may be made against the Agents, to which the Agents and/or its Personnel may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Indemnitor by the Agents and its Personnel hereunder or otherwise in connection with the matters referred to in the letter to which this is attached, provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

- (i) the Agent or its Personnel have been grossly negligent or dishonest, engaged in willful misconduct or have committed any fraudulent act in the course of such performance; and
  - (ii) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the gross negligence, dishonesty or fraud referred to in (i).
- (b) If for any reason (other than the occurrence of any of the events itemized in Sections 11(a)(i) and (ii) above), the foregoing indemnification is unavailable to the Agents or insufficient to hold it harmless, then the Indemnitor shall contribute to the amount paid or payable by the Agents as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the

relative benefits received by the Indemnitor on the one hand and the Agents on the other hand but also the relative fault of the Indemnitor and the Agents, as well as any relevant equitable considerations, provided that the Indemnitor shall, in any event, contribute to the amount paid or payable by the Agents as a result of such expense, loss, claim, damage or liability, any excess of such amount over the amount of the fees received by the Agents hereunder, as further described in Section 12 below.

(c) **Retaining Counsel**

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

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

(d) **Notification of Claims**

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

advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed.

(e) **Right of Indemnity in Favour of Others**

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

**12. Contribution**

(a) **Rights of Contribution**

In order to provide for a just and equitable contribution in circumstances in which the indemnity provided in Section 11 would otherwise be available in accordance with its terms but is, for any reason, held to be unavailable to or unenforceable by the Agents or enforceable otherwise than in accordance with its terms, the Corporation and the Agents shall contribute to the aggregate of all claims, expenses, costs and liabilities and all losses (other than loss of profits) of a nature contemplated by Section 11 in such proportions so that the Agents shall be responsible for the portion represented by the percentage that the aggregate Agents' Fee bears to the aggregate offering price of the Units being sold by the Corporation and the Corporation shall be responsible for the balance, whether or not they have been sued together or sued separately, provided, however, that:

- (i) the Agents shall not in any event be liable to contribute, in the aggregate, any amounts in excess of the aggregate Agents' Fee actually received by the Agents from the Corporation under this Agreement; and
- (ii) no party who has engaged in any fraud or gross negligence shall be entitled to claim contribution from any person who has not engaged in such fraud or gross negligence.

(b) **Rights of Contribution in Addition to Other Rights**

The rights to contribution provided in this Section 12 shall be in addition to and not in derogation of any other right to contribution which the Agents may have by statute or otherwise at law.

(c) **Calculation of Contribution**

If the Corporation may be held to be entitled to contribution from the Agents under the provisions of any statute or at law, the Corporation shall be limited to contribution in an amount not exceeding the lesser of:

- (i) the portion of the full amount of the loss or liability giving rise to such contribution for which the Agents are responsible, as determined in Section 12(a); and
- (ii) the amount of the Agents' Fee actually received by the Agents from the Corporation under this Agreement.

(d) **Notice**

If an Agent has reason to believe that a claim for contribution may arise, it shall give the Corporation notice of such claim in writing, as soon as reasonably possible, but failure to notify the Corporation shall not relieve the Corporation of any obligation which it may have to the Agent under this Section 12.

(e) **Right of Contribution in Favour of Others**

With respect to this Section 12, the Corporation acknowledges and agrees that the Agents are contracting on their own behalf and as agent for their affiliates, directors, officers, employees and agents.

(f) **Remedy Not Exclusive**

The remedies provided for in this Section 12 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any party at law or in equity.

**13. Survival of Representations and Warranties**

The indemnities, agreements, representations, warranties and other statements of the Corporation, as set forth in this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results of any investigation) made by or on behalf of the Agent and shall survive delivery of and payment for the Units and the subsequent disposition of the Units by the Agent or the termination of the Agent's obligations under this Agreement for a period of two years following the Closing Date. The agreements, representations, warranties and other statements of the Agent as set forth in this Agreement shall remain in full force and effect, regardless of any investigation (or any statement as to the results of any investigation) made by or on behalf of the Agent, and shall survive in full force and effect for the benefit of the Corporation for a period of two years following the Closing Date.

#### **14. Severability**

If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severable from this Agreement.

#### **15. Time**

Time is of the essence in the performance of the parties' respective obligations under this Agreement.

#### **16. Governing Law**

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

#### **17. Notice**

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

If to the Corporation, addressed and sent to:

Pancontinental Resources Corporation  
9275 Bayview Avenue  
PO Box 31317  
Richmond Hill, ON L4C 0V7

Attention: Thomas Layton Croft, President, CEO and Director  
Email: layton@panconresources.com

In case of any notice to the Corporation, with a copy to:

Irwin Lowy LLP  
365 Bay Street, Suite 400  
Toronto, Ontario M5H 2V1

Attention: Chris Irwin  
Email: cirwin@irwinlowy.com

If to the Agent, addressed and sent to:

Paradigm Capital Inc.  
95 Wellington Street West  
Suite 2101, PO Box 55  
Toronto, ON M5J 2N7

Attention: John Booth  
Email: john.booth@paradigmcap.com

In case of any notice to the Agent, with a copy to:

Borden Ladner Gervais LLP  
Bay Adelaide Centre – East Tower  
22 Adelaide Street West  
Toronto, Ontario M5H 4E3

Attention: Jason Saltzman  
Email: jsaltzman@blg.com

or to such other address as any of the parties to this Agreement may designate by giving notice to the others in accordance with this Section 17. Each notice shall be personally delivered to the addressee or sent by email to the addressee. A notice which is personally delivered or delivered by email shall, if delivered prior to 5:00 p.m. (Toronto time) on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered.

#### **18. Agent as Trustee**

The Corporation acknowledges and agrees that it is the intention of the parties to this Agreement and the Corporation hereby constitutes the Agent as trustee for each of the Subscribers in respect of each of the covenants, agreements and representations and warranties of the Corporation contained in this Agreement and the Agent shall be entitled, as trustee, in addition to any rights of the Subscribers, to enforce such covenants, agreements and representations and warranties on behalf of the Subscribers.

#### **19. Counterparts**

This Agreement may be executed by the parties to this Agreement in counterpart and may be executed and delivered by facsimile and all such counterparts shall together constitute one and the same agreement.

*[remainder of page intentionally left blank]*

If the foregoing is in accordance with your understanding and is agreed to by you, please signify your acceptance by executing the enclosed copies of this letter where indicated below and returning the same to the Agent, upon which this letter as so accepted shall constitute an Agreement among us.

Yours very truly,

**PARADIGM CAPITAL INC.**

*(signed) "John Booth"*

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John Booth

Head of Investment Banking

Accepted and agreed to effective as of the date of this Agreement.

**PANCONTINENTAL RESOURCES CORPORATION**

By: (signed) "*Thomas Layton Croft*"

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Thomas Layton Croft

President, Chief Executive Officer and Director

## SCHEDULE “A”

### TERMS AND CONDITIONS FOR UNITED STATES OFFERS AND SALES

1. As used in this Schedule, the following terms shall have the meanings indicated:

“**Affiliate**” means an “affiliate” as that term is defined in Rule 405 under the U.S. Securities Act;

“**Directed Selling Efforts**” means “directed selling efforts” as that term is defined in Rule 902(c) of Regulation S. Without limiting the foregoing, but for greater clarity in this Agreement, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, 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 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 any of the securities;

“**Foreign Issuer**” means a “foreign issuer” as that term is defined in Rule 902(e) of Regulation S. Without limiting the foregoing, but for greater clarity in this Agreement, it means any issuer which is: (a) the government of any foreign country or of any political subdivision of a foreign country; or (b) a corporation or other organization incorporated under the laws of any foreign country, except an issuer meeting the following conditions as of the last Business Day of its most recently completed second fiscal quarter: (1) more than 50 percent of the outstanding voting securities of such issuer are held of record either directly or indirectly by residents of the United States; and (2) any of the following; (i) the majority of the executive officers or directors of the issuer are United States citizens or residents, (ii) more than 50 percent of the assets of the issuer are located in the United States, or (iii) the business of the issuer is administered principally in the United States;

“**General Solicitation**” or “**General Advertising**” means “general solicitation or general advertising”, as used in Rule 502(c) of Regulation D under the U.S. Securities Act, including any advertisement, article, notice or other communication published in any newspaper, magazine, on the internet or similar media or broadcast over radio or television or on the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

“**Offshore Transaction**” means “offshore transaction” as that term is defined in Rule 902(h) of Regulation S;

“**Regulation S**” means Regulation S adopted by the SEC under the U.S. Securities Act;

“**SEC**” means the United States Securities and Exchange Commission;

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

“**U.S. Affiliate**” means the United States registered broker-dealer affiliate of the Agent;

“**U.S. Exchange Act**” means the United States Securities Exchange Act of 1934, as amended; and

“**U.S. Person**” means a “U.S. person” as that term is defined in Regulation S of the U.S. Securities Act.

2. **Representations, Warranties and Covenants of the Agent.**

The Agent, on its own behalf and on behalf of its U.S. Affiliate, acknowledges that the Units have not been and will not be registered under the U.S. Securities Act and may not be offered or sold within the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Agent, on its own behalf and on behalf of its U.S. Affiliate, represents, warrants, covenants and agrees to and with the Corporation that:

(a) It has offered and sold, and will offer and sell the Units (a) only in Offshore Transactions in accordance with Rule 903 of Regulation S or (b) as provided in paragraphs 2(b) through 2(m) below. Accordingly, the Agent, its U.S. Affiliate, or any persons acting on its or their behalf, have not made or will not make (except as permitted in paragraphs 2(b) through 2(m) below): (i) any offer to sell or any solicitation of an offer to buy, any Units in the United States or to, or for the account or benefit of, U.S. Persons; (ii) any sale of Units to any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States and not a U.S. Person, or the Agent, its U.S. Affiliate or persons acting on its or their behalf reasonably believed that such purchaser was outside the United States and not a U.S. Person; or (iii) any Directed Selling Efforts in the United States with respect to the Units.

(b) It will not offer or sell the Units in the United States except that it may offer and sell the Units to Qualified Institutional Buyers or Institutional Accredited Investors with whom the Agent has a pre-existing relationship, in compliance with Rule 506(b) of Regulation D under the U.S. Securities Act. It shall inform, or cause its U.S. Affiliate to inform, each Qualified Institutional Buyer and Institutional Accredited Investor that the Units are being sold to it in reliance upon exemptions from the registration requirements of the U.S. Securities Act.

(c) It has not entered and will not enter into any contractual arrangement with respect to the offer and sale of the Units except with the U.S. Affiliate, any selling group members or with the prior written consent of the Corporation. The Agent shall require the U.S. Affiliate to agree, and the Agent shall require each selling group member to agree, for the benefit of the Corporation, to comply with, and each shall cause its U.S. Affiliate to comply with, and shall use its commercially reasonable efforts to ensure that each selling group member complies with, the same provisions of this Agreement as apply to such Agent as if such provisions applied to such U.S. Affiliate and such selling group member.

(d) All offers of Units to Qualified Institutional Buyers and Institutional Accredited Investors have been and will be made by the Agent's U.S. Affiliate and all sales of the Units to Qualified Institutional Buyers and Institutional Accredited Investors shall be and will be made by the Agent's U.S. Affiliate in compliance with Rule 506(b) of Regulation D under the U.S. Securities Act and any applicable state securities laws.

(e) It and its Affiliates have not, either directly or through a person acting on its or their behalf, solicited and will not solicit offers to buy, and have not offered to sell and will not offer to sell, Units in the United States by any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.

(f) All offers and sales of Units have been or will be made in the United States in accordance with any applicable U.S. federal or state laws or regulations governing the registration or conduct of securities brokers or dealers and applicable rules of the Financial Industry Regulatory Authority, Inc. The U.S. Affiliate that makes offers and sales in the United States is on the date hereof, and will be on the date of

each offer and sale of Units in the United States, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and the securities laws of each state in which such offer or sale is made (unless exempted from the respective state's broker-dealer registration requirements) and a member in good standing with the Financial Industry Regulatory Authority, Inc.

(g) Immediately prior to making an offer of the Units in the United States the Agent and its U.S. Affiliate had reasonable grounds to believe and did believe that each such offeree was either a Qualified Institutional Buyer or an Institutional Accredited Investor. At the time of each sale of Units to a person in the United States the Agent, its U.S. Affiliate, and any person acting on its or their behalf will have reasonable grounds to believe and will believe, that each such purchaser is either a Qualified Institutional Buyer or an Institutional Accredited Investor.

(h) It agrees that it will not complete the sale of any Units to any purchaser within the United States, unless it has received, and provided to the Corporation, an executed U.S. Subscription Agreement including Schedule "B" or Schedule "C" thereto, as applicable.

(i) At least one Business Day prior to the Closing Date, the Corporation and its transfer agent will be provided with a list of all purchasers of the Units in the United States.

(j) At the Closing the Agent (together with its U.S. Affiliate) will either: (i) provide a certificate, substantially in the form of Exhibit A to this Schedule "A", relating to the manner of the offer and sale of the Units in the United States or to, or for the account or benefit of, U.S. Persons, or (ii) be deemed to have represented and warranted that neither it, its Affiliates nor any one acting on its or their behalf, has offered or sold any Units in the United States or to, or for the account or benefit of, U.S. Persons.

(k) Neither the Agent, its U.S. Affiliate or any person acting on its behalf (other than the Corporation, its Affiliates and any person acting on their behalf, as to which no representation is made) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Units.

(l) The Agent represents and warrants 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 and any such persons related to such selling group, that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with sale of Regulation D Securities (each, a "**Dealer Covered Person**" and, collectively, the "**Dealer Covered Persons**"), is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1) under Regulation D (a "**Disqualification Event**"); and

(m) The Agent represents that it is not aware of any person other than a 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 Units pursuant to Rule 506(b) of Regulation D of the U.S. Securities Act. It will notify the Corporation, prior to the Closing Date of any agreement entered into between it and any such person in connection with such sale.

### **3. Representations, Warranties and Covenants of the Corporation.**

The Corporation represents, warrants, covenants and agrees that:

(a) The Corporation is, and at the Closing will be, a Foreign Issuer and reasonably believes that there is no Substantial U.S. Market Interest in the Units.

(b) The Corporation is not, and as a result of the sale of the Units contemplated hereby, will not be, an open-end investment company, a unit investment trust or a face-amount certificate company registered or required to be registered or a closed-end investment company required to be registered, but not registered, under the United States Investment Company Act of 1940, as amended.

(c) Except with respect to offers and sales in accordance with Rule 506(b) of Regulation D under the U.S. Securities Act and in accordance with this Agreement to Qualified Institutional Buyers or Institutional Accredited Investors, neither the Corporation nor any of its Affiliates, nor any person acting on its or their behalf (other than the Agent, its Affiliates or any person acting on their behalf, in respect of which no representation, warranty, covenant or agreement is made), has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Units to a person in the United States; or (B) any sale of Units unless, at the time the buy order was or will have been originated, the purchaser is (i) outside the United States or (ii) the Corporation, its Affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States.

(d) During the period in which the Units are offered for sale, neither it nor any of its Affiliates, nor any person acting on its or their behalf (other than the Agent, its Affiliates or any person acting on their behalf, in respect of which no representation, warranty, covenant or agreement is made) has engaged in or will engage in any Directed Selling Efforts in the United States with respect to the Units, or has taken or will take any action in violation of Regulation M under the U.S. Exchange Act or that would cause the exemption afforded by Rule 506(b) of Regulation D under the U.S. Securities Act to be unavailable for offers and sales of Units in the United States in accordance with this Agreement, or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Units outside the United States in accordance with the Agency Agreement.

(e) None of the Corporation, any of its Affiliates or any person acting on its or their behalf (other than the Agent, its Affiliates or any person acting on their behalf, in respect of which no representation, warranty, covenant or agreement is made) has offered or will offer to sell, or has solicited or will solicit offers to buy, the Units in the United States by means of any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.

(f) Except with respect to the offer and sale of the Units offered hereby, the Corporation has not, for a period of six months prior to the commencement of the offering of the Units, sold, offered for sale or solicited any offer to buy any of its securities in the United States in a manner that would be integrated with the offer and sale of the Units and would cause the exemption from registration set forth in Rule 506(b) of Regulation D under the U.S. Securities Act to become unavailable with respect to the offer and sale of the Units.

(g) None of the Corporation or any of its predecessors or subsidiaries has had the registration of a class of securities under the U.S. Exchange Act revoked by the SEC pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated under the U.S. Exchange Act.

(h) None of the Corporation or any of its predecessors or affiliates 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 under the U.S. Securities Act.

(i) The Corporation will complete and file with the SEC a Notice on Form D within 15 days after the first sale of Units pursuant to Rule 506(b) of Regulation D, and will make such filings with any applicable state securities commission as may be required by state law.

(j) None of the Corporation, any of its predecessors, any affiliated issuer, any director, executive officer, 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 (each, an "Issuer Covered Person" and, together, "Issuer Covered Persons") is subject to a Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) of Regulation D and disclosed to the Agent. The Corporation has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event. The Corporation has complied, to the extent applicable, with its disclosure obligations under Rule 506(e) of Regulation D, and if applicable, has furnished to the Lead Agent a copy of any disclosures provided thereunder.

(k) The Corporation is not aware of any person (other than any Issuer Covered Person or 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 Units pursuant to Rule 506(b) of Regulation D under the U.S. Securities Act.

## EXHIBIT A

### AGENT'S CERTIFICATE

In connection with the private placement in the United States of units (the “**Units**”) of Pancontinental Resources Corporation (the “**Corporation**”) pursuant to the agency agreement dated effective as of ●, 2020 between the Corporation and the Agent named therein (the “**Agreement**”), each of the undersigned does hereby certify, solely as to itself and its activities, as follows:

1. ●, (the “**U.S. Affiliate**”) is a duly registered broker or dealer pursuant to Section 15(b) of the U.S. Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and under the laws of each applicable state of the United States (unless exempted from the respective state’s broker-dealer registration requirements), and was and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. on the date hereof and on the date of each offer and sale made by it in the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person and all offers and sales of Units in the United States made by the U.S. Affiliate have been effected by the U.S. Affiliate in accordance with all U.S. federal and state broker-dealer requirements;
2. all offers of Units in the United States made by the U.S. Affiliate were made only through such entity and to Qualified Institutional Buyers or Institutional Accredited Investors and have been effected in accordance with all applicable U.S. broker-dealer requirements and applicable securities laws;
3. the U.S. Affiliate provided to each Purchaser of Units in the United States to whom such entity made an offer a copy of the U.S. Subscription Agreement, and no other written material was used in connection with the offer or sale of the Units to such Purchasers in the United States;
4. the U.S. Affiliate had reasonable grounds to believe and did believe that each offeree purchasing Units was either a Qualified Institutional Buyer or an Institutional Accredited Investor, and on the date hereof continues to believe that each person purchasing Units in the United States is either a Qualified Institutional Buyer or an Institutional Accredited Investor;
5. no form of General Solicitation or General Advertising was used by us, in connection with the offer of the Units to purchasers in the United States;
6. neither we nor any of our U.S. Affiliates have taken or will take any action which would constitute a violation of Regulation M of the U.S. Exchange Act in connection with the offer or sale of the Units;
7. no Dealer Covered Person is subject to disqualification under Rule 506(d) of Regulation D; and
8. all offers of the Units in the United States have been conducted by us in accordance with the terms of the Agreement.

Capitalized terms used but not defined in this certificate have the meanings given to them in the Agreement.

*[signature page follows]*

Dated this     day of     , 2020.

**[US AFFILIATE]**

**PARADIGM CAPITAL INC.**

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By:

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By: