

SHARE PURCHASE AGREEMENT

BETWEEN

ANACONDA MINING INC.

AND

MAGNA TERRA MINERALS INC.

Date: October 14, 2019

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SHARE PURCHASE AGREEMENT

THIS AGREEMENT made as of October 14, 2019.

BETWEEN: **ANACONDA MINING INC.**, a duly constituted legal person under the laws of Canada, having its head office at 150 York Street, Suite 410, Toronto, Ontario, M5H 3S5, Province of Ontario, herein acting and represented by Kevin Bullock, its Chief Executive Officer, duly authorized as he so declares;

(hereinafter designated as the “**Vendor**”)

AND: **MAGNA TERRA MINERALS INC.**, a duly constituted legal person under the laws of Canada, having its head office at 150 York Street, Suite 410, Toronto, Ontario, M5H 3S5, Province of Ontario, herein acting and represented by Lewis V. Lawrick, its Chief Executive Officer, duly authorized as he so declares;

(hereinafter designated as the “**Purchaser**”)

WHEREAS the Vendor is the owner of 338,100 common shares (the “**Purchased Shares**”) in the capital of 2647102 Ontario Inc. (“**ExploreCo**”);

WHEREAS ExploreCo is a wholly owned subsidiary of the Vendor;

WHEREAS ExploreCo holds the licences set out in Schedule A (the “**Properties**”) and is a party to the Option Agreements (as defined below) set out in Schedule B, pursuant to which ExploreCo or the Vendor has the right to acquire a 100% undivided interest in the licences covered by the Option Agreements as set out in Schedule B (the “**Optioned Properties**”);

WHEREAS the Vendor has agreed to sell to the Purchaser and the Purchaser has agreed to purchase from the Vendor the Purchased Shares upon the terms and conditions set forth herein (the “**Transaction**”);

NOW THEREFORE this Agreement witnesseth that for good and valuable consideration and the mutual covenants and agreements set out below, the receipt and sufficiency whereof being hereby acknowledged, the parties hereto do hereby covenant and agree with each other as follows:

ARTICLE 1 INTERPRETATION

1.01 Definitions

Whenever used in this Agreement, the following words and terms shall have the meanings set out below:

“**Affiliate**” shall have the meaning ascribed thereto in the CBCA.

“**Agreement**” means this share purchase agreement and all instruments supplementing or amending or confirming this Agreement.

“**Altius NSR**” means the net smelter return royalty agreements dated as of February 5, 2016, between the Vendor and Altius Resources Inc.

“**Business Day**” means a day which is not a Saturday, a Sunday or a statutory holiday in the City of Toronto, Ontario.

“**Cape Spencer NSR**” means the net smelter return royalty contemplated in the Cape Spencer Option Agreement.

“**Cape Spencer Option Agreement**” has the meaning ascribed to such term in Schedule B.

“**CBCA**” means the Canada Business Corporations Act, and the regulations adopted thereunder.

“**Closing**” shall have the meaning ascribed thereto in Article 8.

“**Closing Date**” means on or about November 29, 2019 or such other date as the Vendor and the Purchaser may agree upon in writing, but in any event no later than December 31, 2019.

“**Closing Time**” means 10:00 a.m. on the Closing Date or such other time on the Closing Date as the Vendor and the Purchaser may agree upon in writing.

“**Consideration Shares**” means in the aggregate, the number of Magna Shares equal to 100% of the issued and outstanding Magna Shares, on a non-diluted basis, following the completion of the Share Consolidation but prior to the completion of the Transaction and the Magna Financing, resulting in the Vendor holding, following the completion of the Transaction but prior to factoring in the completion of the Magna Financing, 50% of the issued and outstanding Magna Shares on a non-diluted basis, provided that factoring in the Magna Financing and following the completion of the Transaction the Vendor shall not hold less than 25% of the issued and outstanding Magna Shares on a non-diluted basis.

“**Encumbrance**” means a mortgage, charge, pledge, hypothec, lien or security interest of any kind, a voting trust or pooling agreement with respect to securities, a deposit by way of security and a survey exception, easement, right of way or title reservation of any kind.

“**ExploreCo**” means 2647102 Ontario Inc.

“**Financing Condition**” has the meaning ascribed to such term in Section 7.01(f).

“**First Spruce NSR**” means the net smelter return royalty contemplated in the First Viking Option Agreement.

“**First Viking Option Agreement**” has the meaning ascribed to such term in Schedule B.

“**Governmental Authority**” means any government, parliament, legislature, or any regulatory authority, agency, commission or board of any government, parliament or legislature, or any court or (without limitation to the foregoing) any other law, regulation or rule-making entity (including any central bank, fiscal or monetary authority or authority regulating banks), having or purporting to have jurisdiction in the relevant circumstances, or any Person acting or purporting to act under the authority of any of the foregoing;

“**Governmental Charges**” means all fees, levies and charges imposed by a Governmental Authority;

“**Governmental Authorization**” shall mean all authorizations, approvals, orders, consents or filings, licences or permits issued to or by any Governmental Authorities.

“**Investment Agreement**” means the investment agreement substantially in the form attached as Schedule C.

“**Jackson’s Arm Option Agreement**” has the meaning ascribed to such term in Schedule B.

“**Kermode NSR**” means the net smelter return royalty assumed by the Vendor pursuant to the Kermode Acquisition Agreement.

“**Kermode Acquisition Agreement**” means the acquisition agreement made as of January 25, 2018, between the Vendor and Kermode Resources Ltd.;

“**Laws**” shall mean all applicable laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, writs, injunctions, decrees, policies, notices, directions and judgments or other requirements of any Governmental Authority.

“**Material Adverse Effect**” in respect of a Person means any change, effect, event, occurrence, condition or development that has or could reasonably be expected to have, individually or in the aggregate, a material and adverse impact on the business, operations, results of operations, assets, capitalization or financial condition of such

Person, other than any change, effect, event, occurrence or state of facts relating to the global economy or securities markets in general.

“**Magna Financing**” means the equity financing of the Purchaser for an aggregate of a minimum of \$1,500,000 to satisfy the Financing Condition, provided that such equity financing must not result in the Vendor holding less than 25% of the issued and outstanding Magna Shares on a non-diluted basis following completion of the Transaction and the Magna Financing.

“**Magna Public Documents**” means the documents filed by the Purchaser with the Canadian securities regulatory authorities, stock exchanges and all applicable self-regulatory authorities.

“**Magna Shares**” means the common shares in the capital of the Purchaser.

“**MCR**” has the meaning ascribed to such term in Schedule B.

“**MCR NSR**” means the net smelter return royalty contemplated in the Jackson’s Arm Option Agreement.

“**Option Agreements**” means, collectively, the Cape Spencer Option Agreement, the First Viking Option Agreement, the Second Viking Option Agreement and the Jackson’s Arm Option Agreement.

“**Optioned Properties**” has the meaning ascribed to such term in the recitals of this Agreement.

“**Optionors**” means the parties identified as the optionors under each of the Option Agreements in Schedule B.

“**Parties**” means the Purchaser and the Vendor collectively, and “**Party**” means any one of them;

“**Permitted Encumbrances**” means the Altius NSR, Stockley NSR, Kermodé NSR and, if applicable, Encumbrances provided for in the Option Agreements.

“**Person**” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative or Governmental Authority.

“**Properties**” has the meaning ascribed to such term in the recitals of this Agreement.

“**Purchaser**” means Magna Terra Minerals Inc.

“**Purchased Shares**” shall have the meaning ascribed thereto in the Recitals.

“Regulatory Approvals” means any governmental or regulatory approval or authorization required to be obtained from any Governmental Authority or stock exchange with respect to the Transaction.

“Required Consents and Releases” means those approvals, authorizations and releases required to be obtained with respect to the Transaction, other than Regulatory Approvals, which are set out in Schedule D.

“Second Spruce NSR” means the net smelter return royalty contemplated in the Second Viking Option Agreement.

“Second Viking Option Agreement” has the meaning ascribed to such term in Schedule B.

“Share Consolidation” means a consolidation of the Magna Shares on the basis of one (1) new Magna Share for every seven (7) old Magna Shares to be approved by the shareholders of the Purchaser at the Special Meeting;

“Stockley NSR” means the net smelter return royalty contemplated in the Stockley Option Agreement.

“Stockley Option Agreement” has the meaning ascribed to such term in Schedule B.

“Special Meeting” means the special meeting of the shareholders of the Purchaser to be called by the Purchaser in connection with, notably, the Share Consolidation and the Transaction;

“Spruce Ridge” has the meaning ascribed to such term in Schedule B.

“subsidiaries” shall have the meaning ascribed to such term under the *Business Corporations Act* (Ontario).

“tax” or **“taxes”** means all taxes, duties, rates, levies, assessments, reassessments, withholdings, deductions, fees, dues and other charges, together with all penalties, interest and fines with respect thereto, payable to any Governmental Authority, including those referred to as, or with respect to, income, sales, use, transfer, goods and services, capital, capital gains, value added, real property, personal property, excise, customs, registration, payroll, employment, education, business, school, property, and local improvement.

“Transaction” means the transaction whereby the Vendor sells to the Purchaser and the Purchaser purchases from the Vendor all of the Purchased Shares upon the terms and conditions set forth in this Agreement.

“TSX” means the Toronto Stock Exchange.

“TSXV” means the TSX Venture Exchange.

“**Vendor**” means Anaconda Mining Inc.

1.02 General Rules

- (a) **Time:** time is of the essence in the performance of the Parties’ respective obligations.
- (b) **Currency:** unless otherwise specified, all references to money amounts are to Canadian currency.
- (c) **Headings:** the provision of headings and the division of this Agreement into articles, sections, schedules and other subdivisions are inserted solely for convenience of reference, are not intended as complete or accurate descriptions of the content of such sections or subsections, and shall not affect the interpretation hereof.
- (d) **References:** references in this Agreement to an article, section, schedule or other subdivision are to the corresponding article, section, schedule or other subdivision of this Agreement, unless otherwise indicated.
- (e) **Singular:** use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such person or persons or circumstances as the context otherwise permits.
- (f) **Business Day:** whenever payment is to be made or action to be taken under this Agreement is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following such day.
- (g) **Inclusion:** where the words “including” or “includes” appear in this Agreement, they mean “including (or includes) without limitation”.

1.03 Governing Law

This Agreement is governed by and will be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each Party irrevocably attorns to the exclusive jurisdiction of the courts of Ontario with respect to any matter arising under or relating to this Agreement.

1.04 Schedules

The following Schedules are attached to and incorporated into this Agreement by reference and are deemed to be a part of this Agreement:

Schedule A – Properties

Schedule B – Option Agreements and Optioned Properties

Schedule C – Form of Investment Agreement

Schedule D – Required Consents and Releases

Schedule E – Purchaser’s Authorized Capital

**ARTICLE 2
PURCHASE AND SALE OF THE PURCHASED SHARES**

2.01 Purchase and Sale

Subject to the terms and conditions herein contained, and based on the representations and warranties provided in this Agreement, the Vendor hereby agrees to sell, transfer, assign and convey to the Purchaser at the Closing Time, and the Purchaser hereby agrees to purchase from the Vendor at the Closing Time, all right, title and interest in and to the Purchased Shares free and clear of all Encumbrances. The consideration for the Purchased Shares shall be the Consideration Shares, which shall be issued and delivered at the Closing Time by the Purchaser to the Vendor.

2.02 Delivery of Certificates

The parties agree to do all such other acts and things as necessary to give effect to the provisions hereof, and without limiting the generality of the foregoing, to validly and effectively transfer the Purchased Shares from the Vendor to the Purchaser as at the Closing Time, including the Vendor shall transfer and deliver to the Purchaser at the Closing Time, share certificates representing the Purchased Shares duly endorsed in blank for transfer, or accompanied by irrevocable security transfer powers of attorney duly executed in blank. In exchange therefore, the Purchaser shall deliver a share certificate representing the Consideration Shares registered in the name of the Vendor (or as the Vendor may otherwise direct in writing) and bearing such resale legends required by applicable securities laws.

**ARTICLE 3
REPRESENTATIONS AND WARRANTIES OF THE VENDOR**

3.01 Representations and Warranties

The Vendor represents and warrants to the Purchaser as follows, and acknowledges that the Purchaser is relying upon such representations and warranties in entering this Agreement:

- (a) **Due Incorporation**. The Vendor is duly, validly existing and in good standing under the laws of the Province of Ontario and has full corporate power to execute, deliver and perform its obligations under this Agreement and to sell and transfer the 338,100 Shares to the Purchaser as herein provided.
- (b) **Due Authorization**. This Agreement has been duly authorized by all necessary corporate action of the Vendor. This Agreement has been duly executed and delivered by the Vendor and constitutes a valid and binding obligation of the Vendor enforceable against it in accordance with its terms, provided that enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar Laws generally affecting enforceability of creditors’ rights and that equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

- (c) **Purchased Shares.** The Purchased Shares represent 100% of the issued and outstanding shares in the capital of ExploreCo, are owned by the Vendor as the registered owner of record, with a good and marketable title thereto, free and clear of all Encumbrances.
- (d) **Transfer of Shares.** Upon delivery of the share certificates representing the 338,100 Shares, the Purchaser will acquire good and marketable title to the 338,100 Purchased Shares, free and clear of any and all Encumbrances and will be the sole owner of ExploreCo.
- (e) **No Other Agreement.** No Person has any agreement, option, understanding or commitment, or any right or privilege (whether pre-emptive, contractual or by law) capable of becoming an agreement, option or commitment, for the purchase or other acquisition of the Purchased Shares.
- (f) **Regulatory Approvals.** Other than the acceptance of the TSX with respect to the Transaction and the consent of the Minister of Natural Resources (NL) and/or the Minister of Energy and Mines (NB) with respect to the transfer of the Properties, as applicable, no additional Regulatory Approvals are required to be obtained by the Vendor to enable the Vendor to complete the Transaction and/or to execute and deliver this Agreement.
- (g) **Bankruptcy, Insolvency, etc.** The Vendor has not committed an act of bankruptcy, is not insolvent, has not proposed a compromising arrangement to its creditors generally, has not had any petition for a receiving order in bankruptcy filed against it, has not made a voluntary assignment in bankruptcy, has not taken any proceedings with respect to a compromise or arrangement, has not taken any proceeding to have itself declared bankrupt or wound-up, has not taken any proceeding to have a receiver appointed of any part of its assets, has not had any encumbrancer take possession of any of its property and has not had any execution or distress become enforceable or become levied upon any of its property.
- (h) **No Breaches or Defaults.** Except with respect to completing the necessary actions to obtain the Required Consents and Releases, none of the execution and delivery of this Agreement, the performance of the obligations of the Vendor hereunder or the consummation of the Transaction herein provided will:
 - (i) result in or constitute a breach of any term or provision of, or constitute a default under, the articles or by-laws of the Vendor or any agreement or other commitment to which the Vendor is a party or by which the Vendor or its respective assets are bound, including without limitation, the Purchased Shares;
 - (ii) constitute an event which would permit any party to any agreement with the Vendor to terminate such agreement or to accelerate the maturity of any indebtedness of the Vendor or any other obligation of the Vendor including without limitation, the Purchased Shares; or
 - (iii) result in the creation or imposition of any Encumbrance upon the Purchased Shares.

- (i) **Litigation**. There is no material legal, arbitral, governmental or other action, proceeding or investigation pending or threatened against or otherwise affecting the Vendor or its respective assets or with respect to any matter arising out of its respective business or in connection with its affairs that could result in a Material Adverse Effect on the business or operations of the Vendor. There is no material outstanding judgment, decree, order, ruling or injunction involving the Vendor or relating in any way to the Transaction that could result in a Material Adverse Effect on the business or operations of the Vendor.

Each of the representations and warranties contained in this Section 3.01 will be true and accurate at the Closing Time as if made at and as of such time.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF THE VENDOR
REGARDING EXPLORECO, THE PROPERTIES
AND THE OPTIONED PROPERTIES

4.01 Representations and Warranties

The Vendor represents and warrants to the Purchaser as follows, in each case to the best of its knowledge after due enquiry, and acknowledges that the Purchaser is relying upon such representations and warranties in entering this Agreement:

With respect to ExploreCo:

- (a) **Due Incorporation**. ExploreCo is duly, validly existing and in good standing under the laws governing its incorporation.
- (b) **Corporate Power**. ExploreCo has full power and authority to carry on its business and to enter into any agreement or instrument referred to or contemplated by this Agreement and to carry out and perform all of its obligations and duties thereunder. ExploreCo has all requisite corporate power, authority, capacity and Regulatory Approvals to carry on its business as now conducted and to own, lease and operate its assets. ExploreCo is not in default nor has it received any notices of any claim that they are in default with respect to any such Regulatory Approvals.
- (c) **Due Authorization**. The board of directors of ExploreCo has duly approved the transfer of the Purchased Shares held by the Vendor to the Purchaser in accordance with its constating documents and such transfer will not conflict with or result in a breach of any covenants or agreements contained in or constitute a default under or result in the creation of any Encumbrance on any of its shares, properties or assets under the provisions of its constating documents or any shareholders' or directors' resolution or any contract to which it is a party or by which it is bound and does not contravene any applicable Laws.
- (d) **Issued Shares**. All of the issued and outstanding shares in the capital of ExploreCo have been duly authorized and issued as fully paid and non-assessable shares. There are currently 338,100 common shares of ExploreCo issued and outstanding and there are no other securities or rights to acquire securities of ExploreCo.

- (e) **Corporate Records.** The corporate records of ExploreCo contain accurate and complete copies of its constating documents together with minutes of all meetings of directors, committees and shareholders. There are outstanding no applications or filings which would alter in any way the constating documents or corporate status of ExploreCo. No resolutions or by-laws have been passed, enacted, consented to or adopted by the directors or shareholders of ExploreCo except as are in the minute books of ExploreCo or which otherwise would result in a Material Adverse Effect on its business or operations.
- (f) **Governmental Authorizations.** ExploreCo has all, or made all required applications for all applicable, Governmental Authorizations required to carry on and conduct business as currently conducted with all Laws applicable thereto and to own, lease or operate its assets at the places and in the manner in which such business is conducted. ExploreCo is not in default nor has it received any notice of any claim that it is in default with respect to any such Governmental Authority that could have a Material Adverse Effect on its business or operations.
- (g) **Regulatory Approvals.** No additional Regulatory Approvals are required to be obtained by the Vendor or ExploreCo to enable the Vendor to complete the Transaction and/or to execute and deliver this Agreement.
- (h) **Bankruptcy, Insolvency, etc.** ExploreCo has not committed an act of bankruptcy, is insolvent, has proposed a compromising arrangement to its creditors generally, have had any petition for a receiving order in bankruptcy filed against it, have made a voluntary assignment in bankruptcy, has not taken any proceedings with respect to a compromise or arrangement, has taken any proceeding to have itself declared bankrupt or wound-up, has taken any proceeding to have a receiver appointed of any part of their assets, has had any encumbrancer take possession of any of its property nor have had any execution or distress become enforceable or become levied upon any of its property.
- (i) **Litigation.** There is no material legal, arbitral, governmental or other action, proceeding or investigation pending or threatened against or otherwise affecting ExploreCo or its respective assets or with respect to any matter arising out of its respective business or in connection with its affairs that could result in a Material Adverse Effect on the business or operations of ExploreCo. There is no material outstanding judgment, decree, order, ruling or injunction involving ExploreCo or relating in any way to the Transaction that could result in a Material Adverse Effect on the business or operations of ExploreCo.
- (j) **Compliance with Laws.** ExploreCo is and have at all times been in compliance in all material respects with all applicable Laws.
- (k) **Employment Matters.**
 - (i) ExploreCo is not a party to any written management contract or employment agreement, including, without limitation, any contract which provides for a right of payment in the event of a change in control of ExploreCo for which the Purchaser could become liable and there are no outstanding amounts payable to

employees or independent contractors other than in the ordinary course of ExploreCo's business or as disclosed in ExploreCo's financial statements.

- (ii) ExploreCo does not maintain and has never had any employee benefit, health, welfare, supplemental unemployment benefit, bonus, pension, profit sharing, deferred compensation, retirement, hospitalization insurance, medical, dental, legal, disability and similar plans or arrangements or practices relating to employees or former employees.

(l) **Taxes.**

- (i) ExploreCo has prepared and filed all tax returns and other documents required to be filed by it on or before the date hereof in respect of all Governmental Charges and such returns and documents are complete and correct in all material respects and fairly represent the information and tax status of ExploreCo for the relevant period;
- (ii) ExploreCo has paid all Governmental Charges which are due and payable on or before the date hereof. To the knowledge of the Vendor, ExploreCo has no liability for Governmental Charges other than those provided for in the its financial statements and those arising in the ordinary course of the business since its incorporation, and adequate provisions have been made therefor on the books of ExploreCo;
- (iii) There are no actions, suits, proceedings, investigations, enquiries or claims now ongoing, pending or, to the knowledge of the Vendor, threatened against ExploreCo in respect of Governmental Charges;
- (iv) There are no Governmental Charges, assessments, re-assessments, or levies of whatsoever nature which ExploreCo is required by law to withhold, collect or pay and for which the Purchaser could become liable, including, but without limiting the generality of the foregoing, employment insurance, pension plan payments, non-resident withholding tax or source deductions, except as disclosed in the ExploreCo's financial statements and those arising in the ordinary course of the business since its incorporation;
- (v) All Governmental Charges, assessments, levies and source deductions which ExploreCo is required by law to withhold or to collect, including, without limitation, employment insurance, employment benefits, pension plan payments and non-resident withholding tax, have been, to its knowledge, duly withheld or collected, and paid over to the proper Governmental Authorities, or held by ExploreCo or on behalf of it as required, and such withholdings and collections and all other payments due in connection therewith are duly reflected in the ExploreCo's financial statements to the date as of which they were prepared and since that date have been duly entered in the books of ExploreCo; and
- (vi) There are no agreements, waivers or other arrangements providing for any extension of time with respect to the filing of any tax return or other document in

respect of Governmental Charges or the payment of any Governmental Charges by ExploreCo.

With respect to the Properties and Optioned Properties:

- (m) **Properties.** Other than with respect to the Optioned Properties, ExploreCo is the sole legal and beneficial owner of a 100% undivided interest in each of the Properties, with good and marketable title thereto, and the Properties are duly registered in the name of ExploreCo, in each case, free and clear of all Encumbrances except for the Permitted Encumbrances;
- (n) **Option Agreements.** ExploreCo is a party to the Cape Spencer Option Agreement and the Vendor is a party to each of the First Viking Option Agreement, the Second Viking Option Agreement and the Jackson's Arm Option Agreement. There is no default existing under any of the Option Agreements and, to the knowledge of the Vendor, there is no default by any of the Optionors under any of the Option Agreements. True and complete copies of each of the Option Agreements have been provided to the Purchaser.
- (o) **Royalty Agreements.** To the knowledge of the Vendor, there are no royalties on any of the Optioned Properties, other than the Altius NSR, the Cape Spencer NSR, the Stockley NSR, the First Spruce NSR, the Second Spruce NSR, the MCR NSR, each of which are in force or will be in force as of the exercise date of the relevant Option Agreement.
- (p) **No Other Agreement.** No Person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase of the Properties or any portion thereof or interest therein from ExploreCo, other than pursuant to the transactions contemplated in this Agreement. Other than ExploreCo or the Vendor, as applicable, no Person has any agreement or option or any right or privilege capable of becoming an agreement or option for the purchase of the Optioned Properties or any portion thereof or interest therein, other than pursuant to the transactions contemplated in this Agreement;
- (q) **Good Standing.** The Properties and Optioned Properties are in good standing under applicable Law and all work required to be performed and filed in respect thereof has been performed and filed, all taxes, royalties, rentals, fees, expenditures and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made;
- (r) **Absence of Claim.** There is no material adverse claim against or challenge to the title to or ownership of the Properties and Optioned Properties, and ExploreCo is not aware of any defects, failures or impairments in the title of ExploreCo to the Properties, whether or not an action, suit, proceeding or inquiry is pending or threatened and whether or not discovered by any third party;
- (s) **No Legal Proceedings.** There are no legal proceedings (whether or not purportedly on behalf of ExploreCo in progress, pending or, to the best of the Vendor's knowledge, threatened against or otherwise affecting ExploreCo relating to the Properties at Law or

in equity and there is no judgment, decree, injunction, ruling, order or award of any tribunal outstanding against or affecting ExploreCo relating to the Properties;

- (t) **Property Location.** The Properties and Optioned Properties exist entirely on Crown land and no surface rights associated with the Properties and Optioned Properties are privately owned, other than as disclosed to the Purchaser with respect to the Cape Spencer Properties. To the best of the Vendor's knowledge, the Properties and Optioned Properties do not lie within any protected area, reserve, reservation, reserved area or special needs lands as designated by any Governmental Authority having jurisdiction, that would impair the exploration for minerals or the development of a mining project on the Properties and Optioned Properties;
- (u) **Right of Access.** Except as disclosed to the Purchaser by the Vendor, each of the Vendor and ExploreCo, whichever the case, has full and unfettered access to the Properties and Optioned Properties;
- (v) **Absence of Notice.** ExploreCo has not received any notice, whether written or oral, from any Governmental Authority of any revocation or intention to revoke any interest of ExploreCo in the Properties;
- (w) **Access to Information & Data.** The Vendor and ExploreCo have provided the Purchaser with access to full and complete copies of all material exploration information and data within its possession or control including, without limitation, all geological, geophysical and geochemical information and data (including all drill, sample and assay results and all maps) and all technical reports, feasibility studies and other similar reports and studies concerning the Properties and Optioned Properties, and each of the Vendor and ExploreCo, whichever the case, has the sole right, title and ownership of all such information, data, reports and studies;
- (x) **Environmental Matters.**
 - (i) Other than as indicated in certain letters between the Government of Newfoundland and Labrador Department of Natural Resources Mineral Lands Division and Spruce Ridge Resources Ltd. dated January 22, 2013, December 18, 2013 and February 24, 2014, there are no orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures with respect to the Properties and Optioned Properties or the conduct of the business related to the Properties and Optioned Properties, nor to the best of the Vendor's knowledge has any activity on the Properties and Optioned Properties been in violation of any applicable environmental law, regulations or regulatory prohibition or order, and to the best of the Vendor's knowledge, conditions on and relating to the Properties and Optioned Properties are in compliance with those laws, regulations, prohibitions and orders;
 - (ii) To the best of the Vendor's knowledge, there has been no material spill, discharge, leak, emission, ejection, escape, dumping, or any release or threatened release of any kind, of any toxic or hazardous substance or waste (as defined by

any applicable Law) from, on, in or under the Properties and Optioned Properties or into the environment, except releases expressly permitted or otherwise authorized by applicable Law;

- (iii) To the best of the Vendor's knowledge, no toxic or hazardous substance or waste has been treated, disposed of or is located or stored on the Properties and Optioned Properties as a result of activities of the Vendor or ExploreCo, whichever the case, or its predecessors in title or interest; and
- (y) **First Nations.** Other than pursuant to a letter dated June 7, 2018 from the Northern Peninsula (Mekap'sk) Mi'kmaq Band and related correspondence, to the best of the Vendor's knowledge, there is no pending or ongoing claims or actions taken by or on behalf of any First Nations, native or indigenous persons with respect to any lands included in the Properties and Optioned Properties.

Each of the representations and warranties contained in this Section 4.01 will, to the knowledge of the Vendor, be true and accurate at the Closing Time as if made at and as of such time.

ARTICLE 5 REPRESENTATIONS, WARRANTIES AND ACKNOWLEDGEMENTS OF THE PURCHASER

5.01 Representations and Warranties

The Purchaser represents and warrants to the Vendor as follows, and acknowledges that the Vendor is relying upon such representations and warranties in entering this Agreement:

- (a) **Due Incorporation.** The Purchaser is duly incorporated, validly existing and in good standing under the laws of Canada and, except for shareholder approval to be obtained at the Special Meeting in connection with the Share Consolidation and the Transaction, has full corporate power to execute, deliver and perform its obligations under this Agreement, including, but not limited to, completing the Share Consolidation, the Magna Financing and issuing the Consideration Shares to the Vendor as herein provided.
- (b) **Corporate Power.** The Purchaser and each of its subsidiaries has full power and authority to carry on its business and to enter into any agreement or instrument referred to or contemplated by this Agreement and to carry out and perform all of its obligations and duties thereunder. The Purchaser and each of its subsidiaries has all requisite corporate power, authority, capacity and Regulatory Approvals to carry on its business as now conducted and to own, lease and operate its assets. Neither the Purchaser nor its subsidiaries is in default nor have they received any notices of any claim that they are in default with respect to any such Regulatory Approvals.
- (c) **Due Authorization.** This Agreement has been duly authorized by all necessary corporate action of the Purchaser, except for shareholder approval to be obtained at the Special Meeting in connection with the Transaction. This Agreement has been duly executed and delivered by the Purchaser and constitutes a valid and binding obligation

of the Purchaser enforceable against it in accordance with its respective terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, similar Laws generally affecting the enforcement of creditors' rights and equitable remedies such as specific performance and injunction are in the discretion of the court from which they are sought.

- (d) **Issued Shares.** All of the issued and outstanding Magna Shares have been duly authorized and issued as fully paid and non-assessable shares. There are currently 87,454,572 Magna Shares and 4,056,000 warrants and 7,970,000 options of the Purchaser issued and outstanding as outlined in Schedule E and there are no other securities or rights to acquire securities of the Purchaser except as contemplated in Schedule E.
- (e) **Consideration Shares.** The issuance of the Consideration Shares as contemplated herein for delivery by the Purchaser to the Vendor has been authorized by all necessary corporate action on the part of the Purchaser, except for shareholder approval to be obtained at the Special Meeting in connection with the Transaction, and such Consideration Shares will, when issued in accordance with the terms of this Agreement, be validly issued as fully paid and non-assessable and clear of all Encumbrances. None of the Canadian securities regulatory authorities or any similar authority or court of competent jurisdiction or any Governmental Authority has issued or threatened to issue any order preventing or suspending trading in any securities of the Purchaser which is currently in effect. The Magna Shares are listed and posted for trading on the TSXV. The Purchaser is a "reporting issuer" in good standing under the securities laws of the Provinces of British Columbia, Alberta and Quebec. The Purchaser is not subject to any cease trade order or other order of any applicable stock exchange or securities regulatory authority and the Purchaser has not received notice of any investigation or other proceedings involving the Purchaser which may operate to prevent or restrict trading in any securities of the Purchaser which are currently in progress or pending before any applicable stock exchange or securities regulatory authority.
- (f) **Corporate Records.** The corporate records of the Purchaser contain accurate and complete copies of its constating documents together with minutes of all meetings of directors, committees and shareholders. There are outstanding no applications or filings which would alter in any way the constating documents or corporate status of the Purchaser. No resolutions or by-laws have been passed, enacted, consented to or adopted by the directors or shareholders of the Purchaser except as are in the minute books of the Purchaser, except for the resolution approving the Transaction, the Share Consolidation and the Magna Financing.
- (g) **Subsidiaries.** Other than Atala Resources Corporation, the Purchaser has no subsidiaries and owns no shares of any other corporation or entity nor any rights, warrants or other securities convertible into shares of any other corporation or entity. Except as disclosed in Section 5.01(m), the Purchaser owns 100% of the securities of the foregoing subsidiary free and clear of all Encumbrances. The Purchaser is not bound by or a party to any agreement which contemplates its amalgamation, merger, consolidation or other acquisition with or by any other entity.

- (h) **Public Disclosure.** The Purchaser has filed the Magna Public Documents. The Magna Public Documents, at the time filed or, if amended, as of the date of such amendment (i) did not contain any misrepresentation (as defined by the *Securities Act* (Ontario) or interpreted by applicable securities regulatory authorities) and did not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading, and (ii) complied in all material respects with the requirements of applicable securities legislation and the rules, policies and instruments of all securities regulatory authorities having jurisdiction over the Purchaser. The Purchaser has not filed any confidential material change report or other document with any securities regulatory authorities or stock exchange or self-regulatory authority which at the date hereof remains confidential.
- (i) **Financial Statements.** Each of the consolidated financial statements as at and for the period ended August 31, 2018 and interim financial statements for the three and nine months ended May 31, 2019, comply as to form in all material respects with applicable accounting requirements and the requirements, rules and regulations of the Canadian securities regulatory authorities with respect thereto, have been prepared in accordance with generally accepted accounting principles or international financial reporting standards applied on a consistent basis throughout the periods covered thereby, and fairly present the consolidated financial condition, results of operations and cash flows of the Purchaser as of the respective dates thereof and for the periods referred to therein. Such financial statements of the Purchaser are available on the System for Electronic Document Analysis and Retrieval and fairly set out and disclose in all material respects, the current financial position of the Purchaser.
- (j) **Bonds, Debentures.** Except as disclosed in the interim financial statements for the three and nine months ended May 31, 2019, neither the Purchaser nor any of its subsidiaries has any outstanding bonds, debentures or other indebtedness and are not under any agreement to create or issue any bonds, debentures or other indebtedness.
- (k) **Governmental Authorizations.** The Purchaser and each of its subsidiaries has all, or made all required applications for all applicable, Governmental Authorizations required to carry on and conduct business as currently conducted with all Laws applicable thereto and to own, lease or operate its assets at the places and in the manner in which such business is conducted. The Purchaser and each of its subsidiaries is not in default nor have they received any notice of any claim that they are in default with respect to any such Governmental Authority that could have a Material Adverse Effect on its business or operations.
- (l) **Title to Assets.** The Purchaser and each of its subsidiaries has good and marketable title to and legal and/or beneficial ownership or interest to acquire all of their assets and property, free and clear of any and all Encumbrances.
- (m) **Regulatory Approvals.** Other than the approval of the TSXV with respect to the Transaction, Share Consolidation and the Magna Financing, no additional Regulatory

Approvals are required to be obtained by the Purchaser to enable the Purchaser to complete the Transaction and/or to execute and deliver this Agreement.

- (n) **Regulatory Filings.** The Purchaser will, within the required time, file with any applicable Canadian securities regulatory authority, any documents, reports and information, in the required form, required to be filed by applicable securities laws in connection with this issuance of the Consideration Shares in accordance with this Agreement and Magna Shares issuable under the Magna Financing, together with any applicable filing fees and other materials.
- (o) **Bankruptcy, Insolvency, etc.** Neither the Purchaser nor its subsidiaries has committed an act of bankruptcy, is insolvent, has proposed a compromising arrangement to their creditors generally, have had any petition for a receiving order in bankruptcy filed against them, have made a voluntary assignment in bankruptcy, have not taken any proceedings with respect to a compromise or arrangement, have taken any proceeding to have themselves declared bankrupt or wound-up, have taken any proceeding to have a receiver appointed of any part of their assets, have had any encumbrancer take possession of any of their property nor have had any execution or distress become enforceable or become levied upon any of their property.
- (p) **Litigation.** There is no material legal, arbitral, governmental or other action, proceeding or investigation pending or threatened against or otherwise affecting the Purchaser or any of its subsidiaries or its respective assets or with respect to any matter arising out of their respective business or in connection with their affairs that could result in a Material Adverse Effect on the business or operations of the Purchaser or any of its subsidiaries. There is no material outstanding judgment, decree, order, ruling or injunction involving the Purchaser or any of its subsidiaries or relating in any way to the Transaction that could result in a Material Adverse Effect on the business or operations of the Purchaser or any of its subsidiaries.
- (q) **Guarantees.** None of the Purchaser nor any of its subsidiaries have outstanding guarantees nor any outstanding security for any liability, debt or obligation of any Person.
- (r) **Compliance with Laws.** The Purchaser and each of its subsidiaries is and have at all times been in compliance in all material respects with all applicable Laws.
- (s) **Environmental Matters.** No notice, citation, summons or order has been issued, no complaint has been filed, no penalty has been assessed and no investigation or review is to the knowledge of the Purchaser pending or threatened by any Governmental Authority with respect to any alleged violation of any applicable environmental laws or regulation in respect of the properties of the Purchaser. The Purchaser and each of its subsidiaries is and have conducted themselves in compliance in all material respects with applicable environmental laws and are not aware of any existing material liabilities with respect to any failure to comply with environmental laws that could affect the properties of the Purchaser.

- (t) **Taxes.** To date all tax return have been filed for the Purchaser. The Purchaser is not aware of any tax assessments or liabilities related to any tax required to be paid by the Purchaser or any of its subsidiaries.
- (u) **No Breaches or Defaults.** None of the execution and delivery of this Agreement, the performance of the obligations of the Purchaser hereunder or the consummation of the Transaction herein provided for will result in or constitute a breach of any term or provision of, or constitute a default under, the articles or by-laws of the Purchaser or any agreement or other commitment to which the Purchaser is a party or by which the Purchaser or its assets are bound.

Each of the representations and warranties contained in this Section 5.01 shall be true and accurate at the Closing Time as if made at and as of such time.

ARTICLE 6 COVENANTS

6.01 Covenants of the Vendor

The Vendor covenants and agrees with the Purchaser that from the date hereof to the earlier of: (a) the Closing Date; and (b) the date of termination of this Agreement, as applicable, it will:

- (a) Unless otherwise contemplated herein, required pursuant to the Option Agreements or approved by the Purchaser in writing, it shall cause ExploreCo not to:
 - (i) except in the ordinary course of the business, sell, transfer or dispose of or create any mortgage, hypothec, pledge, waiver or other Encumbrance or a security interest on or in respect of the whole or any part of the Properties or any other of its assets;
 - (ii) enter into any transaction or material contract not in the ordinary course of the business;
 - (iii) borrow money or incur any indebtedness for money borrowed;
 - (iv) make loans, advances or other payments;
 - (v) issue, sell or agree to issue or sell any shares, rights, options, warrants or other securities of ExploreCo;
 - (vi) purchase, cancel, retire, redeem or otherwise acquire any of ExploreCo's outstanding securities other than as contemplated herein;
 - (vii) change, amend or modify the charter documents or by-laws of ExploreCo; and
 - (viii) merge or amalgamate with or agree to merge or amalgamate with, or purchase substantially all of the assets of, or otherwise acquire any business; or sell or lease or agree to sell or lease, any material properties or assets or approve or undertake

any other material transaction or furnish or cause to be furnished any information concerning the business, properties or assets of any Person which is interested in any such transactions;

- (b) maintain (and as applicable, cause ExploreCo to maintain) its interest in the Properties and the Optioned Properties in good standing under applicable Laws, perform all work required to be performed under applicable Law, pay all taxes, royalties, rentals, fees, expenditures and other payments required to be paid in respect thereof and make any necessary tax, governmental and other filings and payments and perform such other related and applicable obligations in respect of the Properties and the Optioned Properties in a timely fashion;
- (c) take (and as applicable, cause ExploreCo to take) reasonable care to protect and safeguard the Properties and the Optioned Properties;
- (d) not sell or dispose of or transfer possession of (and as applicable, cause ExploreCo not to sell or dispose of or transfer possession of) all or any portion of the Properties or all or any of its rights, title and interest in the Optioned Properties, or any interest therein;
- (e) not grant or permit to exist (and as applicable, cause ExploreCo not to grant or permit to exist) any Encumbrances on the Properties and its rights to the Optioned Properties, other than with the consent of the Purchaser or with respect to the Permitted Encumbrances;
- (f) promptly advise the Purchaser orally and, if then requested, in writing, with the full particulars of any:
 - (i) event occurring subsequent to the date of this Agreement that would render any representation or warranty of the Vendor contained in this Agreement (except any such representation or warranty which speaks as of a date prior to the date of this Agreement), if made on or as of the date of such event or the Closing Date, untrue or inaccurate in any material respect; and
 - (ii) breach by the Vendor of any covenant or agreement contained in this Agreement;
- (g) perform (and as applicable, cause ExploreCo to perform) all obligations required or desirable to be performed by it under this Agreement and shall do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement and without limiting the generality of the foregoing, the Vendor shall:
 - (i) use reasonable best efforts to obtain, if required, on or before the Closing Date, the approval of the TSX to complete the Transaction;
 - (ii) defend all lawsuits or other legal, regulatory or other proceedings challenging or affecting this Agreement or the consummation of the transactions contemplated hereby; and

- (iii) use reasonable best efforts to have lifted or rescinded any injunction or restraining order or other order relating to it which may adversely affect the ability of the Parties to consummate the transactions contemplated hereby; and
- (h) use all reasonable best efforts to satisfy all conditions precedent set forth in Section 7.01 and Section 7.02 of this Agreement.

6.02 Covenants of the Purchaser

The Purchaser covenants and agrees with the Vendor that from the date hereof to the earlier of: (a) Closing Date; and (b) the date of termination of this Agreement, as applicable, it will:

- (a) Unless otherwise contemplated herein or approved by the Vendor in writing, it shall not:
 - (i) except in the ordinary course of the business, sell, transfer or dispose of or create any mortgage, hypothec, pledge, waiver or other Encumbrance or a security interest on or in respect of the whole or any part of its properties or any other of its assets;
 - (ii) enter into any transaction or material contract not in the ordinary course of the business;
 - (iii) borrow money or incur any indebtedness for money borrowed;
 - (iv) make loans, advances or other payments;
 - (v) issue, sell or agree to issue or sell any shares, rights, options, warrants or other securities;
 - (vi) purchase, cancel, retire, redeem or otherwise acquire any outstanding securities other than as contemplated herein;
 - (vii) change, amend or modify its charter documents or by-laws; and
 - (viii) merge or amalgamate with or agree to merge or amalgamate with, or purchase substantially all of the assets of, or otherwise acquire any business; or sell or lease or agree to sell or lease, any material properties or assets or approve or undertake any other material transaction or furnish or cause to be furnished any information concerning the business, properties or assets of any Person which is interested in any such transactions;

- (b) deploy reasonable commercial efforts to convert, at or before the Closing Date, its outstanding accounts payable and notes payable into Magna Shares at a price equal to the price per share under the Magna Financing;
- (c) promptly advise the Vendor orally and, if then requested, in writing, with the full particulars of any:
 - (i) event occurring subsequent to the date of this Agreement that would render any representation or warranty of the Purchaser contained in this Agreement (except any such representation or warranty which speaks as of a date prior to the date of this Agreement), if made on or as of the date of such event or the Closing Date, untrue or inaccurate in any material respect; and
 - (ii) breach by the Purchaser of any covenant or agreement contained in this Agreement;
- (d) perform all obligations required or desirable to be performed by it under this Agreement and shall do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement and without limiting the generality of the foregoing, the Purchaser shall:
 - (i) use reasonable best efforts to obtain, on or before the Closing Date, the approval of the TSXV to complete the Transaction;
 - (ii) defend all lawsuits or other legal, regulatory or other proceedings challenging or affecting this Agreement or the consummation of the transactions contemplated hereby;
 - (iii) use reasonable best efforts to have lifted or rescinded any injunction or restraining order or other order relating to it which may adversely affect the ability of the Parties to consummate the transactions contemplated hereby; and
- (e) use all reasonable best efforts to satisfy all conditions precedent set forth in Section 7.01 and Section 7.03 of this Agreement.

ARTICLE 7 CONDITIONS OF PERFORMANCE

7.01 Mutual Conditions Precedent

The respective obligations of the Parties to complete the Transaction shall be subject to the satisfaction, on or before the Closing Date, of the following conditions precedent, each of which may only be waived by the mutual consent of the Parties:

- (a) there shall not be in force any order or decree restraining or enjoining the consummation of the transactions contemplated by this Agreement and there shall be no proceeding, of a judicial or administrative nature or otherwise, in progress or threatened that relates to

or results from the transactions contemplated by this Agreement that would, if successful, result in an order or ruling that would preclude completion of the transactions contemplated by this Agreement in accordance with the terms hereof or would otherwise be inconsistent with any required regulatory approvals which have been obtained;

- (b) the Vendor shall have received all required approvals of the TSX to the Transaction contemplated herein;
- (c) the Purchaser shall have received all required approvals of the TSXV to the Transaction contemplated herein;
- (d) the Consideration Shares shall have been authorized for listing on the TSXV;
- (e) the shareholders of the Purchaser shall have approved the Share Consolidation and the Transaction at the Special Meeting;
- (f) the Purchaser shall have completed the Magna Financing (the “**Financing Condition**”);
- (g) the Purchaser and the Vendor shall have entered into the Investment Agreement;
- (h) the Vendor shall have received all Required Consents and Releases; and
- (i) all other consents, waivers, permits, orders and approvals of any Governmental Authority, and the expiry of any waiting periods, in connection with, or required to permit the consummation of the Transaction herein shall have been obtained.

7.02 Conditions of the Obligations of the Purchaser

The obligations of the Purchaser to complete the transactions contemplated by this Agreement shall also be subject to the satisfaction, on or before the Closing Date, of each of the following conditions precedent (each of which is for the exclusive benefit of the Purchaser and may be waived by the Purchaser):

- (a) no proceedings will have been taken or authorized by the Vendor or ExploreCo or by any other person or body corporate in respect of the bankruptcy, liquidation, dissolution or winding up of the Vendor or ExploreCo;
- (b) there will be no material legal, arbitral, governmental or other action, proceeding or investigation pending or threatened against or otherwise affecting the Vendor or ExploreCo or any of their respective assets or with respect to any matter arising out of its business or in connection with their respective affairs that could result in a Material Adverse Effect on the business or operations of the Vendor or ExploreCo;
- (c) there will be no material outstanding judgment, decree, order, ruling or injunction involving the Vendor or ExploreCo or relating in any way to the Transaction that could result in a Material Adverse Effect on the business or operations of the Vendor or ExploreCo;

- (d) the Purchaser shall be satisfied with its due diligence investigations with respect to ExploreCo, the Properties and the Optioned Properties;
- (e) all required Regulatory Approvals for the Transaction shall have been obtained;
- (f) each of the representations and warranties set out in Article 3 and Article 4 will be true and correct on and as of the Closing with the same effect as though such representations and warranties had been made as of the Closing, and the Vendor certifying same in a certificate signed as part of the Closing; and
- (g) all of the covenants and obligations of the Vendor to be performed or observed on or before the Closing pursuant to this Agreement having been duly performed or observed, and the Vendor certifying same in a certificate signed as part of the Closing.

7.03 Conditions of the Obligations of the Vendor

The obligations of the Vendor to complete the transactions contemplated by this Agreement shall also be subject to the satisfaction, on or before the Closing Date, of each of the following conditions precedent (each of which is for the exclusive benefit of the Vendor and may be waived by the Vendor):

- (a) no proceedings will have been taken or authorized by the Purchaser (or any of its material subsidiaries) or by any other person or body corporate in respect of the bankruptcy, liquidation, dissolution or winding up of the Purchaser (or any of its material subsidiaries);
- (b) there will be no material legal, arbitral, governmental or other action, proceeding or investigation pending or threatened against or otherwise affecting the Purchaser (or any of its material subsidiaries) or any of its respective assets or with respect to any matter arising out of its business or in connection with its respective affairs that could result in a Material Adverse Effect on the business or operations of the Purchaser (or any of its subsidiaries);
- (c) there will be no outstanding judgment, decree, order, ruling or injunction involving the Purchaser (or any of its material subsidiaries) or relating in any way to the Transaction that could result in a Material Adverse Effect on the business or operations of the Purchaser (or any of its subsidiaries);
- (d) the Vendor shall be satisfied with its due diligence investigations with respect to the Purchaser and its subsidiaries;
- (e) all required Regulatory Approvals shall have been obtained;
- (f) each of the representations and warranties set out in Article 5 will be true and correct on and as of the Closing with the same effect as though such representations and warranties had been made as of the Closing, and the Purchaser certifying same in an officer's certificate signed as part of the Closing; and

- (g) all of the covenants and obligations of the Purchaser to be performed or observed on or before the Closing pursuant to this Agreement having been duly performed or observed, and the Purchaser certifying same in an officer's certificate signed as part of the Closing.

ARTICLE 8 CLOSING

8.01 Closing Procedure

The Transaction shall be completed (the “**Closing**”) at the Closing Time at the offices of Cassels Brock & Blackwell LLP, Scotia Plaza, Suite 2100, 40 King Street West, Toronto, Ontario, M5H 3C2, at which time and place:

- (a) **The Vendor Closing Deliveries.** The Vendor shall deliver or cause to be delivered to the Purchaser:
 - (i) certificate(s) representing the Purchased Shares;
 - (ii) certified resolutions of the directors of the Vendor authorizing the due execution and entering into of this Agreement and the transfer of the Shares to the Purchaser;
 - (iii) a bring-down certificate as contemplated in sections 7.02(f) and 7.02(g);
 - (iv) evidence satisfactory to the Purchaser that ExploreCo has authorized the transfer of the Shares to the Purchaser;
 - (v) the Investment Agreement, duly signed and delivered by the Vendor;
 - (vi) executed copies of each of the Required Consents and Releases;
 - (vii) evidence of acceptance of the Transaction from the TSX, if required;
 - (viii) a favourable title opinion dated the Closing Date from the Corporation's counsel, in form and substance satisfactory to the Purchaser, acting reasonably, as to the title of the Properties and the Optioned Properties; and
 - (ix) such further and other documents shall be delivered and actions taken by the Vendor and ExploreCo as may be reasonably required by the Purchaser.
- (b) **The Purchaser Closing Deliveries.** The Purchaser shall deliver or cause to be delivered to the Vendor:
 - (i) one or more share certificate(s) representing the Consideration Shares registered in the name of “Anaconda Mining Inc.” (or as the Vendor may otherwise direct in writing);
 - (ii) certified resolutions of the directors of the Purchaser authorizing the due execution and entering into of this Agreement, the purchase of the Purchased

Shares from the Vendor, the Share Consolidation, the completion of the Magna Financing, and the issuance of the Consideration Shares;

- (iii) the Investment Agreement, duly signed and delivered by the Purchaser;
- (iv) evidence of acceptance of the Transaction from the TSXV;
- (v) evidence of shareholder approval of the Consolidation and the Transaction at the Special Meeting;
- (vi) executed copies of each of the Required Consents and Releases;
- (vii) a bring-down certificate as contemplated in sections 7.03(f) and 7.03(g); and
- (viii) such further and other documents shall be delivered and actions taken by the Purchaser as may be reasonably required by the Vendor.

ARTICLE 9 SURVIVAL OF REPRESENTATIONS AND WARRANTIES

9.01 Survival of Vendor's Representations and Warranties

The representations and warranties of the Vendor contained in this Agreement shall survive the Closing for the benefit of the Purchaser for a period of two (2) years from the Time of Closing, unless a bona fide notice of a claim shall have been given, in writing, prior to the expiry of that period, in which case the representation and warranty to which such notice applies shall survive in respect of that claim until the final determination or settlement of that claim.

9.02 Survival of Purchaser's Representations and Warranties

The representations and warranties of the Purchaser contained in this Agreement shall survive the Closing for the benefit of the Vendor for a period of two (2) years from the Time of Closing, unless a bona fide notice of a claim shall have been given, in writing, prior to the expiry of that period, in which case the representation and warranty to which such notice applies shall survive in respect of that claim until the final determination or settlement of that claim.

ARTICLE 10 GENERAL

10.01 Brokerage Fees

The Purchaser represents and warrants to the Vendor and the Vendor represents and warrants to the Purchaser that all negotiations relative to this Agreement have been carried on by the Purchaser directly with the Vendor without the intervention of any person other than professional advisers to such parties.

10.02 Expenses

Each of the parties hereto shall bear the fees and expenses of its own counsel, accountants and other advisers in connection with this Agreement and the Transaction.

10.03 Notices

All notices, demands and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered or sent by email:

- (i) To the Vendor at:

150 York St.
Suite 410
Toronto, ON M5H 3S5
Email: kbullock@anacondamining.com
Attention: Chief Executive Officer

- (ii) To the Purchaser at:

150 York St.
Suite 410
Toronto, ON M5H 3S5
Email: llawrick@magnaterraminerals.com
Attention: President and Chief Executive Officer

or at such other address or number as the party to whom such notice, demand or other communication is given may hereafter have last designated by notice given in the manner provided in this Section; and if so delivered or sent by email, shall be deemed to have been given on the first Business Day following its receipt.

10.04 Further Assurances

The Parties shall with reasonable diligence, do all such things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party shall provide such further documents or instruments required by the other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions.

10.05 Confidential Information

Except as specifically otherwise provided for herein, the parties will keep confidential all data and information respecting this Agreement and will refrain from using such data and information other than for the activities contemplated hereunder or publicly disclosing it unless required by law or with the consent of the other party, such consent not to be unreasonably withheld. The provisions of this Section 10.05 do not apply to information that is or becomes part of the public domain other than through a breach of the terms hereof.

10.06 Public Announcements

Save for any announcement or press release that may be required to be made by the Purchaser under applicable law, including under Canadian securities legislation or any applicable TSXV rules, no news release or public announcement with respect to the subject matter of this Agreement shall be made by either Party, without the prior approval of the other Party. In the event that the Purchaser is required to make a public announcement or issue a press release regarding this Agreement or the Transaction, it shall give prior notice thereof to the Vendor.

10.07 Amendments

This Agreement may not be amended or modified except by a written document executed by each of the Parties.

10.08 Waiver

- (a) No failure on the part of any Party to exercise, no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall operate as a waiver thereof.
- (b) Except as otherwise expressly provided for herein, no waiver of any provision of this Agreement or consent to any departure by any Party from any provision of this Agreement shall in any event be effective unless it is confirmed in writing, and such waiver or consent shall be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given.
- (c) The single or partial exercise of any right, power or privilege under this Agreement shall not preclude any other or further exercise thereof.

10.09 Entire Agreement

This Agreement constitutes the entire understanding, contract and agreement between the Parties hereto with respect to the subject matter of this Agreement and supersedes all prior oral or written understandings, agreements or contracts, formal or informal, between the parties hereto or their representatives with respect thereto.

10.10 Assignment

Neither Party may assign its interest in this Agreement without the prior consent of the other Party hereto.

10.11 Counterparts

This Agreement may be executed in several counterparts (by facsimile or other form of electronic signature), each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same instrument.

10.12 Successors and Assigns

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

[Signature page follows]

IN WITNESS WHEREOF the parties hereto have executed this agreement as of the date first written above.

ANACONDA MINING INC.

By: *(s) Kevin Bullock*

Name: Kevin Bullock

Title: Chief Executive Officer

MAGNA TERRA MINERAL INC.

By: *(s) Lewis V. Lawrick*

Name: Lewis V. Lawrick

Title: Chief Executive Officer

**SCHEDULE A
PROPERTIES**

Property Name	Licence Number	Name of Title Holder
Cape Spencer	8779	2647102 Ontario Inc. (ExploreCo)
Cape Spencer	8780	2647102 Ontario Inc. (ExploreCo)
Great Northern (Jackson's Arm)	026991M (to the extent such licence includes the claims staked by ExploreCo, it does not include the former licenses that are subject to the Stockley Option Agreement)	2647102 Ontario Inc. (ExploreCo)
Viking	023770M	2647102 Ontario Inc. (ExploreCo)
Great Northern (Rattling Brook)	023280M	2647102 Ontario Inc. (ExploreCo)

SCHEDULE B
OPTION AGREEMENTS AND OPTIONED PROPERTIES

Property Name	Licence	Option Agreement	Name of Title Holder
Cape Spencer	7799	Option agreement dated as of August 9, 2018, between ExploreCo (as optionee) and XXX [Redacted - private parties] (as optionors) (the “ Cape Spencer Option Agreement ”)	2647102 Ontario Inc. (ExploreCo)
Viking	014079M	Option agreement dated as of February 5, 2016, between the Vendor (as optionee) and Spruce Ridge Resources Ltd. (“ Spruce Ridge ”) (as optionor) (the “ First Viking Option Agreement ”)	Spruce Ridge Resources Ltd. (Spruce Ridge)
Viking	019689M	Option agreement dated as of February 5, 2016, between the Vendor (as optionee) and Spruce Ridge (as optionor) (the “ Second Viking Option Agreement ”)	Spruce Ridge Resources Ltd. (Spruce Ridge)
Great Northern (Jackson’s Arm)	023774M 022503M	Option agreement dated as of November 7, 2016 between the Vendor (as optionee) and Metal Creek Resources Corp. (“ MCR ”) (as optionor), as amended as of October 5, 2018 (the “ Jackson’s Arm Option Agreement ”)	Metal Creek Resources Corp. (MCR) and XXX [Redacted - private party]
Great Northern (Jackson’s Arm)	026991M (to the extent such licence replaces 023489M and 023719M)	Option agreement dated as of December 25, 2018, between the Vendor (as optionee) and XXX [Redacted - private party] (as optionee) (the “ Stockley Option Agreement ”)	2647102 Ontario Inc. (ExploreCo)

SCHEDULE C
FORM OF INVESTMENT AGREEMENT

MAGNA TERRA MINERALS INC.

AND

ANACONDA MINING INC.

INVESTOR RIGHTS AGREEMENT

DATED AS OF [●], 2019

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INVESTOR RIGHTS AGREEMENT

THIS AGREEMENT dated as of the [●] day of [●], 2019,

BETWEEN:

MAGNA TERRA MINERALS INC., a company existing under the laws of Canada,

(the “**Corporation**”)

- and –

ANACONDA MINING INC., a company existing under the laws of the Province of Ontario,

(the “**Investor**”)

RECITALS:

- A. The Corporation has agreed to purchase from the Investor the 338,100 common shares in the capital of 2647102 Ontario Inc. (“**ExploreCo**”) held by the Investor, in exchange for the issuance to the Investor of [●] common shares of the Corporation (“**Shares**”).
- B. As a condition of the Investor’s agreement to sell the shares of ExploreCo for Shares as referred to above, the Corporation has agreed to grant certain rights which are set out herein to the Investor, on the terms and subject to the conditions set out herein.

NOW THEREFORE this Agreement witnesses that in consideration of the respective covenants and agreements of the parties herein contained and for other good and valuable consideration (the receipt, sufficiency and adequacy of which is hereby acknowledged), the parties hereto agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

- (a) “**affiliate**” has the meaning ascribed thereto in the *Securities Act* (Ontario);
- (b) “**Board**” means the board of directors of the Corporation;
- (c) “**Business Day**” means any day except Saturday, Sunday or a statutory or civic holiday in the City of Toronto, Ontario or the City of Montreal, Québec or any other day on which the principal chartered banks located in Toronto, Ontario or Montreal, Québec are not open for business;
- (d) “**CBCA**” means the *Canada Business Corporations Act*;

- (e) **“Credible Bid”** means any take-over bid (including an amended take-over bid) other than a take-over bid (i) that the Board has determined in good faith, after consultation with its financial and legal advisors, is not reasonably capable of being completed in accordance with its terms, and (ii) in respect of which the Corporation has publicly announced the Board’s conclusion no later than seven Business Days following the date on which such take-over bid is commenced or the intention to make such take-over bid (together with the material terms of the bid) is publicly announced and, in the absence of such announcement, such bid shall be deemed to be a Credible Bid. In addition, in the event the Corporation or the Board chooses to recommend or support a bid such bid shall be deemed to be a Credible Bid;
- (f) **“Equity Financing”** has the meaning set out in Section 2.1(a);
- (g) **“Equity Financing Notice”** has the meaning set out in Section 2.1(a);
- (h) **“Equity Securities”** has the meaning set out in Section 2.1(a);
- (i) **“Exercise Notice”** has the meaning set out in Section 2.1(d);
- (j) **“Investor Nominee”** has the meaning set out in Section 3.1(a);
- (k) **“Investor’s Percentage”** means the percentage equal to the fraction, the numerator of which is the Shares held by the Investor and its affiliates and the denominator of which is the outstanding Shares of the Corporation;
- (l) **“Investor’s Diluted Ownership Percentage”** means the percentage equal to the fraction, the numerator of which is the sum of (a) all Shares held by the Investor and its affiliates plus (b) all securities exercisable, convertible or exchangeable into Shares held by the Investor and its affiliates, whether or not such securities are subject to any conditions or restrictions on exercise, conversion or exchange, on an “as converted basis” and the denominator of which is the sum of (c) all outstanding Shares of the Corporation, and (d) all securities exercisable, convertible or exchangeable into Shares issued by the Corporation of the same class held by the Investor and its affiliates, whether or not such securities are subject to any conditions or restrictions on exercise, conversion or exchange;
- (m) **“Investor’s Second Nominee”** has the meaning set out in Section 3.2(a);
- (n) **“Issuance”** has the meaning set out in Section 2.1(a);
- (o) **“Notice Period”** has the meaning set out in Section 2.1(a);
- (p) **“Participation Right”** has the meaning set out in Section 2.1(b);
- (q) **“person”** shall be broadly interpreted and includes any individual, corporation, partnership, joint venture, limited liability company, association or other business entity and any trust, unincorporated organization or government or any agency or political subdivision thereof;
- (r) **“Sale Shares”** has the meaning set out in Section 5.2(a);
- (s) **“Shares”** has the meaning set out in the Recitals;

- (t) “**Standstill Termination Date**” has the meaning set out in Section 4.1(a);
- (u) “**Subscription Agreement**” means the subscription agreement entered into between the Corporation and the Investor in connection with the issuance of the Shares to the Investor as set out in the Recitals;
- (v) “**subsidiary**” has the meaning ascribed thereto in the *Securities Act* (Ontario); and
- (w) “**TSXV**” means the TSX Venture Exchange.

1.2 Rules of Construction

Except as may be otherwise specifically provided in this Agreement and unless the context otherwise requires, in this Agreement:

- (a) the terms “Agreement”, “this Agreement”, “the Agreement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;
- (b) references to an “Article” or “Section” followed by a number or letter refer to the specified Article or Section to this Agreement;
- (c) the division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (d) words importing the singular number only shall include the plural and *vice versa* and words importing the use of any gender shall include all genders;
- (e) the word “including” is deemed to mean “including without limitation”;
- (f) the terms “party” and “the parties” refer to a party or the parties to this Agreement;
- (g) any reference to this Agreement means this Agreement as amended, modified, replaced or supplemented from time to time;
- (h) any reference to a statute, regulation or rule shall be construed to be a reference thereto as the same may from time to time be amended, re-enacted or replaced, and any reference to a statute shall include any regulations or rules made thereunder;
- (i) all references to a percentage ownership of Shares shall be calculated on a non-diluted basis;
- (j) any time period within which a payment is to be made or any other action is to be taken hereunder shall be calculated excluding the day on which the period commences and including the day on which the period ends; and
- (k) whenever any action is required to be taken or period of time is to expire on a day other than a Business Day, such action shall be taken or period shall expire on the next following Business Day.

1.3 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. Each of the Investor and the Corporation hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario with respect to any matters arising out of this Agreement.

1.4 Severability

If any provision of this Agreement or the application of such provision to any person or circumstances shall be held invalid or unenforceable by a court of competent jurisdiction, such provision or application shall be unenforceable only to the extent of such invalidity or unenforceability, and the remainder of such provision and the application of such provision to persons or circumstances, other than the party as to which it is held invalid, and the remainder of this Agreement, shall not be affected.

1.5 Time of Essence

Time shall be of the essence of this Agreement.

1.6 Entire Agreement

This Agreement and the Subscription Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and thereof and supersede all prior agreements, written or oral, among the parties hereto with respect to the subject matter hereof. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided in the aforesaid agreements.

ARTICLE 2 PARTICIPATION RIGHT

2.1 Participation Right

- (a) For so long as the Investor's Percentage is not less than 10%, if the Corporation proposes to issue (the "**Issuance**") any equity securities, or securities convertible into equity securities, of the Corporation (the "**Equity Securities**"), whether pursuant to a public offering (excluding, for greater certainty, the filing of a base shelf prospectus but including any prospectus supplement filed pursuant to such base shelf prospectus), a private placement or otherwise (an "**Equity Financing**") at any time after the date hereof, the Corporation shall provide the Investor reasonable notice (the "**Equity Financing Notice**") of such intended Issuance prior to the earlier of the (i) expected completion date of the Issuance, or (ii) press release or other public disclosure of such intended Issuance, including the type and number of Equity Securities, the price per Equity Security to be issued under the Equity Financing, the expected use of proceeds of the Equity Financing and the expected closing date of the Equity Financing to the extent known at the time.
- (b) The Corporation agrees that, subject to the receipt of all required regulatory approvals (including the approval of the TSXV), the Investor has the right (but not the obligation) (the "**Participation Right**"), upon receipt of an Equity Financing Notice, to subscribe for and to be issued, as part of any public offering (excluding, for greater certainty, the filing of a base shelf prospectus but including any prospectus supplement filed pursuant to such base shelf prospectus), subject to Section 2.1(b)(ii), or on a private placement basis in connection with any other Equity Financing, and at the subscription price per Equity

Security pursuant to the Equity Financing, and otherwise on substantially the same terms and conditions of the Equity Financing:

- (i) in the case of an Equity Financing of Shares, up to such number of Shares that will allow the Investor and its affiliates to maintain a percentage ownership interest in the outstanding Shares that is the same as the Investor's Percentage immediately following the closing of the last Equity Financing of Shares for which the Investor was entitled to be provided with an Equity Financing Notice pursuant to the terms of this Agreement; and
 - (ii) in the case of an Equity Financing of or that includes Equity Securities that are not Shares, up to such number of Equity Securities that will (assuming conversion, exercise or exchange of all of the convertible, exercisable or exchangeable Equity Securities issued in connection with the Equity Financing and issuable to the Investor pursuant to this Section 2.1(b)) allow the Investor and its affiliates to maintain the same Investor's Diluted Ownership Percentage in the Corporation that the Investor held immediately following the closing of the last Equity Financing of Equity Securities for which the Investor was entitled to be provided with an Equity Financing Notice pursuant to the terms of this Agreement.
- (c) The Corporation agrees that if an Equity Financing is made on a public basis by way of a prospectus, the Corporation shall use its commercially reasonable efforts to include any Equity Securities to be issued to the Investor pursuant to its Participation Rights as part of the prospectus offering, provided that if the Corporation is unable, despite using its commercially reasonable efforts, to include such Equity Securities as part of the prospectus offering, the Corporation shall use its commercially reasonable efforts, if the Investor elects to purchase such Equity Securities, to issue and sell such Equity Securities to the Investor on a private placement basis as soon as reasonably practicable following the closing of such Equity Financing, subject to applicable Canadian securities laws and/or the rules of the TSXV or such other stock exchange on which the Shares are listed at the time.
- (d) If the Investor wishes to exercise the Participation Right in respect of a particular Equity Financing, the Investor shall give written notice to the Corporation (the "**Exercise Notice**") of the exercise of such right and of the number of Equity Securities the Investor wishes to purchase (i) subject to (ii) below, within two Business Days following the reception by the Investor of the Equity Financing Notice; or (ii) notwithstanding (i), no later than 7:00 a.m. (Toronto time) on the Business Day immediately following the date of the Equity Financing Notice in the event the Equity Financing is a "bought deal" public offering to be completed by way of prospectus (in either case, the "**Notice Period**"), failing which the Investor will not be entitled to exercise the Participation Right in respect of such Equity Financing. If the Investor does not exercise the Participation Right, the Corporation may during the 60 days following the end of the Notice Period proceed to implement the Equity Financing materially on the same terms (or on better terms to the Corporation) as were made available to the Investor and if the Equity Financing is not so implemented within the said 60 days, the Corporation must again meet its obligations under this Article 2.

2.2 Closing

- (a) If the Corporation receives an Exercise Notice from the Investor within the Notice Period, then the Corporation shall, subject to the receipt and continued effectiveness of all required regulatory approvals (including, without limitation, the approval of the TSXV or such other stock exchange on which the Shares are listed at such time), which approvals the Corporation shall use all commercially reasonable efforts to promptly obtain (such efforts to include applying for any necessary price protection confirmations, seeking Shareholder approval (if required) in the manner described below) and the closing of the relevant Equity Financing, issue to the Investor, against payment of the subscription price payable in respect thereof, that number of Shares or other Equity Securities, as applicable, set forth in the Exercise Notice.
- (b) If the Corporation is required, under applicable laws and/or the rules of the TSXV or such other stock exchange on which the Shares are listed at the time, to seek shareholder approval for the issuance of the Equity Securities to the Investor, then the Corporation shall call and hold a meeting of its shareholders to consider (and the Corporation shall recommend that Shareholders vote in favour of) the issuance of the Equity Securities to the Investor, or at its option get written consent, if permitted, as soon as reasonably practicable and in any event such meeting shall be held within 50 days after the date that the Corporation is advised that it will require shareholder approval, (and the record date for voting at such shareholder meeting shall be a date that is prior to the first closing date of the Equity Financing (if the Corporation closes all or any part of the Equity Financing prior to obtaining shareholder approval)) unless the Corporation receives a voting agreement from each subscriber that they close the Equity Financing with prior to obtaining shareholders' approval pursuant to which such subscriber agrees to vote in favour of the resolution approving the issuance to the Investor. Subject to compliance with the above, the Corporation may close the Equity Financing prior to obtaining Shareholder approval.
- (c) The closing of any private placement pursuant to an exercise of the Participation Right by the Investor will take place on the date that is not later than 20 Business Days after the expiry of the Notice Period, unless all filings, notices, approvals (including without limitation regulatory approvals) and authorizations necessary to complete the closing of such private placement have not been made, given or obtained by that date, in which case the closing will be extended for such period as is reasonably necessary to obtain the same.

2.3 Excluded Issuances

Notwithstanding anything to the contrary contained herein, Sections 2.1 to 2.2 inclusive will not apply to any issuance of securities (a) pursuant to the Corporation's existing stock option plan and other incentive plans as may be approved by Shareholders from time to time, or to management, directors and employees of the Corporation for compensatory purposes; or (b) upon the exercise or conversion of any convertible or exchangeable securities outstanding on the date hereof; or (c) in connection with or pursuant to any merger, business combination, exchange offer, take-over bid, arrangement, asset purchase transaction or other acquisition of assets or shares of a third party, provided, however, that the Investor shall be permitted to exercise its Participation Right in connection with the issuance of any Shares or other securities that may be delivered pursuant to the terms of any option agreement, earn-in agreement or similar agreement that the Corporation or any of its subsidiaries may be party to that does not exist as of the date hereof and to the extent the price per Equity Security is not determinable pursuant to any such any option agreement, earn-in agreement or similar agreement the parties agree, subject to TSXV

approval (if applicable), that the price per security will be based volume weighted average trading price on the TSXV, or such other stock exchange where the majority of the trading volume and value of the listed Shares of the Corporation occurs, for the 20 trading days ending three trading days prior to the relevant date (or such lowest price per security permitted by the TSXV to the extent it does not approve the 20 day volume weighted average trading price) or, if any Shares are not listed on any stock exchange, then on the over-the-counter market with the volume weighted average price per Share being determined by dividing the aggregate sale price of all Shares sold on the said exchange or market, as the case may be, during the said 20 trading days by the aggregate number of Shares so sold or, if the Shares are not listed or quoted on any stock exchange or over-the-counter market, such price as may be determined by the directors of the Corporation, acting reasonably.

Notwithstanding the foregoing, the parties agree that the Participation Rights shall not be exercisable by the Investor in the event the issuance of Shares or other securities that may be delivered pursuant to the terms of any option agreement, earn-in agreement or similar agreement would result in a change of less than five per cent (5%) in the Investor's Percentage; provided, however, that any Participation Rights which except for the provisions of this clause would otherwise have been required to be made will be carried forward and taken into account in any subsequent Issuance such that the Investor has the ability to elect to maintain its appropriate Investor's Percentage or Investor's Diluted Percentage, as applicable.

ARTICLE 3 BOARD REPRESENTATION

3.1 Investor Nominee

- (a) For so long as the Investor's Percentage is at least 10%, the Investor shall be entitled to designate one individual, who may be a non-resident of Canada and a director or officer of the Investor or any of its affiliates, to be nominated to serve as a director of the Corporation (the "**Investor Nominee**"). For the avoidance of doubt, although the Investor may have the right to nominate the Investor Nominee, the Investor shall not be required to nominate the Investor Nominee.
- (b) The Investor shall send a written notice to the Corporation setting out (i) the name, age, business address and residential address of the Investor Nominee, (ii) the principal occupation or employment of the Investor Nominee, (iii) the class or series and number of shares in the share capital of the Corporation which are controlled or which are owned beneficially or of record by the Investor Nominee as of the record date for the meeting of shareholders (if such date shall then have been made publicly available) and as of the date of such notice, and (iv) any other information relating to the nominee that would be required to be disclosed in a management's proxy circular in connection with solicitations of proxies for election of directors pursuant to the CBCA and applicable Canadian securities laws and/or the rules of the TSXV or such other stock exchange on which the Shares are listed at the time.
- (c) The Investor Nominee must consent in writing to serve as a director of the Corporation and must complete a personal information form, or such other form as may be required by the TSXV or such other stock exchange on which the Shares are listed at such time. The Investor Nominee must be eligible to serve as a director of the Corporation pursuant to applicable corporate and Canadian securities laws, and the primary exchange on which the Shares are listed or quoted, the rules and policies of any exchange on which the Shares are listed and other regulatory provisions to which the Corporation is subject.

- (d) Following receipt of notice from the Investor designating the initial Investor Nominee, the Corporation shall appoint such Investor Nominee to the Board as promptly as practicable (and in any event within ten Business Days) pursuant to the power of the Board to appoint additional directors between shareholder meetings or to fill a vacancy on the Board.
- (e) The Corporation shall notify the Investor in writing promptly upon determining the date of any meeting of the Shareholders at which directors of the Corporation are to be elected and, if the Investor desires to nominate the Investor Nominee, the Investor shall advise the Corporation of the name of the Investor Nominee that the Investor is entitled to nominate pursuant to Section 3.1(a) (as of the record date for the Shareholders' meeting) within ten Business Days after receiving such notice. If the Investor does not advise the Corporation of the Investor Nominee within such ten Business Day period, then the Investor will be deemed to have designated the incumbent Investor Nominee for nomination for election at the relevant meeting of the Shareholders (unless the Investor otherwise notifies the Corporation within such ten Business Day period).
- (f) At each meeting of Shareholders at which directors of the Corporation are to be elected, the Corporation shall cause the Investor Nominee that the Investor is entitled to nominate pursuant to Section 3.1(a) (as of the record date for the Shareholders' meeting) to be included in the slate of nominees proposed by the Corporation for election as directors of the Corporation. The Corporation shall use commercially reasonable efforts to cause the election of the Investor Nominee, including recommending Shareholders vote and soliciting proxies from Shareholders in favour of the election of the Investor Nominee. Forthwith following any meeting of Shareholders at which an Investor Nominee was nominated to serve as a director but was not validly elected by the Shareholders in accordance with the CBCA, the Corporation shall take all steps necessary to appoint an Investor Nominee to the Board who is not the same individual who was not elected at the meeting of Shareholders, including pursuant to the power of the Board to appoint additional directors between Shareholders' meetings or to fill a vacancy on the Board.
- (g) If an Investor Nominee ceases to hold office as a director of the Corporation for any reason (including as a result of a resignation by the Investor Nominee tendered pursuant to the Corporation's by-laws), other than as a result of the Investor no longer being entitled to nominate such Investor Nominee pursuant to Section 3.1(a), the Investor shall be entitled to nominate an individual to replace him or her and the Corporation shall promptly take all steps as may be necessary to appoint such individual to the Board to replace an Investor Nominee who has ceased to hold office, including pursuant to the power of the Board to appoint additional directors between Shareholders' meetings or to fill a vacancy on the Board.
- (h) The Corporation shall pay all reasonable expenses incurred by the Investor Nominee in the performance of his or her duties for or on behalf of the Corporation incurred as a result of the Investor Nominee attending Board and committee meetings, including travel and accommodation expenses.
- (i) The Corporation covenants and agrees with the Investor that upon the Investor Nominee's election or appointment to the Board, the Corporation shall provide the Investor Nominee an indemnity on terms at least as favourable as those provided to the other Board members and the Corporation shall ensure that the Investor Nominee has the benefit of any director and officer insurance policy in effect for the Corporation, such benefits to be at least as favourable as those available to the other members of the Board.

- (j) The Investor covenants and agrees with the Corporation that as long as either Lewis V. Lawrick or Dr. Michael Byron is on the Board and, as applicable still a director of the Investor, the Investor shall not have the right to nominate an Investor Nominee.

3.2 Additional Board Representation

- (a) If and for so long as the Investor's Percentage is at least 20%, the Investor shall be entitled to designate one additional individual, who may be a non-resident of Canada and a director or officer of the Investor or any of its affiliates, to be nominated to serve as a director of the Corporation (the "**Investor's Second Nominee**"). For the avoidance of doubt, although the Investor may have the right to nominate the Investor's Second Nominee, the Investor shall not be required to nominate the Investor's Second Nominee.
- (b) The Investor shall send a written notice to the Corporation setting out (i) the name, age, business address and residential address of the Investor's Second Nominee, (ii) the principal occupation or employment of the Investor's Second Nominee, (iii) the class or series and number of shares in the share capital of the Corporation which are controlled or which are owned beneficially or of record by the Investor's Second Nominee as of the record date for the meeting of shareholders (if such date shall then have been made publicly available) and as of the date of such notice, and (iv) any other information relating to the nominee that would be required to be disclosed in a management's proxy circular in connection with solicitations of proxies for election of directors pursuant to the CBCA and applicable Canadian securities laws and/or the rules of the TSXV or such other stock exchange on which the Shares are listed at the time.
- (c) The Investor's Second Nominee must consent in writing to serve as a director of the Corporation and must complete a personal information form, or such other form as may be required by the TSXV or such other stock exchange on which the Shares are listed at such time. The Investor's Second Nominee must be eligible to serve as a director of the Corporation pursuant to applicable corporate and Canadian securities laws, and the primary exchange on which the Shares are listed or quoted, the rules and policies of any exchange on which the Shares are listed and other regulatory provisions to which the Corporation is subject.
- (d) Following receipt of notice from the Investor designating the initial Investor's Second Nominee, the Corporation shall appoint such Investor's Second Nominee to the Board as promptly as practicable (and in any event within ten Business Days) pursuant to the power of the Board to appoint additional directors between shareholder meetings or to fill a vacancy on the Board.
- (e) The Corporation shall notify the Investor in writing promptly upon determining the date of any meeting of the Shareholders at which directors of the Corporation are to be elected and, if the Investor desires to nominate the Investor's Second Nominee, the Investor shall advise the Corporation of the name of the Investor's Second Nominee that the Investor is entitled to nominate pursuant to Section 3.2(a) (as of the record date for the Shareholders' meeting) within ten Business Days after receiving such notice. If the Investor does not advise the Corporation of the Investor's Second Nominee within such ten Business Day period, then the Investor will be deemed to have designated the incumbent Investor's Second Nominee for nomination for election at the relevant meeting of the Shareholders (unless the Investor otherwise notifies the Corporation within such ten Business Day period).

- (f) At each meeting of Shareholders at which directors of the Corporation are to be elected, the Corporation shall cause the Investor's Second Nominee that the Investor is entitled to nominate pursuant to Section 3.2(a) (as of the record date for the Shareholders' meeting) to be included in the slate of nominees proposed by the Corporation for election as directors of the Corporation. The Corporation shall use commercially reasonable efforts to cause the election of the Investor's Second Nominee, including recommending Shareholders vote and soliciting proxies from Shareholders in favour of the election of the Investor's Second Nominee. Forthwith following any meeting of Shareholders at which an Investor's Second Nominee was nominated to serve as a director but was not validly elected by the Shareholders in accordance with the CBCA, the Corporation shall take all steps necessary to appoint an Investor's Second Nominee to the Board who is not the same individual who was not elected at the meeting of Shareholders, including pursuant to the power of the Board to appoint additional directors between Shareholders' meetings or to fill a vacancy on the Board.
- (g) If an Investor's Second Nominee ceases to hold office as a director of the Corporation for any reason (including as a result of a resignation by the Investor's Second Nominee tendered pursuant to the Corporation's by-laws), other than as a result of the Investor no longer being entitled to nominate such Investor's Second Nominee pursuant to Section 3.2(a), the Investor shall be entitled to nominate an individual to replace him or her and the Corporation shall promptly take all steps as may be necessary to appoint such individual to the Board to replace an Investor's Second Nominee who has ceased to hold office, including pursuant to the power of the Board to appoint additional directors between Shareholders' meetings or to fill a vacancy on the Board.
- (h) The Corporation shall pay all reasonable expenses incurred by the Investor's Second Nominee in the performance of his or her duties for or on behalf of the Corporation incurred as a result of the Investor's Second Nominee attending Board and committee meetings, including travel and accommodation expenses.
- (i) The Corporation covenants and agrees with the Investor that upon the Investor's Second Nominee's election or appointment to the Board, the Corporation shall provide the Investor's Second Nominee an indemnity on terms at least as favourable as those provided to the other Board members and the Corporation shall ensure that the Investor's Second Nominee has the benefit of any director and officer insurance policy in effect for the Corporation, such benefits to be at least as favourable as those available to the other members of the Board.
- (j) Notwithstanding the foregoing, the Investor covenants and agrees with the Corporation that as long as Lewis V. Lawrick and Dr. Michael Byron are on the Board and still directors of the Investor, the Investor shall not have the right to nominate an Investor's Second Nominee's.

ARTICLE 4 STANDSTILL

4.1 Standstill

- (a) For a period ending June 30, 2021 (the "**Standstill Termination Date**"), the Investor shall not, without the prior written authorization of the Board or as otherwise expressly permitted under this Agreement or anyway in connection with any other agreement between: (x) the Corporation (or any of its affiliates) on the one hand; (y) and the Investor (or any of its affiliates) on the other hand, directly or indirectly, or jointly or in

concert (within the meaning of applicable Canadian securities laws) with any other person:

- (i) purchase, offer or agree to purchase or negotiate to purchase any securities or assets of the Corporation or any of its affiliates other than in connection with acquisitions carried out by the Investor or its affiliates where such securities, when added together with the securities held by the Investor, its affiliates and any other person acting jointly or in concert (within the meaning of applicable Canadian securities laws) as of such date, would cause the Investor's Percentage to exceed 35%;
 - (ii) enter into, offer, or agree to enter into any acquisition of, or other business combination involving, the Corporation or any of its affiliates, or propose any of the foregoing;
 - (iii) solicit or join in or in any way participate, directly or indirectly, in a solicitation of proxies from the Shareholders (other than in connection with the election of an Investor Nominee to the Board);
 - (iv) make any public announcement with respect to the foregoing; or
 - (v) advise, assist or encourage any other person to do, or take any action inconsistent with, any of the foregoing.
- (b) Section 4.1(a) shall cease to be of any force or effect as and from the date of public announcement of or public disclosure of (i) commencement of a Credible Bid, or an intention to undertake a Credible Bid, for voting or equity securities of the Corporation or any of its affiliates, (ii) any agreement, arrangement or understanding in respect of a merger, amalgamation, arrangement, asset purchase or other business combination transaction involving the Corporation or any of its affiliates, or an intention to make an offer to the Corporation or any of its affiliates to undertake such a transaction, which would, if completed, result in (A) any class of outstanding voting securities of the Corporation being converted into cash or securities of another person resulting in Shareholders (excluding, for the avoidance of doubt, any Shareholder who is acquiring voting securities of the Corporation as part of the transaction) holding less than a majority of the voting securities of the resulting or surviving entity, or (B) all or substantially all of the Corporation's assets (including shares of a subsidiary) being sold to any person or group (other than the Investor), (iii) the commencement of any proceeding by or against the Corporation in connection with the dissolution, liquidation, winding up, bankruptcy or reorganization of the Corporation, for the appointment of a trustee, receiver, manager or other administrator of the Corporation or any of its properties or assets, or for protection under the *Bankruptcy and Insolvency Act* (Canada), the *Companies' Creditors Arrangement Act* (Canada) or similar legislation, or (iv) the Corporation is in material default of this Agreement.
- (c) Notwithstanding any other provision of Section 4.1(a), the Investor and its affiliates shall be permitted to (i) make a confidential proposal to the Board or the Corporation regarding any of the transactions or activities contemplated in Section 4.1(a), (ii) enter into discussions or negotiations with the Board or the Corporation with respect to the terms of any such proposal; and (iii) enter into any agreement with the Corporation providing for the consummation of such proposal; provided that the Investor shall not make any public disclosure of the making of or terms of such proposal except with the prior written consent of the Corporation.

ARTICLE 5 OTHER COVENANTS

5.1 Voting Support

For a period ending June 30, 2021, the Investor covenants and agrees to vote or cause to be voted at all Shareholder meetings of the Corporation held during such period, all Shares that are held or controlled by the Investor on the respective record date for each such Shareholder meeting, or which are otherwise entitled to be voted at each such Shareholder meeting, in favour of each matter recommended by the Board for approval by its Shareholders at each such meeting.

5.2 Share Dispositions

- (a) For so long as the Investor's Percentage is more than 10%, if the Investor wishes to sell or otherwise dispose through the facilities of the TSXV or otherwise of any Shares held by the Investor (the "**Sale Shares**"), the Investor shall notify the Corporation of its intention to sell or dispose of the Sale Shares at least five Business Days prior to the intended completion date of a sale (which notice shall set out the minimum price that the Investor would be prepared to accept for the Sale Shares and any other terms and conditions of the disposition), and, except in circumstances where such designation is not reasonably possible or is not permitted by law, the Corporation shall have the opportunity, until the 5th Business Day following delivery of the Investor's notice, to designate the purchaser or purchasers of all, but not less than all, of such Sale Shares at the price and on the terms and conditions specified in the Investor's notice (provided the purchaser or purchasers provide evidence satisfactory to the Investor, acting reasonably, of the purchaser or purchasers' ability to pay for the Sale Shares and to satisfy the other terms and conditions specified in the Investor's notice. If the Corporation does not notify the Investor of the identities of one or more purchaser(s) and provide evidence, satisfactory to the Investor, acting reasonably, of each purchaser(s) ability to pay for the Sale Shares and to satisfy the other terms and conditions of the disposition by the end of the five Business Day period following delivery of the Investor's notice or if the Investor, despite its reasonable commercial efforts, is unable to complete the sale transaction within a 15 Business Day period following delivery of the Investor's notice as a result of the failure on the part of any of the purchaser(s), then the Investor may dispose of the Sale Shares to any third party purchaser(s) at a price and on terms no less favourable to the Investor than those specified in the Investor's notice.
- (b) Section 5.2(a) does not apply in the case of:
 - (i) a disposition by the Investor of Sale Shares to an affiliate of the Investor, provided that such affiliate agrees in writing to be bound by the Investor's obligations under this Agreement (in which case the affiliate will also be entitled to the Investor's rights under this Agreement);
 - (ii) the Investor disposing of Sale Shares pursuant to a take-over bid for which a circular has been delivered to the Shareholders in accordance with applicable Canadian securities laws; or
 - (iii) the grant to a bank or other *bona fide* financial institution of any encumbrance in respect of all or part of the Sale Shares and any transfer of any such Sale Shares by reason of the exercise of any rights, powers or remedies under or in relation to such encumbrance.

**ARTICLE 6
MISCELLANEOUS**

6.1 Termination

This Agreement shall terminate and all rights and obligations hereunder shall cease immediately at the later of June 30, 2021 and such time as the Investor's Percentage is less than 10%. Upon termination of this Agreement, no party shall have any further obligations or liabilities hereunder; provided, that such termination shall not (a) relieve any party from liability for any breach of this Agreement prior to such termination, or (b) diminish, terminate, derogate or impair any rights of an Investor Nominee or the obligations of the Corporation described in Article 3.

6.2 Notices

All notices, requests, claims, demands or other communications hereunder shall be in writing and shall be deemed given when delivered personally or pre-paid courier, upon receipt of a transmission confirmation if sent by email or other like electronic transmission (with confirmation) and on the next Business Day when sent by overnight courier to the parties at the following addresses (or at such other address for a party as shall be specified by like notice):

- (i) If to the Corporation:

Magna Terra Minerals Inc.
150 York Street
Suite 410
Toronto, Ontario M5H 3S5

Attention: President and Chief Executive Officer
e-mail: llawrick@magnaterraminerals.com

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

Fasken Martineau DuMoulin LLP
800 Victoria Square, Suite 3700
Montreal, Québec H4Z 1E9

Attention: Frank Mariage
e-mail: fmariage@fasken.com

- (ii) If to the Investor:

Anaconda Mining Inc.
150 York Street
Suite 410
Toronto, Ontario M5H 3S5

Attention: Chief Executive Officer
e-mail: kbullock@anacondamining.com

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

Cassels Brock & Blackwell LLP
2100 Scotia Plaza

40 King Street West
Toronto, Ontario M5H 3C2
Canada

Attention: Alex Pizale
e-mail: apizale@casselsbrock.com

6.3 Consent

The Investor hereby consents to the Corporation filing a copy of this Agreement on SEDAR, if required.

6.4 Execution in Counterpart

This Agreement may be executed in one or more counterparts (by manual or facsimile signature), each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument and receipt of a facsimile version or PDF Version of an executed signature page by a party shall constitute satisfactory evidence of execution of this Agreement by such party.

6.5 Amendment and Waiver

This Agreement or any provision hereof may not be amended except in writing signed by each of the parties hereto expressly so modifying such agreement or provision. The agreements set forth in this Agreement may be modified or waived only in writing by the party to whom such compliance is owed. It is further understood and agreed that no failure or delay by either party in exercising any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any right, power or privilege under this Agreement.

6.6 Choice of English Language

It is the express wish of the parties that this Agreement and any related documents be drawn up in English only. *Il est de la volonté expresse des parties que cette convention ainsi que tout document connexe soient rédigés en langue anglaise seulement.*

6.7 Assignment

Neither party may assign this Agreement or any interests, rights or benefits therein or thereunder without the prior written consent of the other party.

[Signature page follows]

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

MAGNA TERRA MINERALS INC.

By: _____
Name:
Title:

ANACONDA MINING INC.

By: _____
Name:
Title:

SCHEDULE D
REQUIRED CONSENTS AND RELEASES

[Redacted - List of private party consents]

SCHEDULE E
PURCHASER'S AUTHORIZED CAPITAL

Common Shares

The Purchaser is authorized to issue an unlimited number of common shares without par value, of which 87,454,572 common shares are issued and outstanding as at the date hereof.

Warrants

The following share purchase warrants of the Purchaser are outstanding:

Expiry Date	Number of Warrants
December 28, 2020 Exercisable at \$0.05	4,056,000

Options

The following options to purchase common shares of the Purchaser issued under the Purchaser's stock option plan are outstanding:

Expiry Date		Number of Options
May 18, 2022	Exercisable at \$0.065	3,400,000
August 9, 2022	Exercisable at \$0.07	1,900,000
September 7, 2022	Exercisable at \$0.05	400,000
December 28, 2023	Exercisable at \$0.05	2,120,000
June 3, 2024	Exercisable at \$0.05	150,000
Total		7,970,000

Other

N/A