

MAGNA TERRA MINERALS INC.

AND

ANACONDA MINING INC.

INVESTOR RIGHTS AGREEMENT

DATED AS OF JULY 30, 2020

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INVESTOR RIGHTS AGREEMENT

THIS AGREEMENT dated as of the 30th day of July, 2020,

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 2,438,858 common shares in the capital of 2647102 Ontario Inc. (“**ExploreCo**”) held by the Investor, in exchange for the issuance to the Investor of 12,493,482 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 December 31, 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 December 31, 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 December 31, 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 3500
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: (S) Lew Lawrick
Name: Lewis V. Lawrick
Title: President and Chief Executive Officer

ANACONDA MINING INC.

By: (s) Kevin Bullock
Name: Kevin Bullock
Title: Chief Executive Officer