

TRIPARTITE PURCHASE AND SALE AGREEMENT

THIS TRIPARTITE PURCHASE AND SALE AGREEMENT (this “**Agreement**”) is dated as of November 2, 2023 (the “**Execution Date**”).

AMONG:

SCR-SIBELCO NV, a corporation existing under the laws of Belgium, with an office address at Plantin en Moretuslei 1A, 2018 Antwerpen, Belgium (“**Sibelco**”)

– and –

AVALON ADVANCED MATERIALS INC., a corporation existing under the laws of Canada, with an office address at 130 Adelaide Street West, Suite 1901, Toronto, Ontario M5H 3P5 (“**Avalon**”)

– and –

SEPARATION RAPIDS LTD., a corporation existing under the laws of the Province of Ontario with a registered office address at 333 Bay Street, Toronto, Ontario M5H 2T6 (“**Separation Rapids**” or the “**Company**”)

RECITALS:

- A. Pursuant to the Subscription Agreement Documents, Avalon has: (a) completed the Private Placement; (b) issued additional Avalon Common Shares to Sibelco in consideration for the Top Up Amount; (c) issued and sold to Sibelco the Note; and (d) agreed, together with Sibelco as of the Private Placement Closing Date to certain key binding terms of the Joint Venture and to commit to negotiating, in good faith, the terms of a definitive agreement with respect to the Joint Venture to be entered into between Avalon and Sibelco subsequent thereto.
- B. Until the definitive Joint Venture Agreement has been executed by all parties thereto, the Joint Venture Term Sheet shall continue to govern.
- C. Capitalized terms when used in these Recitals have the respective meanings set forth in Section 1.1.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and for other good and valuable consideration the receipt and adequacy of which are acknowledged, the Parties agree as follows.

ARTICLE 1 INTERPRETATION

Section 1.1 Defined Terms

As used in this Agreement, the following terms have the following meanings:

“**Agreement**” has the meaning set forth on page one.

“**Ancillary Documents**” means all agreements, certificates and documents executed and delivered, or to be executed and delivered, in connection with the transactions contemplated by this Agreement and includes the Joint Venture Agreement, the Bill of Sale, the Assignment and Assumption Agreement, the Existing

Royalty Termination Agreement, the Joint Venture Properties Transfer Agreement and the JVSA Share Pledge.

“**Anti-Corruption Laws**” means the *Corruption of Foreign Public Officials Act* (Canada) and all other laws, rules, and regulations of any jurisdiction applicable to the Party in question concerning or relating to bribery or corruption.

“**Applicable Securities Laws**” means, collectively, the applicable securities Laws of each of the provinces and territories of Canada where Avalon is a reporting issuer or the applicable Person is resident, and the respective regulations, instruments and rules made under those Laws together with all applicable published policy statements, notices, blanket orders and rulings of the securities commissions or regulatory authorities of Canada and of each of the provinces and territories of Canada and the applicable rules and requirements of the TSX.

“**Articles of Amendment**” means articles of amendment of the Company to create the Class A Shares and the Class B Shares.

“**Assignment and Assumption Agreement**” means assignment and assumption agreements pursuant to which Avalon shall sell, assign and transfer to the Company and the Company shall assume from Avalon, the Assumed Contracts, any Interim Period Permits, and the Books and Records.

“**Assumed Contracts**” means those contracts listed in Schedule A.

“**Assumed Liabilities**” means the liabilities of Avalon with respect to the Purchased Assets including:

- (a) liabilities and obligations under the Assumed Contracts (including the Closure Plan) (other than those liabilities and obligations arising or accruing prior to the Closing);
- (b) Environmental Liabilities related to the Purchased Assets (other than Environmental Liabilities arising as a result of, or in connection with, activities carried out prior to Closing);
- (c) liabilities and obligations under the Interim Period Permits, if any; and
- (d) liabilities and obligations with respect to Taxes applicable to the Purchased Assets for any period or partial period from and after the Closing Date,

but for greater certainty excluding the Excluded Liabilities.

“**Authorization**” means any authorization, approval, consent, mineral claim, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Entity having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs (including any zoning approval, development permit or building permit) or from any Person in connection with any easements, contractual rights or other matters.

“**Avalon**” has the meaning set forth on page one.

“**Avalon Common Shares**” means common shares in the capital of Avalon.

“**Avalon Expended Amount**” means the sum of C\$988,099.02 (being the sum of C\$903,184.98 in expenditures, plus HST in the amount of C\$84,914.04) expended by Avalon as approved by Sibelco from

the date of June 14, 2023 until the Execution Date which has been supported by detailed invoices received by Avalon and provided to the Company prior to the Execution Date.

“**Avalon Indemnified Persons**” has the meaning set forth in Section 8.2.

“**Bill of Sale**” means a bill of sale and general conveyance providing for the transfer of the Personal Property from Avalon to the Company.

“**Board**” means the board of directors of the Company.

“**Books and Records**” means copies of any consultation plans, maps, drill logs and other drilling data, core tests, core samples, drill core, logs of such drill core, drill maps, reports including sampling and assay reports, notes, data, files, surveys, maps, mosaics, drawings, memoranda, assays, studies, analyses, drawings, reports or records, in native format as well as all other geographical, geological, geophysical or geochemical information, financial and feasibility studies including, the Separation Rapids Technical Report, pre feasibility studies, preliminary economic assessments, exploration or production reports and data, that relate to the Joint Venture Properties, including any such items held by consultants of Avalon.

“**Business Day**” means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Toronto, Ontario and Antwerpen, Belgium are not open for business.

“**Claim**” means any claim, demand, suit, action, cause of action, cost recovery action, proceeding, investigation, charge, ticket, summons, citation, direction, inquiry, order, administrative or regulatory requirement or determination, injunction, decision, judgment or directive of any kind whatsoever and any other assertion of or with respect to liability or responsibility of any kind whatsoever or whenever arising, asserted or threatened, formally or informally, pursuant to or based upon Environmental Laws or any other applicable Laws, or pursuant to any agreement or Contract or at common law or in equity (whether arising in respect of tort, contract or otherwise).

“**Class A Shares**” means Class A Common Shares in the capital of the Company to have those attributes set forth in the Articles of Amendment and as contemplated in the Joint Venture Term Sheet.

“**Class A Subscription Shares**” means 60,000 Class A Shares.

“**Class B Consideration Shares**” means 40,000 Class B Shares.

“**Class B Shares**” means Class B Common Shares in the capital of the Company to have those attributes set forth in the Articles of Amendment and as contemplated in the Joint Venture Term Sheet.

“**Closing**” has the meaning set forth in Section 2.5(a).

“**Closing Date**” has the meaning set forth in Section 2.5(a).

“**Closure Plan**” has the meaning set forth in Section 3 of Schedule B.

“**Closure Plan Letter of Credit**” means the C\$76,780 letter of credit posted by Avalon pursuant to the Closure Plan.

“**Common Share**” means the common shares in the capital of the Company as authorized in the articles of incorporation of the Company.

“**Competition Act**” means the *Competition Act* (Canada) R.S.C. 1985, c. C-35, as amended, and the regulations promulgated thereunder.

“**Consideration Shares**” means collectively, the Class A Subscription Shares and the Class B Consideration Shares.

“**Contract**” means any contract, agreement, license, franchise, lease, arrangement, commitment, understanding, joint venture, partnership, note, instrument, or other right or obligation (whether written or oral) to which a Party, or any of its subsidiaries, is a party or by which a Party, or any of its subsidiaries, is bound or affected or to which any of their respective properties or assets is subject.

“**Convertible Note Amendment**” means an amendment to the Note to adjust the number of JV Conversion Shares (as defined in the Note) to 5,000 Class B Shares to represent 5% of the 100,000 Shares that will be issued and outstanding immediately after Closing.

“**Debt Instrument**” means any material loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money.

“**Direct Claim**” has the meaning set forth in Section 8.3(a).

“**Drilling Contract**” has the meaning set forth in Schedule B.

“**Environmental Laws**” means all applicable federal, provincial, state, municipal and local Laws, statutes, ordinances, by-laws and regulations and orders, directives and decisions rendered by any ministry, department or administrative or regulatory agency, domestic or foreign, including Laws relating to the protection of the environment, occupational and human health and safety or the treatment, use, processing, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or Hazardous Substances.

“**Environmental Liabilities**” means any and all claims and expenses instituted, required, made, imposed, rendered, issued or arising under or pursuant to any Environmental Law or other applicable Law, including any obligations under any registration, consent, certificate, approval or other authorization pertaining to the environment. For greater certainty, Environmental Liabilities include, any of the foregoing relating to or in connection with the care, maintenance, construction, repair, operation, use, deactivation, dismantling, removal, reclamation, remediation and abandonment of mines and related buildings, mining-related infrastructure and equipment, rights of way, access roads or any other means of ingress or egress, waste rock, mine tailings, and water affected by mining operations.

“**Excluded Liabilities**” means the following liabilities and obligations of Avalon with respect to the Purchased Assets:

- (a) any liability or obligation of Avalon based upon or arising under this Agreement;
- (b) all liabilities and obligations under and relating to the Assumed Contracts which are due and payable prior to the Closing Date
- (c) any liability under any Assumed Contract arising on or after the Closing Date that arises out of or relates to a breach of, or default under, such Assumed Contract prior to the Closing Date provided, for greater certainty, that reclamation obligations under Permits shall not constitute Excluded Liabilities for purposes of this Agreement;

- (d) any liability under any Contract that is not an Assumed Contract;
- (e) any liability or obligation related to directors, officers, employees or other personnel of Avalon;
- (f) any liability or obligation with respect to Taxes, interest on Taxes and penalties on Taxes, applicable to the Purchased Assets for any period or partial period ending prior to the Closing Date, whether or not due and payable prior to or after such time; and
- (g) any other liabilities, whether actual or contingent, matured or unmatured, liquidated or unliquidated, known or unknown, related or unrelated to Avalon, and whether arising out of occurrences prior to, at or after the Closing Date, except for the Assumed Liabilities (including the Closure Plan).

“**Execution Date**” has the meaning set forth on page one.

“**Existing Royalty Agreement**” means the royalty agreement in respect of the Separation Rapids Property dated October 18, 1996 between Avalon and 8110131 Canada Inc.

“**Existing Royalty Termination Agreement**” means an agreement between Avalon and 8110131 Canada Inc. pursuant to which the Existing Royalty Agreement is terminated.

“**Governmental Entity**” means: (a) any multinational, federal, provincial, state, municipal, regional, local or other governmental or public department, regulatory authority, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (b) any subdivision agent, commission, board, or authority or any of the foregoing; (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; and (d) any stock exchange or self-regulatory authority and, for greater certainty, includes Canadian securities regulatory authorities.

“**Government Official**” means: (a) any official, officer, employee, or representative of, or any person acting in an official capacity for or on behalf of, any Governmental Entity; (b) any salaried political party official, elected member of political office or candidate for political office; or (c) any company, business, enterprise or other entity owned or controlled by any Person described in the foregoing clauses.

“**Hazardous Substances**” means any pollutant or other contaminant, including any hazardous, dangerous, registrable or toxic chemical, material or other substance within the meaning of any Environmental Law or toxic mold or harmful bacteria, virus or organism.

“**IFRS**” means International Financial Reporting Standards and refers to the accounting framework, standards and interpretations issued by the International Accounting Standards Board, as updated and amended from time to time.

“**Indemnified Party**” has the meaning set forth in Section 8.3(a).

“**Indemnifying Party**” has the meaning set forth in Section 8.3(a).

“**Indigenous Communities**” means any First Nations, Inuit, Métis and/or indigenous and/or aboriginal person(s), tribe(s) and/or band(s) of Canada.

“**Indigenous Communities Claims**” means any written or oral claims, assertions or demands, whether proven or unproven, made by any Indigenous Communities to Avalon or a Governmental Entity, or any

representatives thereof, in respect of asserted or proven aboriginal rights, aboriginal title, treaty rights or any other aboriginal interest in or to all or any portion of Joint Venture Properties.

“**Interim Period**” means the period between the Execution Date and the Time of Closing.

“**Interim Period Contracts**” means each Contract entered into by Avalon with respect to the Purchased Assets during the Interim Period with the consent of Sibelco pursuant to the provisions of Section 3.5.

“**Interim Period Permits**” means each Permit obtained by Avalon with respect to the Purchased Assets during the Interim Period with the consent of Sibelco pursuant to the provisions of Section 3.5.

“**Interim WP**” has the meaning set forth in Section 4.1(h).

“**Investment Canada Act**” means the *Investment Canada Act* (Canada), R.S.C. 1985, c. 28 (1st Supp.), and the regulations promulgated thereunder.

“**Investor Rights Agreement**” means the investor rights agreement between Sibelco and Avalon dated as of the Private Placement Closing Date.

“**Joint Venture**” means the joint venture between Sibelco and Avalon in respect of the Joint Venture Properties, conducted through their respective ownership of Shares.

“**Joint Venture Agreement**” means the Definitive JV Agreement as such term is defined in the Subscription Agreement.

“**Joint Venture Properties**” means the Separation Rapids Property and the Lilypad Property.

“**Joint Venture Properties Transfer Agreement**” means the various agreements required in accordance with applicable Laws pursuant to which Avalon agrees to sell, assign and transfer to the Company the Joint Venture Properties.

“**Joint Venture Term Sheet**” means the term sheet attached as Schedule G to the Subscription Agreement, as amended by an amending agreement dated July 14, 2023 and as further amended by an amending agreement dated September 30, 2023.

“**JVSA Share Pledge**” has the meaning set forth in the Note for the term JV Share Pledge.

“**Laws**” means any and all applicable: (a) laws, constitutions, treaties, statutes, codes, ordinances, orders, decrees, rules, regulations and by-laws (including, for greater certainty, Applicable Securities Laws, Environmental Laws and the common law); (b) judgments, orders, writs, injunctions, decisions, awards and directives of any Governmental Entity; and (c) policies, guidelines, notices and protocols of any Governmental Entity.

“**Lien**” means any deed of trust, mortgage, charge, hypothec, assignment, pledge, lien, vendor’s privilege, vendor’s right of reclamation, security interest, deemed trust or encumbrance of whatever kind or nature, regardless of form and whether consensual or arising by operation of law (statutory or otherwise), that secures the payment of any indebtedness or liability or the observance or performance of any obligation (including any agreement to give any of the foregoing).

“**Lilypad Property**” means the fourteen mineral claims, comprising 166 new claim units or cells, totalling slightly over 3,299 hectares (8,152 acres), covering a field of lithium, tantalum and cesium mineralized

pegmatites, and located 150 kilometres northeast of Pickle Lake, Ontario which are 100% owned by Avalon with no underlying royalties, all as shown in the map appended hereto as Schedule D.

“**Losses**” means in respect of any matter, all liabilities, obligations, duties, losses, damages (but excluding consequential, indirect, special and punitive damages), costs, expenses (including reasonable legal and other professional fees and expenses and disbursements), interest, penalties and amounts paid in settlement but excluding punitive, exemplary or aggravated damages), penalties, fines and monetary sanctions and all amounts paid to settle a Claim, or to satisfy any judgment, order, decree, directive, award or other obligation to pay any amount of whatever nature or kind.

“**Material Adverse Effect**” means any change, event, occurrence, effect, state of facts or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects, state of facts or circumstances, is or would reasonably be expected to be material and adverse to the business, assets or properties, affairs, liabilities (contingent or otherwise), results of operations, capital or condition (financial or otherwise) or prospects of the applicable Person.

“**Money Laundering Laws**” means the money laundering statutes of all jurisdictions, the rules and regulations under such statutes and any related or similar rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

“**Note**” means the secured convertible debenture in the aggregate principal amount of C\$3,000,000 from Avalon to Sibelco dated June 14, 2023.

“**Notice**” has the meaning set forth in Section 10.2.

“**Notice of Claim**” has the meaning set forth in Section 8.3(a).

“**Off-Balance Sheet Arrangement**” means with respect to any Person, any securitization transaction to which that Person or its subsidiaries is party and any other transaction, agreement or other contractual arrangement to which an entity unconsolidated with that Person is a party, under which that Person or its subsidiaries, whether or not a party to the arrangement, has, or in the future may have: (a) any obligation under a direct or indirect guarantee or similar arrangement; (b) a retained or contingent interest in assets transferred to an unconsolidated entity or similar arrangement; (c) derivatives to the extent that the fair value thereof is not fully reflected as a liability or asset in the financial statements; or (d) any obligation or liability, including a contingent obligation or liability, to the extent that it is not fully reflected in the financial statements (excluding the footnotes to such financial statements) (for this purpose, obligations or liabilities that are not fully reflected in the financial statements (excluding the footnotes to such financial statements) include: (i) obligations that are not classified as a liability according to IFRS, as applicable; (ii) contingent liabilities as to which, as of the date of the financial statements, it is not probable that a loss has been incurred or, if probable, is not reasonably estimable; or (iii) liabilities as to which the amount recognized in the financial statements is less than the reasonably possible maximum exposure to loss under the obligation as of the date of the financial statements, but, in each case, exclude contingent liabilities arising out of litigation, arbitration or regulatory actions (not otherwise related to off-balance sheet arrangements)).

“**Ontario Securities Act**” means the *Securities Act* (Ontario) and the regulations thereunder, together with the instruments, policies, rules, orders, codes, notices and interpretation notes of the Ontario Securities Commission, as amended, supplemented or replaced from time to time.

“**Operations**” has the meaning set forth in the Joint Venture Term Sheet.

“**Operator**” has the meaning set forth in the Joint Venture Term Sheet.

“**Parties**” means Avalon, Sibelco and the Company.

“**Permit**” means any license, permit, certificate, consent, order, grant, approval, agreement, classification, restriction, registration or other authorization of, from or required by any Governmental Entity under applicable Laws.

“**Permitted Liens**” means the following:

- (a) easements, rights-of-way, servitudes or other similar rights in land for sewers, drains, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables granted to or reserved by other persons which in the aggregate do not materially impair the usefulness, in the operation of the Joint Venture Properties;
- (b) the right reserved to or vested in any Governmental Entity by the terms of any lease, licence, franchise, grant or Permit or by any statutory provision, to terminate any such lease, licence, franchise, grant or Permit, or to require annual or other payments as a condition to the continuance thereof;
- (c) the restrictions, exceptions, reservations, limitations, provisos and conditions, if any, expressed in any original patents or grants from the Government of Canada or a jurisdiction of Canada, or any crown corporation agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada, or other Governmental Entity, and any statutory and common law limitations, exceptions, reservations and qualifications;
- (d) title defects or irregularities which are of a minor nature and in the aggregate will not materially impair the use of the Joint Venture Properties for Operations; and
- (e) applicable municipal and other Governmental Entity restrictions affecting the use of land or the nature of any structures which may be erected thereon, provided such restrictions have been complied with and will not materially impair the use of the Joint Venture Properties for the Operations.

“**Person**” means a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated association, joint venture or other entity, and pronouns that have a similarly extended meaning.

“**Personal Property**” means the property listed in Schedule F.

“**Private Placement**” means the acquisition by Sibelco of 109,692,764 Avalon Common Shares in consideration for the aggregate purchase price of C\$10,000,000 representing a purchase price of approximately C\$0.091164 per share.

“**Private Placement Closing Date**” means June 14, 2023.

“**Proceedings**” has the meaning set forth in Section 8.9.

“**Purchased Assets**” means the Joint Venture Properties, the Personal Property, the Assumed Contracts, any Interim Period Permits, and the Books and Records.

“**Purchase Price**” has the meaning set forth in Section 2.1.

“**Purchase Price Allocation**” has the meaning set forth in Section 2.3.

“**Required Consents**” means those consents, Authorizations and approvals listed in Schedule G.

“**Sales Taxes**” means any goods and services, harmonized sales, sales, retail sales, use, consumption, personal property, customs, excise, stamp, transfer, or similar Taxes, duties or charges.

“**Separation Rapids**” or “**Company**” has the meaning set forth on page one.

“**Separation Rapids Property**” means the nineteen mineral claims, comprising 211 new claim units or cells, and one mining lease covering a combined area of approximately 4,423 hectares (10,929 acres) in the Paterson Lake Area and Snook Lake Area, Kenora Mining Division, Ontario, along with the three aggregate permits along the road to the site (which cover a total area of approximately 16 hectares), and which includes the newly discovered Snowbank pegmatite deposit, all of which are owned 100% by Avalon, all as shown in the map appended hereto as Schedule E.

“**Separation Rapids Technical Report**” means the technical report entitled “NI 43-101 Technical Report On The Preliminary Economic Assessment For The Production Of Petalite Concentrate From The Separation Rapids Lithium Deposit Kenora, Ontario” prepared by Micon International Limited with an effective date of August 21, 2018, as filed September 28, 2018 with the relevant Canadian securities regulatory authorities in accordance with NI 43-101.

“**Shares**” means collectively, the Class A Shares and the Class B Shares.

“**Sibelco**” has the meaning set forth on page one.

“**Sibelco Deemed Capital Contribution Amount**” means €30.0 million.

“**Sibelco Indemnified Persons**” has the meaning set forth in Section 8.1.

“**Sibelco Initial Funding Amount**” means the sum of €34,865,809.86.

“**Sibelco Initial Funding Period**” has the meaning set forth in the Joint Venture Term Sheet.

“**Sibelco Subscription Amount**” means the sum of €4,865,809.86 (to be paid in Canadian dollars based on the C\$/€ exchange rate quoted by the Bank of Canada on the second Business Day prior to the Closing Date).

“**Statement of Adjustment**” means a statement of adjustments as at the Execution Date which will reflect the apportionment as between Avalon and the Company of certain liabilities (which may include fees pursuant to the mining lease forming part of the Separation Rapids Property, quarry fees, fees and charges pursuant to any applicable Interim Period Permits and other amounts) related to the Joint Venture Properties for the period up to the Execution Date and the period commencing on the Execution Date in accordance herewith.

“**Subscription Agreement**” means the subscription agreement between Avalon and Sibelco dated June 14, 2023 as amended July 14, 2023 and as further amended September 30, 2023 pursuant to which Sibelco agreed to purchase 109,692,764 Avalon Common Shares pursuant to the Private Placement.

“**Subscription Agreement Documents**” means the Subscription Agreement and the Subscription Agreement Top Up Contract.

“**Subscription Agreement Top Up Contract**” means the subscription agreement between Avalon and Sibelco dated July 14, 2023.

“**Taxes**” means all taxes, however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any Governmental Entity, which taxes shall include, all income or profits taxes, capital taxes, withholding taxes, payroll and employee withholding taxes, employment insurance, social insurance taxes, good and services taxes, harmonized sales taxes, sales taxes (including provincial sales taxes), franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, (including land transfer taxes) workers’ compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, and “**Tax**” shall have a corresponding meaning.

“**Tax Act**” means the *Income Tax Act* (Canada), as amended, and the regulations promulgated thereunder.

“**Third Party Claim**” has the meaning set forth in Section 8.3(a).

“**Time of Closing**” means 10:00 am EST on the Closing Date.

“**Top Up Amount**” means C\$197,309.42, being the amount paid by Sibelco pursuant to the Subscription Agreement Top Up Contract.

“**Transaction Parties**” means Avalon and Sibelco.

“**TSX**” means the Toronto Stock Exchange.

Section 1.2 Construction

(a) Words importing the singular include the plural and vice versa. Words importing the masculine gender include the feminine and neuter genders.

(b) In this Agreement: (i) the words “including”, “includes” and “include” mean “including (or includes or include) without limitation”; (ii) the words “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”; and (iii) any reference to a statute refers to such statute and all rules and regulations made or promulgated under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise. The expressions “Article”, “Section” and other subdivision followed by a number mean and refer to the specified Article, Section or other subdivision of this Agreement. In the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”. The term “Agreement” refers to this Agreement as amended, modified, restated, replaced or supplemented from time to time.

(c) The insertion into this Agreement of headings is for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

(d) All references in this Agreement to dollars or to “C\$” means the lawful currency of Canada unless otherwise specifically indicated. All references in this Agreement to “€” or “Euros” means the single currency of the European Union as constituted by the Treaty on European Union and as referred to in the EMU Legislation.

(e) All of the matters of payment and delivery of documents by each Party to the other will be deemed to be concurrent requirements so that nothing is complete until everything has been paid, delivered and registered.

Section 1.3 Knowledge of Transaction Parties

Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of Avalon, it will be deemed to refer to the knowledge of the (i) President, (ii) Chief Executive Officer, (iii) Chief Financial Officer and Vice President of Finance, (iv) Chief Operating Officer and Vice President of Operations, and (v) Chief Administrative Officer, of Avalon in office as at the Execution Date, based on their actual knowledge after reasonable inquiry. Where any representation or warranty contained in this Agreement is expressly qualified by reference to the knowledge of Sibelco, it will be deemed to refer to the knowledge of the (i) Chief Executive Officer, (ii) Chief Financial Officer and (iii) Chief Strategy and Business Development Officer, of Sibelco in office as at the Execution Date, based on their actual knowledge after reasonable inquiry.

Section 1.4 Affiliates and Subsidiaries

For the purpose of this Agreement:

(a) a Person is an “affiliate” of another Person if one of them is a subsidiary of the other or each one of them is controlled, directly or indirectly, by the same Person;

(b) a “subsidiary” means a Person that is controlled directly or indirectly by another Person and includes a subsidiary of that subsidiary; and

(c) a Person is considered to “control” another Person if: (A) the first Person beneficially owns or directly or indirectly exercises control or direction over securities of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, unless that first Person holds the voting securities only to secure an obligation; (B) the second Person is a partnership, other than a limited partnership, and the first Person holds more than 50% of the interests of the partnership; or (C) the second Person is a limited partnership, and the general partner of the limited partnership is the first Person.

Section 1.5 Schedules

The following Schedules are incorporated into and form an integral part of this Agreement, and any reference to this Agreement includes the Schedules:

Schedule A	Assumed Contracts
Schedule B	Representations and Warranties of Avalon
Schedule C	Representations and Warranties of Sibelco
Schedule D	Description and Map of Lilypad Property

Schedule E	Description and Map of Separation Rapids Property (including the Snowbank pegmatite deposit)
Schedule F	List of Personal Property
Schedule G	Required Consents

ARTICLE 2 PURCHASE AND SALE

Section 2.1 Assets to be Purchased and Sold/Assumption of Assumed Liabilities

Subject to the terms and conditions contained herein, Avalon agrees to sell, assign and transfer to the Company and the Company agrees to purchase from Avalon, on the Closing Date and with effect as of the Time of Closing, the Purchased Assets free and clear of any and all Liens (save and except for the Permitted Liens), and the Company agrees to assume the Assumed Liabilities with effect as of the Time of Closing. The purchase price for the Purchased Assets is equal to the sum of €23, 243,873.24 (the “**Purchase Price**”). The Purchase Price will be satisfied by the issuance by the Company to Avalon of the Class B Consideration Shares on the Closing Date, it being understood and agreed that effective as of the Closing Date, the Company will also assume and agree to pay, perform and discharge, promptly when due, the Assumed Liabilities. Notwithstanding any other provision of this Agreement, the Company shall not assume, or otherwise be responsible for, any Excluded Liabilities.

Section 2.2 Tax Matters

(a) The Company is liable for and will pay all Sales Taxes, land transfer, and all other Taxes or other like charges properly payable in accordance with applicable Laws by a buyer upon and in connection with the sale, assignment and transfer of the Purchased Assets by Avalon to the Company.

(b) If Avalon is required by applicable Laws to collect any Sales Taxes from the Company, the Company will pay such Sales Taxes to Avalon at Closing, unless the Company qualifies for an exemption from any such applicable Sales Taxes, in which case the Company will, in lieu of payment of applicable Sales Taxes to Avalon, deliver to Avalon such certificates, elections required by applicable Laws, and/or other documentation evidencing entitlement to such exemption and prepared to the satisfaction of Avalon, acting reasonably, to substantiate and effect the exemption claimed by the Company. Where Avalon is not required by applicable Laws to collect applicable Sales Taxes and to the extent Sales Taxes are exigible on amounts payable by the Company, the Company shall report any such Sales Taxes directly to the appropriate taxing authority and shall pay any amounts of such Sales Taxes as are due in accordance with Law. The Company shall provide evidence of such payment to Avalon within 10 Business Days of written request to provide proof of payment of such amounts.

(c) The Parties will use their commercially reasonable efforts to minimize (or eliminate) any Sales Taxes as are applicable to the purchase and sale of the Purchased Assets, including any Taxes payable under the *Excise Tax Act* (Canada) by, among other things, making such elections and taking such steps as may be provided for under that Act, including making a joint election in a timely manner under Section 167 of Part IX of the *Excise Tax Act* (Canada) or, where such election is unavailable, the Company shall, to the extent permitted by subsection 228(4) of the *Excise Tax Act* (Canada) and otherwise required under the *Excise Tax Act* (Canada), self-assess and remit applicable Taxes in respect of the Purchased Assets acquired under this Agreement. The Parties shall execute and deliver all such Tax elections and forms as they may mutually agree upon.

(d) At Avalon's sole discretion, Avalon and the Company shall jointly execute any election or amended election under subsection 85(1) of the Tax Act (and any applicable provincial legislation) in respect of the transfer of the Purchased Assets from Avalon to the Company pursuant to this Agreement, and the Company agrees to execute, within the prescribed time limits or at any other time determined at the sole discretion of Avalon, the prescribed election form and any other documents required to give effect to the foregoing, upon such election form or documents being completed by the Company that have been provided by Avalon to the Company. Avalon and the Company agree that the elected amount in such election shall be determined by Avalon, subject to the parameters set forth in the Tax Act (and any applicable provincial legislation). Avalon will file the prescribed election form within the prescribed time limit under the Tax Act and any applicable provincial legislation.

Section 2.3 Allocation of Purchase Price for Purchased Assets

From and after Closing and pursuant to approvals required under the Joint Venture Agreement, the Company will derive the allocation of the Purchase Price and the amount of the Assumed Liabilities amongst the Purchased Assets (the “**Purchase Price Allocation**”). The Parties agree: (a) to act in accordance with the computations and allocations contained in the Purchase Price Allocation in all appropriate Tax forms for the Tax year in which the Closing occurs, subject to any adjustments to such computations and allocations as is agreed to in writing between the Parties, each acting reasonably; and (b) not to take a position on any Tax return before any Governmental Entity charged with the collection of any Tax or in any judicial proceeding that is in any manner inconsistent with the terms of the Purchase Price Allocation without the written consent of the other Parties. In the event that any such Governmental Entity disputes the Purchase Price Allocation, the Party receiving notice of the dispute shall promptly notify the other Parties concerning the nature of the dispute.

Section 2.4 Statement of Adjustments

Not later than two Business Days prior to the Closing Date, Avalon shall deliver a Statement of Adjustments to the Company for review by the Company. Such Statement of Adjustments shall not be delivered if the amounts set forth thereon are less than C\$2,000. Any amount owing by the Company to Avalon as shown on the Statement of Adjustments, subject to a maximum amount of C\$5,000 shall, at the Time of Closing, be paid in cash by the Company to Avalon from funds on hand from the Sibelco Initial Funding Amount.

Section 2.5 Closing

(a) The completion of the purchase and sale of the Purchased Assets contemplated by this Agreement (the “**Closing**”) will be held at such place as may be agreed upon by the Parties, or completed electronically, on November 9, 2023 (the “**Closing Date**”) or such later Business Day following the date on which all of the conditions to Closing set out in ARTICLE 4 of this Agreement (other than those conditions that by their nature can only be satisfied on the Closing Date) shall have been satisfied or waived by the applicable party or parties.

(b) On or prior to the Closing Date, Sibelco shall cause the Company to file the Articles of Amendment with the Ministry of Government and Consumer Services in accordance with the *Business Corporations Act* (Ontario) and to purchase its outstanding Common Share at its issue price for cancellation. The said Articles of Amendment shall be in such form as has been approved by Avalon and its counsel acting reasonably, and consistently with the Joint Venture Term Sheet. Avalon and its counsel shall have approved the corporate documents relating to the said purchase for cancellation, acting reasonably.

(c) All closing documents and Ancillary Documents shall be approved by both Avalon and Sibelco and their respective counsel, all such persons to act reasonably in connection therewith. It is also understood and agreed that for certain of the Assumed Contracts rather than sign an Assignment and Assumption Agreement, the actual Assumed Contract may be reissued into the name of the Company.

(d) At the Closing on the Closing Date:

(i) Sibelco shall deliver a certificate signed on behalf of Sibelco by the Chief Executive Officer and the Chief Financial Officer of Sibelco or other officers of Sibelco acceptable to Avalon, acting reasonably, certifying for and on behalf of Sibelco and without personal liability:

- (A) the constating documents of the Company, including the Articles of Amendment;
- (B) the incumbency of directors or officers of the Company;
- (C) the resolutions of the Company approving the execution and delivery and performance of this Agreement and the Ancillary Documents to which the Company is a party, including the repurchase for cancellation of the one Common Share held by Sibelco as of the date hereof, the issuance of the Class A Subscription Shares and the Class B Consideration Shares and the consummation of the transactions contemplated hereunder and thereunder;
- (D) the resolutions of the Company approving the form of the certificate for the Class A Shares and the Class B Shares;
- (E) the banking resolutions of the Company;
- (F) the following resolutions of the Company, each effective as of the Time of Closing:
 - (i) a resolution of Sibelco, as sole shareholder, removing Benny Loix as a director of the Company, appointing Jan Holland (being the nominee of Avalon) and appointing Flavio Hees and Achille Njike (being the nominees of Sibelco) as directors of the Company and (ii) a resolution of the directors of the Company appointing Sibelco as the Operator;
- (G) the share register of the Company giving effect to the share issuances to Sibelco and Avalon as contemplated by this Agreement;
- (H) the directors and officers ledgers of the Company giving effect to the appointment or confirmation of the appointment of the directors and officers of the Company as contemplated by Section 2.5(d)(i)(F); and
- (I) that all of the terms, covenants and conditions of this Agreement to be complied with or performed by the Company on or before the Closing Date have been complied with or performed in all material respects on or before the times contemplated in this Agreement;

(ii) Sibelco shall deliver a certificate signed on behalf of Sibelco by the Chief Executive Officer and the Chief Financial Officer of Sibelco or other officers of Sibelco acceptable to Avalon, acting reasonably, certifying for and on behalf of Sibelco and without personal liability:

- (A) the constating documents of Sibelco;
- (B) the incumbency of certain officers of Sibelco;
- (C) the resolutions of Sibelco approving the execution and delivery and performance of this Agreement and the Ancillary Documents to which Sibelco is a party, including the subscription for the Class A Subscription Shares and the consummation of the transactions contemplated hereunder and thereunder; and
- (D) the satisfaction of the conditions set out in Section 4.2(f) and Section 4.2(g);

- (iii) Sibelco shall deliver a certificate of compliance or similar certificate with respect to the jurisdiction in which the Company is in existence dated one Business Day prior to the Closing Date;
- (iv) Sibelco shall deliver a certificate of compliance or similar certificate with respect to the jurisdiction in which Sibelco is in existence dated one Business Day prior to the Closing Date;
- (v) Sibelco shall:
 - (A) cause the Company to execute and deliver the Joint Venture Properties Transfer Agreement, the Bill of Sale, the Assignment and Assumption Agreements, the Joint Venture Agreement and the Convertible Note Amendment to Avalon;
 - (B) execute and deliver the Joint Venture Agreement to Avalon;
 - (C) pay the Sibelco Initial Funding Amount to the Company as provided in Section 4.2(a);
 - (D) cause the Company to make those payments contemplated by Section 2.4 and Section 4.2(b);
 - (E) cause the Company to issue to Avalon the Class B Consideration Shares and to Sibelco the Class A Subscription Shares;
 - (F) cause the Company to execute and deliver a receipt in respect of the Purchased Assets to Avalon; and
 - (G) execute and deliver and cause the Company to execute and deliver to Avalon all such other deeds, documents, instruments and assurances as shall be reasonably required by Avalon to give full force and effect to the transactions contemplated by this Agreement.
- (e) At the Closing on the Closing Date:
 - (i) Avalon shall deliver a certificate signed on behalf of Avalon by the Chief Executive Officer and the Chief Financial Officer and Vice President of Finance of Avalon or other officers of Avalon acceptable to Sibelco, acting reasonably, certifying for and on behalf of Avalon and without personal liability:
 - (A) the constating documents of Avalon;
 - (B) the incumbency of certain officers of Avalon;
 - (C) the resolutions of Avalon approving the execution and delivery and performance of this Agreement and the Ancillary Documents to which Avalon is a Party and the consummation of the transactions contemplated hereunder and thereunder;
 - (D) the satisfaction of the conditions set out in Section 4.1(a), Section 4.1(b), Section 4.1(d) and Section 4.1(e); and
 - (E) a copy of the Existing Royalty Termination Agreement signed by all parties thereto;
 - (ii) Avalon shall deliver a certificate of compliance or similar certificate with respect to the jurisdiction in which Avalon is in existence dated one Business Day prior to the Closing Date; and
 - (iii) Avalon shall:

- (A) sell, assign and transfer the Purchased Assets to the Company, and in connection therewith execute and deliver the Joint Venture Properties Transfer Agreement, the Bill of Sale, the Assignment and Assumption Agreements, the Joint Venture Agreement and the Convertible Note Amendment to Sibelco;
- (B) execute and deliver a receipt in respect of the Class B Consideration Shares to the Company;
- (C) execute and deliver a receipt in respect of payments contemplated by Section 2.4 and Section 4.2(b);
- (D) execute and deliver the JVSA Share Pledge; and
- (E) execute and deliver to Sibelco or the Company all such other deeds, documents, instruments and assurances as shall be reasonably required by Sibelco or the Company, as the case may be, to give full force and effect to the transactions contemplated by this Agreement.

Section 2.6 Ineffective Transfer

If for any reason any Purchased Asset is not fully and effectually transferred to the Company upon Closing, any such Purchased Asset will be held by Avalon in trust for the exclusive use of the Company. The Parties shall use commercially reasonable efforts to complete the transfer to the Company of any such Purchased Asset not transferred at Closing as soon as practicable thereafter and Avalon shall only make use of such Purchased Asset in accordance with any direction provided by the Company from time to time.

ARTICLE 3 INTERIM PERIOD COVENANTS

Section 3.1 Actions to Satisfy Closing Conditions

(a) During the Interim Period, Avalon will take all such actions as are within its power to control and will use commercially reasonable efforts to cause other actions to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 4.1, including ensuring that during the Interim Period and at Closing, there is no breach of any of Avalon's representations and warranties.

(b) During the Interim Period, Sibelco will take all such actions as are within its power to control and will cause the Company to take all such actions as are within its power to control and will use commercially reasonable efforts to cause other actions (for itself and on behalf of the Company) to be taken which are not within its power to control, so as to ensure compliance with all of the conditions set forth in Section 4.2, including ensuring that during the Interim Period and at Closing, there is no breach of any of Sibelco's representations and warranties.

Section 3.2 Required Consents

- (a) Each of the Transaction Parties as promptly as practicable after the execution of this Agreement, shall:
 - (i) make, or cause to be made, all filings and submissions under applicable Laws that are required for it to consummate the transactions contemplated by this Agreement; and
 - (ii) use reasonable commercial efforts to take, or cause to be taken, all other actions necessary, proper or advisable in order for it to fulfil its obligations under this Agreement.

(b) Each of the Transaction Parties shall further use reasonable commercial efforts to avoid, oppose, or seek to have lifted or rescinded, any application for, or any resulting injunction or restraining or other order seeking to stop, or that otherwise adversely affects its ability to consummate the transactions contemplated by this Agreement.

Section 3.3 Closing Matters

Each of the Transaction Parties undertakes to keep the other Transaction Party informed promptly of developments which are material or reasonably likely to be material to the satisfaction of the conditions to Closing contained in Article 4 and will provide the other Transaction Party, in a timely manner, with copies of all material communications, material correspondence and documents sent to, or received from, all Governmental Entities or other Persons in relation to the satisfaction of the conditions to Closing contained in Article 4.

Section 3.4 Representations and Warranties

During the Interim Period, each of the Transaction Parties will promptly notify the other Transaction Party upon becoming aware that any representation or warranty made by it and contained in this Agreement has become inaccurate or incorrect.

Section 3.5 Operations Regarding the Purchased Assets

(a) During the Interim Period, Avalon shall conduct Operations with respect to the Purchased Assets with the approval of Sibelco and in accordance with the manner in which such Operations were conducted from and after June 14, 2023, in compliance with Applicable Laws and the terms and conditions of the Assumed Contracts and otherwise in the ordinary course of business consistent with recent past practice and good industry practices, shall not take any action that if taken prior to the Execution Date would have caused any representation and warranty of Avalon herein to be incorrect in any material respect, provided that without the prior written consent of Sibelco, Avalon shall not:

- (i) enter into any new material Contracts relating to the Purchased Assets, or modify, amend in any material respect, transfer or terminate any such existing material Contracts, or waive, release, or assign any material rights or claims thereto or thereunder;
- (ii) commence, waive, release, assign, settle or compromise any claims, dissent rights, litigation, proceedings or governmental investigations which would reasonably be expected to (A) impede, prevent or delay the consummation of the transactions contemplated by this Agreement or the Joint Venture Term Sheet or (B) have a material adverse impact on the Purchased Assets;
- (iii) amend, modify, terminate, cancel or permit to lapse any material insurance policy of Avalon relating to the Purchased Assets in effect on the date of the Joint Venture Term Sheet;
- (iv) in respect of any Purchased Asset, (A) waive, release or let lapse any material right or value or amend, modify or change, or agree to amend, modify or change in any material respect any existing material Authorization, or (B) abandon or fail to diligently pursue any application for any material Authorizations, leases, permits, registrations or mining rights or take any action, or fail to take any action, that could result in the material loss, suspension, expiration, termination or surrender of, or result in the loss of any material benefit under, or be reasonably expected to cause any Governmental Entity to institute proceedings for the suspension, revocation or limitation of, any material Authorizations or mining rights;
- (v) enter into any material transaction with any employee, independent contractor, director or officer of Avalon in connection with the Purchased Assets;

- (vi) take any action, or fail to take any action, which action or failure to act would reasonably be expected to cause any Governmental Entities to institute proceedings for the suspension of, or the revocation or limitation of rights under, any material Authorizations necessary for Avalon to conduct its business as currently conducted in relation to the Purchased Assets, and use its commercially reasonable efforts to maintain such Authorizations; or
 - (vii) authorize, agree, resolve or otherwise commit, whether or not in writing, to do any of the foregoing.
- (b) Notwithstanding the provisions of Section 3.5(a), the Parties acknowledge and agree that:
- (i) enter into Contracts with respect to or for the benefit of the Joint Venture Properties during the Interim Period and if such is the case, the same shall not be executed and delivered without the prior written consent of Sibelco, such consent not to be unreasonably withheld, and if any such Contract is so executed and delivered during the Interim Period, the same shall become an Interim Period Contract (which will in turn become an Assumed Contract for the purposes of this Agreement); and
 - (ii) obtain Permits with respect to or for the benefit of the Joint Venture Properties during the Interim Period and if such is the case, the same shall not be obtained without the prior written consent of Sibelco, such consent not to be unreasonably withheld, and if any such Permit is so obtained during the Interim Period, the same shall become an Interim Period Permit (which in turn shall form a part of the Purchased Assets for the purposes of this Agreement).

Section 3.6 Operations Regarding the Company

During the Interim Period, Sibelco shall cause the Company to remain a newly incorporated shell company and other than as contemplated in this Agreement, including in connection with the operations of the proposed Joint Venture, Sibelco shall procure that the Company shall not acquire any assets or become subject to any liabilities, shall not execute and deliver (or agree to execute and deliver or make any oral arrangements regarding) any Contracts, shall not hire or engage any employees, consultants or agents and shall not take any action that if taken prior to the Execution Date would have caused any representation and warranty of Sibelco with respect to the Company herein to be incorrect in any material respect.

Section 3.7 Closure Plan and Closure Plan Letter of Credit

During the Interim Period, Avalon shall work with applicable Governmental Entities in order to ascertain the manner in which the Closure Plan shall be assumed by the Company on Closing and the manner in which a replacement letter of credit may be lodged by the Company further to the Closure Plan in order to procure that the Closure Plan Letter of Credit may be released to the order of Avalon.

Section 3.8 Cooperation

All communications during the Interim Period with any applicable Governmental Entities or Indigenous Communities by Avalon shall be subject to prior review and approval by Sibelco, acting reasonably, and all documents presented shall be in form and substance satisfactory to Sibelco, acting reasonably. Without limiting the generality of the foregoing, each of Avalon and Sibelco:

- (a) shall provide in a timely manner such information, cooperation and assistance as is reasonably required in connection with (i) the preparation of any applications, filings, submissions to Governmental Entities or Indigenous Communities, (ii) any discussions or negotiations with Governmental Entities or

Indigenous Communities, and (iii) responding to any inquiries from Governmental Entities or Indigenous Communities, in each case as are required to satisfy the conditions to Closing in contained in ARTICLE 4;

(b) shall where reasonably requested by the other Party, and insofar as permitted by Governmental Entities or Indigenous Communities, as applicable, make available appropriate representatives for meetings and calls in connection with the satisfaction the conditions to Closing in contained in ARTICLE 4;

(c) undertakes to (i) keep the other informed promptly of developments which are material or reasonably likely to be material to the satisfaction of the conditions to Closing in contained in ARTICLE 4 and (ii) provide the other, in a timely manner, with copies of all material communications, material correspondence and documents sent to, or received from, all Governmental Entities and Indigenous Communities in relation to the satisfaction of the conditions to Closing contained in ARTICLE 4.

Section 3.6 Access to Records and Property

During the Interim Period, Avalon shall give, or cause to be given, to Sibelco, the Company and their representatives reasonable access during normal business hours to the Purchased Assets to conduct such matters as Sibelco and the Company consider necessary or desirable to familiarize themselves with the Purchased Assets.

ARTICLE 4 CLOSING CONDITIONS

Section 4.1 Conditions in Favour of Sibelco

Sibelco's obligation to subscribe for the Class A Subscription Shares at the Closing and cause the Company to acquire the Purchased Assets and assume the Assumed Liabilities shall be subject to the following conditions being satisfied by the Closing Date, which conditions are for the sole benefit of Sibelco and which may be waived, in whole or in part, by Sibelco in its sole discretion:

(a) **Representations and Warranties.** The representations and warranties of Avalon set out in Section 5.2 that:

(i) are qualified by materiality, the expressions "material", "materially and adversely", or "Material Adverse Effect", or any other similar qualifiers shall be true and correct in all respects as so qualified; and

(ii) are not qualified by materiality, the expressions "material", "materially and adversely", or "Material Adverse Effect", or any other similar qualifiers shall be true and correct in all material respects,

in each case, both as of the Execution Date and as of the Closing Date as though made on and as of the Closing Date (except, with respect to the foregoing paragraphs (i) and (ii), to the extent such representations and warranties expressly speak of a specified date, in which case such representations and warranties shall be true and correct in the manner set forth in the foregoing paragraphs (i) and (ii), as applicable, as of such specified date).

(b) **Performance of Terms, Covenants and Conditions.** All of the terms, covenants and conditions of this Agreement to be complied with or performed by Avalon on or before the Closing Date shall have been complied with or performed in all material respects on or before the times contemplated in this Agreement.

(c) **Required Consents.** Avalon shall have received the Required Consents and the Required Consents shall not have conditions attached thereto that are not acceptable to Sibelco, acting reasonably.

- (d) **Termination of the Existing Royalty Agreement.** Avalon and 8110131 Canada Inc. shall have executed and delivered the Existing Royalty Termination Agreement, which shall remain in full force and effect, unamended.
- (e) **No Material Adverse Effect.** Since the Execution Date, there shall not have occurred a Material Adverse Effect in respect of either (i) the Joint Venture Properties or (ii) the Purchased Assets taken as a whole.
- (f) **Legal Prohibition.** No provision of any applicable Laws or any action by any Governmental Entity having competent jurisdiction, and no judgment, injunction, order or decree issued by any Governmental Entity having competent jurisdiction shall prohibit the Closing.
- (g) **Joint Venture Agreement.** Concurrently on Closing Avalon shall execute the Joint Venture Agreement.
- (h) **Interim WP.** On Closing Avalon and Sibelco shall agree upon the work program and budget first provided by Avalon to Sibelco on June 21, 2023 and last updated by Avalon as of October 31, 2023 contemplating certain work to be performed by third parties up to certain specified budgeted amounts during 2023 and into 2024 (the “**Interim WP**”), which Interim WP continues to evolve in order to ensure a smooth and seamless transition to operations to be conducted by the Company. It is understood and agreed that the Interim WP shall be superseded by the Approved Follow Up Interim WP&B as provided in Section 6.1(2)(a) of the Joint Venture Agreement.
- (i) **Closing Documents.** Avalon shall have delivered all of the documents required to be delivered pursuant to Section 2.5(e).

Section 4.2 Conditions in Favour of Avalon

Avalon’s obligation to sell, assign and transfer the Purchased Assets to the Company at the Closing shall be subject to the following conditions being satisfied by the Closing Date, which conditions are for the sole benefit of Avalon and which may be waived, in whole or in part, by Avalon in its sole discretion:

- (a) **Subscription by Sibelco.** Sibelco shall have subscribed for 60,000 Class A Shares (so that Sibelco shall be the registered and beneficial owner of 60,000 Class A Shares) in consideration of a payment to the Company in cash of the Canadian dollar equivalent of €4,865,809.86 (based on the C\$/€ exchange rate quoted by the Bank of Canada on the Business Day prior to the Closing Date or such other day as the Transaction Parties may agree) and either Avalon shall have received proof to its satisfaction that the said Canadian dollar equivalent of €4,865,809.86 is held by the Company in its bank account or if the bank account is not open as of the Closing Date, Avalon shall have received an undertaking from Sibelco that as soon as such account is opened Sibelco shall forward the said Canadian dollar equivalent of €4,865,809.86 to such bank account and provide proof thereof to Avalon.
- (b) **Avalon Expended Amount.** Avalon shall have received in cash by wire transfer from the Company the Avalon Expended Amount which amount will be paid out of the Sibelco Subscription Amount.
- (c) **Board.** One nominee of Avalon shall have been elected or appointed to the Board such that after such election or appointment, the Board shall be comprised of three members, two of whom shall be Sibelco nominees.
- (d) **Required Consents.** Avalon shall have received the Required Consents and the Required Consents shall not have conditions attached thereto that are not acceptable to Avalon, acting reasonably.

(e) **Articles of Amendment of the Company.** Avalon shall have approved, acting reasonably, the Articles of Amendment filed with the Ministry of Government and Consumer Services pursuant to which the Class A Shares and the Class B Shares are created.

(f) **Representations and Warranties.** The representations and warranties of Sibelco set out in Section 5.1 that:

(i) are qualified by materiality, the expressions “material”, “materially and adversely”, or “Material Adverse Effect”, or any other similar qualifiers shall be true and correct in all respects as so qualified; and

(ii) are not qualified by materiality, the expressions “material”, “materially and adversely”, or “Material Adverse Effect”, or any other similar qualifiers shall be true and correct in all material respects,

in each case, both as of the Execution Date and as of the Closing Date, as though made on and as of the Closing Date (except, with respect to the foregoing paragraphs (i) and (ii), to the extent such representations and warranties expressly speak of a specified date, in which case such representations and warranties shall be true and correct in the manner set forth in the foregoing paragraphs (i) and (ii), as applicable, as of such specified date).

(g) **Performance of Terms, Covenants and Conditions.** All of the terms, covenants and conditions of this Agreement to be complied with or performed by Sibelco before the Closing Date shall have been complied with or performed in all material respects on or before the times contemplated in this Agreement.

(h) **Legal Prohibition.** No provision of any applicable Laws or any action by any Governmental Entity having competent jurisdiction, and no judgment, injunction, order or decree issued by any Governmental Entity having competent jurisdiction shall prohibit the Closing.

(i) **Joint Venture Agreement.** Concurrently on Closing Sibelco and the Company shall execute the Joint Venture Agreement.

(j) **Interim WP.** On Closing Avalon and Sibelco shall agree upon the Interim WP, all in accordance with the provisions of Section 4.1(h).

(k) **Closing Documents.** Sibelco and the Company shall have delivered all of the documents required to be delivered pursuant to Section 2.5(d) and Section 2.5(e).

Section 4.3 Satisfaction of Conditions

Each of the Transaction Parties agrees to use its commercially reasonable efforts to cause the conditions precedent set forth in this Article 4 to be satisfied as soon as practicable.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

Section 5.1 Representations and Warranties of Sibelco

Sibelco hereby represents and warrants to Avalon as set forth on Schedule C, and acknowledges that Avalon is relying on such representations and warranties in entering into this Agreement and performing its obligations hereunder.

Section 5.2 Representations and Warranties of Avalon

Avalon hereby represents and warrants to Sibelco and the Company as set forth on Schedule B, and acknowledges that each of Sibelco and the Company is relying on such representations and warranties in entering into this Agreement and performing its obligations hereunder.

ARTICLE 6 POST CLOSING COVENANTS

Section 6.1 Joint Notice under Assumed Contracts

The Parties agree as and by way of a covenant that survives Closing that they shall cause the Company to provide a notice to each counterparty to the Assumed Contracts of the sale of the Purchased Assets by Avalon to the Company.

Section 6.2 Release of Closure Plan Letter of Credit

Sibelco and the Company jointly and severally agree as and by way of a covenant that survives Closing that further to the provisions of Section 3.7, they shall lodge a replacement letter of credit (or other financial assurance) as may be required by the requisite Governmental Entity, and otherwise use their commercially reasonable efforts to procure that the Closure Plan Letter of Credit is terminated and all liabilities thereunder are released to the order of Avalon as soon as possible after Closing.

ARTICLE 7 TERMINATION

Section 7.1 Termination Rights

This Agreement may be terminated by notice in writing at any time before Closing:

- (a) by mutual written consent of Avalon and Sibelco;
- (b) by Avalon if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Sibelco under this Agreement occurs that would cause any condition in Section 4.2 not to be satisfied, and such breach or failure is incapable of being cured by December 31, 2023; provided that Avalon is not then in breach of this Agreement so as to cause any condition in Section 4.1 not to be satisfied;
- (c) by Sibelco if a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Avalon under this Agreement occurs that would cause any condition in Section 4.1 not to be satisfied, and such breach or failure is incapable of being cured by December 31, 2023; provided that Sibelco is not then in breach of this Agreement so as to cause any condition in Section 4.2 not to be satisfied; or
- (d) by Sibelco if there has occurred a Material Adverse Effect with respect to the Joint Venture Properties or the Purchased Assets taken as a whole;

and for greater certainty, the Company shall not have the right to terminate this Agreement for any reason whatsoever.

Section 7.2 Additional Termination Rights

- (a) Each Party's right of termination under this Article 7 is in addition to any other rights each Party or a Party may have under this Agreement, and the exercise of a right of termination will not be an election of remedies. Nothing in this Article 7 limits or affects any other rights or causes of action any Party may have with respect to the representations, warranties and covenants in its favour contained in this Agreement.

If a Party waives compliance with any of the conditions, obligations or covenants contained in this Agreement, such waiver will be without prejudice to any of its rights of termination in the event of non-fulfilment, non-observance or non-performance of any other condition, obligation or covenant in whole or in part.

(b) If this Agreement is terminated pursuant to Section 7.1, all obligations of the Parties under this Agreement will terminate, except that each Party's obligations under ARTICLE 1, this Section 7.2, ARTICLE 8, ARTICLE 9 and ARTICLE 10 will survive.

(c) Notwithstanding anything to the contrary herein, the termination of this Agreement will not relieve any Party from any liability for any breach of this Agreement occurring prior to termination.

ARTICLE 8 INDEMNIFICATION

Section 8.1 Indemnification by Avalon

(a) Avalon agrees to indemnify and save Sibelco and the Company and their respective directors, officers, employees and agents (the "**Sibelco Indemnified Persons**") harmless from any and all Claims or Losses suffered or incurred by Sibelco or the Company arising out of, relating to or in connection with:

- (i) any inaccuracy or breach of any representation or warranty made by Avalon in this Agreement or in any certificate delivered pursuant to this Agreement;
- (ii) any breach of any covenant of Avalon in this Agreement;
- (iii) the Excluded Liabilities;
- (iv) any Environmental Liabilities arising in relation to the Purchased Assets prior to the Closing Date;
- (v) any Claims brought by third parties in relation to activities conducted on the Joint Venture Properties prior to the Closing Date; and
- (vi) any liabilities and obligations in relation to the Purchased Assets or arising prior to the Closing Date other than the Assumed Liabilities.

(b) Sibelco and the Company hereby accept the above indemnities in favour of their respective directors, officers, employees and agents as agent and trustee for each such Persons which is not a party to this Agreement, and Avalon agrees that Sibelco and the Company may enforce such indemnities in favour and for the benefit of such Persons.

Section 8.2 Indemnification by Sibelco

(a) Sibelco agrees to indemnify and save Avalon and its directors, officers, employees and agents (the "**Avalon Indemnified Persons**") harmless from any and all Claims or Losses suffered or incurred by Avalon arising out of, relating to or in connection with:

- (i) any inaccuracy or breach in any representation or warranty made by Sibelco in this Agreement or in any certificate delivered pursuant to this Agreement; and
- (ii) any breach of any covenant of Sibelco in this Agreement.

(b) Avalon hereby accepts the above indemnities in favour of its directors, officers, employees and agents as agent and trustee for each such Persons which is not a party to this Agreement, and Sibelco agrees that Avalon may enforce such indemnities in favour and for the benefit of such Persons.

Section 8.3 Notice of Claims

(a) If a Party entitled to be indemnified under the foregoing provisions of this Article 8 (an “**Indemnified Party**”) wishes to make a Claim for indemnification hereunder against the indemnifying Party (the “**Indemnifying Party**”), the Indemnified Party will promptly give written notice thereof to the Indemnifying Party of the Claim (a “**Notice of Claim**”). Such Notice of Claim will specify whether the Claim originates with the Indemnified Party (a “**Direct Claim**”) or with a third party (a “**Third Party Claim**”) and will specify with reasonable particularity (to the extent that information is available):

- (i) the factual basis for the Claim; and
- (ii) the amount of the Claim or, if an amount is not then determinable, an approximate estimate of the potential amount of the Claim, to the extent such an estimate can reasonably be given at that time.

(b) If an Indemnified Party fails to provide the Indemnifying Party with a Notice of Claim promptly as required by Section 8.3(a), the Indemnifying Party shall be relieved of the obligation to pay damages to the extent it can show that it was prejudiced in its defence of the Claim or in proceeding against a third party who would have been liable to it but for the fact of the delay, but the failure to provide such Notice of Claim promptly shall not otherwise release the Indemnifying Party from its obligations under this Article 8.

(c) If the date by which a Notice of Claim must be given as set out in Section 9.1 in respect of a breach of representation and warranty has passed without any Notice of Claim having been given to the Indemnifying Party, then the related Claim shall be forever extinguished, notwithstanding that by the date specified in Section 9.1, the Indemnified Party did not know, and in the exercise of reasonable care could not have known, of the existence of the Claim.

Section 8.4 Direct Claims

With respect to any Direct Claim, following receipt of a Notice of Claim from the Indemnified Party, the Indemnifying Party shall have 45 days to make such investigation of the Claim as is considered necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Claim, together with all such other information as the Indemnifying Party may reasonably request. If the Indemnified Party and the Indemnifying Party agree at or prior to the expiration of such 45-day period (or any mutually agreed upon extension thereof) to the validity and amount of such Claim, the Indemnifying Party shall immediately pay to the Indemnified Party the full agreed-upon amount of the Claim, failing which the Indemnified Party is free to pursue all rights and remedies available to it, subject to this Agreement.

Section 8.5 Third Party Claims

(a) Subject to Section 8.5(d), upon receiving a Notice of Claim, the Indemnifying Party may participate in the investigation and defence of the Third Party Claim, and may also elect to assume the investigation and defence of the Third Party Claim with counsel satisfactory to the Indemnified Party, acting reasonably; provided that the Indemnifying Party shall not have the right to assume such investigation and defence, and shall pay the fees and expenses of counsel retained by the Indemnified Party, if the Third Party Claim involves a claim that, in the good faith judgment of the Indemnified Party, the Indemnifying Party failed or is failing to vigorously prosecute or defend. The Indemnified Party shall cooperate in good faith in any such defence. The Indemnified Party shall have the right, at its own cost and expense, to participate in the defence of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defence thereof.

(b) In order to assume the investigation and defence of a Third Party Claim, the Indemnifying Party must give the Indemnified Party written notice of its election within 20 days of the Indemnifying Party's receipt of the Notice of Claim.

(c) Subject to Section 8.6, if the Indemnifying Party assumes the investigation and defence of a Third Party Claim:

(i) the Indemnifying Party will pay for all reasonable costs and expenses of the investigation and defence of the Third Party Claim except that the Indemnifying Party will not, so long as it diligently conducts such defence, be liable to the Indemnified Party for any fees of other counsel or any other expenses with respect to the defence of the Third Party Claim, incurred by the Indemnified Party after the date the Indemnifying Party validly exercised its right to assume the investigation and defence of the Third Party Claim;

(ii) the Indemnifying Party will reimburse the Indemnified Party for all reasonable costs and expenses incurred by the Indemnified Party in connection with the investigation and defence of the Third Party Claim prior to the date the Indemnifying Party validly exercised its right to assume the investigation and defence of the Third Party Claim; and

(iii) if the Indemnifying Party thereafter fails to defend the Third Party Claim within a reasonable time, the Indemnified Party shall be entitled to assume such defence and the Indemnifying Party shall be bound by the results obtained by the Indemnified Party with respect to the Third Party Claim.

(d) Where the named parties to any Third Party Claim include the Indemnified Party as well as the Indemnifying Party and the Indemnified Party determines in good faith, based on advice from its legal counsel, that joint representation would be inappropriate due to the actual or potential differing interests between them or there may be one or more legal defences available to the Indemnified Party which are different from or in addition to those available to the Indemnifying Party, and the Indemnified Party notifies the Indemnifying Party in writing that it elects to retain separate counsel, the Indemnifying Party shall not have the right to assume the defence of such Third Party Claim on behalf of the Indemnified Party but shall be liable to pay the reasonable fees and expenses of counsel of the Indemnified Party.

(e) If the Indemnified Party undertakes the defence of the Third Party Claim, the Indemnifying Party will not be bound by any compromise or settlement of the Third Party Claim effected without the consent of the Indemnifying Party (which consent may not be unreasonably withheld or delayed).

(f) The Indemnifying Party will not be permitted to compromise and settle or to cause a compromise and settlement of a Third Party Claim without the prior written consent of the Indemnified Party, which consent may not be unreasonably withheld or delayed, unless:

(i) the terms of the compromise and settlement require only the payment of money for which the Indemnified Party is entitled to full indemnification under this Agreement and the Indemnifying Party agrees to timely pay such amount in full; and

(ii) the Indemnified Party is not required to admit any wrongdoing, take or refrain from taking any action, acknowledge any rights of the person making the Third Party Claim or waive any rights that the Indemnified Party may have against the person making the Third Party Claim.

Section 8.6 Duty to Mitigate

Nothing in this Agreement in any way restricts or limits the general obligation pursuant to applicable Laws of an Indemnified Party to take reasonable steps to mitigate any loss which it may suffer or incur by reason of the breach or failure to perform of any representation, warranty, covenant or obligation of the

Indemnifying Party under this Agreement. If any claim can be reduced by any recovery, settlement or otherwise under or pursuant to any insurance coverage, or pursuant to any claim, recovery, settlement or payment by or against any other person, the Indemnified Party shall take all reasonable steps to enforce such recovery, settlement or payment and the amount of any losses of the Indemnified Party will be reduced by the amount actually recovered by the Indemnified Party (net of collection expenses).

Section 8.7 Purchase Price Adjustment of Purchased Assets

Any payment made by Avalon as an Indemnifying Party to Sibelco pursuant to Article 8 will constitute a dollar-for-dollar decrease in the Purchase Price and any payment made by Sibelco as an Indemnifying Party to Avalon pursuant to Article 8 will constitute a dollar-for-dollar increase in the Purchase Price. Any adjustment to the Purchase Price made in accordance with this Section 8.7 shall be allocated to the Purchased Assets in proportion to the allocations set out in the Purchase Price Allocation.

Section 8.8 Exclusivity

No Party may make any claim for damages in respect of this Agreement or in respect of any breach or termination thereof against any other Party except by making a Claim pursuant to and in accordance with Article 8.

Section 8.9 Choice of Jurisdiction

The Parties irrevocably agree that the courts of the Province of Ontario are to have non-exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and that, accordingly, any suit, action or proceedings arising out of or in connection with this Agreement (the “**Proceedings**”) may be brought in such courts. The Parties irrevocably waive and covenant not to raise any objection which they may have now or hereafter to the venue of any Proceedings in any such court, including that the Proceedings have been brought in an inconvenient forum.

Section 8.10 Sales Taxes

The Parties agree that if Sales Taxes are exigible in connection with any payment made by a Party pursuant to the indemnification provisions of this Article 8, the amount of such payment will be increased by the amount of such Tax.

ARTICLE 9 LIMITATIONS ON LIABILITY

Section 9.1 Time Limitations

- (a) The representations and warranties set out in:
- (i) paragraphs (b), (g), (l), (u), (v), (y), (z), (dd), and (vv) of Schedule B and paragraphs (b), (o), (t), (ff) of Schedule C will survive for a period of four (4) years from and after the Closing Date; and
 - (ii) all other representations and warranties in Schedule B or Schedule C or in any of the Ancillary Documents will survive for a period of three (3) years from and after the Closing Date (except with respect to the Ancillary Documents, to the extent such representations and warranties are explicitly subject to a longer survival period as set forth in the relevant Ancillary Documents),

after which time the Parties will not have any further liability hereunder with respect to such representations or warranties, except in the case of fraud, wilful misconduct or intentional breach or in respect of any Claim

made in writing with respect to any inaccuracy or deficiency in or breach of any such representation and warranty made prior to the expiration of the periods noted above.

Section 9.2 Monetary Limitations

- (a) Avalon's obligation to indemnify the Sibelco Indemnified Persons under Section 8.1 is subject to the following:
- (i) Avalon will have no liability under this Agreement, and no Losses may be recovered from it, unless and until the Claims of the Sibelco Indemnified Persons for indemnification under Section 8.1 exceed in the aggregate C\$250,000, in which event the accumulated aggregate amount of all such Losses may be recovered; and
 - (ii) Avalon's liability in respect of all Claims by any of the Sibelco Indemnified Persons for Losses under Section 8.1 will not in the aggregate exceed the sum of all amounts received by the Company on account of the Sibelco Initial Funding Amount.
- (b) Sibelco's obligation to indemnify the Avalon Indemnified Persons under Section 8.2 is subject to the following:
- (i) Sibelco will have no liability under this Agreement, and no Losses may be recovered from it, unless and until the Claims of Avalon's Indemnified Persons for indemnification under Section 8.2 exceed in the aggregate C\$250,000, in which event the accumulated aggregate amount of all such Losses may be recovered; and
 - (ii) Sibelco's liability in respect of all Claims by any of Avalon's Indemnified Persons for Losses under Section 8.2 will not in the aggregate exceed the amount of the Purchase Price.
- (c) For purposes of determining Losses, any inaccuracy in or breach of any representation or warranty shall be determined without regard to any materiality, Material Adverse Effect or similar qualification contained in or otherwise applicable to such representation or warranty.

ARTICLE 10 MISCELLANEOUS

Section 10.1 Disclosures and Public Announcements

- (a) Unless required by TSX rules or Applicable Securities Laws, no Party may disclose or make any public announcement of the terms of this Agreement or the Joint Venture Term Sheet or the Joint Venture Agreement without the written consent of the other Parties. The Parties will mutually agree on the text of any announcement or press release made in connection with the execution and delivery of this Agreement, but subject to stock exchange rules and applicable Law.
- (b) Each Party acknowledges that a copy of this Agreement may be required to be filed by Avalon on SEDAR at www.sedar.com and consents to the filing of this Agreement provided that Avalon will consider, acting reasonably, any request by Sibelco for redactions to, or confidential treatment of, such materials to the extent permitted under Applicable Securities Laws.

Section 10.2 Notices

Addresses for Notice. Any notice, request, consent, acceptance, waiver or other communication required or permitted to be given under this Agreement (a "**Notice**") shall be in writing and shall be given only by personal delivery, courier or by email, which results in a written or printed notice being delivered to the applicable address set forth below:

- (i) in the case of Sibelco, addressed to it at:

SCR-Sibelco NV
Plantin & Moretuslei, 1A
2018 Antwerp, Belgium

Attention: Benny Loix, VP Treasury and M&A
Email: *[Redacted – Confidential Information]*

and

Attention: Jair Amorim Rangel, EVP International
Email: *[Redacted – Confidential Information]*

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

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
Toronto, Ontario M5H 2T6

Attention: Nancy Eastman and Brian Graves
Email: neastman@fasken.com and bgraves@fasken.com

- (ii) in the case of Avalon addressed to it at:

Avalon Advanced Minerals Inc.
Suite 1901 - 130 Adelaide Street West
Toronto, Ontario M5H 3P5

Attention: Scott Monteith, Chief Executive Officer
Email: *[Redacted – Confidential Information]*

and

Attention: Zeeshan Syed, President
Email: *[Redacted – Confidential Information]*

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

Cassels Brock & Blackwell LLP
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St.
Toronto, Ontario M5H 0B4

Attention: Jay Goldman
Email: jgoldman@cassels.com

- (iii) in the case of the Company addressed to it at:

Separation Rapids Ltd.
333 Bay Street, Suite 2400
Toronto, Ontario M5H 2T6

Attention: Benny Loix, VP Treasury and M&A
Email: *[Redacted – Confidential Information]*

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

Fasken Martineau DuMoulin LLP
333 Bay Street, Suite 2400
Toronto, Ontario M5H 2T6

Attention: Nancy Eastman and Brian Graves
Email: neastman@fasken.com and bgraves@fasken.com

and

Cassels Brock & Blackwell LLP
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance St.
Toronto, Ontario M5H 0B4

Attention: Jay Goldman
Email: jgoldman@cassels.com

(b) **Receipt of Notice.** Any Notice:

- (i) if personally delivered, shall be deemed to have been validly and effectively given and received on the date of delivery if received prior to 5:00 p.m. (local time) on a Business Day, otherwise the date of delivery shall be deemed to be on the next Business Day following such date;
- (ii) if sent by courier, shall be deemed to have been validly and effectively given and received if received during business hours in the place of delivery, and if not, then at 9:00 a.m. on the next Business Day immediately following such date in the place of delivery; or
- (iii) if sent by e-mail transmission, will be deemed to have been received two hours after the time such transmission was sent, if such time falls within business hours in the place of delivery, or at 9:00 a.m. on the next Business Day immediately following such date in the place of delivery of the intended recipient.

(c) **Change of Address for Notice.** By giving to the other Parties at least ten (10) days' Notice, any Party may, at any time and from time to time, change its address for delivery or communication for the purposes of this Section 10.2.

Section 10.3 Expenses

Each Party will be responsible for and bear all of its own costs and expenses incurred at any time in connection with the entering into of this Agreement and any other agreement contemplated hereby, as well as in respect of the transactions contemplated hereunder and thereunder.

Section 10.4 Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding upon the Parties, shall be binding upon their respective successors and permitted assigns and shall enure to the benefit of and be enforceable only by such successors and permitted assigns that have succeeded or which have received such assignment in the manner permitted by this Agreement.

Section 10.5 No Partnership

Nothing herein shall be construed to create, expressly or by implication, an agency relationship, fiduciary relationship or other partnership relationship between the Parties.

Section 10.6 Time of the Essence

Time shall be of the essence of this Agreement. If the time limited for the performance or completion of any matter under this Agreement expires or falls on a day that is not a Business Day, the time so limited shall extend to the following Business Day.

Section 10.7 Severability

If one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect under any applicable Law, the validity, legality or enforceability of the remaining provisions hereof shall not be affected or impaired thereby. Each of the provisions of this Agreement is hereby declared to be separate and distinct.

Section 10.8 Assignment

None of the Parties hereto may assign all or any part of its interest in or to this Agreement without the written consent of the other Parties and any purported assignment without such consent is void.

Section 10.9 Further Assurances

Each of the Parties hereto shall from time to time hereafter and upon any reasonable request of the other Parties, execute and deliver, make or cause to be made all such further acts, deeds, assurances and things as may be required or necessary to more effectually implement and carry out the true intent and meaning of this Agreement.

Section 10.10 No Waiver

No waiver of any kind of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provision (whether or not similar) nor shall any waiver constitute a continuing waiver unless otherwise expressed or provided.

Section 10.11 Governing Law

This Agreement is governed by, and is to be interpreted and enforced in accordance with, the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 10.12 Right to Injunctive Relief

Each of the Transaction Parties hereby acknowledges and agrees that in the event of a breach or threatened breach of any of its covenants hereunder, the harm suffered may not be compensable by monetary damages alone and, accordingly, in addition to other available legal or equitable remedies available to such party, each other Transaction Party will be entitled to apply for an injunction or specific performance with respect to such breach or threatened breach, without proof of actual damages (and without the requirement of posting a bond, undertaking or other security in connection with such action), and each of the Transaction Parties hereby agrees not to plead sufficiency of damages as a defence in such circumstances.

Section 10.13 Entire Agreement

This Agreement constitutes the entire agreement among the Parties with respect to the subject matter of this Agreement and, except as stated in this Agreement and in the instruments and documents to be executed and delivered pursuant to this Agreement, contains all of the representations, undertakings and agreements of the Parties with respect to the subject matter hereof save and except for the Subscription Agreement Documents (excluding the Joint Venture Term Sheet), the Note and the Investor Rights Agreement.

Section 10.14 Amendments

This Agreement may not be changed, amended or modified in any manner, except pursuant to an instrument in writing signed on behalf of each of the Parties.

Section 10.15 Counterparts

This Agreement may be executed in any number of counterparts (including counterparts by facsimile or email) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The signature of any of the Parties may be evidenced by a facsimile or “pdf” copy of this Agreement bearing such signature. A Party sending a facsimile or email transmission shall also deliver the original signed counterpart to the other Party; however, failure to deliver the original signed counterpart shall not invalidate this Agreement.

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

IN WITNESS WHEREOF the Parties hereto have executed this Agreement on the day and year first herein written.

SCR-SIBELCO NV

By: “Sandrine Besnard-Corblet”
Name: Sandrine Besnard-Corblet
Title: Chief Legal Officer

By: “Frédéric Deslypere”
Name: Frédéric Deslypere
Title: Chief Financial Officer

AVALON ADVANCED MATERIALS INC.

By: “Scott Monteith”
Name: Scott Monteith
Title: Chief Executive Officer

By: “Zeeshan Syed”
Name: Zeeshan Syed
Title: President

SEPARATION RAPIDS LTD.

By: “Benny Loix”
Name: Benny Loix
Title: Director

SCHEDULE A

ASSUMED CONTRACTS

1. Memorandum of Understanding dated July 30, 1999 (the “MOU”) between Avalon Ventures Ltd. (sic) and Wabaseemoong Independent Nations of One Man Lake, White Dog, Swan Lake as Represented by its Chief and Councillors, as reaffirmed by letter dated May 28, 2013 from Avalon Rare Metals Inc. to Chief John Paishk, Wabaseemoong Independent Nations of One Man Lak, White Dog, Swan Lake (extending the MOU to December 31, 2014) and as further reaffirmed by letter dated March 4, 2015 from Avalon Rare Metals Inc. to Chief John Paishk, Wabaseemoong Independent Nations of One Man Lake, White Dog, Swan Lake (extending the MOU for an indefinite term).
2. Each of the Interim Period Contracts.
3. Separation Rapids Lithium Project Closure Plan for the Bulk Sampling Program including the letter of transmittal dated August 3, 2023 addressed to Trina Rawn, Director of Mine Rehabilitation, Mineral Exploration and Development Section, Mines and Mineral Division, Ontario Ministry of Mines (the “**Closure Plan**”).
4. Drilling contract entered into between Avalon and Major Drilling Group International Inc. dated August 15, 2023 (“**Drilling Contract**”).
5. Ecoreg Solutions Inc. proposal dated April 5, 2023 for “Separation Rapids Aquatic Baseline, Regulatory Roadmap, Long Lead Permits & PEA”, to the extent assignable.
6. The following aggregate permits issued under the *Aggregate Resources Act*, Ontario:
 - (a) 107726, issued on November 3, 2009;
 - (b) 20748, issued on November 3, 2009; and
 - (c) 609561, issued on April 1, 2017.
7. Access Road Maintenance Agreement between Avalon and Her Majesty The Queen in Right of Ontario, as represented by the Minister of Natural Resources and Forestry (signed by the latter on September 3, 2015).
8. Drill Hole Targeting Assistance between SLR Consulting (Canada) Ltd. and Avalon dated August 16, 2023.

SCHEDULE B

REPRESENTATIONS AND WARRANTIES OF AVALON

- (a) Save and except as provided in the constating documents of Avalon and the Joint Venture Term Sheet, the Joint Venture Agreement and the Note, as applicable, no Person has any agreement or option or right or privilege (whether by law, pre-emptive or contractual) issued or capable of becoming an agreement for the purchase from Avalon of the Class B Consideration Shares.
- (b) Avalon has (i) been duly and is validly existing and in good standing under the Laws of its jurisdiction of incorporation; and (ii) has all requisite corporate power and authority, and all necessary licences, leases, Permits, Authorizations and other approvals necessary to permit it to execute, deliver and perform this Agreement and each of the Ancillary Documents to which it is a party.
- (c) Upon acquisition of the Class B Consideration Shares the same will be owned by Avalon free and clear of any and all Liens save and except for the provisions of the constating documents of the Company and the Joint Venture Term Sheet/the Joint Venture Agreement/the Note.
- (d) Save and except as provided in the Joint Venture Term Sheet, the Joint Venture Agreement and the Note, as applicable, Avalon is not party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of Avalon to transfer or move any of the Purchased Assets or which materially and adversely affects the Purchased Assets.
- (e) Avalon has not committed an act of bankruptcy or sought protection from its creditors from any court or pursuant to any legislation, proposed a compromise or arrangement to its creditors generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound up, as the case may be, taken any proceeding to have a receiver appointed for any part of its assets, had any encumbrance or receiver take possession of any of its property, had an execution or distress become enforceable or levied upon any portion of its property or had any petition for a receiving order in bankruptcy or application for a bankruptcy order filed against it.
- (f) There are no judgments against Avalon that are unsatisfied, nor are there any consent decrees or injunctions to which Avalon is subject.
- (g) Avalon is not in default or in breach in respect of, and each of the execution and delivery of this Agreement and each of the Ancillary Documents to which it is a party, the performance by Avalon and compliance with the terms of this Agreement and each of the Ancillary Documents to which it is a party will not result in any breach of, or be in conflict with or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents, articles, by-laws or resolutions of Avalon or any mortgage, note, indenture, contract, agreement, instrument, lease or other document to which Avalon is a party or by which it is bound or any judgment, decree, order, statute, rule or regulation applicable to it.
- (h) Save and except for the Required Consents, all consents, Authorizations and approvals to permit the acquisition and ownership of the Class B Consideration Shares by Avalon and the assignment, sale, and transfer of the Purchased Assets from Avalon to the Company have been obtained by Avalon.

- (i) Save and except for the Required Consents, no approval, Authorization, consent or other order of, and no filing, registration or recording with any Governmental Entity or other is required of Avalon in connection with the execution and delivery of or with the performance by Avalon of its obligations under this Agreement or any of the Ancillary Documents to which it is a party.
- (j) Save and except for the Joint Venture Term Sheet, Avalon is not currently a party to any joint venture agreement or partnership agreement in connection with the Joint Venture Properties.
- (k) There are no actions, suits, proceedings or inquiries pending or, to the knowledge of Avalon, threatened that have any merit against or affecting Avalon at Law or in equity or before or by any Governmental Entity, domestic or foreign, which in any way has or would reasonably be expected to have a Material Adverse Effect on the Joint Venture Properties, nor are there any matters under discussion with any Governmental Entity relating to Taxes, governmental charges, orders or assessments asserted by any such authority, and, to Avalon's knowledge, there are no facts or circumstances which would reasonably be expected to form the basis for any such litigation, governmental or other proceeding or investigation, which, in each case, if determined adversely to Avalon, on a consolidated basis, would individually or in the aggregate have a Material Adverse Effect on the Joint Venture Properties, or which would impair the ability of Avalon to consummate the transactions contemplated hereby or to duly observe and perform any of its covenants or obligations contained herein.
- (l) This Agreement and each of the Ancillary Documents to which it is a party is and shall be a valid and binding obligation of Avalon enforceable in accordance with their terms, except as the enforceability may be limited by: (i) bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally; (ii) general equitable principles; or (iii) limitations under applicable Laws in respect of rights of indemnity, contribution and waiver of contribution.
- (m) There is no Person acting at the request of Avalon who is entitled to any brokerage or finder's fee in connection with the transactions contemplated in this Agreement or any of the Ancillary Documents to which it is a party.
- (n) Avalon does not owe any monies to, nor does Avalon have any present loans to, or borrowed any monies from and is not otherwise indebted to, any officer, director, employee, shareholder or any Person not dealing at "arm's length" (as such term is defined in the Tax Act) with any of them in connection with any of the Joint Venture Properties nor is Avalon a party to any Contract with any Person not dealing at arm's length with respect to any of the Purchased Assets.
- (o) To the knowledge of Avalon, no officer, director, or employee of Avalon has any cause of action or other claim whatsoever against, or owes any amount to, Avalon in connection with any of the Joint Venture Properties.
- (p) Avalon is not a party or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with its by-laws and indemnity agreements entered into among Avalon and its directors and officers) in connection with the Purchased Assets or any other like commitment in respect of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person in connection with any of the Purchased Assets.
- (q) Save and except for the Existing Royalty Agreement, no Person owns, has or is entitled to any royalty, net profits interest, net smelter return interest, carried interest, licensing fee, or any other Liens of any nature whatsoever which are based on the revenues derived from operations on any of the Joint Venture Properties.

- (r) No action, suit or proceeding by or before any court or Governmental Entity or any arbitrator or non-Governmental Entity involving Avalon with respect to the Money Laundering Laws is to the knowledge of Avalon pending or threatened.
- (s) Neither Avalon nor, to the knowledge of Avalon, any director, officer, agent, employee or other Person acting on behalf of Avalon, has in respect of the Joint Venture Properties: (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic Government Official or employee from corporate funds; (iii) violated or is in violation of any Anti-Corruption Laws or the Foreign Corrupt Practices Act (United States); or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.
- (t) There are no actions, proceedings or investigations (whether or not purportedly by or on behalf of Avalon) that have commenced or that have been threatened against, or to the knowledge of Avalon, that are pending against Avalon or any of its properties at law or in equity (whether in any court, arbitration or similar tribunal) or before or by any federal, provincial, state, municipal or other governmental department, commission, board or agency, domestic or foreign.
- (u) The entering into of this Agreement and each of the Ancillary Documents to which it is a party and the completion of the transactions contemplated hereby and thereby will not result in the violation of any of the terms and provisions of any Law applicable to Avalon, its constating documents, any agreement to which it is a party or any judgement, decree, order, statute, rule or regulation applicable to it.
- (v) This Agreement and each of the Ancillary Documents to which it is a party has been duly authorized by all necessary corporate action on the part of Avalon, and Avalon has full corporate power and authority to undertake the transactions contemplated hereby, and this Agreement and each of the Ancillary Documents to which it is a party has been duly authorized, executed and delivered by Avalon (or in the case of the Ancillary Documents, will at Closing be duly executed and delivered by Avalon) and is (and will be, as the case may be), a legal, valid and binding obligation of Avalon, enforceable against Avalon in accordance with its terms subject to Laws relating to creditors' rights generally, the availability of equitable remedies and except as rights to indemnity and contribution may be limited by applicable Law.
- (w) Avalon has not engaged in any Off-Balance Sheet Arrangement or financing in connection with the Joint Venture Properties.
- (x) Avalon is conducting its businesses in connection with the Joint Venture Properties in material compliance with all applicable Laws, rules and regulations of each jurisdiction in which its business in connection with the Joint Venture Properties is carried on and is duly licensed, registered or qualified in all jurisdictions in which it owns, leases or operates the Joint Venture Properties or carries on business with respect to the Joint Venture Properties to enable its business in connection with the Joint Venture Properties to be carried on as now conducted.
- (y) Avalon is the sole legal and beneficial owner of a 100% undivided interest in the Purchased Assets free and clear of any Liens, save and except for Permitted Liens, with good and marketable title thereto. The Purchased Assets constitute all of Avalon's material assets relating to the Joint Venture Properties.
- (z) The Joint Venture Properties are accurately described herein. The Joint Venture Properties have been duly and validly issued and acquired (as applicable) and located pursuant to all applicable

Laws and are currently in good standing. Applying customary standards in the mining industry in Canada:

- a. each of the title documents and other agreements or instruments relating to the Joint Venture Properties is valid, subsisting and enforceable, and Avalon is not in material default of any of the provisions of such documents, agreements and instruments nor has any such material default been alleged;
 - b. all assessment work required to be performed and filed with respect to the Joint Venture Properties has been performed and filed, all related Taxes and other payments and related filings have been made;
 - c. there is no material claim, or to the knowledge of Avalon, no threat of a material claim against or challenge to the title of Avalon, or its ownership of any of the Joint Venture Properties;
 - d. except for the royalty under the Existing Royalty Agreement, no Person has any interest in the Joint Venture Properties or the production from any of the underlying properties or mineral deposits or any right to acquire any such interest, and there are no back-in rights, earn-in rights, rights of first refusal, royalty rights, streaming rights or other rights of any nature that would affect the interest of Avalon in the Joint Venture Properties;
 - e. Except as disclosed to Sibelco, (i) Avalon has not received any notice, whether written or oral, from any Governmental Entity of any revocation or intention to revoke or materially amend any of its interest in any of the Joint Venture Properties and there is no reasonable basis to expect that such a revocation or amendment of any of Avalon's interests in any of the Joint Venture Properties may occur, (ii) to the knowledge of Avalon, Avalon has not received any notice or communication, whether written or oral, that any interests in any of the Joint Venture Properties are subject to any Indigenous Communities Claim and (iii) to the knowledge of Avalon, there are no Indigenous Communities Claims or threatened Indigenous Communities Claims, including against Avalon, with respect to the Joint Venture Properties; and
 - f. Avalon has provided Sibelco with true and complete copies of all Assumed Contracts. Neither Avalon nor to the knowledge of Avalon any other party to any Assumed Contract is in default under any Assumed Contract and there has not occurred any event which, with the lapse of time or giving of notice or both, would constitute a default under any Assumed Contract by Avalon or, to the knowledge of Avalon, any other party to any Assumed Contract. Each Assumed Contract is in full force and effect, unamended by written or oral agreement and Avalon is entitled to the full benefit and advantage of each Assumed Contract in accordance with its terms. Neither Avalon nor any of its Affiliates has received any notice of a default under any Assumed Contract or of a dispute in respect of any Assumed Contract. The completion of the transactions contemplated by this Agreement will not afford any party to any of the Assumed Contracts or any other Person the right to terminate any Assumed Contract nor will the completion of such transactions result in any additional or more onerous obligation on the Company following Closing.
- (aa) The Personal Property is the only personally owned by Avalon or its Affiliates and used in connection with the Joint Venture Properties. Save and except for the Existing Royalty Agreement, the Assumed Contracts are the only contracts (written or oral) that are in force with respect to the

Joint Venture Properties. The Assumed Liabilities are the only liabilities to which the Purchased Assets are subject.

- (bb) Avalon is not in violation of any agreement, mortgage, franchise, licence, judgment, decree, order, statute, statutory trust, rule or regulation relating in any way to itself or to the operation of the Joint Venture Properties which could reasonably be expected to have a Material Adverse Effect on the Joint Venture Properties.
- (cc) Since February 28, 2023, Avalon has carried on business in connection with the Joint Venture Properties in the ordinary course and, in each case, there has not been a Material Adverse Effect with respect to the Joint Venture Properties.
- (dd) Avalon has filed in a timely manner all material Tax returns and notices and has paid all material applicable Taxes for all Tax years prior to the Execution Date to the extent that such Taxes have become due in respect of the Joint Venture Properties; and other than as disclosed to Sibelco, there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any Tax return by Avalon, the assessment or reassessment of Avalon for any taxation year prior to the Execution Date in respect of the Joint Venture Properties. There are no actions, suits, proceedings, audits, investigations or claims in progress, now threatened or pending against Avalon which could result in a material liability in respect of Taxes, charges or levies upon Avalon in respect of the Joint Venture Properties.
- (ee) The Purchased Assets are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in a comparable business in comparable circumstances and such coverage is in full force and effect.
- (ff) Avalon has been and is in material compliance with all, and has not received any notice of, or been prosecuted for an offence alleging material non-compliance with any applicable Environmental Laws with respect to the Joint Venture Properties.
- (gg) Avalon has not used, except in compliance with all Environmental and Health Laws, any of the Joint Venture Properties to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Substance.
- (hh) Since February 28, 2023, Avalon has not received any notice of, or been prosecuted for an offence alleging, non-compliance with any Environmental and Health Laws with respect to the Joint Venture Properties, and Avalon has not settled any allegation of non-compliance short of prosecution. There are no orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures to be made with respect to any of the Joint Venture Properties nor has Avalon received notice of any of same.
- (ii) Save and except as provided in the Closure Plan, Avalon has not received any notice that it is potentially responsible for a federal, provincial, state, municipal or local clean-up site or corrective action under any Environmental and Health Laws with respect to the Joint Venture Properties. Avalon has not received any request for information in connection with any federal, state, municipal or local inquiries as to disposal sites with respect to the Joint Venture Properties.
- (jj) The Closure Plan has been filed pursuant to the provisions of the *Mining Act* (Ontario). Avalon has submitted adequate financial assurance required under the *Mining Act* (Ontario) in connection with the Closure Plan.

- (kk) Save and except for the duty to consult, overriding rights granted in and to indigenous groups pursuant to treaties and applicable Law as well as the Assumed Contract listed in item no. 1 of Schedule A, Avalon has not received notice, whether orally or written, that any of the Joint Venture Properties is subject to any Indigenous Communities Claims, and, to the knowledge of Avalon, there are no current, pending, threatened or imminent Indigenous Communities Claims affecting any of the Joint Venture Properties. Save and except for the Assumed Contract listed in item no. 1 of Schedule A, Avalon has not entered into any written or oral agreements with Indigenous Communities to provide benefits, pecuniary or otherwise, with respect to any projects on any of the Joint Venture Properties at any stage of development and Avalon has not offered Indigenous Communities any material benefits with respect to any projects on any of the Joint Venture Properties at any stage of development.
- (ll) Avalon controls, or has legal rights to, through mining tenements of various types and descriptions, all of the rights, titles and interests materially necessary or appropriate to authorize and enable it to own the Joint Venture Properties, and Avalon is not in default of such rights, titles and interests.
- (mm) All material assessments or other material work required to be performed in relation to the Joint Venture Properties, in order for Avalon to maintain its interests in such mining claims and mining rights, if any, have been performed to date and Avalon has complied in all material respects with all applicable Laws in this connection as well as with regard to legal, contractual obligations to third parties in this connection. All such mining claims and mining rights are in good standing in all material respects as of the Execution Date.
- (nn) There are no expropriations or similar proceedings or any material challenges to title or ownership, actual or threatened of which the Company has received notice against the mining claims or mining rights or any part thereof with respect to any of the Joint Venture Properties.
- (oo) All mineral exploration activities on each of the Joint Venture Properties have been conducted in material compliance with good mining and engineering practices and all material applicable workers' compensation and health and safety and workplace Laws have been duly complied with.
- (pp) All operations of Avalon at and in respect of, and, to the knowledge of Avalon, all operations by third parties at, and in respect of, each of the Joint Venture Properties, have been conducted in accordance with good mining industry practices and in compliance with all Laws applicable to Avalon with respect to the Joint Venture Properties (except where the failure to so conduct operations would not or is not likely to have a Material Adverse Effect). Avalon holds, directly or indirectly, all Permits in all jurisdictions in which it carries on business, which are required at the current time and are necessary or desirable to operate the Joint Venture Properties, and to carry on the business of Avalon with respect to the Joint Venture Properties, as now conducted and as presently proposed to be conducted in the near to intermediate term, and all such Permits are valid and existing and in good standing except where the failure to hold such Permits in the aggregate, would not or would not reasonably be expected to have a Material Adverse Effect. None of such Permits contains any burdensome term, provision, condition or limitation, which has or is likely to have any Material Adverse Effect, and Avalon has not received any notice of proceedings relating to the revocation or modification of any Permit which, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.
- (qq) Avalon is not aware of any environmental audits, evaluations, assessments, studies or tests relating to the Joint Venture Properties except for ongoing assessments conducted by or on behalf of Avalon in the ordinary course.

- (rr) The information set forth in the Separation Rapids Technical Report relating to the estimates of the mineral resources and mineral reserves in respect of the Separation Rapids Property has been reviewed by Avalon or the author of the Separation Rapids Technical Report and to the knowledge of Avalon: (i) the Separation Rapids Technical Report complied at the time of filing and continues to comply in all material respects with the requirements of NI 43-101 and Form 43-101F1 – Technical Report and the Separation Rapids Technical Report reasonably presents the quantity of mineral resources and mineral reserves as at the date of the Separation Rapids Technical Report based upon information available at the time the Separation Rapids Technical Report was prepared; (ii) Avalon made available to the author of the Separation Rapids Technical Report, prior to the issuance of such technical report, for the purpose of preparing such report, all information requested by such author, and none of such information contained any misrepresentation at the time such information was so provided; and (iii) the Separation Rapids Technical Report to the knowledge of Avalon continues to be, as at the Execution Date, a current technical report for the purposes of NI 43-101.
- (ss) All of the material assumptions underlying the mineral resource and mineral reserve estimates in the Separation Rapids Technical Report and to the knowledge of Avalon, were reasonable and appropriate at the time made, and the estimates of mineral resources comply with applicable Securities Laws, including NI 43-101. The information set forth in the Separation Rapids Technical Report relating to mineral resources required to be disclosed in the Separation Rapids Technical Report pursuant to applicable Securities Laws has been prepared by Avalon and its consultants in accordance with methods generally applied in the mining industry and conforms, in all material respects, to the requirements of applicable Securities Laws. The authors of the Separation Rapids Technical Report were “independent” of Avalon within the meaning of NI 43-101.
- (tt) Avalon has not received any notice that it is not in compliance with the provisions of NI 43-101 and Avalon has filed the Separation Rapids Technical Report as required thereby and to the knowledge of Avalon there has been no material change in respect of commercial operations on the Separation Rapids Property since the effective date of the Separation Rapids Technical Report that would require the filing by Avalon of any other new technical report under NI 43-101 with respect to commercial operations at the Separation Rapids Property.
- (uu) Neither the value of the Purchased Assets in Canada nor the value of the annual gross revenues from sales in or from Canada generated from those assets exceed C\$93 million, in each case as determined in accordance with the *Competition Act*.
- (vv) Avalon is not a “non-resident” of Canada for purposes of the Tax Act.
- (ww) The Avalon Expended Amount was expended by Avalon exclusively in connection with operations conducted relative to the Separation Rapids Property and pursuant to the Interim WP and the detailed invoices provided to Sibelco with respect thereto are true and accurate reflections of such expenditures.

SCHEDULE C

REPRESENTATIONS AND WARRANTIES OF SIBELCO

- (a) As at the date of this Agreement: (i) the authorized capital of the Company consists of an unlimited number of Common Shares; (ii) the issued and outstanding capital of the Company consists of one Common Share. The Common Share was issued as fully paid and non-assessable and was not issued in violation of the pre-emptive or similar rights of any security holder of the Company. Save and except as provided in the constating documents of the Company and the Joint Venture Term Sheet, the Joint Venture Agreement and the Note, as applicable, no Person has any agreement or option or right or privilege (whether by law, pre-emptive or contractual) issued or capable of becoming an agreement for: (a) the purchase, subscription or issuance of any unissued shares, securities or warrants of the Company; or (b) the repurchase by or on behalf of the Company of any issued and outstanding securities of the Company. As at the date of this Agreement, the sole holder of Common Shares is Sibelco holding the one issued Common Share. Save and except as provided in the constating documents of the Company and the Joint Venture Term Sheet, the Joint Venture Agreement and the Note, as applicable, no Person has any agreement or option or right or privilege (whether by law, pre-emptive or contractual) issued or capable of becoming an agreement for the purchase from Sibelco of the one Common Share.
- (b) The Company has: (i) been duly and is validly existing and in good standing under the Laws of its jurisdiction of incorporation; and (ii) all requisite corporate power and authority, and all necessary licences, leases, Permits, Authorizations and other approvals necessary to permit it to execute, deliver and perform this Agreement and each of the Ancillary Documents to which it is a party (including the issuance of the Consideration Shares) and to own, lease and operate the Purchased Assets. Sibelco has been duly and is validly existing and in good standing under the Laws of its jurisdiction of incorporation; and has all requisite corporate power and authority, and all necessary licences, leases, Permits, Authorizations and other approvals necessary to permit it to execute, deliver and perform this Agreement and each of the Ancillary Documents to which it is a party.
- (c) At the Closing Date, the Consideration Shares shall be duly authorized, validly issued, and fully paid and non-assessable Shares. Upon acquisition of the Class A Subscription Shares the same will be owned by Sibelco free and clear of any and all Liens save and except for the provisions of the constating documents of the Company and the Joint Venture Terms, the Joint Venture Agreement and the Note, as applicable.
- (d) The Company is not the registered or beneficial owner of any equity interest of any kind in any other Person. Copies of the constating documents of the Company have been made available to Avalon and are accurate and complete in all material respects as of the Execution Date and have not been amended or superseded.
- (e) As at the date of this Agreement, the sole director of the Company is Benny Loix and there are no officers of the Company.
- (f) Save and except as provided in the Joint Venture Term Sheet, the Joint Venture Agreement and the Note, as applicable, the Company is not party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Company to compete in any line of business, to transfer or move any of its assets or operations or which materially and adversely affects the business practices, operations or condition of the Company. Save and except for this Agreement, the Company is not party to or bound or affected by any commitment, agreement or document except as contemplated in connection with the Joint Venture, including the establishment of a bank account, registered office and appointment for notice of service.

- (g) The Company does not own, nor does it have any agreement of any nature to acquire, directly or indirectly, any securities, or other equity or proprietary interest in, any Person and save and except for the Purchased Assets, the Company does not have any agreement to acquire or lease any other business operations.
- (h) The Company has not engaged in any Off-Balance Sheet Arrangement or Off-Balance Sheet financing.
- (i) Other than the constating documents of the Company (to the extent that they would constitute an agreement) and save and except for the Joint Venture Term Sheet and the Joint Venture Agreement, as applicable, or as contemplated by this Agreement, no agreement exists among the shareholders of the Company in respect of the Company and save and except for the Joint Venture Term Sheet and the Joint Venture Agreement, as applicable, and as contemplated by this Agreement, no such agreement will exist at the Closing.
- (j) Except as may be contemplated by the Joint Venture Shareholders Agreement or the Articles of Amendment, there is not, in the constating documents, by-laws or in any agreement, mortgage, note, debenture, indenture or other instrument or document to which the Company is a party, any restriction upon or impediment to, the declaration or payment of dividends by the Board.
- (k) The Company has not committed an act of bankruptcy or sought protection from its creditors from any court or pursuant to any legislation, proposed a compromise or arrangement to its creditors generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound up, as the case may be, taken any proceeding to have a receiver appointed for any part of its assets, had any encumbrance or receiver take possession of any of its property, had an execution or distress become enforceable or levied upon any portion of its property or had any petition for a receiving order in bankruptcy or application for a bankruptcy order filed against it. Sibelco has not committed an act of bankruptcy or sought protection from its creditors from any court or pursuant to any legislation, proposed a compromise or arrangement to its creditors generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound up, as the case may be, taken any proceeding to have a receiver appointed for any part of its assets, had any encumbrance or receiver take possession of any of its property, had an execution or distress become enforceable or levied upon any portion of its property or had any petition for a receiving order in bankruptcy or application for a bankruptcy order filed against it.
- (l) The Company is not a party to any Debt Instrument or any Contract to create, assume or issue any Debt Instrument.
- (m) There are no judgments against the Company that are unsatisfied, nor are there any consent decrees or injunctions to which the Company is subject. There are no judgments against Sibelco that are unsatisfied, nor are there any consent decrees or injunctions to which Sibelco is subject except for any that would not be material to Sibelco's obligations in connection with the Joint Venture.
- (n) The Company has not guaranteed or otherwise given security for or agreed to guarantee or give security for any liability, debt or obligation of any other Person.
- (o) The Company is not in default or in breach in respect of, and each of the execution and delivery of this Agreement and each of the Ancillary Documents to which it is a party, the performance by the Company and compliance with the terms of this Agreement and each of the Ancillary Documents to which it is a party and the issue, sale and delivery of the Consideration Shares by the Company will not result in any breach of, or be in conflict with or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating

documents, articles, by-laws or resolutions of the Company or any mortgage, note, indenture, contract, agreement, instrument, lease or other document to which the Company is a party or by which it is bound or any judgment, decree, order, statute, rule or regulation applicable to it. Sibelco is not in default or in breach in respect of, and each of the execution and delivery of this Agreement and each of the Ancillary Documents to which it is a party, the performance by Sibelco and compliance with the terms of this Agreement and the Ancillary Documents will not result in any breach of, or be in conflict with or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any term or provision of the constating documents, articles, by-laws or resolutions of Sibelco or any mortgage, note, indenture, contract, agreement, instrument, lease or other document to which Sibelco is a party or by which it is bound or any judgment, decree, order, statute, rule or regulation applicable to it.

- (p) All consents, Authorizations and approvals to permit the issue and sale by the Company of the Consideration Shares have been obtained by the Company. All consents, Authorizations and approvals to permit the acquisition and ownership of the Class A Subscription Shares have been obtained by Sibelco.
- (q) Save and except for the Required Consents, no approval, Authorization, consent or other order of, and no filing, registration or recording with any Governmental Entity or other is required of the Company in connection with the execution and delivery of or with the performance by the Company of its obligations under this Agreement or any of the Ancillary Documents to which it is a party. Save and except for the Required Consents, no approval, Authorization, consent or other order of, and no filing, registration or recording with any Governmental Entity or other is required of Sibelco in connection with the execution and delivery of or with the performance by Sibelco of its obligations under this Agreement or each of the Ancillary Documents to which it is a party.
- (r) The Company is not currently a party to any joint venture agreement or partnership agreement.
- (s) There are no actions, suits, proceedings or inquiries pending or, to the knowledge of Sibelco, threatened that have any merit against or affecting the Company at Law or in equity or before or by any Governmental Entity, domestic or foreign, which in any way has or would reasonably be expected to have a Material Adverse Effect, nor are there any matters under discussion with any Governmental Entity relating to Taxes, governmental charges, orders or assessments asserted by any such authority, and, to Sibelco's knowledge, there are no facts or circumstances which would reasonably be expected to form the basis for any such litigation, governmental or other proceeding or investigation, which, in each case, if determined adversely to the Company would individually or in the aggregate have a Material Adverse Effect, or which would impair the ability of the Company to consummate the transactions contemplated hereby or to duly observe and perform any of its covenants or obligations contained herein. There are no actions, suits, proceedings or inquiries pending or, to the knowledge of Sibelco, threatened that have any merit against or affecting Sibelco at Law or in equity or before or by any Governmental Entity, domestic or foreign, which in any way has or would reasonably be expected to have a Material Adverse Effect, nor are there any matters under discussion with any Governmental Entity relating to Taxes, governmental charges, orders or assessments asserted by any such authority, and, to Sibelco's knowledge, there are no facts or circumstances which would reasonably be expected to form the basis for any such litigation, governmental or other proceeding or investigation, which, in each case, if determined adversely to Sibelco, on a consolidated basis, would individually or in the aggregate have a Material Adverse Effect, or which would impair the ability of Sibelco to consummate the transactions contemplated hereby or to duly observe and perform any of its covenants or obligations contained herein.

- (t) This Agreement and each of the Ancillary Documents to which it is a party is and shall be a valid and binding obligation of each of the Company and Sibelco enforceable in accordance with their terms, except as the enforceability may be limited by: (i) bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally, (ii) general equitable principles, or (iii) limitations under applicable Laws in respect of rights of indemnity, contribution and waiver of contribution.
- (u) The form of the certificate representing the Class A Shares and the Class B Shares has been duly approved by the Board and the form of certificate representing the Class A Shares and the Class B Shares complies with applicable corporate Law.
- (v) There is no Person acting at the request of the Company or Sibelco, who is entitled to any brokerage or finder's fee in connection with the transactions contemplated in this Agreement or any of the Ancillary Documents to which either the Company or Sibelco is a party.
- (w) The minute books and corporate records of the Company, which the Company has made available to Avalon and its counsel in connection with their due diligence investigations of the Company, are all of the minute books and substantially all of the records of the Company and contain copies of all material proceedings (or certified copies thereof) of the shareholders and the Board are complete in all material respects. There are no committees of the Board.
- (x) The Company does not owe any monies to, nor does the Company have any present loans to, or borrowed any monies from and is not otherwise indebted to, any officer, director, employee, shareholder or any person not dealing at "arm's length" (as such term is defined in the Tax Act) with any of them nor is the Company a party to any Contract with any person not dealing at arm's length with it.
- (y) To the knowledge of Sibelco, no officer, director, employee or security holder of the Company has any cause of action or other claim whatsoever against, or owes any amount to, the Company.
- (z) All necessary documents and proceedings have been or will be filed and taken and all other legal requirements have been or will be fulfilled under each of the applicable Securities Laws in connection with the issuance and sale of the Consideration Shares.
- (aa) The Company is not a party or bound by any agreement of guarantee, indemnification (other than an indemnification of directors and officers in accordance with its by-laws and indemnity agreements entered into among the Company and its directors and officers) or any other like commitment in respect of the obligations, liabilities (contingent or otherwise) or indebtedness of any other person.
- (bb) Except as contemplated under this Agreement, the Company has not carried on any operations and the Company owns no assets and is not subject to any liabilities. The Company has not yet been required to file any Tax returns as the Company has not yet operated as at its financial year end.
- (cc) No action, suit or proceeding by or before any court or Governmental Entity or any arbitrator or non-Governmental Entity involving the Company with respect to the Money Laundering Laws is to the knowledge of Sibelco pending or threatened. No action, suit or proceeding by or before any court or Governmental Entity or any arbitrator or non-Governmental Entity involving Sibelco with respect to the Money Laundering Laws is to the knowledge of Sibelco pending or threatened.
- (dd) Neither the Company nor, to the knowledge of Sibelco, any director, officer, agent, employee or other person acting on behalf of the Company, has: (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any

direct or indirect unlawful payment to any foreign or domestic Government Official or employee from corporate funds; (iii) violated or is in violation of any Anti-Corruption Laws or the Foreign Corrupt Practices Act (United States); or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment. To the best of its knowledge, neither Sibelco nor any director, officer or employee acting on behalf of Sibelco, has: (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic Government Official or employee from corporate funds; (iii) violated or is in violation of any Anti-Corruption Laws or the Foreign Corrupt Practices Act (United States); or (iv) made any bribe, rebate, payoff, influence payment, kickback or other unlawful payment.

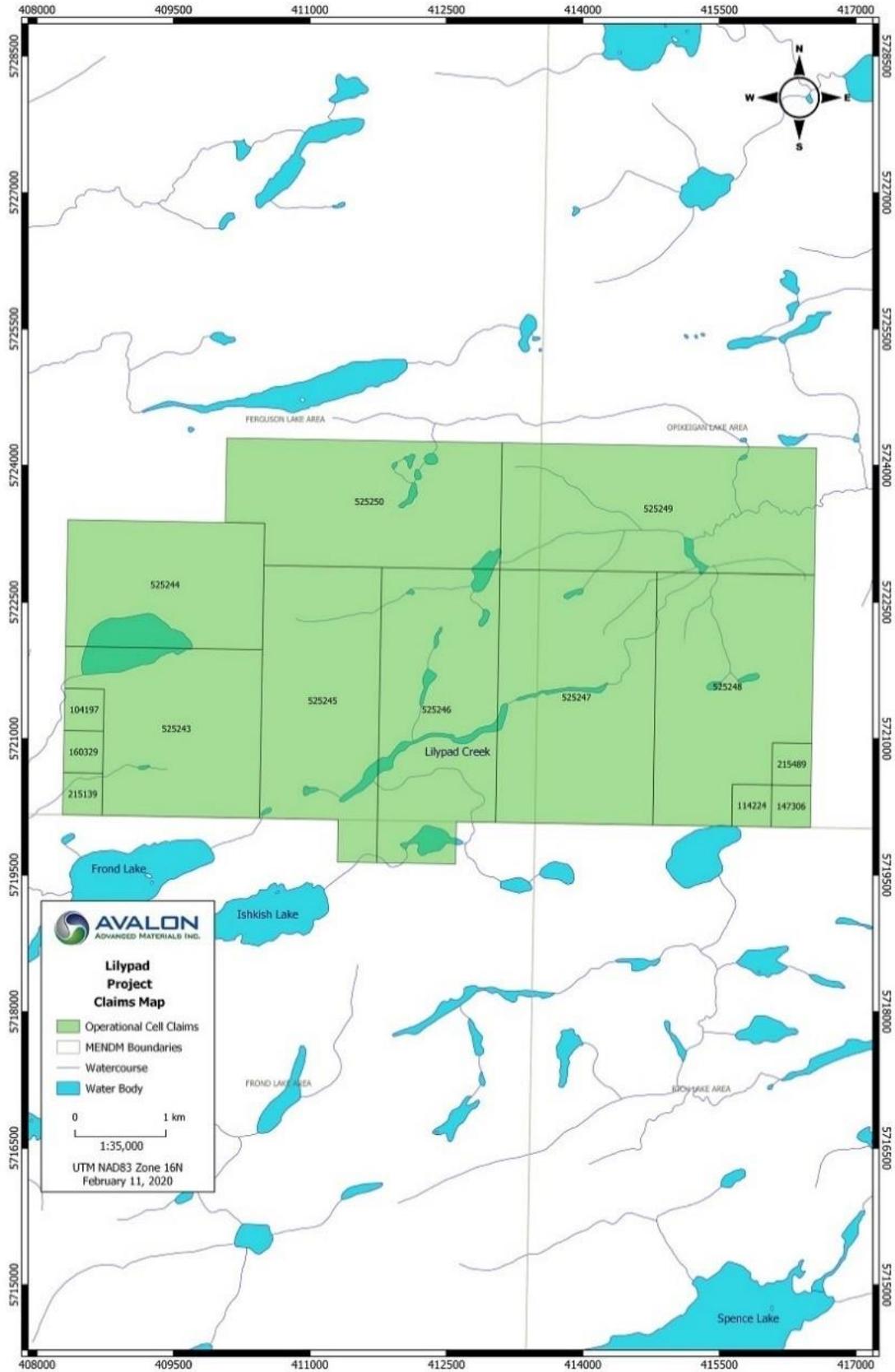
- (ee) There are no actions, proceedings or investigations (whether or not purportedly by or on behalf of the Company) that have commenced or that have been threatened against, or to the knowledge of Sibelco, that are pending against the Company or any of its properties at Law or in equity (whether in any court, arbitration or similar tribunal) or before or by any federal, provincial, state, municipal or other governmental department, commission, board or agency, domestic or foreign. There are no actions, proceedings or investigations (whether or not purportedly by or on behalf of Sibelco) that have commenced or that have been threatened against, or to the knowledge of Sibelco, that are pending against Sibelco or any of its properties at Law or in equity (whether in any court, arbitration or similar tribunal) or before or by any federal, provincial, state, municipal or other governmental department, commission, board or agency, domestic or foreign that would affect Sibelco's obligations contemplated under this Agreement.
- (ff) The entering into of this Agreement and each of the Ancillary Documents to which it is a party and the completion of the transactions contemplated hereby and thereby will not result in the violation of any of the terms and provisions of any Law applicable to the Company, its constating documents, any agreement to which it is a party or any judgement, decree, order, statute, rule or regulation applicable to it. The entering into of this Agreement and each of the Ancillary Documents to which it is a party and the completion of the transactions contemplated hereby and thereby will not result in the violation of any of the terms and provisions of any Law applicable to Sibelco, its constating documents, any agreement to which it is a party or any judgement, decree, order, statute, rule or regulation applicable to it.
- (gg) This Agreement and each of the Ancillary Documents to which it is a party has been duly authorized by all necessary corporate action on the part of the Company, and the Company has full corporate power and authority to undertake the transactions contemplated hereby, and this Agreement and each of the Ancillary Documents to which it is a party has been duly authorized, executed and delivered by the Company (or in the case of the Ancillary Documents, will at Closing be duly executed and delivered by the Company) and is (or will be, as the case may be), a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms subject to Laws relating to creditors' rights generally, the availability of equitable remedies and except as rights to indemnity and contribution may be limited by applicable Law. This Agreement and each of the Ancillary Documents to which it is a party has been duly authorized by all necessary corporate action on the part of Sibelco, and Sibelco has full corporate power and authority to undertake the transactions contemplated hereby, and this Agreement and each of the Ancillary Documents to which it is a party has been duly authorized, executed and delivered by Sibelco (or in the case of the Ancillary Documents, will at Closing be duly executed and delivered by Sibelco) and is (and will be, as the case may be), a legal, valid and binding obligation of Sibelco, enforceable against Sibelco in accordance with its terms subject to Laws relating to creditors' rights generally, the availability of equitable remedies and except as rights to indemnity and contribution may be limited by applicable Law.

- (hh) The Company is a “taxable Canadian corporation” within the meaning of subsection 89(1) of the *Tax Act*.
- (ii) Sibelco is a ‘trade agreement investor’ within the meaning of the *Investment Canada Act*.

SCHEDULE D

DESCRIPTION AND MAP OF LILYPAD PROPERTY

Tenure ID	Anniversary Date	Tenure Type	Cells/Hectares	Tenure Status	Tenure Percentage	Mining Division	Township / Area
Lilypad							
104197	06-Oct-2023	Boundary Cell Mining Claim	1.000	Active	100	Thunder Bay	FERGUSON LAKE AREA
160329	06-Oct-2023	Boundary Cell Mining Claim	1.000	Active	100	Thunder Bay	FERGUSON LAKE AREA
215139	06-Oct-2023	Boundary Cell Mining Claim	1.000	Active	100	Thunder Bay	FERGUSON LAKE AREA
525243	06-Oct-2023	Multi-cell Mining Claim	17.000	Active	100	Thunder Bay	FERGUSON LAKE AREA
525244	06-Oct-2023	Multi-cell Mining Claim	15.000	Active	100	Thunder Bay	FERGUSON LAKE AREA
525245	27-Jan-2024	Multi-cell Mining Claim	19.000	Active	100	Thunder Bay	FROND LAKE AREA, FERGUSON LAKE AREA
525246	27-Jan-2024	Multi-cell Mining Claim	20.000	Active	100	Thunder Bay	FROND LAKE AREA, FERGUSON LAKE AREA
525247	27-Jan-2024	Multi-cell Mining Claim	24.000	Active	100	Thunder Bay	OPIKEIGAN LAKE AREA, FERGUSON LAKE AREA
525248	27-Jan-2024	Multi-cell Mining Claim	21.000	Active	100	Thunder Bay	OPIKEIGAN LAKE AREA
525249	27-Mar-2024	Multi-cell Mining Claim	24.000	Active	100	Thunder Bay	OPIKEIGAN LAKE AREA, FERGUSON LAKE AREA
525250	27-Mar-2024	Multi-cell Mining Claim	20.000	Active	100	Thunder Bay	FERGUSON LAKE AREA
114224	27-Jan-2024	Single Cell Mining Claim	1.000	Active	100	Thunder Bay	OPIKEIGAN LAKE AREA
147306	27-Jan-2024	Single Cell Mining Claim	1.000	Active	100	Thunder Bay	OPIKEIGAN LAKE AREA
215489	27-Jan-2024	Single Cell Mining Claim	1.000	Active	100	Thunder Bay	OPIKEIGAN LAKE AREA



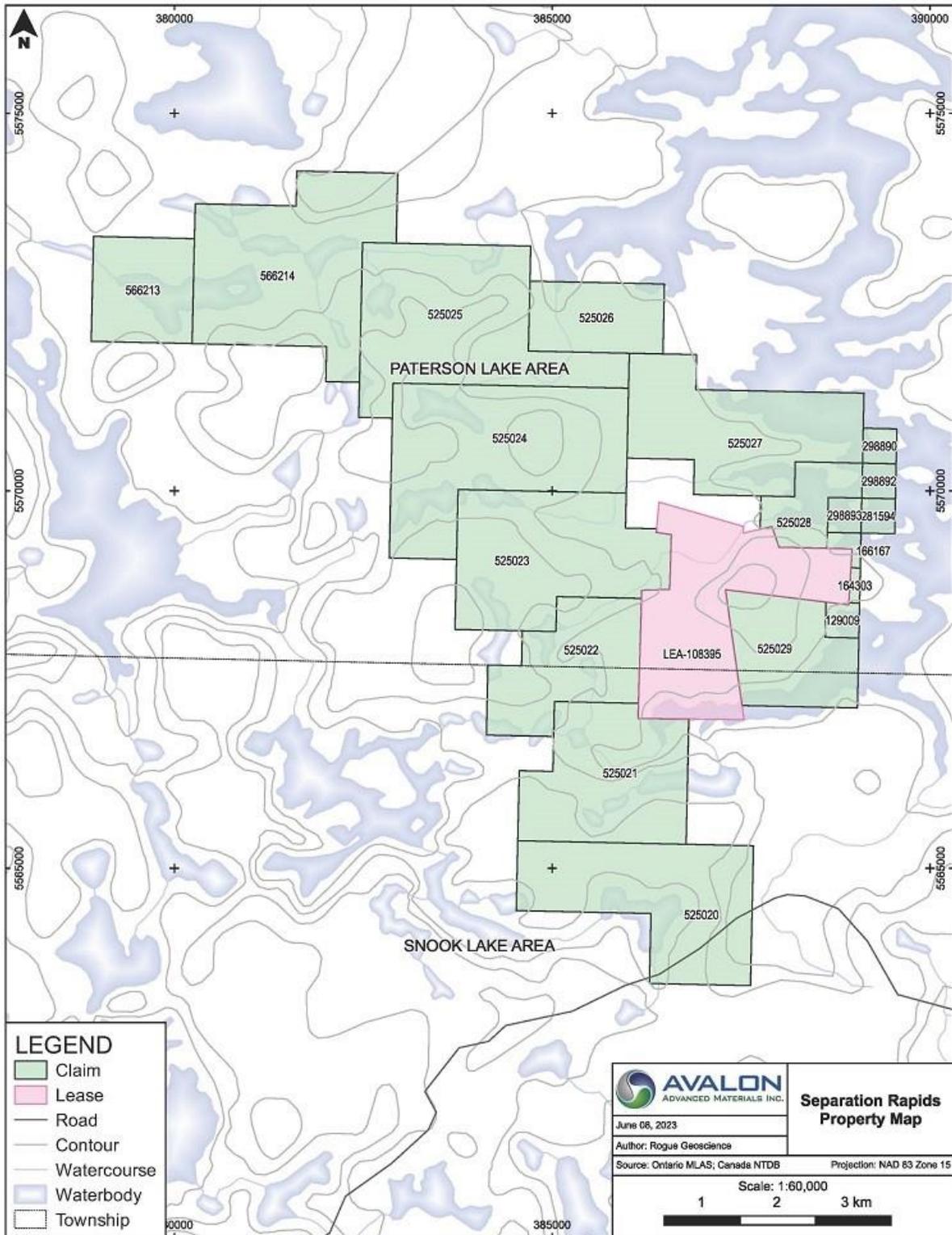
Error! Reference source not found.D-2

SCHEDULE E

DESCRIPTION AND MAP OF SEPARATION RAPIDS PROPERTY (INCLUDING THE SNOWBANK PEGMATITE DEPOSIT)

Tenure ID	Anniversary Date	Tenure Type	Cells/Hectares	Tenure Status	Tenure Percentage	Mining Division	Township / Area
Separation Rapids							
LEA-108395	01-Oct	Lease	421.441	Active	100	Kenora	SNOOK LAKE AREA, PATERSON LAKE AREA
129009	19-Jan-2024	Boundary Cell Mining Claim	1.000	Active	100	Kenora	PATERSON LAKE AREA
164303	19-Jan-2024	Boundary Cell Mining Claim	1.000	Active	100	Kenora	PATERSON LAKE AREA
166167	02-Dec-2023	Boundary Cell Mining Claim	1.000	Active	100	Kenora	PATERSON LAKE AREA
281594	02-Dec-2023	Boundary Cell Mining Claim	1.000	Active	100	Kenora	PATERSON LAKE AREA
298890	02-Dec-2023	Boundary Cell Mining Claim	1.000	Active	100	Kenora	PATERSON LAKE AREA
298892	02-Dec-2023	Boundary Cell Mining Claim	1.000	Active	100	Kenora	PATERSON LAKE AREA
298893	02-Dec-2023	Boundary Cell Mining Claim	1.000	Active	100	Kenora	PATERSON LAKE AREA
525020	16-Mar-2024	Multi-cell Mining Claim	20.000	Active	100	Kenora	SNOOK LAKE AREA
525021	16-Mar-2024	Multi-cell Mining Claim	18.000	Active	100	Kenora	SNOOK LAKE AREA
525022	01-Feb-2024	Multi-cell Mining Claim	14.000	Active	100	Kenora	SNOOK LAKE AREA, PATERSON LAKE AREA
525023	13-Feb-2024	Multi-cell Mining Claim	22.000	Active	100	Kenora	PATERSON LAKE AREA
525024	13-Feb-2024	Multi-cell Mining Claim	25.000	Active	100	Kenora	PATERSON LAKE AREA
525025	14-Oct-2023	Multi-cell Mining Claim	24.000	Active	100	Kenora	PATERSON LAKE AREA
525026	14-Dec-2023	Multi-cell Mining Claim	8.000	Active	100	Kenora	PATERSON LAKE AREA
525027	14-Oct-2023	Multi-cell Mining Claim	19.000	Active	100	Kenora	PATERSON LAKE AREA
525028	02-Dec-2023	Multi-cell Mining Claim	6.000	Active	100	Kenora	PATERSON LAKE AREA
525029	19-Jan-2024	Multi-cell Mining Claim	14.000	Active	100	Kenora	SNOOK LAKE AREA, PATERSON LAKE AREA
566213	05-Dec-2023	Multi-cell Mining Claim	9.000	Active	100	Kenora	PATERSON LAKE AREA
566214	05-Dec-2023	Multi-cell Mining Claim	25.000	Active	100	Kenora	PATERSON LAKE AREA

A leasehold interest in the lands legally described as follows: 108395 PIN 42180-2461(LT), FIRSTLY - SURFACE & MINING RIGHTS: ALL THAT LAND AND LAND UNDER WATER BEING PT OF PERIMETER SURVEY CLM469 COMPRISING OF MINING CLAIMS K1178304, K1178305 & K1178306 AND PT OF MINING CLAIMS K1178439 & K1247023 DESIGNATED AS PTS 1, 4 & 5 23R11732; SECONDLY - MINING RIGHTS ONLY: ALL THAT LAND AND LAND UNDER WATER BEING PT OF PERIMETER SURVEY CLM469 COMPRISING OF PTS OF MINING CLAIMS K1178349 & K1247023 DESIGNATED AS PTS 2 & 3 23R11732 AS IN CROWN PATENT KN30077; PATERSON LAKE AREA; DISTRICT OF KENORA; MINING AND SURFACE RIGHTS.



Error! Reference source not found.E-2

SCHEDULE F

LIST OF PERSONAL PROPERTY

Separation Rapids Property			
Kenora, ON			
9-Jun-23			
Category	Number	Description	
Geology	1	Deakin GE1779 Core Splitter	
Geology	1	KT-9 Magnetic Susceptibility Meter #5112	
Communication, data	1	Iridium Satellite Phone IRID9555	
Camp	1	Toyotomi Laser 530 space heater	
Camp	1	IRL Stainless Steel 32000 GeoStove	
Mobile	1	2018 Tundra Sport 550Fan white skidoo	
Mobile	2	Polaris A22SEE50A1 ATVs	

Lilypad Exploration Camp				
9-Jun-23				
Category	Number	Description	Cost	Location
Geology	1	Honda EU3000IS 3KW generator	2,401	NDK Air airbase
Geology	8	GLT Core Racks	8,000	Camp
Camp	2	Deakin Canvas Wall Tent 10x12x5 W Aluminum frame	4,150	Camp
Camp	2	Deakin Canvas Wall Tent 14x16x5 W Aluminum frame	4,868	Camp
Camp	1	Tent aluminum frame 14x16x5	885	Camp
Camp	1	Kitchen stove 30G0F1 PROPANE	999	NDK Air airbase
Camp	1	Fridge PROPANE WITH 110V backup UGP-10C	2,599	NDK Air airbase
Camp	1	Freezer PROPANE/110V dual UGP-6FW	2,099	NDK Air airbase

SCHEDULE G

REQUIRED CONSENTS

1. Consent to assign the Drilling Contract from Major Drilling Group International Inc. to the Company.
2. Consent to assign mining lease 108395 PIN 42180-2461 (LT) required pursuant to the *Mining Act* (Ontario).
3. Consent to assign the Closure Plan required pursuant to the *Mining Act* (Ontario).
4. Consent of SLR Consulting (Canada) Ltd. to assign Drill Hole Targeting Assistance agreement.
5. Agreement of Ministry of Natural Resources and Forestry to the form of new Access Road Maintenance Agreement.