

AGENCY AGREEMENT

June 10, 2021

Defiance Silver Corp.
PO Box 21198
Maple Ridge Square RPO
Maple Ridge, British Columbia,
V2X 1P7

Attention: Chris Wright
Executive Chairman & CEO

Dear Mr. Wright:

Re: Private Placement of Units

Red Cloud Securities Inc. (the “**Lead Agent**”), Canaccord Genuity Corp. and Jett Capital Advisors, LLC (together with the Lead Agent, the “**Agents**” and each of them an “**Agent**” as appropriate) understand that Defiance Silver Corp. (the “**Corporation**”) is prepared to issue and sell up to 12,777,778 units of the Corporation (individually a “**Unit**” and collectively the “**Units**”) at a price of \$0.90 per Unit (the “**Purchase Price**”) for aggregate gross proceeds of up to \$11,500,000 on the terms and subject to the conditions contained hereinafter. Each Unit is comprised of one Common Share (individually a “**Unit Share**” and collectively the “**Unit Shares**”) and one-half of one transferrable common share purchase warrant (each whole warrant individually, a “**Warrant**”, and collectively, the “**Warrants**”), each Warrant being exercisable to acquire one common share in the capital of the Corporation (a “**Warrant Share**” and collectively, the “**Warrant Shares**”) at an exercise price of \$1.35 per Common Share for a period expiring 24 months following the date of issue.

The Lead Agent (on behalf of the Agents) and the Corporation acknowledge and agree that, as part of the Offering, the Corporation shall be entitled to sell up to C\$2,000,000 of the Units to executives, directors, employees, certain shareholders of the Corporation and their families and holding companies or other parties designated by the Corporation (the “**President’s List**”).

Based upon the understanding of the Agents set out above and upon the terms and subject to the conditions contained hereinafter, upon the acceptance hereof by the Corporation, the Corporation hereby appoints the Agents to act as the agent of the Corporation to solicit, on a commercially reasonable best efforts agency basis, offers to purchase the Units, and the Agents hereby agree to act as such agent. It is understood and agreed that the Agents are under no obligation to purchase any of the Units, although the Agents may subscribe for and purchase Units as principal if they so desire.

The terms and conditions of this Agreement are as follows:

1. **Definitions, Interpretation and Schedules**

(a) **Definitions**: Whenever used in this Agreement:

- (i) “**Agents**” shall have the meaning ascribed to such term on the first page of this Agreement;

- (ii) “**Agreement**” means the agreement resulting from the acceptance by the Corporation of the offer made by the Agents herein, including the schedules attached hereto, as amended or supplemented from time to time;
- (iii) “**Ancillary Documents**” means all agreements, indentures, certificates and documents executed and delivered, or to be executed and delivered, by the Corporation in connection with the transactions contemplated by this Agreement or the Subscription Agreements in connection with the Offering and includes the Warrant Indenture, Warrant Certificates and the Compensation Option Certificates;
- (iv) “**Business Day**” means a day (other than a Saturday, Sunday or statutory holiday) on which Canadian chartered banks are open for the transaction of regular business in the cities of Vancouver, British Columbia and Toronto, Ontario;
- (v) “**CDS**” means CDS Clearing and Depository Inc.;
- (vi) “**Closing**” means the closing of the purchase and sale of the Units subscribed for by the Purchasers pursuant to the Subscription Agreements on the Closing Date;
- (vii) “**Closing Date**” means June 10, 2021 or such other date as the Agents and the Corporation may agree upon, and such subsequent closing dates for additional tranche closings of the Offering as the Corporation and the Agents may agree;
- (viii) “**Closing Time**” means 8:00 a.m. (Toronto time) on the Closing Date(s) or such other time on the Closing Date(s) as the Corporation and the Agents may mutually agree upon;
- (ix) “**Common Shares**” means the common shares in the capital of the Corporation;
- (x) “**Compensation Option Certificates**” means the certificates representing the Compensation Options;
- (xi) “**Compensation Options**” means the non-transferable broker compensation options of the Corporation which will entitle the holder thereof to acquire that number of Units that is equal to 6% of the total number of Units sold pursuant to the Offering to Purchasers excluding Purchasers comprising the President’s List, and 2% of the total number of Units sold pursuant to the Offering to Purchasers comprising the President’s List, exercisable at a price of \$0.90 per Compensation Option for a period of 24 months following the Closing Date;
- (xii) “**Compensation Securities**” shall have the meaning ascribed to such term in subsection 7(d);
- (xiii) “**Compensation Shares**” means the Common Shares issuable upon the exercise of the Compensation Options;
- (xiv) “**Compensation Warrants**” means the Warrants issuable upon the exercise of the Compensation Options;

- (xv) “**Compensation Warrant Shares**” means the Common Shares issuable upon the exercise of the Compensation Warrants;
- (xvi) “**Corporation**” shall have the meaning ascribed to such term on the first page of this Agreement;
- (xvii) “**DefCap**” means DefCap (BVI) Inc., a British Virgin Islands corporation;
- (xviii) “**GEM**” means Geologix Explorations Mexico SA de CV, a company organized under the laws of Mexico;
- (xix) “**GEMS**” means GEM Servicios SA de CV, a company organized under the laws of Mexico;
- (xx) “**Geologix**” means Geologix US Inc., a company organized under the laws of the State of Nevada;
- (xxi) “**Governmental Authority**” means, without limitation, any national, federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing;
- (xxii) “**Information**” means all information regarding the Corporation that the Corporation has made, or makes, publicly available on SEDAR since July 1, 2017 together with all information prepared by the Corporation and provided to the Agents or to potential purchasers of Units, if any, and includes, but is not limited to, all material change reports, press releases and financial statements of the Corporation;
- (xxiii) “**Lead Agent**” shall have the meaning ascribed to such term on the first page of this Agreement;
- (xxiv) “**Material Adverse Effect**” means (i) any effect, change, event or occurrence that is, or is reasonably likely to be, materially adverse to the results of operations, condition (financial or otherwise), assets, properties, capital, liabilities (contingent or otherwise), cash flow, income or business operations of the Corporation on a consolidated basis, or (ii) any fact, event, or change that would result in the Subscription Agreements or Information containing a misrepresentation;
- (xxv) “**Material Contracts**” has the meaning ascribed to such term in subsection 8(oo) hereof;
- (xxvi) “**Material Subsidiaries**” means the following direct and indirect subsidiaries of the Corporation: DefCap; MSR; Valoro and GEM;
- (xxvii) “**MSR**” means Minera Santa Remy SA de CV, a company organized under the laws of Mexico;
- (xxviii) “**NI 43-101**” means National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators;

- (xxix) “**Offering**” means the offering for sale by the Corporation on a private placement basis of the Units;
- (xxx) “**Offering Jurisdictions**” means each of the Provinces and territories of Canada, the United States and such other jurisdictions outside of Canada and the United States as mutually agreed between the Corporation and the Agents where the Units are offered to prospective purchasers, or those provinces, territories or other jurisdictions where Purchasers reside, as the context permits or requires, collectively;
- (xxxix) “**Ontario Act**” means the *Securities Act* (Ontario) and the regulations thereunder, together with the instruments, policies, policy statements, rules, orders, blanket orders, codes, notices, recognitions, designations and assignments, agreements and interpretation notes of the Ontario Securities Commission, as amended, supplemented or replaced from time to time;
- (xxxvii) “**Person**” means an individual, a firm, a corporation, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency or political subdivision thereof and every other form of legal or business entity of any nature or kind whatsoever;
- (xxxviii) “**President’s List**” shall have the meaning ascribed to such term on the first page of this Agreement;
- (xxxix) “**Purchase Price**” shall have the meaning ascribed to such term on the first page of this Agreement;
- (xl) “**Purchasers**” means collectively, the purchasers of the Units, and “**Purchaser**” means any one of them;
- (xli) “**Reporting Jurisdictions**” means collectively, the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, New Brunswick, Nova Scotia, Prince Edward Island, and Newfoundland and Labrador;
- (xlii) “**San Acacio Property**” means the San Acacio silver property located approximately 6.5 km north of the city of Zacatecas, Mexico., commonly known as the “San Acacio Deposit”, and as further described in the Information;
- (xliiii) “**Securities Laws**” means, in respect of any Offering Jurisdiction, the securities legislation and regulations of, and the instruments, policies, rules, orders, codes, notices and interpretation notes of the securities regulatory authorities (including the Stock Exchange) of that jurisdiction;
- (xliv) “**Securities Regulators**” means, collectively, the securities regulatory authorities of the Offering Jurisdictions;
- (xlv) “**SEDAR**” means the System for Electronic Document Analysis and Retrieval;
- (xlvi) “**Stock Exchange**” means the TSX Venture Exchange;
- (xlvii) “**Subject Properties**” means the San Acacio Property and the Tepal Property;

- (xlili) “**Subscription Agreements**” means the subscription agreement to be entered into between the Corporation and each of the Purchasers with respect to the purchase of the Units, as the case may be, collectively;
 - (xliv) “**Subsidiaries**” means, collectively, the following direct and indirect subsidiaries of the Corporation: DefCap; MSR; Valoro; Geologix; GEM; and GEMS;
 - (xlv) “**Tax Act**” means the *Income Tax Act* (Canada), as amended, re-enacted or replaced from time to time, including where applicable any specific proposals to amend the Tax Act that are publicly announced by the Minister of Finance (Canada) to have effect prior to the Closing Date;
 - (xlvi) “**Tepal Property**” means the Tepal Gold/Copper Project located in Michoacán State, Mexico., commonly known as the “Tepal Project” and as further described in the Information;
 - (xlvii) “**Units**” shall have the meaning ascribed to such term on the first page of this Agreement;
 - (xlviii) “**Unit Shares**” shall have the meaning ascribed to such term on the first page of this Agreement;
 - (xlix) “**United States**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
 - (1) “**U.S. Exchange Act**” means the United States Securities Exchange Act of 1934, as amended;
 - (li) “**U.S. Person**” means a “U.S. person” as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act;
 - (lii) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended;
 - (liii) “**Valoro**” means Valoro Resources Inc., a company organized under the laws of British Columbia;
 - (liv) “**Warrant Certificates**” means the certificates representing the Warrants;
 - (lv) “**Warrant Indenture**” means the warrant indenture dated June 10, 2021 entered into between the Corporation and TSX Trust Company governing the terms of the Warrants;
 - (lvi) “**Warrant Shares**” shall have the meaning ascribed to such term on the first page of this Agreement; and
 - (lvii) “**Warrants**” shall have the meaning ascribed to such term on the first page of this Agreement.
- (b) Other Defined Terms: Whenever used in this Agreement, the words and terms “affiliate”, “associate”, “material fact”, “material change”, “misrepresentation” and “subsidiary” shall

have the meaning given to such word or term in the Ontario Act unless specifically provided otherwise herein.

- (c) Plural and Gender: Whenever used in this Agreement, words importing the singular number only shall include the plural and *vice versa* and words importing the masculine gender shall include the feminine gender and neuter.
- (d) Currency: All references to monetary amounts in this Agreement are to lawful money of Canada.
- (e) Schedules: The following schedule is attached to this Agreement and is deemed to be a part of and incorporated in this Agreement:

<u>Schedule</u>	<u>Title</u>
“A”	Officers’ Certificate
“B”	List of convertible securities
“C”	Compliance with United States Securities Laws

2. **The Units**

- (a) The Units: The Offering consists of up to 12,777,778 Units for an aggregate Purchase Price of up to \$11,500,000 to be issued and sold at the Purchase Price.
- (b) The Warrants: The Warrants shall be issued pursuant to, and the exercise of the Warrants shall be governed by, the provisions of the Warrant Indenture and the Warrant Certificates. Subject to adjustment in accordance with the provisions of the Warrant Certificates, each Warrant will entitle the holder thereof to acquire one Warrant Share at a price of \$1.35 for a period of 24 months following the date of issue of the Warrant.

3. **The Offering**

- (a) Sale on Exempt Basis: The Agents will use their commercially reasonable best efforts to arrange for Purchasers in the Offering Jurisdictions. The Agents shall offer for sale on behalf of the Corporation the Units in the Offering Jurisdictions in compliance with the Securities Laws of the Offering Jurisdictions and only to such Persons and in such manner so that, pursuant to the provisions of the Securities Laws of the Offering Jurisdictions, no prospectus, registration statement or offering memorandum or other similar document need be filed with, or delivered to, any Securities Regulator in any Offering Jurisdiction in connection therewith.
- (b) Agency Group: The Corporation agrees that, subject to the consent of the Corporation, such consent not to be unreasonably withheld, the Lead Agent has the right to invite one or more investment dealers to form an agency group to participate in the solicitation of offers to purchase the Units. The Lead Agent shall have the exclusive right to control all compensation arrangements between the members of the agency group. The Corporation grants all of the rights and benefits of this Agreement, subject to the obligations and liabilities of this Agreement, to any investment dealer disclosed to the Corporation who is a member of any agency group formed by the Lead Agent and appoints the Lead Agent as trustee of such rights and benefits, subject to the obligations and liabilities for all such

investment dealers, and the Lead Agent hereby accepts such trust and agrees to hold such rights and benefits for and on behalf of all such investment dealers. The Lead Agent shall ensure that any investment dealer who is a member of any agency group formed by the Lead Agent pursuant to the provisions of this subsection 3(b) or with whom the Lead Agent has a contractual relationship with in respect to the Offering, if any, agrees with the Lead Agent and the Corporation to comply with the covenants and obligations given by the Agents herein.

- (c) Representations, Warranties, Acknowledgements, Agreements and Covenants of the Agents: Each of the Agents severally, and neither jointly, nor jointly and severally, covenants with the Corporation and agrees (and will use commercially reasonable best efforts to cause the selling group members) that: (i) it will conduct all activities in connection with the Offering in compliance with applicable Securities Laws of the Offering Jurisdictions in which they solicit or procure subscriptions for Units in connection with the Offering (including the selling restrictions imposed by the laws of the United States and set forth in Schedule "C" hereto) and all other laws applicable to the Agent (or an affiliate of the Agent) or the selling group members; (ii) it will not solicit or procure subscriptions for Units so as to require the registration thereof or the filing of a prospectus, offering memorandum or similar document with respect thereto under the laws of any jurisdiction and no continuous disclosure or periodic filing requirements will be created for the Corporation other than those disclosure requirements that are typical for offerings of the same nature as the Offering; and (iii) it will obtain from each Purchaser an executed Subscription Agreement, together with all other documentation or information as may be necessary to ensure compliance with applicable Securities Laws, in a form acceptable to the Corporation, acting reasonably. Each of the Agents severally, and neither jointly, nor jointly and severally, represents and warrants that it is, and each member of any selling group formed by the Agents: (i) is qualified to so act in the Offering Jurisdictions in which such person solicits or procures subscriptions for the Units and is registered in a category permitted to participate in the offer and sale of the Units as contemplated in this Agreement and has complied with all applicable laws applicable to its registration in connection with its involvement in the Offering (including the selling restrictions imposed by the laws of the United States and set forth in Schedule "C" hereto); (ii) is duly registered pursuant to the provisions of the Securities Laws, and is duly registered or licensed as a broker-dealer, an investment dealer or an exempt market dealer in those jurisdictions in which it is required to be so registered in order to perform the services contemplated by this Agreement, or if or where not so registered or licensed, the Agent will act only through selling group members who are so registered or licensed or otherwise exempt; (iii) has not engaged in or authorized, and will not engage in or authorize, any form of general solicitation or general advertising in connection with the offer and sale of the Units, including but not limited to, by causing the sale of the Units to be advertised in any newspaper, magazine, printed public media or similar medium of general and regular paid circulation or broadcast over radio, television or telecommunications, including electronic display, and have not conducted, and will not conduct, any seminar or meeting in connection with the offer and sale of the Units whose attendees have been invited by general solicitation or general advertising; (iv) has not and will not solicit offers to purchase or sell the Units so as to require the filing of a prospectus, registration statement or offering memorandum with respect thereto.

An Agent will not be liable to the Corporation under this subsection 3(c) with respect to a breach under this subsection 3(c) by another Agent, such other Agent's affiliates or any selling group member appointed by such other Agent, as the case may be.

- (d) **Filings:** The Corporation undertakes to file or cause to be filed all forms and undertakings required to be filed by the Corporation in connection with the Offering so that the distribution of the Units may lawfully occur in the Offering Jurisdictions without the necessity of filing a prospectus or an offering memorandum and the each of the Agents undertakes to use commercially reasonable best efforts to cause the Purchasers of the Units to complete (and it shall be a condition of Closing in favour of the Corporation that the Purchasers complete and deliver to the Corporation) any forms and undertakings required by the Securities Laws of the Offering Jurisdictions. All fees payable in connection with such filings shall be at the expense of the Corporation.
- (e) **No Offering Memorandum:** Neither the Corporation nor the Agents shall (i) provide to prospective purchasers of Units any document or other material that would constitute an offering memorandum within the meaning of the Securities Laws of the Offering Jurisdictions; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Units, including but not limited to, causing the sale of the Units to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display or the Internet, or otherwise, or conduct any seminar or meeting relating to any offer and sale of the Units whose attendees have been invited by a general solicitation or general advertising.

4. **Due Diligence**

The Corporation shall allow the Lead Agent to conduct (on behalf of the Agents) all due diligence investigations, including meeting with senior management of the Corporation and an independent representative from the Corporation's audit committee, as the Lead Agent (on behalf of the Agents) shall consider appropriate in connection with the Offering.

5. **Deliveries By Closing Time**

- (a) **Deliveries:** By each Closing Time:
 - (i) all actions required to be taken by or on behalf of the Corporation including, without limitation, the passing of all required resolutions of the directors, including committees of the directors, and shareholders of the Corporation, as applicable, shall have occurred in order to complete the transactions contemplated by this Agreement and the Subscription Agreements, including, without limitation, to issue the Unit Shares, to create and issue the Warrants, the Compensation Options and the Compensation Warrants and to reserve for issue the Warrant Shares, Compensation Shares and Compensation Warrant Shares;
 - (ii) the Corporation shall have delivered or caused to be delivered to the Lead Agent, all in form and substance satisfactory to the Lead Agent (on behalf of the Agents) and its counsel, acting reasonably:
 - A. a favourable legal opinion dated the Closing Date of counsel to the Corporation, Fasken Martineau DuMoulin LLP, and of local counsel in any other Offering Jurisdiction acceptable to the Agents, with respect to local corporate and securities matters, addressed to the Agents, the Lead Agent's legal counsel and the Purchasers;

- B. a favourable legal opinion dated the Closing Date of legal counsel duly qualified to practice law in the jurisdiction of existence of DefCap and MSR, addressed to the Agent, the Lead Agent's legal counsel and the Purchasers with respect to: (i) the existence of each such Subsidiary; (ii) the issued and outstanding securities of each such Subsidiary and the securities thereof held by the Corporation or another Subsidiary; (iii) the power and capacity of each such Subsidiary to carry on its business and activities and to own and lease its property and assets; and, in the case of MSR, the enforceability of the royalty payable by MSR on the San Acacio Property;
- C. a favourable legal opinion dated as of the Closing Date of counsel to the Corporation, with respect to title to the San Acacio Property, addressed to the Agents, the Lead Agent's legal counsel and the Purchasers;
- D. a certificate dated the Closing Date signed by an appropriate officer of the Corporation and addressed to the Agents and the Purchasers with respect to the articles and notice of articles of the Corporation, the resolutions of the directors of the Corporation and any other corporate action taken relating to this Agreement and the Ancillary Documents and including specimen signatures of the signing officers of the Corporation;
- E. other than the first Closing Time, a certificate dated the Closing Date addressed to the Agents and the Purchasers signed by the chief executive officer and the chief financial officer of the Corporation or any two other senior officers or directors of the Corporation acceptable to the Agents substantially in the form of the certificate attached hereto as Schedule "A";
- F. a Subscription Agreement from each Purchaser accepted by the Corporation;
- G. definitive share certificates or direct registration statements representing the Unit Shares sold pursuant to the Offering registered in accordance with the instructions in the respective Subscription Agreement or evidence of deposit of such Units Shares with CDS, as directed by the Agents;
- H. definitive Warrant Certificates representing the Warrants registered in accordance with the instructions in the respective Subscription Agreement or evidence of deposit of such Warrants with CDS, as directed by the Agents;
- I. definitive certificates representing the Compensation Options registered in the name of the Agents or in such other name or names as the Agents may direct;
- J. subject to subsection 5(a)(iii)A of this Agreement, payment by the Corporation to the Agents as provided in section 7 and section 12 of this Agreement, by certified cheque or bank draft payable to the Agents or as the Agents may otherwise direct in writing or by wire transfer payable to the Agents against delivery from the Lead Agent (on behalf of the Agents) to the Corporation of a receipt for the payments provided in section 7 and section 12 of this Agreement; and

- K. such further documents as may be contemplated by this Agreement or as the Agents may reasonably require.
- (iii) the Lead Agent (on behalf of the Agents) shall have delivered or cause to be delivered to the Corporation all in form and substance satisfactory to the Corporation, acting reasonably,
 - A. payment, on behalf of the Purchasers, of the aggregate Purchase Price for the Units purchased by the Purchasers of the Units net of the commission and expenses payable by the Corporation to the Agents as provided in section 7 and section 12 of this Agreement, by certified cheque or bank draft payable to the Corporation or as the Corporation may otherwise direct in writing or by wire transfer payable to the Corporation against delivery from the Corporation to the Agents of a receipt for the aggregate Purchase Price for such Units;
 - B. duly completed and executed Subscription Agreements from each of the Purchasers; and
 - C. such further documents as may be contemplated by this Agreement or as the Corporation may reasonably require.

6. **Closing**

- (a) **Closing**: The Closing shall be completed at the offices of the Corporation at the Closing Time on the Closing Date.
- (b) **Conditions of Closing**: The following are conditions precedent to the obligation of the Agents to complete the Closing and of the Purchasers to purchase the Units, which conditions the Corporation hereby covenants and agrees to use its commercially reasonable best efforts to fulfill within the time set out herein therefor, and which conditions may be waived in writing in whole or in part by the Agents:
 - (i) the Corporation shall have received all necessary approvals and consents, including all necessary regulatory approvals and consents (including those of the Stock Exchange) required for the completion of the transactions contemplated by this Agreement, all in a form satisfactory to the Agents;
 - (ii) receipt by the Lead Agent (on behalf of the Agents) of the documents set forth in section 5 of this Agreement to be delivered to the Lead Agent, as applicable;
 - (iii) the representations and warranties of the Corporation contained herein and in the Subscription Agreements being true and correct in all material respects as of the Closing Time with the same force and effect as if made at and as of the Closing Time;
 - (iv) the Corporation having complied with all covenants, and satisfied all terms and conditions, contained herein and in the Subscription Agreements to be complied with and satisfied by the Corporation at or prior to the Closing Time; and
 - (v) the Agents not having previously terminated the obligations thereof pursuant to this Agreement.

7. **Fee**

- (a) **Commission:** In consideration of the agreement of the Agents to act as agents of the Corporation in respect of the Offering, and in consideration of the services performed and to be performed by the Agents in connection therewith, including, without limitation, (1) acting as agent of the Corporation to solicit, on a commercially reasonable best efforts basis, offers to purchase the Units, (2) participating in the preparation of the form of the Subscription Agreements and certain of the Ancillary Documents, and (3) advising the Corporation with respect to the private placement of the Units, the Corporation shall pay to the Agents or as the Agents may otherwise direct at the Closing Time against receipt of payment of the aggregate Purchase Price for the Units, a cash fee being the aggregate of: 6% of the aggregate Purchase Price for the Units sold under the Offering to Purchasers other than the Purchasers comprising the President's List, and 2% of the aggregate Purchase Price for the Units sold under the Offering to Purchasers comprising the President's List.
- (b) **Taxes:** The Corporation and the Agents acknowledge and agree that if a separate fee would have been charged to the Corporation for the services described in clause 7(a)(1) and (2) above, such separate fee would represent more than 50% of the fee payable to the Agents, and the Corporation hereby further acknowledges and agrees that the Agents will rely on the foregoing statement in not charging any taxes imposed under the *Excise Act* (Canada) on such fee and that the Corporation will forthwith pay to the Agents any such tax.
- (c) **Compensation Options:** In addition to the commission payable to the Agents pursuant to subsection 7(a) hereof, as additional consideration for the services performed and to be performed by the Agents hereunder, the Corporation shall issue to the Agents or as the Agents may otherwise direct at the Closing Time the Compensation Options, in form and substance satisfactory to the Agents.
- (d) The Agents hereby severally, and neither jointly, nor jointly and severally, acknowledge that none of the Compensation Options or the Compensation Shares, Compensation Warrants or Compensation Warrant Shares (collectively, the "**Compensation Securities**") have been or will be registered under the U.S. Securities Act or the securities laws of any state of the United States. In connection with the issuance of the Compensation Securities, each of the Agents hereby severally, and neither jointly, nor jointly and severally, represents, warrants and covenants to and with the Corporation that (a) it is acquiring the Compensation Securities as principal for its own account and not for the benefit of any other person; and either (b) (i) it is not a U.S. Person and is not acquiring the Compensation Securities in the United States, or on behalf of a U.S. Person or a person located in the United States, and (ii) this Agreement was executed and delivered outside the United States; or (c) it is a U.S. Accredited Investor (as defined in Schedule "C"). The Agents acknowledge and agree that the Compensation Warrants may not be exercised in the United States or by or on behalf or for the benefit of a U.S. Person or a person in the United States, unless such exercise is exempt from or not subject to registration under the U.S. Securities Act or the securities laws of any state of the United States. The Agents agree that they will not engage in any Directed Selling Efforts (as defined in Schedule "C" hereto) with respect to any Compensation Securities and will not offer or sell any Compensation Securities in the United States unless in compliance with an exemption from the registration requirements of the U.S. Securities Act and any applicable state securities laws.

8. **Representations and Warranties**

The Corporation hereby represents and warrants to the Agents and the Purchasers, and acknowledges that the Agents and the Purchasers are relying upon each of such representations and warranties in completing the Closing, as follows:

- (a) **Incorporation and Organization:** The Corporation and each of the Subsidiaries has been incorporated and organized and is a valid and subsisting corporation under the laws of its jurisdiction of incorporation and has all requisite corporate power and authority to carry on its business as now conducted or proposed to be conducted and to own or lease and operate the property and assets thereof and the Corporation has all requisite corporate power and authority to enter into, execute and deliver this Agreement and the Ancillary Documents and to carry out the obligations thereof hereunder and thereunder.
- (a) **Subsidiaries:** The Corporation has no subsidiaries other than the Subsidiaries. Each of the Subsidiaries is validly subsisting under its respective governing law, is current and up-to-date with all material corporate filings required to be made by it and has all requisite corporate capacity, power and authority and is qualified or authorized to carry on its business as now conducted and to own or lease and operate its property and assets in all jurisdictions where such qualification or authorization is required. All of the issued and outstanding shares in the capital of each Subsidiary have been duly authorized and validly issued, are fully paid and, other than as disclosed to the Agents in the legal opinions delivered pursuant to subsection 5(a)(ii)B regarding DefCap and MSR, are directly or indirectly beneficially owned by the Corporation, free and clear of any liens; and none of the outstanding shares of the capital stock of any Subsidiary was issued in violation of the pre-emptive or similar rights of any security holder of such entity. There exist no options, warrants, purchase rights, or other contracts or commitments that could require the Corporation to, directly or indirectly, sell, transfer or otherwise dispose of any capital stock of any Subsidiary. No act or proceeding has been taken by or against any Subsidiary in connection with their liquidation, winding-up or bankruptcy.
- (b) **Extra-provincial Registration:** The Corporation and the Subsidiaries are each licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of the property or assets thereof owned or leased or the nature of the activities conducted by it make licensing, registration or qualification necessary and is carrying on the business thereof in compliance with all applicable laws, rules and regulations of each such jurisdiction.
- (c) **Authorized Capital:** The Corporation is authorized to issue an unlimited number of Common Shares, of which, as of the date hereof, 206,912,745 Common Shares are issued and outstanding as fully paid and non-assessable shares.
- (d) **Listing:** The Common Shares are listed only on the Stock Exchange.
- (e) **Certain Securities Law Matters:** The Corporation is a reporting issuer or the equivalent only in the Reporting Jurisdictions and is not in default of any requirement of the Securities Laws of any of such provinces in any material respect and the Common Shares are not registered under the U.S. Exchange Act.
- (f) **Rights to Acquire Securities:** No Person has any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition, subscription for or issue of any of the unissued shares or other

securities of the Corporation, except for, as at the date hereof, an aggregate of 28,507,984 Common Shares reserved for issue pursuant to outstanding options, warrants, share incentive plans, convertible, exercisable and exchangeable securities, property agreements and other rights to acquire Common Shares, as set out in Schedule “B” hereto.

- (g) No Pre-emptive Rights: None of the issue of the Units, the Warrant Shares, the Compensation Options, the Compensation Shares, the Compensation Warrants and the Compensation Warrant Shares is subject to any pre-emptive right or other contractual right to purchase securities granted by the Corporation or to which the Corporation is subject.
- (h) Units: Assuming the accuracy of the representations, warranties, covenants and certifications of the Agents herein and of the Purchasers in the Subscription Agreements, the execution of this Agreement and the Subscription Agreements and the issue by the Corporation to the Purchasers of the Units, the Warrant Shares, the Compensation Options, the Compensation Shares, the Compensation Warrants and the Compensation Warrant Shares in accordance with the terms of this Agreement and the Subscription Agreements will be exempt from the prospectus requirements of the Securities Laws of the Offering Jurisdictions.
- (i) Resale of Securities: None of the Unit Shares, the Warrants or the Warrant Shares will be subject to a restricted period or statutory hold period under the Securities Laws of the Offering Jurisdictions or to any resale restriction under the policies of the Stock Exchange which extends beyond four months and one day after the Closing Date.
- (j) Transfer Agent: TSX Trust Company has been appointed by the Corporation as the registrar and transfer agent for the Common Shares.
- (k) Subsidiaries: The Corporation has no subsidiaries other than the Subsidiaries.
- (l) Issue of Units: All necessary corporate action has been taken to authorize the issue and sale of, and the delivery of the Units and the Compensation Options and, upon payment of the requisite consideration therefor, the Unit Shares will be validly issued as fully paid and non-assessable Common Shares, and the Warrants, Compensation Options, and the Compensation Warrants will be validly issued and, upon the exercise of the Warrants, Compensation Options and Compensation Warrants in accordance with their terms, including the payment of the consideration therefor, the Warrant Shares, Compensation Shares and Compensation Warrant Shares respectively, will be validly issued as fully paid and non-assessable Common Shares and shall have the attributes corresponding in all material respects to the description thereof in this Agreement and the Subscription Agreements.
- (m) Consents, Approvals and Conflicts: None of the Offering and sale of the Units, the execution and delivery of this Agreement or the Ancillary Documents, the compliance by the Corporation with the provisions of this Agreement and the Ancillary Documents or the consummation of the transactions contemplated herein and therein including, without limitation, the issue of the Units to the Purchasers for the consideration and upon the terms and conditions as set forth herein, the issue of the Compensation Options to the Agents, the issue of the Warrant Shares for the consideration and upon the terms and conditions set forth in the Warrant Certificates and the issue of the Compensation Shares, Compensation Warrants and the Compensation Warrant Shares for the consideration and upon the terms and conditions set forth in the Compensation Option Certificates and the certificates representing the Compensation Warrants respectively, do or will (i) require the consent,

approval, or authorization, order or agreement of, or registration or qualification with, any governmental agency, body or authority, court, stock exchange, securities regulatory authority or other Person, except (A) such as have been obtained; or (B) such as may be required under the Securities Laws of the Offering Jurisdictions and will be obtained by the Closing Date; or (ii) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under, any indenture, mortgage, deed of trust, lease or other agreement or instrument to which the Corporation or a Subsidiary is a party or by which any of them or any of the properties or assets thereof is bound, or the articles or by-laws or any other document of the Corporation or a Subsidiary or any resolution passed by the directors (or any committee thereof) or shareholders of the Corporation or a Subsidiary, or any statute or any judgment, decree, order, rule, policy or regulation of any court, governmental authority, arbitrator, stock exchange or securities regulatory authority applicable to the Corporation or a Subsidiary or any of the properties or assets thereof which could have a Material Adverse Effect on the condition (financial or otherwise), business, properties or results of operations of the Corporation.

- (n) Authority and Authorization: The Corporation has full corporate power and authority to enter into this Agreement and the Ancillary Documents and to do all acts and things and execute and deliver all documents as are required hereunder and thereunder to be done, observed, performed or executed and delivered by it in accordance with the terms hereof and thereof and the Corporation has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and the Ancillary Documents and to observe and perform the provisions of this Agreement and the Ancillary Documents in accordance with the provisions hereof and thereof including, without limitation, the issue of the Units to the Purchasers for the consideration and upon the terms and conditions set forth herein, the issue of the Compensation Options to the Agents, the issue of the Warrant Shares for the consideration and upon the terms and conditions set forth in the Warrant Certificates, the issue of the Compensation Shares and the Compensation Warrants for the consideration and upon the terms and conditions set forth in the Compensation Option Certificates and the issue of the Compensation Warrant Shares for the consideration and upon the terms and conditions set forth in the certificates representing Compensation Warrant.
- (o) Validity and Enforceability: Each of this Agreement and the Ancillary Agreements has been authorized or will be by Closing, executed and delivered by the Corporation and constitutes or will constitute a valid and legally binding obligation of the Corporation enforceable against the Corporation in accordance with its terms subject to applicable bankruptcy, insolvency, reorganization or other laws affecting creditors' rights generally, the qualification that specific performance and injunctive relief are awarded at the discretion of the court before which they may be validly sought and the qualification that the validity and enforcement of any severability provisions thereof may be limited by law
- (p) Disclosure: The Corporation has filed all documents or information required to be filed by it pursuant to the Securities Laws of the Reporting Jurisdictions (including, without limitation, all of its disclosure obligations pursuant to *National Instrument 51-102 - Continuous Disclosure Obligations* of the Canadian Securities Administrators, *National Instrument 58-101 - Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators and NI 43-101). Each of the documents which contains any of the Information is, as of the date thereof, in compliance in all material respects with the Securities Laws of the Reporting Jurisdictions and such documents collectively constitute full, true and plain disclosure of all material facts relating to the Corporation and do not contain any misrepresentation or untrue statement of a material fact or omit to state a

material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading as of the date hereof. There is no fact known to the Corporation which the Corporation has not publicly disclosed which materially adversely affects, or so far as the Corporation can reasonably foresee, will materially adversely affect, the assets, liabilities (contingent or otherwise), capital, affairs, business, prospects, operations or condition (financial or otherwise), of the Corporation or the ability of the Corporation to perform its obligations under this Agreement or the Ancillary Documents.

- (q) Timely Disclosure: The Corporation is in compliance with all timely disclosure obligations under the Securities Laws of the Reporting Jurisdictions and, without limiting the generality of the foregoing, there has not occurred any material adverse change in the assets, liabilities (contingent or otherwise), capital, affairs, business, prospects, operations or condition (financial or otherwise), of the Corporation which has not been publicly disclosed and the Information filed by or on behalf of the Corporation pursuant to the Securities Laws of the Reporting Jurisdictions does not contain a misrepresentation at the date of the filing thereof.
- (r) No Cease Trade Order: No order preventing, ceasing or suspending trading in any securities of the Corporation or prohibiting the issue and sale of securities by the Corporation has been issued and, to the best of the knowledge of the Corporation, no proceedings for either of such purposes have been instituted or are pending, contemplated or threatened.
- (s) Accounting Controls: The Corporation maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are completed in accordance with the general or a specific authorization of management of the Corporation; (ii) transactions are recorded as necessary to permit the preparation of consolidated financial statements for the Corporation in conformity with International Financial Reporting Standards and to maintain asset accountability; (iii) access to material assets of the Corporation and the Subsidiaries is permitted only in accordance with the general or a specific authorization of management of the Corporation; and (iv) the recorded accountability for material assets of the Corporation and the Subsidiaries is compared with the existing material assets of the Corporation at reasonable intervals and appropriate action is taken with respect to any differences therein.
- (t) Financial Statements: The audited consolidated financial statements of the Corporation for the year ended June 30, 2020, together with the auditors' report thereon and the notes thereto have been prepared in accordance with International Financial Reporting Standards applied on a basis consistent with prior periods (except as disclosed in such consolidated financial statements) and the unaudited interim consolidated financial statements of the Corporation for the three and nine months ended March 31, 2021 and the notes thereto, have been prepared in accordance with International Financial Reporting Standards applied on a basis consistent with prior periods (except as disclosed in such consolidated financial statements) and are substantially correct in every particular and present fairly the financial condition and position of the Corporation on a consolidated basis as at the dates thereof and such consolidated financial statements contain no material misrepresentation and no direct or implied statement of a material fact which is untrue on the date of such consolidated financial statements and do not omit to state any material fact as of the respective dates thereof which is required by International Financial Reporting Standards or by applicable law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading

- (u) Changes in Financial Position: Since the date of the completion of the Corporation's most recently completed fiscal year in which financial statements have been filed on SEDAR:
- (i) none of the Corporation or any Subsidiary has paid or declared any dividend or incurred any material capital expenditure or made any commitment therefore,
 - (ii) none of the Corporation or any Subsidiary has incurred any obligation or liability, direct or indirect, contingent or otherwise, except in the ordinary course of business and which is not, and which in the aggregate are not, material, and
 - (iii) none of the Corporation or any Subsidiary has entered into any material transaction,
- except in each case as disclosed in the Information.
- (v) Insolvency: None of the Corporation and or any Subsidiary has committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any legislation, proposed a compromise or arrangement to the creditors thereof generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to be declared bankrupt or wound up, taken any proceeding to have a receiver appointed of any of the assets thereof, had any Person holding any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement or other security interest or receiver take possession of the assets thereof, had an execution or distress become enforceable or levied upon any portion of the assets thereof or had any petition for a receiving order in bankruptcy filed against it.
- (w) No Contemplated Changes: Other than as disclosed in the Information, the Corporation has not approved, has any current plans with respect to, has entered into any agreement in respect of, or has any knowledge of:
- (i) the purchase of either or both of the Subject Properties or any Person's interest therein or the sale, transfer or other disposition of either or both of the Subject Properties or any of the Corporation's or any Subsidiary's interest therein;
 - (ii) a proposed amendment to any of the Material Contracts;
 - (iii) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of the Corporation, any Subsidiary or otherwise) of the Corporation or any Subsidiary; or
 - (iv) a proposed or planned disposition of securities by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares or equity securities of any Subsidiary, as applicable.
- (x) Insurance: The Corporation and each Subsidiary maintains insurance in such amounts as it considers to be reasonable to protect 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, such coverage is in full force and effect and the Corporation and each Subsidiary has not failed to promptly give any notice or present any material claim thereunder.

- (y) Taxes and Tax Returns: The Corporation and each Subsidiary is current in the filing of all necessary tax returns and notices and has paid all applicable taxes of whatsoever nature for all tax years prior to the date hereof to the extent that such taxes have become due or have been alleged to be due, other than penalties for the failure by the Corporation to file certain information returns, with such penalties anticipated not to exceed \$125,000 in the aggregate (excluding interest and any additional penalties which may be imposed by tax authorities), and the Corporation and each Subsidiary is not aware of any tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it might reasonably be expected to result in any material adverse change in the condition (financial or otherwise), or in the earnings, business or affairs of the Corporation or any Subsidiary, and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by the Corporation or any Subsidiary or the payment of any material tax, governmental charge, penalty, interest or fine against the Corporation or any Subsidiary. There are no material actions, suits, proceedings, investigations or claims existing or, to the best of the Corporation's knowledge, pending or threatened against the Corporation or any Subsidiary which could result in a material liability in respect of taxes, charges or levies of any governmental authority, penalties, interest, fines, assessments or reassessments or any matters under discussion with any governmental authority relating to taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority and the Corporation and each Subsidiary has withheld (where applicable) from each payment to each of the present and former officers, directors, employees and consultants thereof the amount of all taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefrom, and has paid the same or will pay the same when due to the proper tax or other receiving authority within the time required under applicable tax legislation.
- (z) Compliance with Laws, Licenses and Permits: To the best of the knowledge of the Corporation, the Corporation and each Subsidiary has conducted and is conducting its business in compliance in all material respects with all applicable laws, rules, regulations, tariffs, orders and directives of each jurisdiction in which it carries on business and possesses all material approvals, consents, certificates, registrations, authorizations, permits and licenses issued by the appropriate provincial, state, municipal, federal or other regulatory agency or body necessary to carry on the business currently carried on by it; is in compliance in all material respects with the terms and conditions of all such approvals, consents, certificates, registrations, authorizations, permits and licenses and the Corporation and each Subsidiary has not received any notice of the modification, revocation or cancellation of, or any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such approval, consent, certificate, registration, authorization, permit or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, ruling or finding, would materially adversely affect the conduct of the business or operations of, or the assets, liabilities (contingent or otherwise), condition (financial or otherwise) of, the Corporation or any Subsidiary.
- (aa) Agreements and Actions The Corporation and each Subsidiary is not in violation of any term or provision of its articles or notices of articles or any agreement, indenture or other instrument applicable to it which would, or could, result in any Material Adverse Effect on the business, condition (financial or otherwise), capital, affairs or operations of the Corporation or any Subsidiary. The Corporation and each Subsidiary is not in default in the payment of any material obligation owed which is now due which, either in any case or in the aggregate, might result in any Material Adverse Effect on the business, condition

(financial or otherwise), capital, affairs, prospects or operations of the Corporation or any Subsidiary, or in any of the Subject Properties or material assets thereof or in any material liability on the part of the Corporation or any Subsidiary or which places, or could place, in question the validity or enforceability of this Agreement, the Ancillary Documents or any document or instrument delivered, or to be delivered, by the Corporation pursuant hereto or thereto.

- (bb) Material Property and Title Opinion: The San Acacio Property and the Tepal Property are the only properties which are material to the Corporation for the purposes of NI 43-101. The legal opinion delivered pursuant to subsection 5(a)(ii)C hereof provides an opinion on all of the mineral claims and mining concessions that comprise the San Acacio Property, being the property on which the majority of the net proceeds of the Offering will be used to incur exploration and development expenses as outlined in subsection 9(d).
- (cc) Owner of Property: All material property interests of the Corporation and each Subsidiary, including the Corporation's and any Subsidiary's interests in respect of the Subject Properties, are described in the Information and all such interests are owned or held by the Corporation or a Subsidiary with good and marketable title, free of any material mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands other than those described in the Information. Other than as disclosed in the Information, (i) no other property rights are necessary for the conduct of the business of the Corporation or any Subsidiary as currently conducted; (ii) the Corporation and each Subsidiary does not know of any claim or the basis for any claim that might or could adversely affect the right thereof to use, transfer or otherwise exploit such property rights or its exploration of the Subject Properties in a material way; and (iii) the Corporation and each Subsidiary does not have any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any Person with respect to the property rights thereof.
- (dd) Mineral Rights: The Corporation or the Subsidiaries hold either freehold title, mining leases, mining concessions or licences or participating interests or other conventional property, proprietary or contractual interests or rights, recognized in the jurisdiction in which a particular property is located, in respect of the ore bodies and minerals located in properties in which the Corporation or any Subsidiary has an interest as described in the Information under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit the Corporation and each Subsidiary to explore for minerals relating thereto to the extent described in the Information. All property, concessions, leases, claims or licences in respect of the Subject Properties have been validly located and recorded in accordance with all applicable laws and are valid and subsisting. The Corporation or a Subsidiary has all necessary surface rights, access rights and other necessary rights and interests relating to the Subject Properties granting the Corporation or the Subsidiary, as applicable, the right and ability to explore for minerals, ore and metals for development purposes as are appropriate in view of the rights and interest therein of the Corporation or a Subsidiary, as applicable, in the manner currently contemplated, with only such exceptions as do not materially interfere with the use made by the Corporation or a Subsidiary, as applicable, of the rights or interests so held and each of the proprietary interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to above is currently in good standing.
- (ee) Property Agreements: Any and all of the agreements and other documents and instruments related to the Subject Properties, pursuant to which the Corporation or a Subsidiary holds the property and assets thereof (including any interest in, or right to earn an interest in, any

property), are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with terms thereof. The Corporation and each Subsidiary is not in default of any of the material provisions of any such agreements, documents or instruments nor has any such default been alleged, and such properties and assets are in good standing under the applicable statutes and regulations of the jurisdictions in which they are situated. All agreements and other documents and instruments related to the Subject Properties, pursuant to which the Corporation or a Subsidiary holds the property and assets thereof (including any interest in, or right to earn an interest in, any property), are in good standing and there has been no material default under any such agreement and all taxes required to be paid with respect to such properties and assets to the date hereof have been paid. The Subject Properties are not subject to any right of first refusal or purchase or acquisition right which is not disclosed in the Information.

- (ff) No Defaults: The Corporation and each Subsidiary is not in default of any material term, covenant or condition under or in respect of any judgement, order, agreement or instrument to which it is a party or to which it or any of the property or assets thereof are or may be subject, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any commitment, agreement, document or other instrument to which the Corporation or a Subsidiary, as applicable, is a party or by which it is otherwise bound entitling any other party thereto to accelerate the maturity of any amount owing thereunder or which could have a Material Adverse Effect upon the condition (financial or otherwise), capital, property, assets, operations or business of the Corporation or any Subsidiary.
- (gg) Compliance with Employment Laws: Except as otherwise disclosed in the Information, the Corporation and each Subsidiary is in compliance with all laws and regulations respecting employment and employment practices, terms and conditions of employment, pay equity and wages, except where such non-compliance would not constitute an adverse material fact concerning the Corporation or result in an adverse material change to the Corporation, and has not and is not engaged in any unfair labour practice, there is no labour strike, dispute, slowdown, stoppage, complaint or grievance pending or, to the best of the knowledge of the Corporation, threatened against the Corporation or a Subsidiary, no union representation question exists respecting the employees of the Corporation or a Subsidiary and no collective bargaining agreement is in place or currently being negotiated by the Corporation or a Subsidiary, the Corporation or any Subsidiary have not received any notice of any unresolved matter and there are no outstanding orders under the applicable employment legislation in the Province of British Columbia or any other similar legislation in any jurisdiction in which the Corporation or a Subsidiary carries on business or has employees, no employee has any agreement as to the length of notice required to terminate his or her employment with the Corporation or any Subsidiary in excess of twelve months or equivalent compensation and all benefit and pension plans of the Corporation or any Subsidiary are funded in accordance with applicable laws and no past service funding liabilities exist thereunder.
- (hh) Employee Plans: Each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, pension, incentive or otherwise contributed to, or required to be contributed to, by the Corporation for the benefit of any current or former officer, director, employee or consultant of the Corporation has been maintained in material compliance with the terms thereof and with the requirements prescribed by any and all statutes, orders, rules, policies and regulations that are applicable to any such plan.

- (ii) Accruals: All material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or provincial pension plan premiums, accrued wages, salaries and commissions and payments for any plan for any officer, director, employee or consultant of the Corporation have been accurately reflected in the books and records of the Corporation.
- (jj) Work Stoppage: There has not been, and there is not currently, any labour trouble which is adversely affecting or could adversely affect, in a material manner, the conduct of the business of the Corporation or any Subsidiary.
- (kk) Environmental Compliance: To the knowledge of the Corporation and except as set out in the Information, the Corporation and each Subsidiary:
 - (i) and their respective property, including in respect to the Subject Properties, and any operations thereof complies in all material respects with all applicable Environmental Laws (which term means and includes, without limitation, any and all applicable international, federal, provincial, state, municipal or local laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, or any Environmental Activity (which term means and includes, without limitation, any past, present or future activity, event or circumstance in respect of a Contaminant (which term means and includes, without limitation, any pollutants, dangerous substances, liquid wastes, hazardous wastes, hazardous materials, hazardous substances or contaminants or any other matter including any of the foregoing, as defined or described as such pursuant to any Environmental Law), including, without limitation, the storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation thereof, or the release, escape, leaching, dispersal or migration thereof into the natural environment, including the movement through or in the air, soil, surface water or groundwater));
 - (ii) has not received any notice of, any material claim, judicial or administrative proceeding, pending or threatened against, or which may affect, the Corporation, any Subsidiary or the Subject Properties, assets or operations thereof, relating to, or alleging any violation of any Environmental Laws, the Corporation is not aware of any facts which could give rise to any such claim or judicial or administrative proceeding and neither the Corporation or the Subsidiaries nor any of the property, assets or operations thereof is the subject of any investigation, evaluation, audit or review by any Governmental Authority to determine whether any violation of any Environmental Laws has occurred or is occurring or whether any remedial action is needed in connection with a release of any Contaminant into the environment, except for compliance investigations conducted in the normal course by any Governmental Authority;
 - (iii) has not given or filed any notice under any federal, state, provincial or local law with respect to any Environmental Activity, the Corporation and the Subsidiaries do not have any liability (whether contingent or otherwise) in connection with any Environmental Activity and the Corporation is not aware of any notice being given under any federal, state, provincial or local law or of any liability (whether contingent or otherwise) with respect to any Environmental Activity relating to

or affecting the Corporation, the Subsidiaries, the Subject Properties, assets, business or operations thereof;

- (iv) does not store any hazardous or toxic waste or substance on the Subject Properties, thereof and has not disposed of any hazardous or toxic waste, in each case in a manner contrary to any Environmental Laws, and there are not any Contaminants on any of the premises at which the Corporation or any Subsidiary carries on business, in each case other than in compliance with Environmental Laws; and
 - (v) is not subject to any contingent or other liability relating to the restoration or rehabilitation of land, water or any other part of the environment or non-compliance with Environmental Law.
- (ll) No Litigation: To the knowledge of the Corporation, there are no actions, suits, proceedings, inquiries or investigations existing, pending or threatened against or which adversely affect the Corporation or any Subsidiary or to which any of the property or assets thereof is subject, at law or equity, or before or by any court, federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which may in any way materially adversely affect the condition (financial or otherwise), capital, property, assets, operations or business of the Corporation or any Subsidiary or the ability of the Corporation or Subsidiary to perform the obligations thereof and the Corporation and the Subsidiaries are not subject to any judgement, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, which, either separately or in the aggregate, may result in a Material Adverse Effect on the condition (financial or otherwise), capital, property, assets, operations or business of the Corporation or any Subsidiary or the ability of the Corporation to perform its obligations under this Agreement, the Ancillary Documents and the Material Contracts.
- (mm) Intellectual Property: The Corporation owns or possesses adequate enforceable rights to use all trademarks, copyrights and trade secrets used in the conduct of the business thereof and, to the knowledge of the Corporation, the Corporation is not infringing upon the rights of any other Person with respect to any such trademarks, copyrights or trade secrets and no other Person has infringed any such trademarks, copyrights or trade secrets.
- (nn) Non-Arm's Length Transactions: Except as disclosed in the Information, the Corporation and each Subsidiary does not owe any amount to, nor does the Corporation or any Subsidiary have any present loans to, or borrowed any amount from or is otherwise indebted to, any officer, director, employee or securityholder or any Person not dealing at "arm's length" (as such term is defined in the Tax Act) with any of them except for usual employee reimbursements and compensation paid in the ordinary and normal course of the business of the Corporation or any Subsidiary. Except usual employee or consulting arrangements made in the ordinary and normal course of business, the Corporation and each Subsidiary is not a party to any contract, agreement or understanding with any officer, director, employee or securityholder or any Person not dealing at arm's length with the Corporation or any Subsidiary. No officer, director, employee or securityholder of the Corporation or any Subsidiary has any cause of action or other claim whatsoever against, or owes any amount to, the Corporation or any Subsidiary except for claims in the ordinary and normal course of the business of the Corporation or any Subsidiary such as for accrued vacation pay or other amounts or matters which would not be material to the Corporation or any Subsidiary.

- (oo) **Material Contracts**: All contracts to which the Corporation is a party or by which it is bound and which might be considered material to the Corporation are disclosed on SEDAR other than those entered into in the ordinary course of its business (collectively, the “**Material Contracts**”) each of which is a valid and subsisting agreement in full force and effect unamended and, to the best knowledge of the Corporation, after due inquiry, there exists no material default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any event or condition, would become a material default thereunder by any party thereto.
- (pp) **Website**: The website of the Corporation does not contain material information with respect to the Corporation which is incomplete, incorrect or omits to state a fact so as to render such information misleading, or any news release which has not been disseminated on a news wire service and all information contained on any of such websites in respect of the Offering complies with the Securities Laws of the Offering Jurisdictions including, but not limited to, restrictions on promotional material disseminated before and during the Offering.
- (qq) **Minute Books**: The minute books of the Corporation, all of which have been or will be made available to the Agents or counsel to the Lead Agent, are complete and accurate in all material respects.
- (rr) **No Withholding of Information**: The Corporation has not withheld from the Agents any fact or information relating to the Corporation or to the Offering that would be material to the Agents or to a prospective purchaser of Units (not considering tax or other matters specific to such Purchaser).
- (ss) **Third Party Commission**: Besides from the Agents, the Corporation shall pay no commissions or fees to any Person in respect to the Offering.

9. **Covenants of the Corporation**

- (a) **Consents and Approvals**: Immediately following the acceptance by the Corporation hereof, the Corporation covenants and agrees with the Agents and the Purchasers that the Corporation will:
 - (i) obtain, to the extent not already obtained, the necessary regulatory consents or approvals from the Stock Exchange and, to the extent necessary, from the Securities Regulator of the Offering Jurisdictions for the Offering on such terms as are mutually acceptable to the Agents and the Corporation, acting reasonably; and
 - (ii) make all necessary filings to obtain all other necessary regulatory and other consents and approvals required in connection with the transactions contemplated by this Agreement.
- (b) **General**: The Corporation hereby covenants and agrees with the Agents and the Purchasers that the Corporation will:
 - (i) fulfill all legal requirements to permit the creation, issue, offering and sale of the Units, the creation and issue of the Warrants, the Compensation Options, and the Compensation Warrants, and the issue of the Warrant Shares, the Compensation Shares and the Compensation Warrant Shares as contemplated in this Agreement

including, without limitation, compliance with the Securities Laws of the Offering Jurisdictions to enable the Units to be offered for sale and sold to the Purchaser and the Compensation Options to be issued to the Agents without the necessity of filing a prospectus in the Offering Jurisdictions;

- (ii) for a period of at least 24 months after the Closing Date, use its commercially reasonable best efforts to remain a validly subsisting corporation licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions, as applicable, where the character of the properties owned or leased by the Corporation or the nature of the activities conducted by the Corporation make such licensing, registration or qualification necessary and shall carry on the business in the mining industry and in compliance in all material respects with all applicable laws, rules and regulations of each such jurisdiction;
- (iii) use its commercially reasonable best efforts to maintain the listing of the Common Shares on the Stock Exchange and maintain its status as a “reporting issuer” (or the equivalent thereof) and not be in default of the requirements of the applicable Securities Laws of each of the Reporting Jurisdictions which have such a concept to the date which is 24 months following the Closing Date;
- (iv) the Corporation shall deliver to the Lead Agent a copy of all press releases made that result in material changes and other material documents filed with any regulatory authority in connection with the Offering forthwith upon such press release being made or material change report or other document being filed until 30 days after the Closing Date; and
- (v) forthwith after the Closing Date file such documents as may be required under the Securities Laws of the Offering Jurisdictions relating to the offering of the Units which, without limiting the generality of the foregoing, shall include a Form 45-106F1 as prescribed under National Instrument 45-106, *Prospectus Exemptions* of the Canadian Securities Administrators.

Nothing herein contained in subsections 9(b)(ii) and 9(b)(iii) will prevent any amalgamation or merger of the Corporation with or into any other company, or the sale of the property or assets of the Corporation to any company lawfully entitled to acquire the same. If the Corporation is amalgamated or merged with or into any other company or companies, or sells all or substantially all of its property or assets as an entirety to any other company, the successor company formed by such consolidation or amalgamation, or into which the Corporation is amalgamated or merged or which so receives a sale, will succeed to and be substituted for the Corporation hereunder.

- (c) Restricted Period: The Corporation agrees that, for a period from the signing of this Agreement to 120 days following the Closing Date, it shall not issue, sell, authorize or agree to issue or approve for issuance any Common Shares in the capital of the Corporation or any securities convertible into or exchangeable for or exercisable to acquire Common Shares of the Corporation without the prior written consent of the Lead Agent, such consent not to be unreasonably withheld, other than: (a) pursuant to currently outstanding rights, agreements, options, warrants and other convertible securities, including any Common Shares of the Corporation issued pursuant to the exercise of any options granted pursuant to option or purchase plans; (b) options granted pursuant to any stock option plans or stock purchase plans or any other stock based compensation plan currently in place for the

Corporation; or (c) in connection with obligations in respect of existing acquisitions of assets or securities.

- (d) Use of Proceeds: The Corporation hereby covenants and agrees with the Agents and the Purchasers that the Corporation will use the net proceeds of the Units for further exploration and development of the San Acacio Property and for general working capital.

10. **Termination**

- (a) Right of Termination: The Agents shall be entitled, at the sole option thereof, to terminate and cancel, without any liability on the part of the Agents, all of the obligations thereof under this Agreement and the obligations of any Person who has executed a Subscription Agreement, by notice in writing to that effect delivered to the Corporation prior to or at the Closing Time if:
- (i) the Lead Agent is not satisfied in its sole discretion with the results of the due diligence review and investigation of the Corporation conducted by the Lead Agent (on behalf of the Agents);
 - (ii) there is, in the sole opinion of the Agents, a material change or change in a material fact which might reasonably be expected to have a Material Adverse Effect on the market price or value of the Common Shares or any other securities of the Corporation or on the marketability of the Units;
 - (iii) there should develop, occur or come into effect or existence any event, action, state, condition or occurrence of national or international consequence, acts of hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions (including the COVID-19 outbreak, to the extent that there is any material adverse development related thereto after June 10, 2021, or similar event or the escalation thereof) or any action, law, regulation or inquiry which, in the reasonable opinion of the Lead Agent, materially adversely affects or involves, or may materially adversely affect or involve, the financial markets in Canada or the United States, or the business, operations or affairs of the Corporation or the market price or value of the Units;
 - (iv) any order or ruling is issued, or any inquiry, action, suit, proceeding or investigation (whether formal or informal) is instituted or announced or threatened in relation to the Corporation or any of the directors, officers or principal shareholders of the Corporation (other than one based solely upon the activities or alleged activities of the Agents) or any law or regulation is promulgated or changed which prevents or restricts trading in or the distribution of the Units, the Common Shares or any other securities of the Corporation (other than one based solely upon the activities or alleged activities of the Agents);
 - (v) any order to cease or suspend trading in any securities of the Corporation is made, threatened or announced by any securities regulatory authority; or
 - (vi) the Corporation is in breach of any term, condition, covenant or agreement contained in this Agreement or in any Subscription Agreement or any representation or warranty given by the Corporation in this Agreement or in any Subscription Agreement is or becomes untrue, false or misleading.

- (b) Rights on Termination: Any termination by the Agents pursuant to subsection 10(a) hereof shall be effected by notice in writing delivered by the Lead Agent (on behalf of the Agents) to the Corporation at the address thereof as set out in section 14 hereof. The right of the Agents to so terminate the obligations thereof under this Agreement is in addition to such other remedies as the Agents may have in respect of any default, act or failure to act of the Corporation in respect of any of the matters contemplated by this Agreement. In the event of a termination by the Agents pursuant to subsection 10(a) hereof there shall be no further liability on the part of the Agents to the Corporation or of the Corporation to the Agents except any liability which may have arisen or may thereafter arise under either section 11 or 12 hereof.
- (c) Return of Purchase Price: If this Agreement is terminated by the Agents pursuant to subsection 10(a), the Purchase Price for the Units received from any Purchaser which have not yet been subject to a Closing will be returned to such Purchaser, without interest or deduction.

11. Indemnity and Contribution

- (a) Indemnity: The Corporation hereby covenants and agrees to indemnify and save harmless each of the Agents and each investment dealer which is a member of any agency group formed by the Lead Agent in connection with the Offering, each of the affiliates of each of them and the respective directors, officers, employees, shareholders, partners, advisors and agents of each of them (in this section 11 each an “**Indemnified Person**” and collectively the “**Indemnified Persons**”) from and against all losses (other than a loss of profits or opportunity), claims, damages, payments, liabilities, costs, fines, penalties and expenses (other than punitive damages) (including the amount paid in settlement of any claim, action, suit or proceeding and the reasonable fees and expenses of counsel incurred obtaining advice in respect of, or in defending or settling, any such claim, action, suit or proceeding), joint or several, of whatsoever nature or kind to which an Indemnified Person may become subject or otherwise involved in any capacity under statute or common law or otherwise caused or incurred by reason of or in any way arising, directly or indirectly, from, by virtue of, or related to (other than by reason of breach of this Agreement, a fraudulent act, gross negligence, willful misconduct or bad faith of the Agents, in which case this indemnity shall cease to apply to such Indemnified Person and such Indemnified Person shall reimburse any funds advanced by the Corporation to the Indemnified Person pursuant to this indemnity):
 - (i) enforcing the provisions of this Agreement or any Subscription Agreement;
 - (ii) the Agents having acted as an agent of the Corporation in respect of the Offering;
 - (iii) any statement or information contained in the Information which at the time and in light of the circumstances under which it was made containing or being alleged to contain a material misrepresentation or being alleged to be materially untrue, false or misleading;
 - (iv) the omission or alleged omission to state in the Information any material fact required to be stated therein or necessary to make any statement therein not materially misleading in light of the circumstances under which it was made;
 - (v) any order made or inquiry, investigation or proceeding commenced or threatened by any officer or official of the Stock Exchange, any securities commission or

authority or any other competent authority, not based upon the activities or the alleged activities of the Agents or any member of any agency group formed by the Lead Agent in connection with the Offering;

- (vi) the non-compliance or alleged non-compliance by the Corporation with any of the Securities Laws of the Offering Jurisdictions or any other applicable law in connection with the transactions contemplated herein;
- (vii) any negligence or willful misconduct by the Corporation relating to or connected with the sale by the Corporation of the Units;
- (viii) any material misrepresentation or alleged material misrepresentation (except any made by the Agents and for which the Agents did not rely on any information provided by the Corporation or anyone acting on its behalf) relating to the Offering or the Units, whether oral or written and whether made during and in connection with the Offering or in respect of the trading of the Units in the secondary market after the completion of the Offering, but only to the extent that such misrepresentation or alleged misrepresentation may give or gives rise to any other liability to an Indemnified Person under any statute in any jurisdiction which is in force on the date of this Agreement;
- (ix) any failure or alleged failure to make timely disclosure of material change by the Corporation, whether such failure or alleged failure occurs during the Offering or after the completion of the Offering, where such failure relates to the Offering or the Units and may give or gives rise to any liability under any statute in any jurisdiction which is in force on the date of this Agreement or which comes into force after that date; or
- (x) the breach of, or default under, any term, condition, covenant or agreement of the Corporation made or contained herein or in any other document of the Corporation delivered pursuant hereto or made by the Corporation in connection with the sale of the Units or any representation or warranty of the Corporation made or contained herein or in any other document of the Corporation delivered pursuant hereto or in connection with the sale of the Units being or being alleged to be untrue, false or misleading.

If any matter or thing contemplated by this section 11 shall be asserted against any Indemnified Person in respect of which indemnification is or might reasonably be considered to be provided hereunder, such Indemnified Person shall promptly notify the Corporation, in writing as soon as possible of the nature of such claim and the Corporation shall be entitled, but not required, to assume the defence of any action, suit or proceeding brought to enforce such claim; provided, however, that the defence shall be through legal counsel reasonably acceptable to the Indemnified Person and that no settlement may be made by the Corporation or the Indemnified Person without the prior written consent of the other of them and the Corporation shall not be liable for any settlement of any such claim unless it has consented in writing to such settlement, such consent not to be unreasonably withheld.

- (b) Counsel: In any claim referred to in section 11 hereof, the Indemnified Person shall have the right to retain separate legal counsel to act on behalf of such Indemnified Person provided that the reasonable fees and disbursements of such separate legal counsel shall be paid by the Indemnified Person unless:

- (i) the Corporation fails to assume the defence of such claim on behalf of the Indemnified Person within a reasonable period of time of receiving notice of such claim,
- (ii) the Corporation and the Indemnified Person shall have mutually agreed in writing to the retention of such separate legal counsel, or
- (iii) the named parties to such claim (including any added, third or impleaded parties) include both the Corporation and the Indemnified Person and the Indemnified Person has been advised in writing by legal counsel to the Indemnified Person that representation of both the Corporation and the Indemnified Person by the same legal counsel would be inappropriate due to actual or potential differing interests between them,

in which event or events the fees and disbursements of such separate legal counsel shall be paid by the Corporation, subject as hereinafter provided. Where more than one Indemnified Person is entitled to retain separate counsel in the circumstances described in this subsection 11(b), all Indemnified Persons shall be represented by one legal counsel and the fees and disbursements of only one separate legal counsel for all Indemnified Persons shall be paid by the Corporation.

- (c) Waiver of Right: The Corporation hereby waives its right to recover contribution from the Agents and the other Indemnified Persons with respect to any liability of the Corporation by reason of or arising out of the indemnity provided by the Corporation in this section 11; provided, however, that such waiver shall not apply in respect of the Agents for any liability directly caused or incurred by reason or arising out of any information or statements relating solely to, and provided by, the Agents or any failure by the Agents in connection with the Offering to provide to Purchasers any document which the Corporation is required to provide to the Purchasers and which the Corporation has provided or made available to the Agents to forward to the Purchasers.
- (d) Contribution:
 - (i) In order to provide for just and equitable contribution in circumstances in which the indemnity contained in this section 11 is, for any reason of policy or otherwise, held to be unavailable to or unenforceable by, in whole or in part, an Indemnified Person other than in accordance with the provisions of this section 11, the Corporation shall contribute to the aggregate losses (other than a loss of profit or opportunity), claims, damages, liabilities, costs, fines, penalties and expenses (other than punitive damages) (including the amount paid in settlement of any claim, action, suit or proceeding and the fees and expenses of counsel on a solicitor and his own client basis incurred obtaining advice in respect of, or in defending or settling, any such claim, action, suit or proceeding) of the nature contemplated by such indemnity incurred or paid by the Indemnified Person in such proportion as is appropriate to reflect not only the relative benefits received by the Corporation on the one hand and the Indemnified Person on the other hand in connection with the Offering but also the relative fault of the Corporation on the one hand and the Indemnified Person on the other hand in connection with the matters, things and actions which resulted in such losses, claims, damages, payments, liabilities, costs, fines, penalties or expenses as well as any other relevant equitable considerations or, if such allocation is not permitted by applicable law, in such proportion so that the Indemnified Person shall be

responsible for the proportion represented by the percentage that the Agents' fee per Unit bears to the Purchase Price and the Corporation shall be responsible for the balance, whether or not they are a party to the same or separate claims; provided, however, that no Person who has engaged in any dishonesty, fraud, fraudulent misrepresentation, fraudulent act, negligence, willful misconduct or wilful default shall be entitled to contribution from any Person who has not engaged in any dishonesty, fraud, fraudulent misrepresentation, fraudulent act, negligence, willful misconduct or wilful default and further provided that in no event shall the Agents be responsible for any amount in excess of the cash fee actually received from the Corporation under this Agreement and retained by the Agents. For purposes of this subsection 11(c), relative fault shall be determined by reference to, among other things, whether any untrue or alleged untrue statement of a material fact or any omission or alleged omission to state a material fact relates to information supplied by the Corporation on the one hand or the Agents on the other hand and the relevant intent, knowledge, access to information and opportunity to correct or prevent any such untrue statement or omission of the Corporation and the Indemnified Person.

- (ii) In the event that the Corporation is held to be entitled to contribution from the Agents under the provisions of any statute or law, the Corporation shall be limited to such contribution in an amount not exceeding the lesser of:
 - A. the portion of the amount of the loss or liability giving rise to such contribution for which the Agents are responsible as determined in accordance with subsection 11(c)(i) above; and
 - B. the amount of the cash fee actually received from the Corporation under this Agreement.
- (iii) For purposes of this subsection 11(c), each party hereto shall give prompt notice to the other party hereto of any claim, action, suit or proceeding threatened or commenced in respect of which a claim for contribution may be made under this subsection 11(c).

- (e) Held in Trust: To the extent that the indemnity contained in subsection 11(a) hereof is given in favour of a Person who is not a party to this Agreement, the Corporation hereby constitutes the Lead Agent as trustee for such Person for such indemnity and the covenants given by Corporation to such Person in this Agreement. The Lead Agent hereby accept such trust and shall hold such indemnity and covenants for the benefit of such Persons. The benefit of such indemnity and covenants shall be held by the Lead Agent in trust for the Persons in favour of whom such indemnities and covenants are given and may be enforced directly by such Persons.

12. Expenses

Whether or not the purchase and sale of the Units shall be completed as contemplated by this Agreement, all expenses of or incidental to the issue, sale and delivery of the Units and of or incidental to all matters in connection with the transactions herein set out shall be borne by the Corporation including, without limitation, (i) the reasonable fees of Canadian counsel for the Lead Agent to a maximum of \$50,000 (plus disbursements and applicable taxes); (ii) the Agents' reasonable "out of pocket" expenses.

13. **Conditions**

All of the terms and conditions contained in this Agreement to be satisfied by the Corporation prior to the Closing Time shall be construed as conditions and any breach or failure by the Corporation to comply with any of such terms and conditions shall entitle the Agents to terminate the obligations thereof to complete the Closing by written notice to that effect given by the Agents to the Corporation prior to the Closing Time. It is understood and agreed that the Agents may waive in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the rights thereof in respect of any other such term and condition or any other or subsequent breach or non-compliance; provided that to be binding on the Agents any such waiver or extension must be in writing and signed by the Agents. If the Agents shall elect to terminate the obligations thereof to complete the Closing as aforesaid, whether the reason for such termination is within or beyond the control of the Corporation, the liability of the Corporation hereunder shall be limited to the indemnity referred to in section 11 hereof, the right to contribution referred to in section 11 hereof and the payment of expenses referred to in section 12 hereof.

14. **Notices**

Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be personally delivered or sent by electronic communication no later than 5:00 p.m., Toronto time, on a Business Day to the following addresses:

- (a) in the case of the Corporation:

Defiance Silver Corp.
PO Box 21198
Maple Ridge Square RPO
Maple Ridge, British Columbia,
V2X 1P7

Attention: Chris Wright
Email: cwright@defiancesilver.com

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

Fasken Martineau DuMoulin LLP
800, rue du Square-Victoria, Suite 3500
Montréal, Québec
H4Z 1E9

Attention: Frank Mariage
Email: fmariage@fasken.com

- (b) in the case of the Agents:

Red Cloud Securities Inc.
105 King Street East, 2nd Floor
Toronto, Ontario M5C 1G6

Attention: Mark Styles
Email: mstyles@redcloudsecurities.com

And to:

Canaccord Genuity Corp.
609 Granville St – Suite 2100
Vancouver, BC
V7Y 1H2

Attention: Earle McMaster
Email: mcmaster@cgf.com

And to:

Jett Capital Advisors, LLC
712 5th Ave.
New York, NY 10019

Attention: Sam Grauer
Email: sg@jettcapital.com

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

Peterson McVicar LLP
18 King Street East, Suite 902
Toronto, Ontario M5C 1C4
Attention: Dennis Peterson
Email: dhp@petelaw.com

Either the Corporation or either of the Agents may change its address for notice by notice given in the manner aforesaid. Any such notice or other communication shall be in writing, and unless delivered to a responsible officer of the addressee, shall be given by electronic transmission, and shall be deemed to have been given on the day on which it was delivered or sent by electronic transmission unless such transmission was sent outside of usual business hours in the jurisdiction of receipt, in which case it shall be deemed given on the next Business Day.

15. **Acknowledgements**

The Corporation acknowledges that each of the Agents is a registered dealer which may engage from time to time in securities trading activities as well as providing investment banking and financial advisory services and that in the ordinary course of its trading activities, and each of the Agents and its affiliates at any time may hold long and short positions, and may trade or otherwise effect transactions, for their own account or the accounts of their clients, in debt or equity securities of the Corporation or any other person that may be involved in or related to the use of proceeds of the Offering or related derivative securities. The Corporation further acknowledges that the Agents and certain of their affiliates may participate in securities transactions on a proprietary basis, including the Offering or other securities of the Corporation or related entities;

The Agents acknowledge their responsibility to comply with applicable Securities Laws, including prohibitions on trading securities with knowledge of a material fact or material change that has not been generally disclosed. Further, the Agents have internal procedures which require the placing of relevant securities on a “grey list” or “restricted list” and for restrictions on trading by the respective Agent and its investment banking personnel for their own account in accordance with such procedures.

The Corporation further acknowledges that the Agents are acting solely as agents in connection with the offer and sale of the Units. The Corporation further acknowledges that the Agents are acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm’s length basis, and in no event do the parties intend that the Agents acts or are responsible as a fiduciary to the Corporation, its management, shareholders or creditors or any other person in connection with any activity that the Agents may undertake or have undertaken in furtherance of such offer and sale of the Corporation’s securities, either before or after the date hereof. Each of the Agents hereby expressly disclaims any fiduciary or similar obligations to the Corporation, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Corporation hereby confirms its understanding and agreement to that effect. The Corporation and each of the Agents agree that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Agents to the Corporation regarding such transactions, including, but not limited to, any opinions or views with respect to the price or market for the Corporation’s securities, do not constitute advice or recommendations to the Corporation. The Corporation and the Agents agree that the each of the Agents is acting as principal and not the agent or fiduciary of the Corporation and the neither Agent has not, and will not assume, any advisory responsibility in favour of the Corporation with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether either of the Agents has advised or is currently advising the Corporation on other matters).

16. **Miscellaneous**

- (a) **Reliance of the Agent**: All steps or other actions which must or may be taken by the Agents in connection with this Agreement shall be taken by the Agents, with the exception of the matters contemplated by sections 10, 11 and 13 on the Agents’ behalf, and the execution of this Agreement by the Agents shall constitute the authority of the Corporation for accepting notification of any such steps or other actions from the Agents.
- (b) **Governing Law**: This Agreement shall be governed by and be interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the parties hereto irrevocably attorn to the non-exclusive jurisdiction of the courts of such province.
- (c) **Time of Essence**: Time shall be of the essence of this Agreement.
- (d) **Survival**: The indemnities, agreements, representations, warranties and other statements of the Corporation and/or the Agents, as set forth in this Agreement, shall remain in full force and effect, for the benefit of the Agents and/or the Corporation, as applicable, in accordance with applicable law, regardless of any investigation (or any statement as to the results of any investigation) made by or on behalf of the Agents and shall survive delivery of and payment for the Units or the termination of such Agents’ obligations under this Agreement for a period of three years following the Closing Date, other than the representations and warranties relating to any tax matters which shall survive until the 90th

day following the date upon which the liability to which any such tax matter may relate is barred by all applicable laws.

- (e) Counterparts: This Agreement may be executed by any one or more of the parties to this Agreement by facsimile or in any number of counterparts, each of which when so executed shall be deemed to be an original and all of which when taken together shall constitute one and the same agreement.
- (f) Entire Agreement: This Agreement constitutes the entire agreement between the Corporation and the Agents in connection with the issue and sale of the Units by the Corporation and supersedes any terms or provisions relating to the Offering in all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Corporation and the Agents.
- (g) Severability: If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severed from this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Would you kindly confirm the agreement of the Corporation to the foregoing by executing two duplicate copies of this Agreement and thereafter returning such executed copy to the Lead Agent.

Yours truly,

RED CLOUD SECURITIES INC.

By:

“Bruce Tatters”

Name: Bruce Tatters
Title: Chief Executive Officer

CANACCORD GENUITY CORP.

By:

“Earle McMaster”

Name: Earle McMaster
Title: Director, Investment Banking

JETT CAPITAL ADVISORS, LLC

By:

“Sam Grauer”

Name: Sam Grauer
Title: Partner

The undersigned hereby accepts and agrees to the foregoing as of the 10th day of June, 2021.

DEFIANCE SILVER CORP.

By:

“Chris Wright”

Name: Chris Wright
Title: Executive Director and Chief Executive Officer

SCHEDULE "A"

Officers' Certificate

TO: RED CLOUD SECURITIES INC.
AND TO: CANACCORD GENUITY CORP.
AND TO: PETERSON MCVICAR LLP
AND TO: THE PURCHASERS OF UNITS OF DEFIANCE SILVER CORP.

CERTIFICATE

The undersigned, Chris Wright, Executive Director Chief Executive Officer, and Sherry Roberge, Chief Financial Officer and Corporate Secretary of Defiance Silver Corp. (the "**Corporation**"), hereby certify, for and on behalf of the Corporation in their capacity as officers and/or directors of the Corporation and not in their personal capacity, after having made due inquiry, that, to the best of their knowledge, information and belief, the following facts, matters and information are true and accurate and not misleading in any material respect:

1. The Corporation has complied with all covenants and agreements contained in, and has satisfied all of the terms and conditions of, the Agency Agreement (as defined below) to be complied with and satisfied by the Corporation at or prior to the Closing Time.
2. The representations and warranties of the Corporation contained in the Agency Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time.
3. Since June 30, 2020, except as disclosed in the Information, there has been no material adverse change (whether actual, anticipated, proposed, prospective or threatened) in the financial condition, assets, liabilities (contingent or otherwise), business, affairs, or operations of the Corporation or in the capital of the Corporation.
4. No transaction of a nature material to the Corporation has been entered into by the Corporation, except as disclosed in the Information.
5. There are no contingent liabilities affecting the Corporation which are material to the Corporation, which have not been disclosed in the Information.
6. No order, ruling or determination having the effect of ceasing or suspending the sale or ceasing, suspending or restricting trading in the Units, the Common Shares or any other securities of the Corporation has been issued or made by any stock exchange, securities commission or other regulatory authority and is continuing in effect and, to the best of our knowledge, no proceedings, investigations or enquiries for such purpose have been instituted or are pending, contemplated or threatened under any of the Securities Laws of the Offering Jurisdictions or by any stock exchange, securities commission or other regulatory authority.
7. To the best of our knowledge, there are no actions, suits, proceedings or enquiries pending or threatened against or affecting the Corporation or to which any property or assets of the Corporation is subject, at law or in equity, or before or by any federal, provincial, state, municipal or other

governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which may, in any way, materially and adversely affect the Corporation.

8. No failure or default on the part of the Corporation exists under any law or regulation applicable to the Corporation or under any licence, permit, contract, agreement or other instrument to which the Corporation is a party or by which the Corporation is bound, which may in any way materially and adversely affect the Corporation and the execution, delivery and performance of the Agency Agreement (as defined herein) and the performance by the Corporation of its obligations thereunder will not result in any such default.
9. This certificate is being made and delivered pursuant to subparagraph 5(a)(ii)E of the agency agreement dated the 10th day of June, 2021 between the Corporation and the Agents (the “**Agency Agreement**”) and we acknowledge that the addressees hereof will be relying on this certificate.

Unless otherwise defined herein, all words and terms with the initial letter or letters thereof capitalized in this certificate and not defined herein but defined in the Agency Agreement shall have the meanings given to such capitalized words and terms in the Agency Agreement. The undersigned acknowledge that they are familiar with the definitions given to the capitalized words and terms in the Agency Agreement and such definitions are hereby incorporated by reference.

IN WITNESS WHEREOF the undersigned have executed this certificate as of the 10th day of June, 2021.

Chris Wright, the Executive Director and Chief
Executive Officer of
Defiance Silver Corp.

Sherry Roberge, the Chief Financial Officer
and Corporate Secretary of
Defiance Silver Corp.

SCHEDULE "B"

LIST OF CONVERTIBLE SECURITIES

SCHEDULE “C”

COMPLIANCE WITH UNITED STATES SECURITIES LAWS

This is Schedule “C” to the agency agreement dated as of June 10, 2021 between Defiance Silver Corp. and Red Cloud Securities Inc. and Canaccord Genuity Corp. (the “Agency Agreement”).

Capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Agency Agreement to which this Schedule “C” is annexed.

The following terms shall have the meanings indicated:

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

“**Foreign Issuer**” means “foreign issuer” as defined in Rule 902(e) of Regulation S;

“**General Solicitation**” and “**General Advertising**” means “general solicitation” or “general advertising”, as those terms are used under Rule 502(c) of Regulation D. Without limiting the foregoing, but for greater clarity in this Schedule “C”, general solicitation or general advertising includes, but is not limited to, any advertisements, articles, notices or other communications published in any newspaper, magazine or similar media, or on the internet, or broadcast over radio, television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

“**Offered Securities**” means the Units, the Unit Shares, the Warrants and the Warrant Shares;

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

“**Qualified Institutional Buyer**” means a “qualified institutional buyer” as defined in Rule 144A under the U.S. Securities Act, that is also a U.S. Accredited Investor;

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

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

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

“**U.S. Accredited Investor**” means an “accredited investor” as such term is defined in Rule 501(a) of Regulation D;

“**U.S. Placement Agent**” means a United States registered broker-dealer affiliated with or appointed by one or more of the Agents; and

“**U.S. Purchaser**” means any Purchaser of Units that (a) receives or received an offer to acquire the Unit Shares and Warrants comprising the Units while in the United States or a U.S. Person, or (b) was in the United States or was a U.S. Person at the time such Person’s buy order was made or the Subscription Agreement pursuant to which it is acquiring Unit Shares and Warrants comprising the Units was executed or delivered.

Representations, Warranties and Covenants of the Agents

The Agents acknowledge that the Offered Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Offered Securities may not be offered or sold to, or for the account or benefit of, persons in the United States or U.S. Persons, except in accordance with an applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

Each Agent, on behalf of itself and any U.S. Placement Agent appointed by it, if applicable, represents, warrants, covenants and agrees to and with the Corporation, on the date hereof and on the Closing Date, severally, but not jointly, that:

1. It has not offered or sold, and will not offer or sell, at any time any Offered Securities except offers of Offered Securities for sale by the Corporation (a) in Offshore Transactions in compliance with Rule 903 of Regulation S, and (b) to, or for the account or benefit of, persons in the United States and U.S. Persons that are U.S. Accredited Investors or Qualified Institutional Buyers, in compliance with the exemption provided by Rule 506(b) of Regulation D and similar exemptions under applicable state securities laws, and as provided in paragraphs 2 through 13 below. Accordingly, none of the Agent, its affiliates, any U.S. Placement Agent or selling group member appointed by the Agent, or any person acting on any of their behalf, has made or will make (except as permitted herein): (i) any offer to sell, or any solicitation of an offer to buy, any Offered Securities to, or for the account or benefit of, a person in the United States or a U.S. Person (ii) any sale of Offered Securities to any Purchaser unless, at the time the buy order was or will have been originated, the Purchaser was outside the United States and not a U.S. Person or the Agent, its affiliates, any U.S. Placement Agent or selling group member appointed by the Agent, or any person acting on any of their behalf, reasonably believed that such Purchaser was outside the United States and not a U.S. Person, or (iii) any Directed Selling Efforts.

2. It has not entered and will not enter into any contractual arrangement with respect to the offer and sale of the Offered Securities except with a U.S. Placement Agent, any selling group member or with the prior written consent of the Corporation. The Agent shall require the U.S. Placement Agent appointed by it, if applicable, to agree, and each selling group member to agree, for the benefit of the Corporation, to comply with, and shall use its commercially reasonable best efforts to ensure that such U.S. Placement Agent and each selling group member complies with, the same provisions of this Schedule “C” as apply to the Agent as if such provisions applied to such U.S. Placement Agent and such selling group member.

3. All offers of Offered Securities that have been or will be made by it to, or for the account or benefit of, persons in the United States or U.S. Persons, have been or will be made through the U.S. Placement Agent, if applicable, and in compliance with all applicable U.S. federal and state broker-dealer requirements. Any U.S. Placement Agent is duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act and under the securities laws of each state in which such offers and sales were or will be made (unless exempted from the respective state’s broker-dealer registration requirements), and a member in good standing with the Financial Industry Regulatory Authority, Inc.

4. None of the Agent, its affiliates, any U.S. Placement Agent or selling group member appointed by the Agent, or any person acting on any of their behalf has utilized, and none of such persons will utilize,

any form of General Solicitation or General Advertising in connection with the offer and sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons, or has offered or will offer any Offered Securities in any manner involving a public offering in the United States within the meaning of Section 4(a)(2) of the U.S. Securities Act.

5. Immediately prior to soliciting persons in the United States or U.S. Persons, the Agent, its affiliates, any U.S. Placement Agent or selling group member appointed by the Agent, and any person acting on any of their behalf had reasonable grounds to believe and did believe that each offeree was either (i) a U.S. Accredited Investor or (ii) a Qualified Institutional Buyer, as applicable, and at the time of completion of each sale by the Corporation to, or for the account or benefit of, a person in the United States or a U.S. Person, the Agent, its affiliates, any U.S. Placement Agent or selling group member appointed by the Agent, and any person acting on any of their behalf will have reasonable grounds to believe and will believe, that each such U.S. Purchaser purchasing the Offered Securities from the Corporation is either (i) a U.S. Accredited Investor or (ii) a Qualified Institutional Buyer, as applicable.

6. All offerees of the Offered Securities solicited by it that are, or are acting for the account or benefit of, persons in the United States or U.S. Persons shall be informed that the Offered Securities have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States and that the Offered Securities are being offered and sold to such Persons in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D, and similar exemptions under applicable state securities laws.

7. It agrees to deliver, through the U.S. Placement Agent, if applicable, to each person in the United States or U.S. Person to whom it offers to sell or from whom it solicits any offer to buy the Offered Securities the form of Subscription Agreement. No other written material will be used in connection with the offer or sale of the Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons.

8. Prior to completion of any sale of Offered Securities to, or for the account or benefit of, a person in the United States or a U.S. Person, (i) each such U.S. Purchaser thereof that is purchasing Offered Securities as a U.S. Accredited Investor will be required to provide to the Agent and the U.S. Placement Agent a completed Subscription Agreement, including the U.S. Accredited Investor Certificate attached as Appendix II to the Subscription Agreement, and each such U.S. Purchaser thereof that is purchasing Offered Securities as a Qualified Institutional Buyer will be required to provide to the Agent and the U.S. Placement Agent a completed Subscription Agreement, including the Qualified Institutional Buyer Certificate attached as Appendix III to the Subscription Agreement, and the Agent and the U.S. Placement Agent shall provide the Corporation with copies of all such completed and executed agreements for acceptance by the Corporation.

9. None of (i) the Agent or any U.S. Placement Agent, (ii) the Agent's or U.S. Placement Agent's general partners or managing members, (iii) any of the Agent's or U.S. Placement Agent's directors, executive officers or other officers participating in the offering of the Offered Securities, (iv) any of the Agent's or U.S. Placement Agent's general partners' or managing members' directors, executive officers or other officers participating in the offering of the Offered Securities or (v) any other person associated with any of the above persons, including any selling group member and any such persons related to such selling group member, that has been or will be paid (directly or indirectly) remuneration for solicitation of Purchasers in connection with the sale of the Offered Securities (each, a "**Dealer Covered Person**" and, collectively, the "**Dealer Covered Persons**"), is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1)(i) to (viii) under Regulation D (a "**Disqualification Event**") except for a Disqualification Event contemplated by Rule 506(d)(2) of the U.S. Securities Act and a description of which has been furnished in writing to the Corporation prior to the date hereof. It will notify the Corporation in

writing, prior to the Closing Date of (a) any Disqualification Event relating to any Dealer Covered Person not previously disclosed to the Corporation hereunder, and (b) any event that would, with the passage of time, become a Disqualification Event relating to any Dealer Covered Person.

10. The Agent represents that it is not aware of any person (other than any Dealer Covered Persons) that has been or will be paid (directly or indirectly) remuneration for solicitation of Purchasers in connection with the sale of any Offered Securities.

11. At least two Business Days prior to the Closing Date, it will provide the Corporation with a list of all U.S. Purchasers.

12. None of the Agent, its affiliates, any U.S. Placement Agent or selling group member appointed by the Agent, or any person acting on any of their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Securities.

13. At the Closing, the Agent will, together with the U.S. Placement Agent, if applicable, provide a certificate, substantially in the form of Annex I to this Schedule "A", relating to the manner of the offer and sale of the Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons. Failure to deliver such a certificate shall constitute a representation by such Agent and such U.S. Placement Agent, if applicable, that neither it nor anyone acting on its behalf has offered or sold Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons.

Representations, Warranties and Covenants of the Corporation

The Corporation represents, warrants, covenants and agrees to and with the Agents, as at the date hereof and as at the Closing Date, that:

1. The Corporation is, and at the Closing Date will be, a Foreign Issuer with no Substantial U.S. Market Interest in the Offered Securities or the Common Shares.

2. The Corporation is not, and following the application of the proceeds from the sale of the Offered Securities will not be, registered or required to be registered as an "investment company" as such term is defined in the United States Investment Company Act of 1940, as amended, under such Act.

3. The offer and sale of the Offered Securities to, or for the account or benefit of, persons in the United States and U.S. Persons by the Agents through any U.S. Placement Agents, if applicable, is not prohibited pursuant to a court order issued pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated thereunder.

4. Except with respect to sales to, or for the account or benefit of, persons in the United States or U.S. Persons that are U.S. Accredited Investors and Qualified Institutional Buyers solicited by the Agents through the U.S. Placement Agents, if applicable, in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D, and similar exemptions under applicable U.S. state securities laws, none of the Corporation, its affiliates, or any person acting on any of their behalf (other than the Agents, the U.S. Placement Agents, any selling group members, their respective affiliates or any person acting on any of their behalf, in respect of which no representation, warranty, covenant or agreement is made), has made or will make: (a) any offer to sell, or any solicitation of an offer to buy, any Offered Securities to, or for the account or benefit of, a person in the United States or a U.S. Person; or (b) any sale of Offered Securities unless, at the time the buy order was or will have been originated, (i) the Purchaser is outside the United States and not a U.S. Person or (ii) the Corporation,

its affiliates, and any person acting on any of their behalf reasonably believe that the Purchaser is outside the United States and not a U.S. Person.

5. During the period in which Offered Securities are offered for sale, none of the Corporation, its affiliates, or any person acting on any of their behalf (other than the Agents, the U.S. Placement Agents, any selling group members, their respective affiliates or any person acting on any of their behalf, in respect of which no representation, warranty, covenant or agreement is made) has engaged in or will engage in any Directed Selling Efforts or has taken or will take any action that would cause the exemption afforded by Rule 506(b) of Regulation D to be unavailable for offers and sales of Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of Offered Securities outside the United States to non-U.S. Persons in accordance with the Agency Agreement, including this Schedule “C”.

6. None of the Corporation, its affiliates or any person acting on any of their behalf (other than the Agents, the U.S. Placement Agents, any selling group members, their respective affiliates or any person acting on any of their behalf, in respect of which no representation, warranty, covenant or agreement is made) has offered or will offer to sell, or has solicited or will solicit offers to buy, Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons by means of any form of General Solicitation or General Advertising or has taken or will take any action that would constitute a public offering of the Offered Securities in the United States within the meaning of Section 4(a)(2) of the U.S. Securities Act.

7. None of the Corporation, any of its affiliates or any person acting on any of their behalf (other than the Agents, the U.S. Placement Agents, any selling group members, their respective affiliates or any person acting on any of their behalf, in respect of which no representation, warranty, covenant or agreement is made) has offered or sold, or will offer or sell, for a period commencing six months prior to the commencement of the Offering and ending six months following the Closing Date, any securities in a manner that would be integrated with the offer and sale of the Offered Securities and would cause the exemption from registration provided by Rule 506(b) of Regulation D or the exclusion from registration afforded by Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Securities.

8. None of the Corporation, any of its predecessors, any affiliated issuer, any director, executive officer, other officer of the Corporation participating in the Offering, any beneficial owner (as that term is defined in Rule 13d-3 under the U.S. Securities Act) of 20% or more of the Corporation’s outstanding voting equity securities, calculated on the basis of voting power, or any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Corporation in any capacity at the time of sale of the Offered Securities (each, an “**Issuer Covered Person**” and together, the “**Issuer Covered Persons**”) is subject to any Disqualification Event. The Corporation has exercised reasonable care to determine whether any Issuer Covered Person is subject to a Disqualification Event.

9. The Corporation is not aware of any person (other than any Dealer Covered Persons (as defined above)) that has been or will be paid (directly or indirectly) remuneration for solicitation of Purchasers in connection with the sale of Offered Securities.

10. The Corporation will notify the Agents and the U.S. Placement Agents in writing, prior to the Closing Date of (a) any Disqualification Event relating to any Issuer Covered Person and (b) any event that would with the passage of time, become a Disqualification Event relating to any Issuer Covered Person.

11. None of the Corporation or any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.

12. The Corporation shall duly prepare and file with the SEC a Form D within 15 days after the first sale of Offered Securities in reliance on Rule 506(b) of Regulation D, and will file such notices and other documents as are required to be filed under the state securities or “blue sky” laws of the states in which the Offered Securities are sold to satisfy the requirements of applicable exemptions from registration or qualification of the Offered Securities under such laws.

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

14. Upon receipt of a written request from a U.S. Purchaser, the Corporation shall make a determination if the Corporation is a “passive foreign investment company” (a “**PFIC**”) within the meaning of Section 1297(a) of the United States Internal Revenue Code of 1986, as amended (the “**Code**”), during any calendar year following the purchase of the Offered Securities by such U.S. Purchaser, and if the Corporation determines that the Corporation is a PFIC during such year, the Corporation will provide to such U.S. Purchaser, upon written request, all information that would be required to permit a United States shareholder to make an election to treat the Corporation as a “qualified electing fund” for the purposes of the Code.

General

Each of the Agents (and the U.S. Placement Agents) on the one hand and the Corporation on the other hand understand and acknowledge that the other parties hereto will rely on the truth and accuracy of the representations, warranties, covenants and agreements contained herein.

ANNEX I TO SCHEDULE “A”

AGENT’S CERTIFICATE

In connection with the private placement in the United States of Offered Securities of the Corporation pursuant to the Agency Agreement, Canaccord Genuity Corp. and Canaccord Genuity Wealth Management (USA) Inc., its U.S. Placement Agent, do hereby certify as follows:

- (a) the Offered Securities have been offered and sold by us in the United States only by the U.S. Placement Agent which was on the dates of all such offers and sales, and is on the date hereof, duly registered as a broker-dealer pursuant to Section 15(b) of the U.S. Exchange Act, and under the securities laws of each state in which such offers and sales were made (unless exempted from the respective state’s broker-dealer registration requirements) and was and is a member in good standing with the Financial Industry Regulatory Authority, Inc.;
- (b) immediately prior to transmitting the form of Subscription Agreement to offerees that were, or were acting for the account or benefit of, persons in the United States and U.S. Persons, we had reasonable grounds to believe and did believe that each such person was a U.S. Accredited Investor or a Qualified Institutional Buyer, as applicable, and we continue to believe that each U.S. Purchaser of Offered Securities that we have arranged is a U.S. Accredited Investor or a Qualified Institutional Buyer, as applicable, on the date hereof;
- (c) all offers and sales of the Offered Securities by us to, or for the account or benefit of, persons in the United States and U.S. Persons have been effected in accordance with all applicable U.S. federal and state broker-dealer requirements;
- (d) no form of General Solicitation or General Advertising was used by us in connection with the offer and sale of the Offered Securities to, or for the account or benefit of, persons in the United States or U.S. Persons and we have not offered and will not offer any Offered Securities in any manner involving a public offering in the United States within the meaning of Section 4(a)(2) of the U.S. Securities Act;
- (e) prior to any sale of Offered Securities to, or for the account or benefit of, a person in the United States or a U.S. Person that is a U.S. Accredited Investor, we caused such person to execute a Subscription Agreement in the form agreed to by the Corporation and the Agents, including Appendix II to the Subscription Agreement, and prior to any sale of Offered Securities to, or for the account or benefit of, a person in the United States or a U.S. Person that is a Qualified Institutional Buyer, we caused such person to execute a Subscription Agreement in the form agreed to by the Corporation and the Agents, including Appendix III to the Subscription Agreement;
- (f) neither we, nor our affiliates nor or any person acting on any of our behalf have taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Offered Securities;
- (g) none of (i) the undersigned, (ii) the undersigned’s general partners or managing members, (iii) any of the undersigned’s directors, executive officers or other officers participating in the offering of the Subscription Receipts, (iv) any of the undersigned’s general partners’ or managing members’ directors, executive officers or other officers participating in the offering of the Offered Securities or (v) any Dealer Covered Person is subject to any of the “Bad Actor” disqualifications described in Rule 506(d)(1)(i) to (viii) under Regulation D, except for a Disqualification Event contemplated by Rule 506(d)(2) of the U.S. Securities Act and a description of which has been furnished in writing to the Corporation prior to the date hereof; and (vii) the undersigned is not aware of any person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of the Offered Securities;

- (h) all offerees and Purchasers that are, or are acting for the account or benefit of, persons in the United States or U.S. Persons have been informed that the Offered Securities have not been and will not be registered under the U.S. Securities Act and are being offered and sold to such purchasers without registration in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D and similar exemptions under applicable state securities laws; and
- (i) the offering of the Offered Securities has been conducted by us in accordance with the terms of the Agency Agreement, including Schedule “C” attached thereto.

Terms used in this certificate have the meanings given to them in the Agency Agreement (including Schedule “A” attached thereto) unless defined herein.

DATED as of this 10th day of June, 2021.

CANACCORD GENUITY CORP.

**CANACCORD GENUITY WEALTH
MANAGEMENT (USA) INC.**

By:

By:

Authorized Signing Officer

Authorized Signing Officer