

INVESTMENT AGREEMENT

VELOCITY MINERALS LTD.

- and -

DUNDEE PRECIOUS METALS INC.

November 13, 2020

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INVESTMENT AGREEMENT

THIS AGREEMENT made as of November 13, 2020 between:

VELOCITY MINERALS LTD., a corporation existing under the laws of the Province of British Columbia, having an office at Suite 2300, 1177 West Hastings Street, Vancouver, British Columbia, V6E 2K3

(hereinafter referred to as the “**Company**”),

- and -

DUNDEE PRECIOUS METALS INC., a corporation existing under the federal laws of Canada, having an office at Suite 500, 1 Adelaide Street East, Toronto, Ontario, M5C 2V9

(hereinafter referred to as the “**Investor**”).

WHEREAS the Company has agreed to allot and issue to the Investor, and the Investor has agreed to purchase from the Company up to 14,000,000 Common Shares (the “**Purchased Shares**”) at a price of \$0.50 per Purchased Share (the “**Purchase Price**”), upon and subject to the terms and conditions contained herein;

AND WHEREAS the number of Purchased Shares to be issued to the Investor at the Closing will result in the Investor owning on the Closing Date, on a non-diluted basis, 9.99% of the issued and outstanding Common Shares (the “**Initial Percentage**”), after giving effect to the Concurrent Issuances, immediately following the Closing;

AND WHEREAS the Company and the Investor have agreed that the Company shall use the proceeds of the issuance of the Purchased Shares only for Permitted Expenditures;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the respective covenants and agreements of the Parties hereinafter contained and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged by each Party), the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Defined Terms

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

“**Act**” means the *Business Corporations Act* (British Columbia);

“**Affiliate**” means, in relation to any Person (the “**first named person**”), any other Person that controls, is controlled by or is under common control with the first named person; provided that, for greater certainty, neither the Company nor any of the Subsidiaries is an Affiliate of the Investor or any of its subsidiaries for the purposes of this Agreement;

“**Agreement**” means this agreement and the Schedules attached hereto and all amendments, restatements or replacements made hereto by written agreement between the Parties;

“**arm’s length**” has the meaning given to that term in the Tax Act, as in effect on the date of this Agreement;

“**Artemis**” means Artemis Gold Inc., formerly 1193490 B.C. Ltd.;

“**Artemis Investment Agreement**” means the investment agreement made as of January 16, 2019 among the Company, Artemis and Atlantic Gold Corporation (and any amendments thereto);

“**Artemis Convertible Debenture**” means the 8.5% secured convertible debenture in the principal amount of \$5,094,000 issued by the Company to Artemis on March 14, 2019 (and any amendments thereto);

“**Articles**” means the articles of the Company together with any amendments thereto or replacements thereof;

“**Associate**” has the meaning ascribed to such term in the *Securities Act* (British Columbia), as in effect on the date of this Agreement;

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

“**Business**” means the mineral exploration and development business of the Company and the Subsidiaries as presently conducted and described in the Public Disclosure Documents;

“**Business Day**” means any day, other than (a) a Saturday, Sunday or statutory holiday in the Province of British Columbia, and (b) a day on which banks are generally closed in the Province of British Columbia or the Province of Ontario;

“**Claim**” means any claim of any nature whatsoever, including any demand, obligation, Liability, debt, cause of action, suit, proceeding, judgment, award, assessment, reassessment or notice of determination of loss;

“**Closing**” means the Closing of the issuance of the Purchased Shares hereunder;

“**Closing Date**” means November 24, 2020, or such other Business Day as the Parties agree in writing as the date that the Closing shall take place, which date may not be later than the Outside Date;

“**Closing Document**” means any document delivered at or subsequent to the Time of Closing as provided in or pursuant this Agreement;

“**Common Shares**” means common shares in the capital of the Company;

“**Company Disclosure Letter**” means the disclosure letter dated the date of this Agreement and delivered by the Company to the Investor prior to the execution of this Agreement;

“**Concurrent Issuances**” has the meaning ascribed thereto in Section 3.1(e);

“**Confidentiality Agreement**” means the confidentiality agreement made effective September 11, 2020 between the Company and the Investor;

“**Contract**” means any agreement, indenture, contract, lease, deed of trust, licence, option, instrument, arrangement, understanding or other commitment, whether written or oral;

“control” means the possession, directly or indirectly, by a Person of the power to direct or cause the direction of the management and policies of another Person, whether through the ownership of voting securities, through Contract or otherwise;

“Convertible Securities” means any agreement, option, warrant, note, instrument, right or other security or conversion privilege issued or granted by the Company or any of its Affiliates that is exercisable or convertible into, or exchangeable for, or otherwise carries the right of the holder to purchase or otherwise acquire Common Shares, including pursuant to one or more multiple exercises, conversions and/or exchanges;

“Due Diligence” means due diligence with respect to (i) the Company’s Rozino project, as to: (A) the Tintyava Shareholders’ Agreement, and (B) the exploration and mining alliance agreement made as of September 4, 2018 between Kibela and Gorubso (and any amendments thereto) and with limited and reasonable redactions in respect of certain sensitive commercial information; (ii) an unredacted copy of the Artemis Investment Agreement; and (iii) standard searches (such as corporate, litigation, regulatory actions, executions, bankruptcy and others) with respect to the Company, the Subsidiaries and their respective directors and officers;

“Encumbrance” means any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest of any nature, adverse interest, adverse claim, exception, reservation, easement, right of occupation, any matter capable of registration against title, option, right of pre-emption, privilege, other third party interest or any Contract to create any of the foregoing;

“Environment” includes the air, surface water, groundwater, body of water, any land, soil or underground space even if submerged under water or covered by a structure, all living organisms and the interacting natural systems that include components of air, land, water, organic and inorganic matters and living organisms and the environment or natural environment as defined in any Environmental Law and **“Environmental”** will have a similar extended meaning;

“Environmental Laws” means all applicable Laws relating to the protection of the Environment, natural resources, human health and safety, Hazardous Substances, the assessment of Environmental and social impacts or the rehabilitation, reclamation and closure of lands used in connection with the Business;

“Equity Financing” has the meaning set out in Section 4.2(a);

“Equity Financing Notice” has the meaning set out in Section 4.2(a)(i);

“Equity Securities” has the meaning set out in Section 4.2(a);

“Exempt Issuances” means (i) Common Shares or options issued in conjunction with the Company’s stock option plan and other incentive plans as may be approved by Shareholders from time to time, and Common Shares or options issued to management, directors, employees or consultants of the Company in exchange for remuneration; (ii) Common Shares issued pursuant to Convertible Securities outstanding on the Closing Date, including in respect of any Common Shares issued in lieu of interest payments pursuant to the Artemis Convertible Debenture and any Common Shares issued in respect of the conversion of the Artemis Convertible Debenture in whole or in part; (iii) Common Shares issued pursuant to the terms of Convertible Securities issued after the Closing Date, provided the Investor was given the opportunity to fully exercise its participation right

under Article 4 (and the Company has complied with all its obligations in respect thereof); and (iv) a rights offering that is open to all Shareholders;

“Financial Statements” means the audited financial statements of the Company as at and for the year ended December 31, 2019, including the notes thereto, together with the auditor’s report thereon and the unaudited interim financial statements as at and for the interim period ended September 30, 2020, including the notes thereto;

“Finder” means a finder, agent, financial advisor or other person engaged to find or act as agent on behalf of purchasers of or subscribers for, or proposed purchasers of or subscribers for, securities of the Company or to otherwise identify potential investors in, or lenders to, or any other potential sources of debt, revenue or financial benefit (including, for greater certainty, off-take arrangements) for the Company, in return for compensation including cash and/or securities of the Company;

“Gorubso” means Gorubso-Kardzhali AD;

[Redacted – commercially sensitive information];

“Governmental Approval” means any authorization, consent, approval, licence, ruling, Permit, concession, certification, exemption, filing, variance, order, judgment, decree, publication, notice to, declaration of or with or registration by or with any Governmental Entity, including without limitation approval from the TSXV;

“Governmental Entity” means any domestic or foreign federal, provincial, regional, state, municipal or other government, governmental department, agency, authority or body (whether administrative, legislative, executive or otherwise), court, tribunal, commission or commissioner, bureau, minister or ministry, board or agency, or other regulatory authority, including any securities regulatory authorities;

“Hazardous Substances” means any substance, material or waste that is defined, judicially interpreted or identified in, or regulated, listed or prohibited by Environmental Laws, including pollutants, contaminants, chemicals, deleterious substances, dangerous goods, hazardous or industrial toxic wastes or substances, tailings, wasterock, radioactive materials, flammable substances, explosives, reagents, petroleum and petroleum products, polychlorinated biphenyls, chlorinated solvents and asbestos;

“HST” and **“GST”** mean, respectively, harmonized sales tax and goods and services tax levied under the *Excise Tax Act* (Canada);

“Iglika Property” means Iglika gold-copper property, located in Bulgaria;

“Indemnified Party” or **“Indemnifying Party”** has the meaning set out in Section 7.3;

“Initial Percentage” has the meaning set out in the recitals hereto;

“Investor’s Nominee” has the meaning set out in Section 4.1(a);

“Investor’s Percentage” means the percentage of the outstanding Common Shares owned beneficially by the Investor at any given time and is calculated by multiplying 100 by a fraction, the numerator of which is the aggregate number of Common Shares held or beneficially owned by the Investor (including any Common Shares that are issuable upon the exercise, exchange or conversion of Convertible Securities held or beneficially owned by the Investor), and the denominator of which is the number of outstanding Common

Shares (including any Common Shares that are issuable upon the exercise, exchange or conversion of Convertible Securities held or beneficially owned by the Investor);

“**Kibela**” means Kibela Minerals AD;

“**Laws**” means any and all federal, provincial, regional, local, municipal or other law, statute, constitution, principle of common law, resolution, ordinance, proclamation, directive, code, edict, Order, rule, regulation, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Entity;

“**Liability**” includes any indebtedness, obligations or liabilities of any kind, whether primary or secondary, direct or indirect, accrued, absolute or contingent, liquidated or unliquidated, secured or unsecured and whether or not reflected or required to be reflected in a balance sheet in accordance with generally accepted accounting principles;

“**Loss**” means any loss, liability, damage, cost or expense suffered or incurred, including the costs and expenses of any assessment, judgment, settlement or compromise relating thereto;

“**Material Adverse Effect**” or “**Material Adverse Change**” means any event, change, fact, or state of facts that is material and adverse to the business, affairs, prospects, capital, operations, properties, Permits necessary to conduct its business, contractual arrangements, assets, liabilities (contingent or otherwise) or condition (financial or otherwise) of the Company and the Subsidiaries considered on a consolidated basis, provided that it shall not include any event, change or effect resulting from: (i) the announcement of the execution of this Agreement or the transactions contemplated herein or the performance of the covenants and obligations herein; (ii) any action taken by the Company or the Subsidiaries at the request of the Investor or as required under this Agreement, or the failure to take any action prohibited by this Agreement; (iii) changes in the U.S. or Canadian economy or securities or currency markets in general which do not have a materially disproportionate effect on the Company and the Subsidiaries, taken as a whole, than their effect on other operators of a similar business; (iv) changes in generally accepted accounting principles which do not have a materially disproportionate effect on the Company and the Subsidiaries, taken as a whole, than their effect on other operators of a similar business; (v) any natural disaster which does not have a materially disproportionate effect on the Company and the Subsidiaries, taken as a whole, than its effect on other operators of a similar business; (vi) changes generally affecting the industries and markets in which the Company or any of the Subsidiaries conduct business which do not have a materially disproportionate effect on the Company and the Subsidiaries, taken as a whole, than their effect on other operators of a similar business; or (vii) any decrease in the market price or any decline in the trading volume of Common Shares on the TSXV (it being understood, however, that any event, change or effect causing or contributing to any such decreases in market price may constitute a Material Adverse Effect and may be taken into account in determining whether a Material Adverse Effect has occurred);

“**material change**” means a material change for the purposes of Securities Laws or, where undefined under Securities Laws, means a change in the business, operations, affairs, liabilities (absolute, accrued, contingent or otherwise), capital, operations, financial condition, properties, prospects or assets of a person that would reasonably be expected to have a significant effect on the market price or value of its securities and includes a

decision to implement such a change made by the board of directors of such person, or, alternatively, by senior management of such person, where they believe that confirmation of the decision by the board of directors of such person, is probable;

“Material Contracts” means, collectively, the material contracts of the Company and its Affiliates set out in Schedule 3.1(bb), which includes: (i) each Contract material to the Business, being a Contract that involves the potential expenditure of more than **[Redacted – commercially sensitive information]** in the aggregate, or in excess of **[Redacted – commercially sensitive information]** in any calendar year and (ii) any Contract of the Company or the Subsidiaries:

- (a) creating or that may lead to the creation of a joint venture, partnership or similar arrangement;
- (b) with one or more of its Shareholders, or as a shareholder of another person, or relating to the voting of securities;
- (c) granting any royalty or other interest in any Real Property or Mineral Rights or the production or proceeds therefrom;
- (d) granting options to acquire assets from the Company or granting any royalty, earn-in or farm-in rights to the Company;
- (e) relating to the sale of mineral products by the Company, including sales agreements or off-take arrangements;
- (f) with a Related Party of the Company;
- (g) guaranteeing, assuming or acting as a surety in respect of any liabilities or obligations of another person who is not an Affiliate;
- (h) relating to Convertible Securities or Redemption Rights, except those agreements relating to the grant of options pursuant to the Company’s stock option plan and in relation to any common share purchase warrants or broker warrants outstanding as of the date of this Agreement;
- (i) to obtain Real Property;
- (j) with any Governmental Entity, other than the Mineral Rights;
- (k) containing change of control provisions where such Contract involves an expenditure by the Company on a change of control of at least **[Redacted – commercially sensitive information]**;
- (l) limiting the ability of the Company to engage in any line of business or to compete with any other person;
- (m) giving an indemnity to any person, other than those provided to officers and directors of the Company pursuant to the Company’s Articles, or provided in ordinary course commercial agreements;
- (n) relating to any issuance or potential issuance of any securities of the Company, except those agreements relating to the grant of options pursuant to the Company’s stock option plan and in relation to any common share purchase warrants or broker warrants outstanding;

- (o) relating to prior or contemplated business combinations, acquisitions, mergers or asset divestitures to the extent such Contracts remain in full force and effect; and
- (p) not entered into in the ordinary course of business (other than those which are cancellable without penalty within 30 days and have no ongoing liabilities or obligations after termination);

“material fact” means a material fact for the purposes of Securities Laws or, where undefined under Securities Laws, means a fact that would reasonably be expected to have a significant effect on the market price or value of a person’s securities;

“Material Subsidiaries” means, collectively, Kibela, Tintyava and any Subsidiary of the Company that holds material property or assets of the Company on the Closing Date and **“Material Subsidiary”** means any one of them;

“Mineral Rights” has the meaning set out in Section 3.1(s)(i)(A);

“Momchil Property” means the Momchil property, which is centered on the Obichnik deposit, located in Bulgaria;

“Nadezhda Property” means the Nadezhda property, which is centered on the Makedontsi deposit, located in Bulgaria;

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

“NI 45-106” means National Instrument 45-106 - *Prospectus Exemptions*;

“NI 51-102” means National Instrument 51-102 - *Continuous Disclosure Obligations*;

“NI 52-109” means National Instrument 52-109 - *Certification of Disclosure in Issuers’ Annual and Interim Filings*;

“NI 62-104” means National Instrument 64-102 – *Take-Over Bids and Issuer Bids*;

“Non-Cash Transaction” means a transaction pursuant to which the Company issues Equity Securities for non-cash consideration, or as a result of a consolidation, amalgamation, merger, arrangement, corporate reorganization or similar transaction or business reorganization resulting in a combined company, excluding such transactions where the Company would not be the surviving entity as a publicly traded company;

“Non-Cash Transaction Notice” has the meaning set out in Section 4.2(a)(i);

“Notice of Articles” means the notice of articles of the Company, together with any amendments thereto or replacements thereof;

“Order” means any judgment, decision, decree, injunction, ruling, writ, assessment or order of any Governmental Entity that is binding on any Person or its property under applicable Law;

“ordinary course of business” means the ordinary course of the Company’s business consistent with past practices and with good mining and business practice;

“Outside Date” means November 30, 2020;

“Parties” means the parties to this Agreement and **“Party”** means any one of them;

“Permit” means any permit, lease, licence, claim, certificate, order, grant, approval, consent, registration, closure plan or other authorization of or from any Governmental Entity;

“Permitted Expenditures” means expenditures related to the advancement of the Rozino project, which is part of the Tintyava Property, and other exploration properties of the Company, and for general working capital purposes;

“Person” means any individual, company, limited partnership, general partnership, joint stock company, limited liability company, joint venture, association, corporation, trust, bank, trust company, pension fund, business trust or other organization, whether or not a legal entity and any Governmental Entity;

“Principal Stock Exchange” means, with respect to the equity securities of a Party, the stock exchange in Canada on which the highest volume of voting shares is generally traded at the time;

“Property Option Agreements” has the meaning set out in Section 3.1(s)(i)(B);

“Properties” means, collectively, the Tintyava Property, the Nedezhda Property, the Momchil Property and the Igluka Property;

“Public Disclosure Documents” means, collectively, all of the documents which have been filed by or on behalf of the Company prior to the Time of Closing with the relevant Securities Regulators pursuant to the requirements of Securities Laws, available for viewing on the Company’s profile on www.sedar.com;

“Purchase Price” has the meaning set out in the recitals hereto;

“Purchased Shares” has the meaning set out in the recitals hereto;

“Real Property” has the meaning set out in Section 3.1(t);

“Redemption Rights” has the meaning set out in Section 3.1(f);

“Related Party” means, with respect to any Person (the **“first named person”**), any Person that does not deal at arm’s length with the first named person or is an Associate of the first named person and, in the case of the Company, means:

- (a) a control person of the Company;
- (b) a Person of which the Person referred to in paragraph (a) is a control person;
- (c) a Person of which the Company is a control person;
- (d) a Person that has (i) beneficial ownership of, or control or direction over, directly or indirectly, or (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly, securities of the Company carrying more than 10% of the voting rights attached to all of the Company’s outstanding voting securities;
- (e) a director or senior officer of the Company or of a Person described in any other paragraph of this definition;
- (f) a Person, of which the Persons described in any paragraph of this definition beneficially own, in the aggregate, more than 50% of the securities of that Person;
or

(g) any direct or indirect subsidiary of the Company,

and “**Related Parties**” means more than one Related Party;

“**Remedial Period**” has the meaning set out in Section 4.2(g);

“**Reporting Jurisdictions**” means the provinces of British Columbia, Alberta and Ontario;

“**Restricted Period**” has the meaning set out in Section 4.4;

“**Securities Laws**” means all applicable Canadian securities laws and the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, notices, orders, blanket rulings and other regulatory instruments of the securities regulatory authorities in such provinces and all rules and policies of the TSXV or such other stock exchange on which the Common Shares are listed at the time;

“**Securities Regulators**” means, collectively, the securities commissions or other securities regulatory authorities in the Reporting Jurisdictions;

“**Shareholders**” means holders of Common Shares;

“**Subsidiaries**” means, collectively, Velocity Exploration Ltd., Kibela, Kabiri Minerals EOOD, Tintyava, Tethyan Exploration EOOD, Velocity Minerals Holdings Ltd. and Velocity Minerals Malta Ltd. and “**Subsidiary**” means any one of them;

“**Tax**” or “**Taxes**” means all taxes, assessments, charges, dues, duties, rates, fees, imposts, levies and similar charges of any kind lawfully levied, assessed or imposed by any Governmental Entity, including all income taxes (including any tax on or based upon net income, gross income, income as specially defined, earnings, profits or selected items of income, earnings or profits) and all capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes (including, without limitation, taxes relating to the transfer of interests in real property or entities holding interests therein), franchise taxes, licence taxes, withholding taxes, payroll taxes, employment taxes, excise, severance, social security, workers’ compensation, employment insurance or compensation taxes or premium, stamp taxes, occupation taxes, premium taxes, property taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, customs duties or other taxes, fees, imports, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on such entity, and any interest, penalties, additional taxes and additions to tax imposed with respect to the foregoing;

“**Tax Act**” means the *Income Tax Act* (Canada);

“**Tax Return**” means any return, report, declaration, designation, election, notice, filing, form, claim for refund, information return or other document (including any related or supporting schedule, statement or information) filed or required to be filed in connection with the determination, assessment or collection of any Tax or the administration of any Laws, regulations or administrative requirements relating to any Tax;

“**Technical Report**” means the technical report titled “Rozino Gold Project Pre-feasibility Study ” prepared for Velocity Minerals Ltd. dated October 14, 2020 with an effective date of August 30, 2020;

“**Third Party**” means any Person other than the Company or the Investor that is not an Affiliate of the Company or the Investor;

“**Third Party Claims**” means all Claims payable to a third party by a Party;

“**Time of Closing**” means 9:00 a.m. (Vancouver time) on the Closing Date, or such earlier time that may be agreed to by the Parties;

“**Tintyava**” means Tintyava Exploration EAD;

“**Tintyava Property**” means the Tintyava property, located approximately 83 km east of Kardzhali and 30 km west of Ivaylovograd, Bulgaria;

“**Tintyava Shareholders’ Agreement**” means the Tintyava Exploration EAD shareholders agreement dated for reference February 1, 2019 made between Gorubso and Kibela; and

“**TSXV**” means the TSX Venture Exchange.

1.2 Rules of Construction

In this Agreement:

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

1.3 Time of Essence

Time shall be of the essence of this Agreement.

1.4 Governing Law and Submission to Jurisdiction

- (a) This Agreement shall be interpreted and enforced in accordance with, and the respective rights and obligations of the Parties shall be governed by, the laws of the Province of British Columbia and the federal laws of Canada applicable in that province.
- (b) Each of the Parties irrevocably and unconditionally (i) submits to the non-exclusive jurisdiction of the courts of the Province of British Columbia over any action or proceeding arising out of or relating to this Agreement; (ii) waives any objection that it might otherwise be entitled to assert to the jurisdiction of such courts; and (iii) agrees not to assert that such courts are not a convenient forum for the determination of any such action or proceeding.

1.5 Severability

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby are not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

1.6 Entire Agreement

Except as otherwise provided by the Confidentiality Agreement, which remains in full force and effect, with the exception of Section 15 of the Confidentiality Agreement, which the Parties agree is fully terminated and is no longer in force or effect, this Agreement, including, for greater certainty the Schedules hereto, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral, including **[Redacted – commercially sensitive information]**, which, for avoidance of doubt, is fully terminated and is no longer in effect. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided herein or therein. In the event of any conflict between this Agreement and the Confidentiality Agreement, the terms of this Agreement shall govern.

1.7 Accounting Principles

Any reference in this Agreement to generally accepted accounting principles refers to accounting principles which have been established in accordance with International Financial Reporting Standards, applied on a consistent basis, and which are applicable in the circumstances as of the date in question. Accounting principles shall be applied on a “consistent basis” when the accounting principles applied in a current period are comparable in all material respects to those accounting principles applied in a preceding period.

1.8 Knowledge

For the purposes of this Agreement, with respect to any matter, the “knowledge of the Company” shall mean the knowledge of Keith Henderson, President and CEO of the Company, Darren Morgans, CFO of the Company and Daniel Marinov, Vice President Operations of the Company, after due inquiry, but, in each case, without the requirement to make any inquiries of third parties or any Governmental Entity or to perform any search of any public registry office or system (and each such individual will be deemed to have “knowledge” of a particular fact or other matter if (i) that individual is actually aware of that fact or matter; or (ii) that fact or matter comes to the attention of that individual under circumstances in which a reasonable person would take cognizance of it).

1.9 Disclosure in Writing

Reference to disclosure in writing herein shall, in the case of the Company, be limited to the disclosures made by the Company in this Agreement (and Schedules) and the Company Disclosure Letter. The Parties acknowledge and agree that notwithstanding that information may be provided in this Agreement (and Schedules) or the Company Disclosure Letter under one particular heading of this Agreement that information will be considered to qualify any other relevant representation in or provide information in respect of any other relevant provision of this Agreement to the extent it is reasonably apparent that such information is applicable to such other provision of the Agreement and such representation is so qualified by a reference to disclosure in writing.

1.10 Schedule

The following Schedule is attached to and forms an integral part of this Agreement:

Schedule 4.5 — Technical Studies

ARTICLE 2 PURCHASE OF PURCHASED SHARES

2.1 Investment in Purchased Shares

On the terms and subject to the conditions of this Agreement, the Investor agrees to, at the Time of Closing, subscribe for and purchase from the Company, and the Company agrees to allot and issue from treasury and sell to the Investor, the Purchased Shares, free and clear of all Encumbrances, for the Purchase Price.

2.2 Satisfaction of the Purchase Price

In full satisfaction of the aggregate Purchase Price and in return for the Purchased Shares, the Investor shall pay, or cause to be paid, to the Company (or as directed by the Company in writing) by wire transfer in immediately available funds or in any other manner agreed upon by the Parties, at the Time of Closing on the Closing Date, the amount equal to the Purchase Price, subject to the terms and conditions of this Agreement.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company

The Company hereby represents, warrants and covenants to the Investor, as of the date hereof and as of the Closing Date, as follows and acknowledges that the Investor is relying on such representations, warranties and covenants in completing the purchase of the Purchased Shares hereunder that, except as otherwise disclosed to the Investor by the Company in the Company Disclosure Letter:

(a) **Organization.**

- (i) The Company is duly incorporated and is a corporation validly existing and in good standing under the laws of the Province of British Columbia. The Company has full corporate power and capacity to own and lease its property and to carry on its business as currently conducted. The Company is duly qualified, licensed or registered to carry on business in the jurisdictions in which it carries on business and owns property where so required by the laws of such jurisdictions and is not otherwise precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement, or document. To the Company's knowledge, no proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing, or seeking to revoke, limit or curtail, such power, capacity or qualification. The Company is up-to-date in all material corporate filings and is in good standing under applicable corporate Laws.
- (ii) The Material Subsidiaries are validly existing and duly registered in Bulgaria in accordance with the laws of Bulgaria. The Material Subsidiaries have full corporate power and capacity to own and lease their property and to carry on their business as currently conducted.
- (iii) The Subsidiaries are the only direct or indirect subsidiaries of the Company, are duly qualified, licensed or registered to carry on business in the jurisdictions in which they carry on business and own property where so required by the laws of such jurisdictions and are not otherwise precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement, or document. To the Company's knowledge, no proceeding has been instituted in any such jurisdiction revoking, limiting or curtailing, or seeking to revoke, limit or curtail, such power, capacity or qualification. The Material Subsidiaries are up-to-date in all material corporate filings and are in good standing under applicable corporate Laws.

- (b) **Authorization.** The Company has the requisite power and authority to undertake the offering of Purchased Shares pursuant to this Agreement and to enter into this Agreement and to perform its obligations hereunder. This Agreement has been duly authorized, executed and delivered by the Company and is a valid and binding agreement of the Company enforceable against the Company by the Investor in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws affecting creditors' rights generally and subject to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction. No other corporate proceedings are

necessary to authorize the execution, delivery and performance of this Agreement or the completion of the transactions contemplated hereby.

(c) **Capitalization.**

(i) The authorized capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares without par value, of which 116,180,015 Common Shares and nil preferred shares are issued and outstanding as of the date hereof. All of the issued and outstanding Common Shares are fully paid and non-assessable and have been duly and validly authorized and issued. No other securities of the Company are issued and outstanding other than the Common Shares referred to in this Section 3.1(c) and the Convertible Securities referred to in Schedule 4.1(g) of the Company Disclosure Letter. The capitalization of the Company on a fully diluted basis on the date hereof is 164,892,827 Common Shares.

(ii) **[Redacted – commercially sensitive information].**

(iii) **[Redacted – commercially sensitive information].**

(iv) **[Redacted – commercially sensitive information].**

(v) **[Redacted – commercially sensitive information].**

(vi) **[Redacted – commercially sensitive information].**

(d) **Share Terms.** The rights, privileges, restrictions and conditions attached to the Common Shares of the Company are as set out in the Notice of Articles and the Articles, copies of which are attached to the Company Disclosure Letter.

(e) **Issuance of Purchased Shares.** The Company has the full corporate power and capacity to issue the Purchased Shares. All of the Purchased Shares have been, or will by the Time of Closing be, duly authorized and upon issuance will be fully paid and non-assessable shares in the capital of the Company, and will have been issued in compliance with all applicable Laws and not in violation of or subject to any pre-emptive or similar right that entitles any person to acquire from the Company any Common Shares or other security of the Company, or any security convertible into, or exercisable for, Common Shares or any other such security. After the issuance of the Purchased Shares and after giving effect to (collectively, the “**Concurrent Issuances**”): (i) the issuance of all Common Shares to Artemis, directly or indirectly, in connection with the exercise of its participation right under the Artemis Investment Agreement in respect of the issuance of the Purchased Shares **[Redacted – commercially sensitive information]**; and (ii) the issuances of all Common Shares to be issued to **[Redacted – commercially sensitive information]**, directly or indirectly, **[Redacted – commercially sensitive information]**, the Investor will hold 9.99% of the outstanding Common Shares (on a non-diluted basis).

(f) **No Options.** Except as set out in Schedule 3.1(f) of the Company Disclosure Letter, which sets out the number, date of expiry and exercise price of each Convertible Security, as applicable, no person has Convertible Securities or rights to require the Company to purchase, redeem or otherwise acquire any of its issued and outstanding shares (collectively, “**Redemption Rights**”). Except as set out in

Schedule 3.1(f) of the Company Disclosure Letter and provided by the Artemis Investment Agreement and the Artemis Convertible Debenture, no Shareholder has any pre-emptive right or right of first refusal in respect of the allotment and issuance of any unissued or other shares of the Company.

- (g) **[Redacted – commercially sensitive information].**
- (h) **Internal Controls.** The Company maintains a system of internal accounting and other controls sufficient to provide reasonable assurances that (i) transactions are executed in accordance with management's general or specific authorizations; and (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with International Financial Reporting Standards. The Company reasonably believes that the Company's and the Subsidiaries' internal controls over financial reporting are effective and the Company is not aware of any material weakness in their respective internal controls over financial reporting.
- (i) **Transfer Agent.** Computershare Trust Company of Canada at its principal offices in the City of Vancouver is the duly appointed registrar and transfer agent of the Company with respect to the Common Shares.
- (j) **Voting and Registration Rights.** Except as provided for in the Artemis Investment Agreement, the Company is not a party or subject to any agreement or understanding, and to the knowledge of the Company there is no agreement between any Shareholders of the Company or by a director of the Company that affects or relates to the voting or giving of written consents with respect to any of the Company's securities. The Company has not granted any registration rights or similar rights with respect to its securities to any person.
- (k) **Regulatory Matters.**
 - (i) The Company is a "reporting issuer" under the Securities Laws of each of the Reporting Jurisdictions and, with respect to the *Securities Act* (Alberta) and the *Securities Act* (Ontario) is not noted as being in default on the list of reporting issuers maintained under such legislation, and with respect to the *Securities Act* (British Columbia) is not included in the list of reporting issuers in default maintained under such legislation, and in particular, without limiting the foregoing, the Company is in material compliance with its disclosure obligations under Securities Laws and, except with respect to this Agreement and the transactions contemplated herein, there is no material change relating to the Company which has occurred and with respect to which the requisite material change report has not been filed with the Securities Regulators. All material filings and fees due and payable by the Company pursuant to Securities Laws and general corporate law have been made and paid. The Company has not taken any action to cease to be a reporting issuer in any jurisdiction in which it is a reporting issuer, and has not received any notification from a Securities Regulator seeking to revoke the reporting issuer status of the Company.
 - (ii) As of their respective filing dates, each of the Public Disclosure Documents complied in all material respects with the requirements of applicable Securities Laws and none of the Public Disclosure Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements made

therein, in light of the circumstances in which they were made, not misleading. The Company has not filed any confidential material change report or other confidential report or document which should otherwise be a Public Disclosure Document with any Securities Regulators or other Governmental Entity which at the date hereof remains confidential.

- (l) **Technical Disclosure.** The Company's technical disclosure disclosed in the Technical Report and its Public Disclosure Documents was prepared and disclosed in all material respects in accordance with accepted mining, engineering, geoscience and other approved industry practices, as applicable, and NI 43-101 as it was in effect on the date of the filing of the applicable document. The information provided by the Company to the Qualified Persons (as defined in NI 43-101 as it was in effect on the date of the filing of the applicable document) in connection with the preparation of such disclosure was complete and accurate in all material respects at the time such information was furnished.
- (m) **Listing of Common Shares.**
 - (i) The Common Shares are listed and posted for trading on the TSXV and no order ceasing or suspending trading in any securities of the Company or prohibiting the sale or issuance of the Purchased Shares or the trading of any of the Company's issued securities has been issued and no (formal or informal) proceedings for such purpose have been threatened or, to the knowledge of the Company, are pending.
 - (ii) The Company has not taken any action which would reasonably be expected to result in the delisting or suspension of the Common Shares on or from the TSXV.
- (n) **Dividends and Distributions.** Since December 31, 2019, the Company has not, directly or indirectly, declared or paid any dividends or declared or made any other distribution on any of its shares of any class and has not agreed to do so.
- (o) **Subsidiaries.** The Company has no subsidiaries other than the Subsidiaries.
- (p) **Related Party Transactions.** Since December 31, 2019 and except as disclosed in the Public Disclosure Documents:
 - (i) the Company has not (A) made any payment or loan to, or borrowed any moneys from or otherwise been indebted to, any Related Party of the Company; or (B) been a party to any Contract with any Related Party of the Company; and
 - (ii) to the knowledge of the Company, no executive officer or director of the Company and no entity which is an Affiliate or Associate of one or more of such individuals:
 - (A) owns, directly or indirectly, any interest in (except for shares representing less than 10% of the outstanding shares of any class or series of any publicly traded company), or is an officer, director or employee of or consultant to, any person which is, or is engaged in business as, a competitor of the Business or the Company or a lessor, lessee, supplier, distributor, agent or customer of the Business or the Company;

- (B) owns, directly or indirectly, in whole or in part, any property that the Company uses or intends to use in the operation of the Business; or
 - (C) has any cause of action or other Claim whatsoever against, or owes any amount to, the Company, except for any liabilities reflected in the Financial Statements and claims in the ordinary course of business for accrued vacation pay and accrued benefits.
- (q) **Restrictive Documents.** The Company is not subject to, or a party to, any restriction under the Notice of Articles or Articles, any Law, any Claim, any Contract or instrument, any Encumbrance or any other restriction of any kind or character which would prevent or restrict (i) the consummation of the transactions contemplated by this Agreement; (ii) the compliance by the Company with the terms, conditions and provisions hereof; (iii) the declaration of dividends by the Company or (iv) the operation of the Business by the Company after the date hereof, except as provided by the Artemis Investment Agreement and the Artemis Convertible Debenture.
- (r) **Permits.**
 - (i) Schedule 3.1(r) of the Company Disclosure Letter sets out each material Permit held by the Company and the Subsidiaries (including the Permits for the Properties), the applicable permit number and the dates of grant and of expiry. To the knowledge of the Company, there are no other material Permits necessary to carry out its current operations on the Properties. The Company expects to be able to obtain in due course all material Permits that are necessary to explore, develop, construct, operate, close, reclaim and rehabilitate the Properties.
 - (ii) Each material Permit held by the Company or the Subsidiaries is validly subsisting and in good standing in all material respects and neither the Company nor the Subsidiaries, as the case may be, is in default or breach of any such Permit and no proceeding is pending or, to the knowledge of the Company, threatened to revoke or limit any such Permit and, to the knowledge of the Company, there are no facts or circumstances that may reasonably result in such a revocation or limitation. There are no grounds, facts or circumstances that could reasonably be expected to prevent the renewal of any material Permit held by or granted to the Company. The Company has provided a true and complete copy of each material Tintyava Permit held by the Company and all amendments thereto to the Investor.
- (s) **Mineral Rights.**
 - (i) Schedule 3.1(s)(i) of the Company Disclosure Letter:
 - (A) describes all material mineral interests, mining concessions, mining tenements or other mineral rights owned by or subject to any license, option or similar agreement in favour of the Company or the Subsidiaries for the Tintyava Property (collectively, the "**Mineral Rights**"); and

- (B) sets out a list of all agreements governing the option and earn-in by the Company of its interests in the Properties (collectively, the **“Property Option Agreements”**). Neither the Company, nor to the Company’s knowledge, any other person, is in material default in any respect in the observance or performance of any term, covenant or obligation to be performed by the Company or such other person under any Property Option Agreement and all such Property Option Agreements are in good standing and, to the knowledge of the Company, of each of the parties thereto, are in full force and effect and are enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws affecting creditors’ rights generally, and no event has occurred which with notice or lapse of time or both would constitute such a default by the Company or, to the knowledge of the Company, any other party;
- (ii) The Mineral Rights have been properly located or recorded, as applicable, in compliance with applicable Laws and are comprised of valid and subsisting mineral interests.
- (iii) **[Redacted – commercially sensitive information]**.
- (iv) **[Redacted – commercially sensitive information]**.
- (v) **[Redacted – commercially sensitive information]**.
- (vi) **[Redacted – commercially sensitive information]**.
- (vii) The Company has not received any notice, whether written or oral, from any Governmental Entity or any person with jurisdiction or applicable authority of any revocation or intention to revoke the interest of the Company in the Mineral Rights.
- (viii) The Mineral Rights are in good standing under applicable Laws, all work required to be performed has been performed and all Taxes, rentals, fees, expenditures and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made.
- (ix) To the knowledge of the Company, all mining operations and all exploration activities in respect of the Mineral Rights have been conducted in all material respects in accordance with good mining and engineering practices and all workers’ compensation and health and safety regulations have been complied with in all material respects.
- (x) There are no adverse claims, actions, suits or proceedings, and, to the knowledge of the Company, none are pending or threatened and there are no state of facts or events that may give rise thereto or which could affect the title to or right to explore or develop the Mineral Rights, including without limitation, **[Redacted – commercially sensitive information]**.
- (t) **Real Property.** Except for the Mineral Rights, neither the Company nor any of the Subsidiaries hold any material freehold, leasehold or other real property interests and rights (including licences from landholders permitting the use of land, leases,

rights of way, occupancy rights, surface rights and easements) (collectively, the “**Real Property**”).

- (u) **[Redacted – commercially sensitive information].**
- (v) **Title to Personal and Other Property.**
 - (i) The Company and the Subsidiaries have good and marketable title to all material personal property beneficially owned by them, free and clear of all Encumbrances other than Encumbrances entered into in the ordinary course of business and pursuant to the Artemis Convertible Debenture.
 - (ii) The Company and the Subsidiaries have valid leasehold title to all personal property leased by the Company or the Subsidiaries, as applicable.
 - (iii) There are no tangible assets, machinery, equipment, furniture, office equipment, computer hardware and software that is owned or leased by the Company and the Subsidiaries on the date hereof with a purchase price or annual lease payment of more than **[Redacted – commercially sensitive information]** per item.
- (w) **Expropriation.** No asset (including the Mineral Rights) of the Company or the Subsidiaries has been taken or expropriated by any Governmental Entity or person nor has any notice or proceeding in respect thereof been given or commenced nor, to the knowledge of the Company, is there any intent or proposal to give any such notice or commence any such proceeding.
- (x) **No Options, Etc.** Other than as contemplated hereby and provided by the Tintyava Shareholders' Agreement and other than as set out in Section 3.1(s)(iii), no Person has any Contract (including an option) or any right or privilege capable of becoming same for the purchase from the Company or the Subsidiaries of any of their material assets (including the Mineral Rights); and (ii) no Person has any oral or written agreement, option, warrant, privilege or right, or any right capable of becoming any of the foregoing (whether legal, equitable, contractual or otherwise) for the purchase of the Mineral Rights or any portion thereof.
- (y) **Compliance with Laws.**
 - (i) The Company and the Subsidiaries have complied in all material respects with all Laws applicable to them and to the conduct or operation of the Business and to the ownership or use of any of their assets, including the Mineral Rights owned or used thereby.
 - (ii) The Company is not aware of any Law, or proposed Law published by a legislative body, which it anticipates will materially adversely affect the Business, affairs, operations, assets or liabilities (contingent or otherwise) of the Company or the Subsidiaries.
- (z) **Consents and Approvals.** There is no requirement under the Securities Laws for the Company to make any filing, give any notice or obtain any Permit as a condition to the lawful consummation of the transactions contemplated by this Agreement or otherwise obtain any Governmental Approvals, other than (i) obtaining the conditional approval of the TSXV to the sale of the Purchased Shares to the Investor prior to the Closing Date; and (ii) filings required to be made following

Closing under applicable Securities Laws and the rules of the TSXV. Except as provided by the Artemis Investment Agreement, there is no requirement under any Material Contract to give any notice to, or to obtain the consent or approval of, any party to such Material Contract relating to or as a result of, the consummation of the transactions contemplated by this Agreement.

(aa) **No Violation.**

- (i) Neither the Company nor any of the Subsidiaries is in violation of any term of their constating documents. Neither the Company nor any of the Subsidiaries is in violation of any term or provision of any agreement, indenture or other instrument applicable to them which would, or could, result in any Material Adverse Effect. Neither the Company nor any of the Subsidiaries is in default in the payment of any obligation owed which is now due and there is no action, suit, proceeding or investigation or, to the knowledge of the Company, pending or threatened which, whether in any case or in the aggregate, could reasonably be expected to result in any Material Adverse Effect or which places or could reasonably be expected to place in question, the validity or enforceability of this Agreement;
- (ii) The execution and delivery of this Agreement by the Company and the issuance of the Purchased Shares to the Investor will not result in either:
 - (A) the breach or violation of any of the provisions of or constitute a default under or conflict with or cause the acceleration of any obligation of the Company under, or give any person a right to terminate, cancel or modify:
 - (I) any Material Contract to which the Company or by which any of its assets (including the Mineral Rights) is bound;
 - (II) any provision of the Notice of Articles, Articles or any resolution of the Shareholders or Board (or any committee thereof) of the Company;
 - (III) any applicable Laws; or
 - (IV) any Permit necessary to the operation of the Business; or
 - (B) the creation or imposition of any Encumbrance on the Purchased Shares or any assets (including the Mineral Rights) of the Company or the Subsidiaries.

- (bb) **Material Contracts.** Schedule 3.1(bb) of the Company Disclosure Letter sets out a list of all the Material Contracts of the Company and the Subsidiaries. Neither the Company, nor to the Company's knowledge, any other person, is in material default in any respect in the observance or performance of any term, covenant or obligation to be performed by the Company or such other person under any Material Contract and all such Material Contracts are in good standing, constitute valid and binding agreements of the Company, and, to the knowledge of the Company, of each of the parties thereto, are in full force and effect and are enforceable in accordance with their terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and similar Laws affecting creditors' rights generally and subject to the qualification that equitable remedies

may be granted in the discretion of a court of competent jurisdiction, and no event has occurred which with notice or lapse of time or both would constitute such a default by the Company or, to the knowledge of the Company, any other party. The Company has no knowledge of the invalidity of or grounds for rescission, avoidance or repudiation of any such Material Contract and the Company has not received notice of any intention to terminate any such Material Contract or repudiate or disclaim any such transaction. The Company does not have any agreements of any nature whatsoever to acquire, merge or enter into any business combination or joint venture agreement with any entity, or to acquire any other business operations.

- (cc) **[Redacted – commercially sensitive information].**
- (dd) **No Liabilities.** Neither the Company nor any of the Subsidiaries has any liabilities, direct or indirect, contingent or otherwise, not disclosed in the Public Disclosure Documents which materially adversely affects the Company or the Subsidiaries or would reasonably be expected to have a Material Adverse Effect.
- (ee) **Litigation.** There are no judgments which remain unsatisfied against the Company or the Subsidiaries or consent decrees or injunctions to which the Company or the Subsidiaries is subject. There are no investigations, actions, suits or proceedings at Law or in equity or by or before any Governmental Entity now pending or, to the knowledge of the Company, threatened against or affecting the Company or the Subsidiaries (or their respective properties or assets) and, to the knowledge of the Company, there is no ground on which any such action, suit or proceeding might be commenced.
- (ff) **Financial Matters.** The Financial Statements have been prepared in accordance with International Financial Reporting Standards applied in accordance with Part 1 of the CICA Handbook on a consistent basis throughout and complied in all material respects, as of their respective dates of filing, with the applicable published rules and regulations of the TSXV and under applicable Securities Laws with respect thereto, and the Financial Statements, together with the applicable certifications filed by the Company in connection with the Financial Statements in accordance with NI 52-109, present fairly, in all material respects, the financial condition of the Company, on a consolidated basis, for the applicable periods then ended. The Company does not intend to correct or restate, nor, to the knowledge of the Company, is there any basis for any correction or restatement of, any aspect of the Financial Statements.
- (gg) **Off-Balance Sheet Financing.** There are no off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of the Company with unconsolidated entities or other persons.
- (hh) **Independence of Auditors.** The auditors of the Company are independent public accountants as required under Securities Laws. To the Company's knowledge, there has never been a "reportable event" (within the meaning of NI 51-102) with the present or any former auditor of the Company.
- (ii) **No Insolvency Proceedings.** To the knowledge of the Company, there has not been any petition filed, or any judicial or administrative proceeding commenced which has not been discharged, by or against the Company or the Subsidiaries or with respect to any asset of the Company or the Subsidiaries under any applicable

Law relating to bankruptcy, insolvency, reorganization, fraudulent transfer, compromise, arrangement of debt or creditors' rights and no assignment has been made for the benefit of the creditors of the Company. Except as disclosed in the Company Disclosure Letter, neither the Company nor any of the Subsidiaries has authorized any action with respect to its bankruptcy, insolvency, liquidation, dissolution or winding-up.

- (jj) **No Material Change.** Except as disclosed in the Public Disclosure Documents, since December 31, 2019, no change has occurred in any of the assets, business, financial condition or results of operations of the Company or the Subsidiaries which, individually or in the aggregate, has had, will have or could reasonably be expected to have a Material Adverse Effect.
- (kk) **Absence of Change.** Except as disclosed in the Public Disclosure Documents, since December 31, 2019 neither the Company nor any of the Subsidiaries has:
- (i) paid or satisfied any material obligation or liability, absolute or contingent, other than current liabilities or obligations disclosed in the Financial Statements and current liabilities or obligations incurred in the ordinary course of business;
 - (ii) declared, set aside or paid any dividend, redeemed or repurchased any outstanding shares, or made any distribution of its properties or assets to its Shareholders, other than salaries, fees and other compensation paid in each case in the ordinary course of business;
 - (iii) suffered a loss, destruction or damage to any of its assets (including the Mineral Rights), whether or not insured, that is material to the Company;
 - (iv) authorized or agreed to any material change in the terms and conditions of employment of its personnel, including any benefit, pension or retirement plan, other than changes disclosed to the Investor in writing;
 - (v) waived or cancelled any material right, claim or debt owed to it;
 - (vi) transferred, assigned, sold or otherwise disposed of any of its material assets exceeding **[Redacted – commercially sensitive information]** in value;
 - (vii) incurred or assumed or guaranteed any liability, obligation or expenditure of any nature, absolute or contingent, other than liabilities incurred in the ordinary course of business and in an amount less than **[Redacted – commercially sensitive information]** in the aggregate;
 - (viii) committed to make or perform any capital expenditures or maintenance or repair projects, except for capital expenditures or maintenance or repair projects incurred in the ordinary course of business with a value not greater than **[Redacted – commercially sensitive information]** in the aggregate;
 - (ix) entered into any commitment or transaction not in the ordinary course of business;
 - (x) entered into or authorized or agreed to any material changes in any Material Contract other than in the ordinary course of business;

- (xi) entered into any Contract with a Related Party;
- (xii) made or agreed to make any bonus or profit sharing distribution or payment of any kind, other than bonuses to employees in the ordinary course of business;
- (xiii) arranged any debt financing or incurred or materially increased its indebtedness for borrowed money;
- (xiv) made any change in any method of accounting or auditing practice except as disclosed in the Financial Statements;
- (xv) mortgaged, pledged, subjected to lien, granted a security interest in or otherwise Encumbered any of its material assets (including the Mineral Rights), whether tangible or intangible other than in the ordinary course of business;
- (xvi) mortgaged, pledged, subjected to lien, granted a security interest in or otherwise Encumbered any of the Mineral Rights;
- (xvii) made any material gift of money or of any property or assets to any individual or person; or
- (xviii) authorized, agreed or otherwise become committed to do any of the foregoing.

(II) **Taxes.**

- (i) The Company and the Subsidiaries have duly filed on a timely basis all Tax Returns required to be filed by them and all such returns are true, correct and complete in all material respects. The Company and the Subsidiaries have paid all material Taxes which are due and payable, and all assessments, reassessments, governmental charges, penalties, interest and fines due and payable by them. The Company and the Subsidiaries have made adequate provision for all material Taxes payable by them for the current period and any previous period for which Tax Returns are not yet required to be filed. There are no audits, actions, suits, proceedings, investigations or claims pending or, to the knowledge of the Company, threatened against the Company or the Subsidiaries in respect of Taxes, governmental charges or assessments, nor are any material matters under discussion with any governmental authority relating to Taxes, governmental charges or assessments asserted by any such authority. The Company and the Subsidiaries have withheld from each payment made to any of its past or present employees, officers or directors, and to any non-resident of Canada, the amount of all material Taxes and other deductions required to be withheld therefrom and have paid the same to the proper taxing authority within the time required under any applicable Law. The Company and the Subsidiaries have remitted to the appropriate tax authority when required by Law to do so, all material amounts collected by it on account of GST and other Taxes. The Canadian federal income tax liability of the Company and the Subsidiaries has been assessed by the Canada Revenue Agency for all financial years up to and including the financial year ended December 31, 2019 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, or payment of any Tax, governmental charge or deficiency against, the Company.

- (mm) **Investment Company.** Neither the Company nor any of the Subsidiaries is, and at the Time of Closing will not be, an “investment company” within the meaning of the *United States Investment Company Act of 1940*, as amended, and is not registered or required to be registered under such act.
- (nn) **Foreign Corrupt Practices.** None of the Company, the Subsidiaries, nor, to the knowledge of the Company, any director, officer, consultant, agent, employee, joint venture partner or other Person acting on behalf of the Company or the Subsidiaries has, in the course of its actions for, or on behalf of, the Company or the Subsidiaries (i) used, or authorized the use of, any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expenses relating to political activity; (ii) made, or authorized the making of, any direct or indirect unlawful payments to any Canadian or foreign government official or employee from corporate funds; (iii) violated or is in violation of any provision of the *Criminal Code* (Canada), the *Canadian Corruption of Foreign Public Officials Act*, the *United States Foreign Corrupt Practices Act*, Bulgarian anti-corruption laws or any similar act under any Laws that the Company is subject to; or (iv) made, or authorized the making of, any unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee. Neither the Company nor any of the Subsidiaries nor, to the knowledge of the Company, any director, officer, consultant, agent, employee, joint venture partner; or other Person acting on behalf of the Company or the Subsidiaries has accepted or received any unlawful contribution, payments, gifts or expenditures.
- (oo) **Employee and Consultant Matters.**
 - (i) The Company is not aware of any material breaches of any employment or consulting or management services Contract to which it is party. The Company does not have any employment or consulting or management services contract or other Contract pursuant to which such services are provided, whether written or oral, with any person except as have been made available to the Investor.
 - (ii) All material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, pension plan premiums, accrued wages, salaries and commissions, if any, have been accurately reflected in the books and records of the Company.
 - (iii) The Company is not bound by or a party to any collective bargaining agreement or any benefit plan including any pension plan, profit sharing plan, retirement plan, compensation deferral plan or other plan or arrangement of a similar nature maintained by or on behalf of the Company for any of its employees.
 - (iv) No labour dispute, work stoppage or labour strike with the employees of the Company exists, is pending or imminent, is threatened or reasonably anticipated, and the Company is not aware of any existing, pending or imminent labour disturbance by the employees of any of its principal suppliers, manufacturers, customers or contractors.

- (v) The issuance and sale of the Purchased Shares will not trigger any compensation or remuneration or other rights for senior employees of the Company, not otherwise contemplated for in a Contract pre-dating this Agreement.
- (vi) The Company has been and is in compliance, in all material respects, with all applicable Laws with respect to employment and labour and there are no current, pending or, to the knowledge of the Company, threatened proceedings before any Governmental Entity with respect to any of the Company's employees. There are no complaints, claims, charges, levies or penalties outstanding or anticipated, nor are there any orders, decisions, directions or convictions currently registered or outstanding by any Governmental Entity against or in respect of the Company under or in respect of any employment or labour Laws.
- (pp) **Redacted – commercially sensitive information]**
- (qq) **[Redacted – commercially sensitive information]**
- (rr) **Insurance.** The assets of the Company, the Subsidiaries and their respective businesses and operations are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and neither the Company nor any of the Subsidiaries has materially breached the terms of any policies in respect thereof nor failed to promptly give any notice or present any material claim thereunder. There are no claims by the Company or the Subsidiaries under any such policy as to which any insurance company is denying liability or defending under a reservation of rights clause. Neither the Company nor any of the Subsidiaries has any reason to believe that it will not be able (i) to renew its existing insurance coverage as and when such insurance coverage expires or (ii) to obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct its business as now conducted and at a cost that would not result in a Material Adverse Effect.
- (ss) **Intellectual Property.** The Company and the Subsidiaries own or possess the right to use all material patents, trademarks, trademark registrations, service marks, service mark registrations, trade names, copyrights, licenses, inventions, trade secrets and rights described in the Company Disclosure Letter. The Business as now conducted does not, and as currently proposed to be conducted will not, infringe or conflict with, in any material respect, patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses or other intellectual property or franchise right of any person. No claim has been made against the Company or the Subsidiaries alleging the infringement by the Company or the Subsidiaries of any patent, trademark, service mark, trade name, copyright, trade secret, license in or other intellectual property right or franchise right of any person.
- (tt) **No Brokers, Finders or Advisors.** No broker, Finder or financial or investment advisor acted for the Company or the Subsidiaries in connection with this Agreement. Neither the Company nor any of the Subsidiaries is a party to any Contract with any broker, Finder or financial or investment advisor and neither the Company nor any of the Subsidiaries owes any compensation, including the issue of securities, to any broker, Finder or financial or investment advisor in respect of

this Agreement and in respect of any potential future transaction(s) involving the Company or the Subsidiaries, other than as disclosed to the Investor.

- (uu) **Full Disclosure.** The Company has made available to the Investor certain information. All the information provided to the Investor and prepared by or on behalf of the Company, is true and correct in all material respects.

3.2 Representations and Warranties of the Investor

The Investor hereby represents, warrants and covenants to the Company, as of the date hereof and as of the Closing Date, as follows and acknowledges that the Company is relying on such representations and warranties in completing its issuance of the Purchased Shares:

- (a) **Organization.** The Investor is duly incorporated and is a company validly existing and in good standing under the Laws of Canada, with full power, authority and legal capacity to own or to hold the Purchased Shares and to complete the transactions to be completed by it as contemplated in this Agreement. The Investor is up-to-date in all material corporate filings and is in good standing under applicable corporate Laws.
- (b) **Authorization.** The Investor has the requisite power and authority to enter into this Agreement and to perform its obligations hereunder. This Agreement has been duly authorized, executed and delivered by the Investor and is a valid and binding agreement of the Investor enforceable against the Investor by the Company in accordance with its terms, subject to bankruptcy, insolvency and other applicable Laws and to the qualification that equitable remedies may be granted in the discretion of a court of competent jurisdiction. No other corporate proceedings of the Investor are necessary to authorize the execution, delivery and performance of this Agreement or the completion of the transactions contemplated hereby.
- (c) **No Violation.** The entering into of this Agreement will not result in a violation of any of the terms and provisions of any Law applicable to the Investor, of its constating documents, or of any agreement to which it is a party or by which it may be bound.
- (d) **Residency.** It is resident in the jurisdiction set out on the first page of this Agreement.
- (e) **Accredited Investor.** It is an “accredited investor” within the meaning of NI 45-106 and was not created or used solely to purchase securities as an “accredited investor” as described in paragraph (m) of the definition of “accredited investor” in NI 45-106 and it is purchasing the Purchased Shares as principal for its own account.
- (f) **Investor Percentage.** Prior to giving effect to the transactions hereunder, the Investor Percentage is nil.
- (g) **Prospectus Exemptions.** The Company has advised the Investor that it is relying on one or more exemptions from the requirements to provide the Investor with a prospectus and to sell securities through a person registered to sell securities under applicable securities Laws, and as a consequence of acquiring the Purchased Shares pursuant to such exemption, certain protections, rights and remedies provided in applicable securities legislation, including statutory rights of rescission or damages, may not be available to the Investor.

- (h) **No Offering Document.** It has not received and does not require to receive any prospectus or offering memorandum (within the meaning of the Securities Laws of Ontario) or other disclosure document relating to the Purchased Shares or the business and affairs of the Company to assist the Investor in making an investment decision in respect of the Purchased Shares. The Investor acknowledges that, due to the fact that no prospectus has been or is required to be filed with respect to any of the Purchased Shares under applicable securities Laws: (i) the Investor may not receive information that might otherwise be required to be provided to it under such legislation; (ii) the Company is relieved from certain obligations that would otherwise apply under applicable legislation; and (iii) the Investor is restricted from using certain of the civil remedies available under such legislation.
- (i) **Risks and Restrictions on Sale.** The Investor is aware that (i) no securities commission or similar regulatory authority has reviewed or passed on the merits of the Purchased Shares; (ii) there is no government or other insurance covering the Purchased Shares, (iii) there are risks associated with the purchase of the Purchased Shares and the Investor is aware of the risks and other characteristics of the Purchased Shares; and (iv) there are restrictions on the Investor's ability to resell the Purchased Shares and it is the Investor's responsibility to find out what those restrictions are and to comply with them before selling.
- (j) **Evaluation of Investment.** The Investor is capable by reason of knowledge and experience in financial and business matters in general, and investments in particular, of assessing and evaluating the merits and risks of an investment in the Purchased Shares, and is and will be able to bear the economic loss of its entire investment in Purchased Shares and can otherwise be reasonably assumed to have the capacity to protect its own interest in connection with the investment.
- (k) **Collection of Personal Information.** The Investor:
 - (i) has been notified by the Company that the Company is required to provide information ("**personal information**") pertaining to the Investor and acknowledges and consents to the Company retaining the personal information for as long as permitted or required by applicable Law. The Investor further acknowledges and consents to the Company collecting and delivering to the regulatory authorities in the Reporting Jurisdictions, any personal information provided by the Investor respecting itself which is required to be provided in satisfaction of the Company's obligations pursuant to Securities Laws, including the information required by Form 45-106F6 – *British Columbia Report of Exempt Distribution*; and
 - (ii) acknowledges that its name and other specified information, including the number of Purchased Shares, may be disclosed to (A) other Canadian securities regulatory authorities and may become available to the public in accordance with the requirements of applicable Laws and (B) authorities pursuant to the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada). The Investor consents to the disclosure of that information.
- (l) **Resale Restrictions.** The Investor acknowledges that the Purchased Shares shall be subject to restrictions on resale in Canada pursuant to applicable Securities

Laws and the policies of the TSXV and all certificates representing the Purchased Shares will bear the following legends, as applicable:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE MUST NOT TRADE THE SECURITIES BEFORE **[INSERT THE DATE THAT IS FOUR MONTHS PLUS ONE DAY AFTER THE CLOSING DATE].**”

“WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL **[INSERT THE DATE THAT IS FOUR MONTHS PLUS ONE DAY AFTER THE CLOSING DATE].**”

3.3 Survival of Representations and Warranties

The representations, warranties and covenants of a Party herein shall survive the Closing hereunder until the eighteen-month anniversary thereof, unless *bona fide* notice of a claim shall have been made in writing before such date, in which case the representation and warranty to which such notice applies shall survive in respect of that claim until the final determination or settlement of the claim, notwithstanding any investigation made by or on behalf of the Party entitled to rely on such representation and warranty, and provided that (a) the representations and warranties set out in Sections 3.1(a)(i), 3.1(a)(ii), 3.1(b), 3.1(c)(i), 3.1(e), 3.1(f), 3.1(aa), 3.2(a), 3.2(b) and 3.2(c) shall continue in full force and effect without limitation of time, and (b) the representations and warranties in Section 3.1(II) (Taxes) shall survive and continue in full force and effect until 60 days following the expiration of the period, if any, during which an assessment, reassessment or other form of recognized document assessing liability for Taxes or interest or penalties upon Taxes under applicable Law in respect of any taxation year to which such representations and warranties extend could be issued under such Law. Notwithstanding the foregoing, a claim for any breach of any of the representations and warranties contained in this Agreement involving fraud or fraudulent misrepresentation may be made at any time following the date hereof, subject only to applicable limitation periods imposed by applicable Law.

ARTICLE 4 ADDITIONAL COVENANTS

4.1 Board Representation

- (a) From the time that and as long as the Investor holds or beneficially owns at least 15% of the outstanding Common Shares (on a non-diluted basis), the Investor shall be entitled (but not required) to designate one individual (the “**Investor’s Nominee**”) to be nominated to serve as a member of the Board; provided such Investor’s Nominee consents in writing to serve as a director of the Company and meets all statutory and stock exchange requirements for membership on the Board, including the filing with the stock exchange of a personal information form or declaration form.
- (b) The Company shall take all commercially reasonable steps as may be necessary to appoint the Investor’s Nominees to the Board pursuant to Section 4.1(a), within 30 days of receipt of the written request of the Investor regarding such

appointment, including pursuant to the power of the Board to appoint additional directors between Shareholders meetings (including Article 14.8 of the Articles) or to fill a vacancy on the Board; provided that if the Board does not have the power to appoint additional directors at any time prior to the next Shareholders meeting and the next Shareholders meeting is not scheduled to occur less than four months from the date of receipt by the Company of the written request of the Investor for the appointment of the Investor's Nominee, the Company shall convene a special meeting of Shareholders to obtain the approval of Shareholders to elect or appoint such Investor's Nominee to the Board and the provisions of Sections 4.1(c), (d) and (e) shall apply in respect thereof, *mutatis mutandis*.

- (c) If the Investor is entitled to the Investor's Nominees pursuant to Section 4.1(a), the Company shall notify the Investor in writing promptly upon determining the date of any meeting of Shareholders at which directors of the Company are to be elected, and, if the Investor desires to nominate the Investor's Nominee, the Investor shall advise the Company of the name of the Investor's Nominee that the Investor is entitled to nominate pursuant to Section 4.1(a) (as of the record date for the Shareholders meeting) within ten Business Days after receiving such notice. If the Investor does not advise the Company of the Investor's Nominee within such ten Business Day period, then the Investor will be deemed to have designated the incumbent Investor's Nominee, if any, for nomination for election at the relevant meeting of the Shareholders provided such incumbent Investor's Nominee continues to consent to serve as a director of the Company and continues to meet all statutory and stock exchange requirements for membership on the Board.
- (d) At each meeting of Shareholders at which directors of the Company are to be elected and subject to Section 4.1(a), the Company shall cause the Investor's Nominee to be included in the slate of nominees proposed by the Company to the Shareholders for election as directors. The Company shall use commercially reasonable efforts to cause the election of the Investor's Nominee, including recommending Shareholders vote and soliciting proxies in favour of the election of the Investor's Nominee.
- (e) Forthwith following any meeting of Shareholders at which an Investor's Nominee was nominated to serve as a director but was not validly elected by the Shareholders in accordance with the Act, the Company shall take all commercially reasonable steps necessary to appoint an Investor's Nominee to the Board who is not the same individual who was not elected at the meeting of Shareholders, including pursuant to the power of the Board to appoint additional directors between Shareholders' meetings or to fill a vacancy on the Board.
- (f) If an Investor Nominee ceases to hold office as a director of the Company for any reason, other than as a result of the Investor no longer being entitled to nominate such Investor Nominee pursuant to Section 4.1(a), the Investor shall be entitled to nominate an individual to replace him or her and, subject to Section 4.1(a), the Company shall promptly take all steps as may be necessary to appoint such individual to the Board to replace the Investor's Nominee who has ceased to hold office, including pursuant to the power of the Board to appoint additional directors between Shareholders meetings or to fill a vacancy on the Board.
- (g) For so long as an Investor's Nominee serves as a member of the Board, such Investor's Nominee shall be eligible to serve on any committee of the Board

provided that such Investor's Nominee satisfies the eligibility criteria for such committee as determined by the Board or an authorized committee thereof from time to time, the policies of the TSXV or such other stock exchange on which the Common Shares are listed at the time, and applicable corporate laws and Securities Laws. Notwithstanding the Investor Nominee's eligibility, committee membership shall be in the sole discretion of the Board.

- (h) The Company shall pay all reasonable expenses incurred by the Investor's Nominee in the performance of his or her duties for or on behalf of the Company incurred as a result of the Investor's Nominee attending Board and committee meetings, including travel and accommodation expenses, on the same terms and conditions as those provided to the other Board members.
- (i) Upon the Investor's Nominee's election or appointment to the Board and subject to applicable Laws and the Articles, the Company shall provide the Investor's Nominee with an indemnity on the same terms and conditions as those provided to the other members of the Board, and the Company shall take commercially reasonable steps to ensure that the Investor's Nominee has the benefit of any director and officer insurance policy in effect for the Company, on the same terms and conditions as those provided to the other Board members.
- (j) If the size of the Board is increased or decreased from the current five directors, the Investor's nomination rights under this Section 4.1 shall be adjusted such that the Investor shall thereafter be entitled to nominate that number of directors which is nearest 15% of the seats.
- (k) Upon Investor's ownership percentage falling below the threshold set forth in Section 4.1(a), the Investor shall notify the Company and the Investor shall, if so requested by the Company, forthwith use commercially reasonable efforts to cause the Investor's Nominees then elected or appointed to the Board to resign from the Board. However, for the avoidance of doubt, if the Investor's ownership percentage thereafter is at any time at or above the threshold set forth in Section 4.1(a), the Investor shall again be entitled to the Investor's Nominee rights provided for in this Article 4.

4.2 Participation Rights

- (a) For so long as the Investor's Percentage is equal to or greater than the Initial Percentage and subject to applicable Laws and the policies of the TSXV or such other stock exchange on which the Common Shares are listed at the time (including receipt of all required regulatory and stock exchange approvals) and other than in respect of the issue of Equity Securities pursuant to an Exempt Issuance, in the event that the Company proposes to issue Common Shares or Convertible Securities, including convertible debt securities (collectively, "**Equity Securities**") for cash or cash equivalents (an "**Equity Financing**"), then:
 - (i) the Company shall deliver a notice to the Investor in writing as soon as practicably possible (and if a public announcement of an Equity Financing is required, immediately after such announcement), but in any event at least five Business Days prior to the proposed closing date of the Equity Financing (the "**Equity Financing Notice**"), specifying: (A) the total number of outstanding Common Shares; (B) the total number of Equity Securities which are proposed to be issued; (C) the rights, privileges,

restrictions, terms and conditions of the Equity Securities proposed to be issued; (D) the consideration for which the Equity Securities are proposed to be issued; and (E) the proposed closing date of the Equity Financing; and

- (ii) the Investor shall have the right to subscribe for and purchase such number of Equity Securities that the Company proposes to offer for sale as described in the Equity Financing Notice as would result in the Investor maintaining, following the completion of the Equity Financing, the Investor's Percentage held immediately prior to the closing of the proposed Equity Financing up to a maximum Investor's Percentage of 19.99%, for the consideration and on the same terms and conditions, as offered to the other potential investors under the Equity Financing all as set forth in the Equity Financing Notice. If the Investor elects to subscribe for such Equity Securities, the Investor shall provide written notice to the Company by the close of business on the third Business Day following the day upon which the Equity Financing Notice is received by the Investor, failing which the Investor will not be entitled to exercise its participation right in respect of such Equity Financing. In the written notice, the Investor shall specify (A) the current Investor's Percentage; and (B) whether the Investor wishes to exercise its right to participate in the Equity Financing to maintain its Investor's Percentage; provided that during a Remedial Period if the Investor's Percentage is less than the Initial Percentage, the Investor shall be able to exercise its right to participate in an Equity Financing pursuant to this Section 4.2 such that its Investor's Percentage is equal to the Initial Percentage following the completion of the Equity Financing, if it elects to do so. The partial exercise by the Investor of its right to participate in the Equity Financing shall not be permitted.
- (b) For so long as the Investor's Percentage is equal to or greater than the Initial Percentage and subject to applicable Laws and the policies of the TSXV or such other stock exchange on which the Common Shares are listed at the time (including receipt of all required regulatory and stock exchange approvals), in the event that the Company proposes to issue Equity Securities in connection with a Non-Cash Transaction:
 - (i) the Company shall deliver a notice to the Investor in writing as soon as practically possible (and if a public announcement of a Non-Cash Transaction is required, immediately after such announcement), but in any event at least five Business Days prior to the proposed closing date of the Non-Cash Transaction (the "**Non-Cash Transaction Notice**"), specifying: (A) the total number of outstanding Common Shares; (B) the total number of Equity Securities which are proposed to be issued in connection with the Non-Cash Transaction; (C) the rights, privileges, restrictions, terms and conditions of the Equity Securities which are proposed to be issued in connection with the Non-Cash Transaction; (D) the consideration for which the Equity Securities are proposed to be issued in the Non-Cash Transaction; and (E) the proposed closing date of the Non-Cash Transaction;
 - (ii) the Investor shall have the right to subscribe for and purchase that number of Equity Securities as would result in the Investor maintaining, following

the completion of the Non-Cash Transaction, the Investor's Percentage held immediately prior to the closing of the Non-Cash Transaction up to a maximum Investor's Percentage of 19.99%. If the Investor elects to subscribe for such Equity Securities, the Investor shall provide written notice to the Company by the close of business on the third Business Day following the day upon which the Non-Cash Transaction Notice is received by the Investor, failing which the Investor will not be entitled to exercise its participation right in respect of such Non-Cash Transaction. In the written notice, the Investor shall specify (A) the current Investor's Percentage; and (B) whether the Investor wishes to subscribe for and purchase that number of Equity Securities as would result in the Investor and its Affiliates collectively maintaining, following the completion of the Non-Cash Transaction; provided that during a Remedial Period if the Investor's Percentage is less than the Initial Percentage, the Investor shall be able to exercise its right to participate in with respect to a Non-Cash Transaction pursuant to this Section 4.2 such that its Investor's Percentage is equal to the Initial Percentage following the completion of the Non-Cash Transaction. The partial exercise by the Investor of its right to participate with respect to a Non-Cash Transaction shall not be permitted; and

- (iii) the consideration payable by the Investor in connection with the exercise of its participation right under Section 4.2(b)(ii) shall, subject to any rules of the TSXV or such other Principal Stock Exchange, be the volume weighted average trading price of the Common Shares on such exchange for the 20 day period ending the day prior to the public announcement of the Non-Cash Transaction (or the date of the Non-Cash Transaction Notice if there is no public announcement of the Non-Cash Transaction). Should the Common Shares not be listed on any stock exchange, the consideration payable by the Investor in connection with the exercise of its participation right under Section 4.2(b)(ii) shall be determined by the Board, acting reasonably. The Investor's right pursuant to the Non-Cash Transaction shall only be valid if the Non-Cash Transaction is completed.
- (c) Upon delivery of the written notice from the Investor to the Company pursuant to Section 4.2(a)(ii) or Section 4.2(b)(ii), the Investor shall be deemed to have irrevocably subscribed for that number of Equity Securities equal to the greater of (i) the number of Equity Securities required to maintain its current Investor's Percentage or (ii) the number of Equity Securities required to achieve an Investor's Percentage equal to the Initial Percentage, as applicable, as determined by the Company in good faith after giving effect to the completion of the Equity Financing or Non-Cash Transaction and, if applicable, any issuances of Equity Securities to accommodate all participation rights so that the Investor is not diluted below its current Investor's Percentage.
- (d) Where an Equity Financing is done by way of a private placement, the Investor shall only be permitted to participate if the issuance can be legally effected on a private placement basis and without the requirement to file a prospectus or registration statement or the requirement to deliver an offering memorandum under applicable securities laws.
- (e) Where an Equity Financing is pursuant to a prospectus offering, the Company shall use commercially reasonable efforts to include the Investor's *pro rata* share

entitlement for sale as part of such prospectus offering; provided however that if the Investor's *pro rata* share is not included in such prospectus offering, the Company shall use commercially reasonable efforts to provide the Investor with the opportunity to subscribe for such Equity Securities on a private placement basis within 15 Business Days following the closing of the prospectus offering.

- (f) Where the Investor's *pro rata* share entitlement requires regulatory or shareholder approval, the Company shall use all commercially reasonable efforts to promptly obtain the necessary regulatory and shareholder approval and shall make a positive recommendation to its Shareholders to vote in favour of the issuance to the Investor; provided however that (i) the Company may close the Equity Financing to purchasers other than the Investor prior to obtaining shareholder approval, provided that any securities to be issued to the Investor pursuant to such Equity Financing shall be issued to the Investor on the same terms as issued to such other purchasers within five Business Days after receipt of shareholder approval and any necessary regulatory approval; and (ii) if the Shareholders vote against the issuance of the Equity Securities to the Investor in any Equity Financing, or if any necessary regulatory approval is not obtained, then the Company shall not be required to issue to the Investor, and the Investor shall not be entitled to receive, such Equity Securities, provided that (subject to compliance with this Section 4.2) the Investor shall be entitled to acquire enough securities under any subsequent Equity Financing such that the Investor's Percentage shall be at least equal to the Investor's Percentage prior to the closing of the Equity Financing for which such shareholder approval was not received.
- (g) In the event that, at any time, from time to time, the Investor's Percentage falls below the Initial Percentage as a result of any securities issuance by the Company, whereby the Investor is diluted and the participation rights provided for in this Section 4.2 do not apply or cannot be exercised as a result of any applicable Laws or any order by any Government Entity, the Investor shall have one (1) year (the "**Remedial Period**") thereafter to purchase Common Shares on the TSXV or such other Principal Stock Exchange or by participating in subsequent Equity Financings or Non-Cash Transactions to bring the Investor's Percentage to at least equal to the Initial Percentage. The participation rights provided for in this Section 4.2 shall continue to be in effect during the Remedial Period and shall allow the Investor to participate in Equity Financings or Non-Cash Transactions to buy up to that number of Common Shares to allow it to reach again the Initial Percentage. However, the participation rights provided for in this Section 4.2 shall terminate if the Investor disposes of any Common Shares during the Remedial Period.

4.3 Standstill

After the Closing, and notwithstanding the Confidentiality Agreement as amended by this Agreement, the Investor shall have the right to purchase Common Shares on the TSXV or such other Principal Stock Exchange.

4.4 Investor Voting and Resale

For a period of one year following the Closing Date (the "**Restricted Period**"), the Investor:

- (a) shall vote as recommended by management of the Company, all Common Shares beneficially owned or over which control or direction is exercised by the Investor,

at each meeting of Shareholders; except with respect to (A) any transaction whereby over 50% of the Company's outstanding voting securities or its assets are to be acquired by any third party or parties as a result of such transaction; or (B) any transaction with any person holding 20% or more of the outstanding Common Shares or who is otherwise considered a "control person" (within the meaning of the *Securities Act* (British Columbia)) of the Company, in respect of which the Investor shall be able to vote at its sole discretion; and

- (b) shall not sell or transfer any Common Shares beneficially owned by it, other than to (i) an Affiliate, or (ii) a third party or parties at arm's length with the Investor pursuant to a take-over bid, amalgamation, merger, arrangement or share purchase or similar transaction involving the securities or assets of the Company, supported by the Board, without the prior written consent of the Company. If at any time after the Restricted Period and as long as the Investor holds or beneficially owns at least 2% of the outstanding Common Shares (on a non-diluted basis), the Investor intends to sell or transfer any Common Shares, the Investor shall thereafter give notice to the Company of such intention at least five Business Days before any sale or transfer. If the Investor sells or transfer any Common Shares in respect of which it is the registered or beneficial owner to an Affiliate, it shall be a condition of such sale or transfer that such Affiliate agrees in writing to be bound by the provisions in this Section 4.4.
- (c) Notwithstanding the above, the obligations of the Investor set out in this Section 4.4 will cease to apply if the Company is not in material compliance with this Agreement or if the Company is not in material compliance with all applicable Laws (including without limitation Securities Laws and policies of the TSXV or such other Principal Stock Exchange).

4.5 Technical Studies

On a case-by-case basis, the Company and Investor shall collaborate on technical studies related to permitting and associated engineering matters in connection with the Rozino project, **[Redacted – commercially sensitive information]**.

4.6 Listing of Common Shares

As long as the Investor is a holder of any of the Purchased Shares, for a period of two years following the Closing, the Company shall not take any action which would reasonably be expected to result in the delisting or suspension of the Common Shares from the TSXV or such other stock exchange on which the Common Shares are listed at the time, provided that this covenant shall not prevent the Company from completing any transaction which would result in the Company ceasing to be listed so long as (a) the holders of Common Shares receive (i) cash, (ii) securities of an entity which is listed on a stock exchange in Canada, or (iii) a combination of both cash and securities; or (b) the holders of the Common Shares have approved the transaction.

4.7 Actions to be Taken by Company

- (a) The Company shall within 10 days of the Closing, file with the applicable Securities Regulators any reports required to be filed by Securities Laws, including under NI 45-106, in connection with this Agreement and the transactions contemplated by this Agreement in the required form, and will provide the Investor's legal counsel with copies of such reports.

- (b) The Company shall, from and including the date of this Agreement through to and including the Closing:
- (i) do all such reasonable acts and things necessary to ensure that all of the representations and warranties of the Company contained in this Agreement or any certificates or documents delivered by it pursuant to this Agreement remain true and correct in all material respects (except those representations and warranties which are qualified by materiality or by reference to Material Adverse Effect, which shall be true and correct in all respects) and not do any such act or thing that would render any representation or warranty of the Company contained in this Agreement or any certificates or documents delivered by it pursuant to this Agreement materially untrue or incorrect;
 - (ii) permit the Investor and their legal counsel to participate fully in the preparation of any documents relating to this Agreement and the transactions contemplated herein; and
 - (iii) promptly send to the Investor and its legal counsel copies of all correspondence and filings to and correspondence from the Securities Regulators or the TSXV relating to the transactions contemplated by this Agreement.

4.8 Covenants on the Property

For so long as the Investor's Percentage is equal to or greater than the Initial Percentage, the Company shall permit the Investor, directly and through its agents and representatives, at its own expense and risk, upon at least ten Business Days prior written notice to the Company and during normal business hours in Bulgaria, access to the Tintyava Property after the Closing Date for the purposes of, among other things, verifying the compliance of the Company with its representations, warranties and covenants hereunder. Such investigations and inspections shall not, however, affect or mitigate the representations and warranties of the Company hereunder, which shall continue in full force and effect. The Investor shall ensure that all such access, investigations and inspections are conducted in a commercially reasonable manner. For greater certainty, the Investor and its agents and representatives shall not be allowed to carry out any invasive or intrusive geotechnical, environmental or other inspections with respect to the Tintyava Property or any portion thereof (including, without limitation, any drilling, boring, cutting, disassembling or removing of any property or any portions thereof). Any access, investigations and/or inspections contemplated in this Section 4.8 shall be done in the presence of a representative of the Company or a Subsidiary of the Company, if the Company so requires. The Investor agrees to repair and restore in a good and workmanlike manner any damage to property resulting from the Investor's or its agents or representatives negligence or failure to abide by express safety instructions during any access to, investigation of or inspection of the Tintyava Property at the Investor's sole cost and expense promptly on becoming aware of such damage. In addition, the Investor shall defend, indemnify and hold the Company, the Subsidiaries and their respective officers, directors, shareholders, managers, Affiliates, employees, representatives, invitees, agents and contractors harmless against any and all Claims arising out of any negligent act or omission, or failure to abide by express safety instructions of the Company, by the Investor or its agents or representatives during and with respect to the exercise of the right of access, investigation or inspection contemplated by this Section 4.8. For the avoidance of doubt, the Investor and its Affiliates, agents and representatives shall not be responsible for any damages or Claims arising from the actions of the Company and its Affiliates and Representatives during

any access to, investigation of or inspection of the Tintyava Property by the Investor or its Affiliates, agents and representatives.

4.9 Use of Proceeds

The Company covenants and agrees that the net proceeds from the Purchase Price shall be used by the Company primarily for Permitted Expenditures.

4.10 Filings

The Investor will, or will cause others to, as applicable, execute, deliver, file and otherwise assist the Company in filing on a timely basis, such reports, undertakings and other documents required by applicable Laws in connection with the transactions contemplated hereunder, including, if applicable, a TSXV Form 4C – *Corporate Placee Registration Form* for the Investor and a personal information form or declaration form for each of the Investor's Nominees to the Board, from time to time.

ARTICLE 5 CONDITIONS PRECEDENT

5.1 Investor's Conditions Precedent

- (a) All obligations of the Investor to purchase the Purchased Shares under this Agreement are subject to the fulfillment prior to or at the Time of Closing of each of the following conditions:
 - (i) receipt by the Company of all required Governmental Approvals or approvals of other Persons of the transactions contemplated by this Agreement, including conditional acceptance of the TSXV of the issuance and listing of the Purchased Shares on the TSXV;
 - (ii) the Investor shall be satisfied, in its sole and absolute discretion, with the Due Diligence;
 - (iii) the representations and warranties made by the Company under this Agreement shall be true in all material respects as of the Time of Closing, other than those representations and warranties which are qualified by materiality or reference to Material Adverse Effect, which shall be true in all respects as of the Time of Closing, and unless they are expressed to be made only as of an earlier fixed date in which case they need to be true and correct only as of such earlier date;
 - (iv) the Company shall have complied with all covenants and agreements herein agreed to be performed or caused to be performed by it prior to the Time of Closing;
 - (v) no action, suit or proceeding shall have been instituted and be continuing by any Person to restrain, modify or prevent the consummation of the transactions contemplated by this Agreement;
 - (vi) no action shall have been taken by any Governmental Entity prohibiting or making illegal the execution and delivery of this Agreement or any transaction contemplated by this Agreement;

- (vii) no change, fact or circumstance shall have occurred in the affairs, operations, business or financial condition of the Company that the Investor determines, in its sole discretion, has or could reasonably be expected to have a Material Adverse Effect on the ability of the Company to fully consummate the transactions contemplated by this Agreement; and
 - (viii) the delivery of all documents and consideration required to be delivered to the Investor by the Company pursuant to Article 6, to the satisfaction of the Investor, acting reasonably.
- (b) In case any of the foregoing conditions cannot be fulfilled on or before the Closing Date to the satisfaction of the Investor, acting reasonably, the Investor may terminate this Agreement by notice to the Company and in such event the Investor and the Company shall be released from all obligations hereunder; provided, however, that any such conditions may be waived in whole or in part by the Investor without prejudice to its rights of termination in the event of the non-fulfillment of any other condition or conditions, and that the Closing of the transactions contemplated by this Agreement shall be deemed to be a waiver of any unfulfilled conditions.

5.2 Company's Conditions Precedent

The obligations of the Company to complete the transactions contemplated herein are subject to the fulfilment prior to or at the Time of Closing of each of the following conditions:

- (a) receipt by the Company of all required Governmental Approvals or approvals of other Persons of the transactions contemplated by this Agreement, including conditional acceptance of the TSXV of the issuance and listing of the Purchased Shares on the TSXV;
- (b) the representations and warranties made by the Investor under this Agreement shall be true in all material respects as of the Time of Closing, other than those representations and warranties which are qualified by materiality, which shall be true in all respects as of the Time of Closing, and unless they are expressed to be made only as of an earlier fixed date in which case they need to be true and correct only as of such earlier date;
- (c) the Investor shall have complied with all covenants and agreements herein agreed to be performed or caused to be performed by it prior to the Time of Closing;
- (d) no action shall have been taken by any Governmental Entity prohibiting or making illegal the execution and delivery of this Agreement or any transaction contemplated by this Agreement;
- (e) no action, suit or proceeding shall have been instituted and be continuing by any Person to restrain, modify or prevent the consummation of the transactions contemplated by this Agreement;
- (f) the Investor shall have filed, or cause to be filed, with the TSXV, if applicable, (A) a Form 4C - *Corporate Placee Registration Form* for the Investor; (B) any other personal information forms or declaration forms required to be filed in respect of the Investor's purchase of the Purchased Shares; and

- (g) the delivery of all documents and consideration required to be delivered to the Company by the Investor pursuant to Article 6, to the satisfaction of the Company, acting reasonably.

ARTICLE 6 CLOSING

6.1 Closing

Subject to the terms and conditions of this Agreement, the Closing will take place at the Time of Closing on the Closing Date at the offices of Lotz & Company in Vancouver, British Columbia, or at such other place or manner (including all or in part by electronic means) as may be agreed upon by the Parties.

6.2 Company Closing Deliveries

At or prior to the Closing, the Company shall deliver or cause to be delivered to the Investor the following Closing Documents, each in form and substance satisfactory to the Investor, acting reasonably:

- (a) evidence of the conditional acceptance of the issuance and listing of the Purchased Shares on the TSXV;
- (b) a certificate of good standing with respect to the Company issued by the Registrar of Companies for the Province of British Columbia as at the day prior to the Closing Date;
- (c) a certificate from a duly authorized officer of the Company certifying (A) the Notice of Articles, (B) the Articles, (C) the incumbency of certain officers of the Company executing this Agreement and any of the Closing Documents; and (D) the resolutions of the Board approving the issuance of the Purchased Shares, the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereunder;
- (d) a certificate from the Transfer Agent: (A) as to its appointment as transfer agent and registrar of the Common Shares; and (B) as to the issued and outstanding Common Shares as at the close of business on the day prior to the Closing Date;
- (e) a share certificate representing the Purchased Shares, registered in the name of the Investor (or as the Investor may direct in writing), duly executed and issued by the Company and registered in the share register of the Company in the name of the Investor (or as the Investor may direct);
- (f) a certificate of the Company signed on behalf of the Company, without personal liability, by the President and Chief Executive Officer or other officer of the Company acceptable to the Investor, addressed to the Investor and dated the Closing Date, certifying that (i) the representations and warranties of the Company set forth in this Agreement are true and correct in all material respects as at the Closing Date (except (A) to the extent that such representations and warranties are qualified by materiality or by reference to Material Adverse Effect, such representations and warranties shall be true and correct in all respects; and (B) to the extent that such representations and warranties expressly speak of an earlier date, in which event, such representations and warranties shall be true and correct in all material respects as of such earlier date) and (ii) the Company has in all

material respects performed its obligations and complied with the terms and conditions of this Agreement required to be performed or complied with at or prior to the Time of Closing; and

- (g) a legal opinion dated the Closing Date, in form and substance satisfactory to the Investor, acting reasonably, from counsel to the Company, addressed to the Investor, with respect to the following matters, assuming completion of the Closing:
- (i) as to the valid existence of the Company under the laws of its jurisdiction of incorporation;
 - (ii) as to the authorized and issued capital of the Company;
 - (iii) that the Company has all requisite corporate power and capacity under the laws of its jurisdiction of incorporation to carry on its business as presently carried on and has all necessary corporate power and capacity and is qualified to (i) own its property; (ii) issue the Purchased Shares; and (iii) carry out the transaction contemplated hereby;
 - (iv) that all necessary corporate action has been taken by the Company to authorize the execution and delivery of this Agreement and the performance of its obligations hereunder;
 - (v) that the Purchased Shares have been duly authorized and on receipt of payment therefor will be issued as fully paid and non-assessable Common Shares;
 - (vi) that the execution and delivery of this Agreement by the Company, the issue and sale of the Purchased Shares and, the consummation of the transactions contemplated by this Agreement, do not and will not result in a breach (whether after notice or lapse of time or both) of the laws of the Company's jurisdiction of incorporation, or of the terms, conditions or provisions of the constating documents of the Company;
 - (vii) this Agreement has been duly authorized and executed by the Company and constitutes a legal, valid and binding obligation of the Company and is enforceable against the Company by the Investor in accordance with its terms, subject to reasonable opinion qualifications;
 - (viii) that the form of the certificate representing the Purchased Shares has been duly approved by the Company and meet all legal requirements under the constating documents of the Company, the Act and the rules of the TSXV (if any) and have been duly approved by the Company;
 - (ix) that Computershare Trust Company of Canada at its principal offices in the city of Vancouver has been duly appointed as the transfer agent and registrar for the Common Shares, which appointment has not been revoked and amended;
 - (x) the issue and sale of the Purchased Shares by the Company to the Investor is exempt from the prospectus requirements of the securities laws in British Columbia and Ontario and no prospectus will be required, no other document will be required to be filed with the relevant securities authorities, no proceeding will be required to be taken and no approval, consent, order

or authorization of a regulatory authority will be required to be obtained by the Company under the Securities Laws in British Columbia or Ontario in connection with the issue and sale of the Purchased Shares to the Investor other than the requirement that the Company files within 10 days from the date of issue and sale of the Purchased Shares, a report of the sale prepared and executed in accordance with the securities laws in British Columbia and Ontario, together with the payment of prescribed fees in connection therewith;

- (xi) the first trade in, or resale of, the Purchased Shares, other than a trade which is otherwise exempt under securities laws in British Columbia and Ontario, will be a deemed distribution subject to the prospectus requirements of applicable securities laws in British Columbia and Ontario, unless certain conditions are met; and
- (xii) the TSXV has accepted notice of the issuance of the Purchased Shares and has conditionally approved the Purchased Shares for listing on the TSXV subject to the Company fulfilling the requirements of the TSXV set forth in the conditional acceptance letter.

6.3 Investor Closing Deliveries

At or prior to Closing, the Investor shall deliver or cause to be delivered to the Company, the following:

- (a) payment for the Purchased Shares purchased at the Closing in accordance with Section 2.2;
- (b) a certificate from a duly authorized officer of the Investor certifying (A) the incumbency of certain officers of the Investor executing any of the Closing Documents; and (B) the resolutions of the board of directors of the Investor approving the execution, delivery and performance of this Agreement and the consummation of the transactions contemplated hereunder; and
- (c) a certificate of the Investor, signed on behalf of Investor, without personal liability, by an executive officer of the Investor acceptable to the Company, addressed to the Company and dated the Closing Date certifying that (i) all representations and warranties of the Investor set forth in this Agreement are true and correct in all material respects as at the Closing Date, with the same force and effect as if made by the Investor as at the Closing Date (except (A) to the extent that such representations and warranties are qualified by materiality such representations and warranties shall be true and correct in all respects; and (B) to the extent that such representations and warranties expressly speak of an earlier date, in which event, such representations and warranties shall be true and correct in all material respects as of such earlier date); and (ii) the Investor has, in all material respects, performed all of its obligations and complied with the terms and conditions of this Agreement required to be performed or complied with at or prior to the Time of Closing.

ARTICLE 7 INDEMNIFICATION

7.1 Indemnity of the Company

Subject to the terms and conditions of this Article 7, the Company shall indemnify and save harmless the Investor from and against all Losses directly or indirectly suffered by it resulting from: (i) any breach of any covenant of the Company contained in this Agreement; (ii) any inaccuracy or misrepresentation in any representation or warranty provided by the Company contained in this Agreement; and (iii) any Liabilities caused, directly or indirectly, by the Company as a result of or arising out of the conduct of its activities on or in respect of the Tintyava Property.

7.2 Indemnity of Investor

Subject to the terms and conditions of this Article 7, the Investor shall indemnify and save harmless the Company and the Subsidiaries from and against all Losses directly or indirectly suffered by them resulting from: (i) any breach of any covenant of the Investor contained in this Agreement; and (ii) any inaccuracy or misrepresentation in any representation or warranty provided by the Investor contained in this Agreement.

7.3 Notice of and Defence of Third Party Claims

- (a) If an Indemnified Party receives written notice of the commencement or assertion of any Third Party Claim in respect of which the Indemnified Party believes the Indemnifying Party has liability under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof. To the extent reasonable and practical given the information readily available to the Indemnified Party, such notice to the Indemnifying Party shall describe the Third Party Claim in reasonable detail and shall indicate (without prejudice to the Indemnified Party's rights) the estimated amount of the Loss that has been or may be sustained by the Indemnified Party in respect thereof, provided that the failure to give such notice within such time period shall not reduce the Indemnified Party's rights hereunder, except to the extent of any actual prejudice suffered as a result of such failure.
- (b) The Indemnifying Party shall have the right, by giving notice to that effect to the Indemnified Party not later than thirty (30) days after receipt of such notice of such Third Party Claim and subject to the rights of any insurer or other Third Party having potential liability therefor, to elect to assume the defence of any Third Party Claim at the Indemnifying Party's own expense and by the Indemnifying Party's own counsel, provided that the Indemnifying Party shall not be entitled to assume the defence of any Third Party Claim: (i) alleging any criminal or quasi-criminal wrongdoing (including fraud); (ii) which impugns the reputation of the Indemnified Party; or (iii) where the Third Party making the Third Party Claim is a Governmental Entity (provided that, the Indemnifying Party shall be entitled to participate in any proceedings described in (iii) above at its own expense).
- (c) Prior to settling or compromising any Third Party Claim in respect of which the Indemnifying Party has the right to assume the defence, the Indemnifying Party shall obtain the consent of the Indemnified Party regarding such settlement or compromise, which consent shall not be unreasonably withheld or delayed. In addition, the Indemnified Party shall be entitled to participate in (but not control) the defence of any Third Party Claim (and in so doing may retain its own counsel) at the cost and expense of the Indemnified Party.

- (d) With respect to any Third Party Claim in respect of which the Indemnified Party has given notice to the Indemnifying Party and in respect of which the Indemnifying Party is not entitled to assume the defence or has not elected to do so, the Indemnifying Party may participate in (but not control) such defence assisted by counsel of its own choosing at the Indemnifying Party's sole cost and expense.
- (e) At their own cost and expense, the Indemnifying Party and Indemnified Parties shall use all commercially reasonable efforts to make available to the Party which is undertaking and controlling the defence of any Third Party Claim:
 - (i) those employees whose assistance, testimony or presence is necessary to assist such Party in evaluating and in defending any Third Party Claim; and
 - (ii) all documents, records and other materials in the possession of such Party reasonably required by such Party for its use in defending any Third Party Claim,and shall otherwise co-operate with the Party defending such Third Party Claim.
- (f) If the Indemnifying Party elects to assume the defence of any Third Party Claim as provided in Section 7.3(b) and fails to take reasonable steps necessary to defend diligently such Third Party Claim within 30 days after receiving notice from the Indemnified Party that the Indemnified Party believes on reasonable grounds that the Indemnifying Party has failed to take such steps, the Indemnified Party may, at its option, elect to assume the defence of and to compromise or settle the Third Party Claim assisted by counsel of its own choosing and the Indemnifying Party shall be liable for all reasonable costs and expenses paid or incurred in connection therewith.
- (g) Upon making a payment in full of any Loss, the Indemnifying Party shall, subject to the rights of any insurers and to the extent of such Loss, be subrogated to all rights of the Indemnified Party against any third party in respect of the Loss to which the Loss relates.
- (h) Any Person providing indemnification pursuant to the provisions of this Article 7 is referred to herein as an **"Indemnifying Party"**, and any Person entitled to be indemnified pursuant to the provisions of this Article 7 is referred to herein as an **"Indemnified Party"**.
- (i) Notwithstanding anything to the contrary set forth in this Agreement, the Parties shall not be entitled to make a claim for indemnity under this Article 7 unless and until the aggregate of all indemnifiable Claims for Losses exceeds **[Redacted – commercially sensitive information]**, at which point the Indemnified Party shall be entitled to recover all such Losses.
- (j) The indemnity obligations of an Indemnifying Party pursuant to this Article 7 shall be limited to **[Redacted – commercially sensitive information]**.

7.4 No Duplication

Notwithstanding anything in this Agreement, any amounts payable pursuant to the indemnification obligations under this Article 7 shall be paid without duplication, and in no event shall any Party be indemnified under different provisions of this Agreement for the same Losses.

7.5 Tax Treatment of Indemnity Payments

The Parties agree to treat any indemnity payment made pursuant to this Article 7 as an adjustment to the Purchase Price for all income tax purposes.

ARTICLE 8 GENERAL PROVISIONS

8.1 Termination

- (a) It is understood that the Investor and the Company may at their sole discretion waive, in whole or in part, or extend the time for compliance with, any of the terms and conditions of this Agreement in their favour without prejudice to their rights in respect of any other of such terms and conditions or any other subsequent breach or non-compliance; provided, however, that to be binding on the Investor or the Company, as applicable, any such waiver or extension shall be in writing.
- (b) This Agreement may be terminated under the following circumstances:
 - (i) upon mutual written consent of the Parties;
 - (ii) by the Investor in the event of the occurrence of a Material Adverse Change concerning the Company and the Subsidiaries, taken as a whole, determined by the Investor in its sole opinion, acting reasonably, prior to the Time of Closing; or
 - (iii) by either the Investor or the Company, if the Closing Date shall not have occurred on or before the Outside Date, except that the right to terminate this Agreement under this Section 8.1(b)(iii) shall not be available to either Party whose failure to perform any of its covenants or agreements or breach any of its representations and warranties under this Agreement has been the cause of, or resulted in, the failure of the Closing Date to occur by the Outside Date.

8.2 Notices

- (a) Any notice, direction or other instrument required or permitted to be given under this Agreement will be in writing and may be given by the delivery of the same or by mailing the same by prepaid registered or certified mail or by sending the same by email or other similar form of communication (provided that if a method of notice other than email is selected, the notice shall also be sent by email), in each case addressed as follows:
 - (i) in the case of the Company:

Velocity Minerals Ltd.
Suite 2300, 1177 West Hastings Street
Vancouver, BC V6E 2K3

Attention: **[Redacted – privacy]**
Email: **[Redacted – privacy]**

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

Lotz & Company
Suite 1170, 1040 West Georgia Street
Vancouver, BC V6E 4H1

Attention: Jonathan Lotz
Email: jlotz@lotzandco.com

(ii) in the case of the Investor:

Dundee Precious Metals Inc.
Suite 500, 1 Adelaide Street East
Toronto, ON M5C 2V9

Attention: **[Redacted – privacy]**
Email: **[Redacted – privacy]**

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

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Attention: André Boivin
Email: aboivin@cassels.com

- (b) Any notice, direction or other instrument will (i) if delivered by hand, be deemed to have been given and received on the day it was delivered; (ii) if mailed, be deemed to have been given and received on the third Business Day following the day of mailing, except in the event of disruption of the postal service in which event notice will be deemed to be received only when actually received; and (iii) if sent by email or other similar form of communication, be deemed to have been given and received on the Business Day following the day it was so sent.
- (c) Either Party may at any time change its address for service from time to time by giving notice to the other Party in accordance with this Section 8.1.

8.3 Further Assurances

Each of the Parties shall, from time to time hereafter and upon any reasonable request of the other, promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things as may be required or necessary for the purposes of giving effect to this Agreement.

8.4 Amendments

No amendment or waiver of any provision of this Agreement shall be binding on any Party unless consented to in writing by such Party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

8.5 Assignment

Other than an assignment by the Investor to an Affiliate of the Investor, which is permitted without the consent of the Company, neither Party may assign any of its rights or benefits under this

Agreement, or delegate any of its duties or obligations, except with the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed.

8.6 Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding on and enforceable by and against the Parties and their respective successors or heirs, executors, administrators and other legal personal representatives, and permitted assigns.

8.7 No Partnership

Nothing in this Agreement or in the relationship of the Parties shall be construed as in any sense creating a partnership, agency or similar relationship between the Parties or as giving to any Party any of the rights or subjecting any Party to any of the creditors of the other Party.

8.8 Public Releases

The Parties agree that they shall obtain prior approval of the other Party as to the content and form of any press release (including the filing on SEDAR of any material change report or copy of this Agreement) relating to the entering into of this Agreement and the transactions contemplated herein, such approval not to be unreasonably withheld or delayed. Each Party shall be entitled thereafter to include such similar disclosure as previously approved, in any other subsequent public disclosure documents without obtaining the prior approval of the other Party. Notwithstanding the foregoing, if a Party is required by applicable Laws to make any disclosure relating to the transactions contemplated herein, such disclosure may be made, but that Party will use reasonable commercial efforts to consult with the other Party as to the wording of such disclosure prior to its being made.

8.9 Expenses

Each Party shall pay its respective legal, accounting and other professional advisory fees, costs and expenses incurred in connection with the negotiation, preparation or execution of this Agreement and all documents and instruments executed or delivered pursuant to this Agreement.

8.10 Counterparts

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed and delivered in any number of counterparts (including counterparts delivered by facsimile or email), with the same effect as if all Parties had signed and delivered the same document, and all counterparts shall be construed together to be an original and will constitute one and the same agreement.

[Remainder of page left blank.]

IN WITNESS WHEREOF this Agreement has been executed by the Parties.

VELOCITY MINERALS LTD.

By: "Keith Henderson"
Name: Keith Henderson
Title: President and CEO

DUNDEE PRECIOUS METALS INC.

By: "Michael Dorfman"
Name: Michael Dorfman
Title: Executive Vice President, Corporate
Development

**Schedule 4.5
Technical Studies**

- [Redacted – commercially sensitive information]