

**EARLY WARNING REPORT
(Form 62-103F1)**

**Made Pursuant To
NATIONAL INSTRUMENT 62-103
*The Early Warning System and Related Take-Over Bid and
Insider Reporting Issues***

Update to the early warning report dated March 23, 2018.

Item 1 – Security and Reporting Issuer

1.1 State the designation of securities to which this report relates and the name and address of the head office of the issuer of the securities.

Securities: Common shares (“**Bonterra Shares**”) and Share purchase warrants (“**Bonterra Warrants**”), each Warrant entitling the holder thereof to acquire 1.6039 Bonterra Shares.

Issuer: **Bonterra Resources Inc.** (the “**Corporation**”)
200 Burrard Street, Suite 1680
Vancouver, British Columbia
V6C 3L6

1.2 State the name of the market in which the transaction or other occurrence that triggered the requirement to file this report took place.

Not applicable.

Item 2 – Identity of the Acquiror

2.1 State the name and address of the acquiror.

Eric Sprott (“Sprott”)
200 Bay Street, Suite 2600
Royal Bank Plaza, South Tower
Toronto, Ontario M5J 2J1

2.2 State the date of the transaction or other occurrence that triggered the requirement to file this report and briefly describe the transaction or other occurrence.

On September 24, 2018, the Corporation and Metanor Resources Inc. (“**Metanor**”) completed a plan of arrangement (the “**Arrangement**”) under the *Canada Business Corporations Act*. Pursuant to the Arrangement, among other things, each common share of Metanor (each, a “**Metanor Share**”) was exchanged for 1.6039 Bonterra Shares. In connection with the

Arrangement, the Metanor Share purchase warrants (“**Metanor Warrants**”) were adjusted in accordance with their terms to entitle each holder thereof to acquire such number of Bonterra Shares, at an exercise price as is accordingly adjusted pursuant to the terms of such Metanor Warrant, that such holder would have been entitled to receive had the holder exercised the Metanor Warrant prior to the effective time of the Arrangement and at the effective time held the Metanor Shares issuable upon the exercise of such Metanor Warrants. Accordingly, each such Bonterra Warrant now entitles the holder thereof to acquire 1.6039 Bonterra Shares upon the exercise of each Bonterra Warrant.

This report is being filed because Sprott’s beneficial holdings have increased to greater than 10% of the outstanding Bonterra Shares as a result of the exchange/adjustment of Metanor Shares and Metanor Warrants for Bonterra Shares and Bonterra Warrants, respectively, pursuant to the Arrangement.

2.3 State the names of any joint actors.

2176423 Ontario Ltd.
Lariscan Enterprises Inc.

Item 3 – Interest in Securities of the Reporting Issuer

3.1 State the designation and number or principal amount of securities acquired or disposed of that triggered the requirement to file the report and the change in the acquiror’s securityholding percentage in the class of securities.

Pursuant to the Arrangement, in exchange for/adjustment of 12,126,800 Metanor Shares and 5,128,500 Metanor Warrants over which Sprott previously had direct and indirect beneficial ownership, Sprott acquired beneficial ownership of 19,450,174 Bonterra Shares and 5,128,500 Bonterra Warrants (exercisable for 8,225,601 Bonterra Shares), representing approximately 4.9% of the then outstanding Shares on a non-diluted basis and approximately 6.8% on a partially diluted basis assuming exercise of the Bonterra Warrants

3.2 State whether the acquiror acquired or disposed ownership of, or acquired or ceased to have control over, the securities that triggered the requirement to file the report.

Sprott acquired beneficial ownership of the Bonterra Shares and Bonterra Warrants. See item 2.2.

3.3 If the transaction involved a securities lending arrangement, state that fact.

Not applicable.

3.4 State the designation and number or principal amount of securities and the acquiror’s securityholding percentage in the class of securities, immediately before and after the transaction or other occurrence that triggered the requirement to file this report.

Prior to the completion of the Arrangement, Sprott beneficially owned 17,044,500 Bonterra Shares, representing approximately 7.3% of the outstanding Bonterra Shares.

After giving effect to the Arrangement, Sprott beneficially owns 36,494,674 Bonterra Shares and 5,128,500 Bonterra Warrants, representing approximately 9.2% of the outstanding Shares on a non-diluted basis and approximately 11.0% on a partially diluted basis assuming exercise of the Bonterra Warrants

3.5 State the designation and number or principal amount of securities and the acquiror's securityholding percentage in the class of securities referred to in Item 3.4 over which

- (a) the acquiror, either alone or together with any joint actors, has ownership and control,**

See item 3.4.

- (b) the acquiror, either alone or together with any joint actors, has ownership but control is held by persons or companies other than the acquiror or any joint actor, and**

Not applicable.

- (c) the acquiror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership.**

Not applicable.

3.6 If the acquiror or any of its joint actors has an interest in, or right or obligation associated with, a related financial instrument involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the related financial instrument and its impact on the acquiror's securityholdings.

Not applicable.

3.7 If the acquiror or any of its joint actors is a party to a securities lending arrangement involving a security of the class of securities in respect of which disclosure is required under this item, describe the material terms of the arrangement including the duration of the arrangement, the number or principal amount of securities involved and any right to recall the securities or identical securities that have been transferred or lent under the arrangement.

State if the securities lending arrangement is subject to the exception provided in section 5.7 of NI 62-104.

Not applicable.

- 3.8 If the acquiror or any of its joint actors is a party to an agreement, arrangement or understanding that has the effect of altering, directly or indirectly, the acquiror's economic exposure to the security of the class of securities to which this report relates, describe the material terms of the agreement, arrangement or understanding.**

Not applicable.

Item 4 – Consideration Paid

- 4.1 State the value, in Canadian dollars, of any consideration paid or received per security and in total.**

See items 2.2 and 3.1.

The closing price of the Shares on the TSX Venture Exchange (the "TSXV") on September 21, 2018, the last trading day prior to the effective date of the Arrangement was \$0.43. The closing price of the price of the Metanor Shares on the TSXV on September 21, 2018 was \$0.60.

- 4.2 In the case of a transaction or other occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, disclose the nature and value, in Canadian dollars, of the consideration paid or received by the acquiror.**

See item 4.1.

- 4.3 If the securities were acquired or disposed of other than by purchase or sale, describe the method of acquisition or disposition.**

Not applicable

Item 5 – Purpose of the Transaction

State the purpose or purposes of the acquiror and any joint actors for the acquisition or disposition of securities of the reporting issuer. Describe any plans or future intentions which the acquiror and any joint actors may have which relate to or would result in any of the following:

- (a) the acquisition of additional securities of the reporting issuer, or the disposition of securities of the reporting issuer;**
- (b) a corporate transaction, such as a merger, reorganization or liquidation, involving the reporting issuer or any of its subsidiaries;**
- (c) a sale or transfer of a material amount of the assets of the reporting issuer or any of its subsidiaries;**
- (d) a change in the board of directors or management of the reporting issuer, including any plans or intentions to change the number or term of directors or to fill any existing vacancy on the board;**

- (e) a material change in the present capitalization or dividend policy of the reporting issuer;
- (f) a material change in the reporting issuer's business or corporate structure;
- (g) a change in the reporting issuer's charter, bylaws or similar instruments or another action which might impede the acquisition of control of the reporting issuer by any person or company;
- (h) a class of securities of the reporting issuer being delisted from, or ceasing to be authorized to be quoted on, a marketplace;
- (i) the issuer ceasing to be a reporting issuer in any jurisdiction of Canada;
- (j) a solicitation of proxies from securityholders; and/or
- (k) an action similar to any of those enumerated above.

The Shares were acquired due to the Arrangement. Sprott has a long-term view of the investment and may acquire additional securities either on the open market or through private acquisitions or sell the securities either on the open market or through private dispositions in the future depending on market conditions, reformulation of plans and/or other relevant factors. Sprott currently has no other plans or intentions that relate to, or would result in the matters listed in clauses (a) to (k), above. Depending on market conditions, general economic and industry conditions, the Corporation's business and financial condition and/or other relevant factors, Sprott may develop such plans or intentions in the future.

Item 6 – Agreements, Arrangements, Commitments or Understandings With Respect to Securities of the Reporting Issuer

Describe the material terms of any agreements, arrangements, commitments or understandings between the acquiror and a joint actor and among those persons and any person with respect to securities of the class of securities to which this report relates, including but not limited to the transfer or the voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, guarantees of profits, division of profits or loss, or the giving or withholding of proxies. Include such information for any of the securities that are pledged or otherwise subject to a contingency, the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Not applicable.

Item 7 – Change in material fact

If applicable, describe any change in a material fact set out in a previous report filed by the acquiror under the early warning requirements or Part 4 in respect of the reporting issuer's securities.

Not applicable.

Item 8 – Exemption

If the acquiror relies on an exemption from requirements in securities legislation applicable to formal bids for the transaction, state the exemption being relied on and describe the facts supporting that reliance.

Not applicable.

Item 9 – Certification

I, as the acquiror, certify to the best of my knowledge, information and belief, that the statements made in this report are true and complete in every respect.

Date: October 1, 2018

“Eric Sprott”

Eric Sprott