EXECUTION VERSION

INVESTOR RIGHTS AGREEMENT

BETWEEN

SUMITOMO METAL MINING CANADA LTD.

- and -

KENORLAND MINERALS LTD.

November 3, 2021

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INVESTOR RIGHTS AGREEMENT

THIS AGREEMENT made the 3rd day of November, 2021,

BETWEEN:

SUMITOMO METAL MINING CANADA LTD., a corporation existing under the laws of British Columbia, (hereinafter referred to as the "**Investor**"),

- and -

KENORLAND MINERALS LTD., a corporation existing under the laws of British Columbia, (hereinafter referred to as the "**Company**").

WHEREAS pursuant to the subscription agreement dated as of the date hereof (the "**Subscription Agreement**"), the Company has agreed to issue to the Investor, and the Investor has agreed to purchase from the Company (the "**Subscription**"), 5,211,945 Common Shares (the "**Subscription Shares**") in the capital of the Company at price of $1.00 per Common Share (the "**Subscription Price**") for aggregate gross proceeds of $5,211,945 (which will result in the Investor owning 10.1% of the issued and outstanding Common Shares, on an undiluted basis), in reliance upon the representations, warranties and covenants of the Company contained therein and herein;

AND WHEREAS in connection with the Subscription, the Parties desire to enter into this Agreement to govern certain of their rights, duties and obligations;

AND WHEREAS the Company has obtained the written approval of the board of directors in connection with certain transactions contemplated by this Agreement;

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**" has the meaning ascribed to such term in the Securities Act *(British Columbia)*, as in effect on the date of this Agreement.

"**Applicable Securities Laws**" means all applicable securities laws in each of the Canadian Reporting Jurisdictions and the respective rules and regulations under such

laws together with applicable published instruments, notices and Orders of the securities regulatory authorities and all rules and policies of the TSXV, in each case that apply to such persons.

"**Blackout Period**" means a period of time during which trading in securities of the Company by insiders of the Company is restricted under Applicable Securities Laws or pursuant to the Company's policy or charter in respect of insider trading, in each case, only to the extent applicable to the Investor.

"**Board**" means the board of directors of the Company.

"**Bought Deal**" means a transaction pursuant to an agreement under which an underwriter, as principal, agrees to purchase securities from an issuer with a view to a distributions of such securities.

"**Business Day**" means any day other than a Saturday, Sunday or statutory or civic holiday in either of Vancouver, British Columbia or Tokyo, Japan.

"**Calculation Period**" means the period commencing on the Closing Date and ending on the anniversary of each fiscal quarter of the Company thereafter.

"**Canadian Reporting Jurisdictions**" means the provinces of British Columbia, Alberta and Ontario in Canada.

"**Closing Date**" means the date of completion of the Subscription and the other matters contemplated by this Agreement.

"**Closing Time**" means 8:00 a.m. (Toronto time) on the Closing Date.

"**Common Shares**" means the common shares in the capital of the Company.

"**Convertible Securities**" means any securities (including debt securities) convertible into, exchangeable for, or otherwise carrying the right of the holder to purchase or otherwise acquire Common Shares or any other securities which carry voting rights exercisable or which carry a residual right to participate in the earnings of the Company and in its assets upon liquidation or winding-up.

"**Current Market Price**" of the Common Shares at any date means (i) the volume weighted average trading price per Common Share at which the Common Shares have traded on the TSXV for the five trading days immediately prior to the applicable date of exercise, or, (ii) if the Common Shares in respect of which a determination of Current Market Price is being made are not listed on the TSXV but are listed or quoted for trading on another stock exchange or securities market on such date, the volume weighted average trading price per Common Share at which the Common Shares have traded on such stock exchange or securities market on which such Common Shares are listed or quoted as may be selected for such purpose by the Company's board of directors on the five trading days immediately prior to the applicable date of exercise, or, (iii) if the Common Shares in respect of which a determination of Current Market Price is being made are not listed or quoted on any stock exchange or securities market, the Current Market Price will be as determined by the Company's board of directors or such firm of independent chartered

accountants as may be selected by the Company's board of directors, acting reasonably and in good faith in their sole discretion.

"**Director Eligibility Criteria**" has the meaning set out in Section 2.1(d).

"**Distribution**" means a distribution or sale of the Common Shares (or any other Equity Securities) to the public by means of a prospectus under Applicable Securities Laws.

"**Distribution Notice**" has the meaning set out in Section 4.1(a).

"**Equity Financing**" means the issuance and sale of Equity Securities, directly or indirectly, for cash other than (i) the issuance of Equity Securities upon the exercise of any Convertible Securities outstanding on the date hereof; and (ii) the issuance of Equity Securities upon the exercise or otherwise pursuant to any of the Company's security-based compensation arrangements approved by the Shareholders from time to time.

"**Equity Financing Notice**" has the meaning set out in Section 3.2(a).

"**Equity Securities**" means Common Shares and/or Convertible Securities.

"**Excluded Securities**" means the Common Shares issued upon the exercise or conversion of any Convertible Securities, including for greater certainty any options issued under the Company's stock option plan, any restricted stock units issued under the Company's long term incentive plan, any warrants exchangeable into Common Shares or any other security-based compensation arrangements approved by the Shareholders from time to time.

"**Exercise Period**" means the 30-day period commencing on the second Business Day following the public release by the Company of its annual or quarterly financial results, as applicable; provided, however, that if the Company is in a Blackout Period at any time during such 30-day period, such 30-day period will commence or recommence for any remaining part of such period on the second Business Day following the termination of such Blackout Period.

"**Exercise Price**" means an amount per Common Share in lawful money of Canada equal to the Current Market Price calculated as at the applicable date of exercise of the Top-up Right.

"**Exploration Expenditures**" means expenditures for:

(i) surface or underground geological surveys including related activities such as field surveys, drawing, aerial photo mapping, trenching, re-opening of old mines, geochemical sampling, assay, land lease and rehabilitation of disturbed lands;

(ii) geophysical surveys using methods such as seismic, gravity, magnetic, electrical, electromagnetic and radiometric methods;

(iii) drilling for exploration including related activities such as construction of access roads, drill pads or underground drilling chambers, machine transportation, electrical works and core storage; and

(iv) excavation of drifts for the purpose of resource estimation where the amount of resources has not been previously estimated.

"**Governmental Entity**" means any (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, ministry, central bank, court, tribunal, arbitral body, bureau or agency, domestic or foreign, (b) subdivision, agent, commission, board, or authority of any of the foregoing, or (c) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing.

"**Investor Equity Right**" has the meaning set out in Section 3.1.

"**Investor Nominee**" has the meaning set out in Section 2.1(a).

"**Investor's Percentage**" means the percentage of the issued and outstanding Common Shares owned beneficially by the Investor and its Affiliates, collectively, calculated in accordance with Section 1.2.

"**Laws**" means any domestic or foreign federal, provincial, state, 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**" means any debts, liabilities and obligations, whether accrued, absolute or contingent, matured or unmatured or determined or determinable.

"**Liens**" means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable, whether or not consensual or arising by law (statutory or otherwise) and whether or not contingent or absolute, including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or the right to use or occupy any property or assets.

"**M&A Transaction**" means any amalgamation, merger, arrangement, corporate reorganization, acquisition, share or asset purchase or other business transaction involving the Company or any of its Subsidiaries.

"**Material Adverse Effect**" means any fact, change, event, violation, circumstance or effect which is or is reasonably likely to have a material adverse effect on the Company's business, affairs, liabilities (absolute, accrued, contingent or otherwise), capital, operations, financial condition, properties, assets or prospects, in all cases, whether or not arising in the ordinary course of business and considered on a consolidated basis.

"**Non-Cash Consideration Value**" means, in the case of a Non-Cash Transaction under which the Company issues Equity Securities for non-cash consideration, the fair market value of the non-cash consideration received by the Company: (i) with respect to transactions resulting in the issuance of 10% or less of the Company's then issued and outstanding Common Shares, as determined in good faith by majority decision of the

Board; and (ii) with respect to transactions resulting in the issuance of more than 10% of the Company's then issued and outstanding Common Shares, as determined in good faith by unanimous decision of the Board (including, for the avoidance of doubt, the Investor Nominee(s)) or, in cases where the Board does not make such a determination at the time such Non-Cash Transaction is approved by the Board, the fair market value of such non-cash consideration as agreed by the Company and the Investor or, failing such agreement, as determined by a major independent global investment bank or major independent Canadian investment bank mutually agreed between the Investor and the Company, and the costs of any such valuation shall be shared equally between the Company and the Investor.

"**Non-Cash Transaction**" means a transaction, other than a Significant M&A Transaction, whereby the Company issues Equity Securities for non-cash consideration.

"**Non-Cash Transaction Notice**" has the meaning set out in Section 3.3(a).

"**Outstanding Common Shares**" means the number of the Common Shares issued and outstanding at a particular time on an undiluted basis.

"**Parties**" means, collectively, the Company and the Investor and "**Party**" means either one of them.

"**person**" means an individual, body corporate with or without share capital, partnership, joint venture, unincorporated association, syndicate, sole proprietorship, trust, pension fund, union, governmental agency, board, tribunal, ministry, commission or department and the heirs, beneficiaries, executors, legal representatives or administrators of an individual.

"**Piggyback Registration**" has the meaning set out in Section 4.1(a).

"**Qualifying Securities**" means (i) any Common Shares held by the Investor including any Common Shares issuable or issued upon conversion of Convertible Securities held by the Investor; and (ii) all Common Shares directly or indirectly issued or issuable with respect to the securities referred to in paragraph (i) above by way of share dividend or share split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization.

"**Shareholders**" means holders of Common Shares at the relevant time.

"**Significant M&A Transaction**" means an M&A Transaction that results in the issuance, for non-cash consideration, of a number of Common Shares that is greater than 50% of the Company's then issued and outstanding Common Shares (calculated immediately prior to such issuance). For greater certainty, a "Significant M&A Transaction" shall include an internal restructuring of the Company involving at least 50% of the Company's assets or securities.

"**Subsidiaries**" means 1223437 BC Ltd., 1118892 BC Ltd., Kenorland Minerals North America Ltd., Northway Resources Alaska Corporation and Kenorland Minerals USA Ltd.

"**Top-up Notice**" has the meaning set out in Section 3.5.

"**Top-up Right**" has the meaning set out in Section 3.5.

"**TSXV**" means the TSX Venture Exchange or any successor thereto.

1.2 Calculation of Investor's Percentage.

For the purposes of this Agreement, when calculating the Investor's Percentage, the Investor's Percentage at any given time shall be calculated by using the number of Common Shares owned beneficially by the Investor and its Affiliates, collectively, and dividing such number by the number of Outstanding Common Shares. Provided however, any increase in the Outstanding Common Shares resulting from the issuance of Excluded Securities for which the Investor has a future Top Up Right shall be disregarded and the Investor shall be deemed to own the percentage of Common Shares it would have held at such time if such Common Shares had not been issued.

ARTICLE 2
GOVERNANCE

2.1 Right to Nominate Directors

(a) Provided that the Investor's Percentage is at least 10%, the Investor shall be entitled to designate one individual at the relevant time (the "**Investor Nominee**") to be nominated, approved and to serve as a director of the Company at each meeting (or resolution in lieu thereof) of Shareholders at which directors of the Company are to be elected, provided that any such Investor Nominee consents in writing to serve as a director. For the avoidance of doubt, although the Investor may have the right to nominate an Investor Nominee, the Investor shall not be required to nominate an Investor Nominee. For greater certainty, upon the Investor's Percentage being less than 10%, the rights granted to the Investor pursuant to this Article 2 shall be extinguished.

(b) The Company shall promptly take all steps as may be necessary to appoint, within ten Business Days of the Closing Date the initial Investor Nominee to serve on the Board until the next meeting of Shareholders.

(c) The Company agrees that without the consent of the Investor, such consent not to be unreasonably withheld, management of the Company shall not propose to increase the size of the Board nor shall the size of the Board be increased above seven.

(d) The Investor Nominee shall at the time of election or appointment to the Board be eligible under the Act to serve as a director (the "**Director Eligibility Criteria**"), provided that no Investor Nominee shall be required to be a resident of Canada or independent of the Company or the Investor.

(e) The Company shall cause the Investor Nominee to be included in the slate of nominees proposed by the Board to its Shareholders for approval as directors at each meeting (or resolution in lieu thereof) of the Shareholders where directors are to be elected by Shareholders.

(f) The Company shall use all commercially reasonable efforts to cause the election of the Investor Nominee, including soliciting proxies in favour of the election of the Investor Nominee and endorsing and recommending that shareholders of the Company vote in favour of the Investor Nominee.

(g) The Company shall notify the Investor in writing immediately upon determining the date of any meeting wherein directors are to be elected.

(h) The Investor shall, after consultation with the Company in good faith, advise the Company of the identity of the Investor Nominee at least fifteen Business Days prior to the date on which proxy solicitation materials are to be mailed by the Company (as advised by the Company to the Investor at least 25 Business Days prior to such date) for purposes of any meeting of Shareholders at which directors are to be elected. If the Investor does not advise the Company of the identity of any Investor Nominee prior to such deadline, then the Investor will be deemed to have nominated the incumbent Investor Nominee.

(i) If the Investor Nominee ceases to hold office as a director of the Company for any reason (including without limitation death, disability, resignation or removal by the Investor), the Investor shall be entitled to nominate a new Investor Nominee to replace him or her and the Company shall promptly take all steps as may be necessary to appoint, within ten Business Days of such nomination, such individual to the Board to replace the Investor Nominee who has ceased to hold office. Any such succeeding individual shall thereafter be an Investor Nominee.

2.2 Management to Endorse and Vote

The Company hereby agrees that it shall cause the management of the Company to, in respect of every meeting of Shareholders at which the election of the directors is to be considered, and at every reconvened meeting following an adjournment or postponement thereof, endorse and recommend the Investor Nominee identified in the Company's proxy materials for election to the Board and shall vote the Common Shares in respect of which management is granted a discretionary proxy in favour of the election of such Investor Nominee to the Board at every such meeting.

2.3 Director Liability Insurance and Indemnity

(a) Each Investor Nominee shall be entitled to the benefit of any directors' liability insurance or indemnity to which other directors of the Company are entitled.

(b) Concurrently with or prior to the appointment or election of the Investor Nominee, the Company and the Investor Nominee shall enter into a director indemnity agreement in the form of Schedule "A".

2.4 Investor to Vote for Management Nominees

Until the earlier of (i) the second year anniversary of the Closing Date, and (ii) the date that the Investor's Percentage is less than 10%, the Investor hereby agrees that it shall, in respect of every meeting of Shareholders at which the election of the directors is to be considered, and at every reconvened meeting following an adjournment or postponement

thereof, vote for the Company's director nominees identified in the Company's proxy materials for election to the Board at every such meeting.

ARTICLE 3
MATTERS WITH RESPECT TO THE EQUITY SECURITIES

3.1 Investor Equity Right

The Investor shall have the right (the "**Investor Equity Right**") to maintain the Investor's Percentage in the issued and outstanding Common Shares in the event that the Company issues any Equity Securities pursuant to (i) an Equity Financing (ii) a Non-Cash Transaction or (iii) conversion of Convertible Securities, including pursuant to issuances of any Excluded Securities. The Investor's rights and obligations under this Section 3.1, Section 3.2, Section 3.3, Section 3.4 and Section 3.5 shall apply provided that the Investor's Percentage is equal to or greater than 5%.

3.2 Equity Financing

In the event that the Company proposes to issue Equity Securities in connection with an Equity Financing:

(a) the Company shall deliver a notice to the Investor in writing as soon as possible prior to the public announcement of an Equity Financing, but in any event at least seven Business Days prior to the proposed closing date of the Equity Financing (the "**Equity Financing Notice**") specifying: (i) the total number of Outstanding Common Shares; (ii) the total number of Equity Securities which are proposed to be offered for sale; (iii) the rights, privileges, restrictions, terms and conditions of the Equity Securities proposed to be offered for sale; (iv) the consideration for which the Equity Securities are proposed to be offered for sale, provided that in the event such consideration is not determinable as of the date of the Equity Financing Notice, such information may be omitted from the Equity Financing Notice, but, shall, in any event, be communicated to the Investor in writing no later than five Business Days prior to the proposed closing date of the Equity Financing; and (v) the proposed closing date of the Equity Financing; and

(b) the Investor shall have the right to subscribe for and purchase that number of Equity Securities that the Company proposes to offer for sale as described in the Equity Financing Notice such that the Investor and its Affiliates collectively may maintain the Investor's Percentage held by them immediately prior to the proposed Equity Financing for the consideration and on the same terms and conditions as offered to the other potential purchasers 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 fifth Business Day following the day upon which the Equity Financing Notice is received by the Investor, provided that if the Company is proposing to undertake a Bought Deal in respect of such Equity Financing, the Company shall give such notice to the Investor, including anticipated pricing, as early as practicable in the circumstances in light of the speed and urgency under which Bought Deals are conducted, (but no less than three Business Days prior to the launch or public announcement of such Bought Deal) and the Investor shall have two Business Days from the date that the Company advises it of such proposed Bought Deal to

notify the Company in writing of the number of Equity Securities that the Investor elects to purchase and subscribe for.

(c) If the Equity Securities being offered in an Equity Financing Notice are flow-through common shares, the Investor shall be entitled to subscribe for non-flow-through Shares as if such securities were "Equity Securities" for the purposes of this Agreement, at the lesser of: (i) the price at which the flow-through common shares are issued; and (ii) the lowest price at which any other purchaser in the Equity Financing purchases Equity Securities that are non-flow-through Shares.

3.3 Non-Cash Transaction

In the event that the Company proposes to issue Equity Securities in connection with a Non-Cash Transaction:

(a) the Company shall deliver a notice to the Investor in writing as soon as possible prior to the public announcement of the Non-Cash Transaction, but in any event at least 10 Business Days prior to the proposed closing date of the Non-Cash Transaction (the "**Non-Cash Transaction Notice**") specifying: (i) the total number of Outstanding Common Shares; (ii) the total number of Equity Securities which are proposed to be issued in connection with the Non-Cash Transaction; (iii) the rights, privileges, restrictions, terms and conditions of the Equity Securities which are proposed to be offered for sale in connection with the Non-Cash Transaction; (iv) the consideration for which the Equity Securities are proposed to be offered for sale in the Non-Cash Transaction; (v) the Company's calculation of the fair market value of the consideration for which the Equity Securities are proposed to be offered for sale in the Non-Cash Transaction and (vi) the proposed closing date of the Non-Cash Transaction; and

(b) the Investor shall have the right to subscribe for such number of Equity Securities, at a price that is equal to the Non-Cash Consideration Value from the applicable Non-Cash Transaction, as shall allow the Investor and its Affiliates collectively to maintain the Investor's Percentage held by them on the date upon which the Non-Cash Transaction Notice is received by the Investor. If the Investor elects to subscribe for such Equity Securities, the Investor shall provide written notice to the Company no later than three Business Days prior to the closing date of the Non-Cash Transaction;

3.4 Shareholder Approval

(a) If the Investor exercises the Investor Equity Right and the Company is required under the rules and policies of the TSXV, to seek Shareholder approval for the issuance of the Equity Securities to the Investor pursuant to Section 3.2(b), 3.3(b) or 3.5(a) the Company shall use commercially reasonable efforts to, at its expense, duly call and hold a meeting (or execute a resolution in lieu thereof) of its Shareholders to consider (and the Company shall recommend that Shareholders vote, and shall take other actions, in favour of) the issuance of the Equity Securities to the Investor, as soon as reasonably practicable and in any event such meeting shall be held within 60 days after the date that the Company is advised that it will require Shareholder approval. The Company may not close any such issuance of Equity Securities prior to obtaining Shareholder approval,

without the consent of the Investor, such consent not to be unreasonably withheld, other than an issuance of subscription receipts or special warrants issuable which are convertible into Equity Securities upon the satisfaction of certain conditions, including the receipt of such Shareholder approval, and failing satisfaction of such conditions are cancelled and returned to treasury.

(b) If the Investor exercises the Investor Equity Right and the Company is required under the rules and policies of the TSXV, to seek or obtain approval of any other person (other than Shareholders) for the issuance of the Equity Securities to the Investor pursuant to Section 3.2(b), 3.3(b) or 3.5(a), the Company shall obtain such approvals or authorizations prior to any issuance of Equity Securities such that the Investor is able to fully exercise its rights under Section 3.2(b), 3.3(b) or 3.5(a) in accordance with the terms set out therein.

3.5 Top-up Right

The Investor is entitled, once during each Exercise Period (the "**Top-up Right**"), subject to the restrictions provided in this Section 3.5(c), to subscribe for and purchase Common Shares at the Exercise Price by delivering written notice (the "**Top-up Notice**") to the Company a bank draft, certified cheque or wire transfer payable to the order of the Company, in lawful money of Canada an amount equal to the product of the Exercise Price multiplied by the number of Common Shares stipulated in the Top-up Notice as being subscribed for pursuant to this Section 3.5, and other supporting documentation requested by the Company, acting reasonably, all subject to the following:

(a) The Investor shall have the right, once during each Exercise Period, to subscribe for up to that number of Common Shares of the Company equal to:

((A x (B + C)) / (1 – A)) + D, where:

A equals the Investor's Percentage on the date the Exercise Period commences;

B equals the number of Excluded Securities issued during the immediately preceding Calculation Period;

C equals the number of Excluded Securities issued during the Calculation Period preceding the Calculation Period referred to in B above if the Investor did not exercise the Top-up Right during the preceding Exercise Period; and

D equals the number of Common Shares, if any, which the Investor was not entitled to subscribe for pursuant to Sections 3.4(b) and 3.5(c) in connection with the preceding exercise of the Top-up Right.

(b) The Investor may subscribe for and purchase a number of Common Shares less than the number the Investor is entitled to purchase pursuant to this Top-up Right.

(c) Any subscription for Common Shares pursuant to the Top-up Right may be reduced, if necessary, (and any payment returned to the extent applicable) to the maximum number of Common Shares which the Company is permitted to issue to the Investor at such time without the need for approval of the Shareholders under applicable TSXV policies. The Investor shall be entitled to subscribe in the

immediately subsequent exercise of the Top-up Right for the remaining number of Common Shares that the Company is not permitted to issue to the Investor without obtaining the approval of the Shareholders under applicable TSXV polices and such number shall equal D for purposes of Section 3.5(a).

3.6 Application of Securities Laws

The Parties acknowledge that the transactions contemplated pursuant to this Article 3, including the issuance and resale of Equity Securities, are subject to the Company's insider trading policies in effect from time to time, if any, Applicable Securities Laws and the rules, policies and determinations of the TSXV, which may impose restrictions on the issuance and resale of the securities acquired by the Investor hereunder. In particular, the Parties acknowledge that the transactions contemplated pursuant to this Article 3 may be subject to Applicable Securities Laws regarding "related party transactions". Notwithstanding anything else in this Agreement, the Parties agree that, if as a result of complying with such Applicable Securities Laws, the time periods provided herein cannot be practicably complied with, such time periods shall be deemed not to apply to the applicable transaction and the Parties shall use commercially reasonable efforts to complete the transactions contemplated and intended to be carried out herein in as expeditious a manner as is practical in order to comply with such Applicable Securities Laws and to afford the Investor the rights it is entitled to under this Agreement.

3.7 Extinguishment of Rights

For greater certainty, upon Investor's Percentages being less than 5%, the Investor Equity Right, including the Top-Up Right will be extinguished.

ARTICLE 4
REGISTRATION RIGHTS

4.1 Piggyback Registration Rights

(a) If the Company proposes to make a Distribution, other than by way of a Bought Deal, the Company shall promptly give the Investor ten Business Days' prior written notice of the proposed Distribution (the "**Distribution Notice**"), including proposed pricing (provided that in the event the proposed pricing of the Distribution is not determinable as of the date of the Distribution Notice, such information may be omitted from the Distribution Notice, but, shall, in any event, be communicated to the Investor in writing no later than five Business Days prior to the proposed closing date of the Distribution). Upon the written request of the Investor given within five Business Days after receipt of the notice of the proposed Distribution from the Company, the Company shall use commercially reasonable efforts to, in conjunction with the proposed Distribution, cause to be qualified for distribution in such offering all or any whole number of Common Shares held by the Investor ("**Qualifying Securities**") in accordance with the procedures set forth in Schedule "B" hereto (a "**Piggyback Registration**"), provided that if the lead underwriter or underwriters of such proposed Distribution, acting in good faith, advise the Company in writing that, in its or their good faith judgment, the inclusion of the Qualifying Securities held by the Investor in the proposed Distribution should be limited (i) due to market conditions, or (ii) because the number of Common Shares proposed to be distributed is likely to have a significant adverse effect on the

successful marketing of the proposed Distribution (including the price acceptable to the Company), then the maximum number of Common Shares that the lead underwriter advises or lead underwriters advise should be distributed shall be allocated as follows: (x) first, to the number of Common Shares that the Company proposes to Distribute; and (y) second, subject to the preceding sentence, to the number of Qualifying Securities, if any, that may be accommodated in such Distribution.

(b) If the proposed Distribution is not completed within 180 days of a notice of a Piggyback Registration, the related notice of a Piggyback Registration delivered by the Investor hereunder shall be deemed to be withdrawn and the Company shall again be required to comply with the procedures set out in this Section 4.1(a) with respect to any proposed Distribution.

(c) If the Company is proposing to undertake a Bought Deal, the Company shall give such notice to the Investor, including anticipated pricing, as early as practicable in the circumstances in light of the speed and urgency under which Bought Deals are conducted (but not less than three Business Days prior to the launch of such Bought Deal). The Investor shall have two Business Days from the date the Company advises it of such proposed Bought Deal to notify the Company of the number of Qualifying Securities that the Investor requests to be included in such Bought Deal; unless otherwise agreed to by the Company, such amount not to exceed the proportion in the Bought Deal that the Common Shares held by the Investor represent of all outstanding Common Shares. The Company shall use commercially reasonable efforts to include such Common Shares in any Bought Deal, and, if so included, the procedures set forth in Schedule "B" hereto shall apply to such Distribution; provided that if the lead underwriter or underwriters of such proposed Bought Deal, acting in good faith, advises the Company in writing that, in its or their good faith judgment, the inclusion of the Qualifying Securities held by the Investor in the proposed Bought Deal should be limited (i) due to market conditions, or (ii) because the number of Common Shares proposed to be distributed is likely to have a significant adverse effect on the successful marketing of the proposed Distribution (including the price acceptable to the Company), then the maximum number of Common Shares that the lead underwriter advises or lead underwriters advise should be Distributed shall be allocated as follows: (x) first, to the number of Common Shares that the Company proposes to Distribute; and (y) second, to the number of Qualifying Securities, if any, that may be accommodated in such Distribution.

(d) The Company shall have the right to select the investment banker(s) and manager(s) to administer the offering from treasury and of the Common Shares which are subject to the Piggyback Registration, subject to the approval of the Investor, which shall not be unreasonably withheld.

4.2 Duration

The Investor's rights and obligations under this Article 4 shall apply provided that the Investor's Percentage is equal to or greater than 10%, failing which these rights will be extinguished.

ARTICLE 5
OTHER COVENANTS

5.1 Conflicting Agreements

The Company agrees that: (a) it shall not grant any proxy or enter into or agree to be bound by any voting trust or agreement with respect to the Common Shares, except as expressly contemplated or permitted by this Agreement; (b) it shall not enter into any agreement or arrangement of any kind with any person with respect to any Common Shares in conflict with the provisions of this Agreement or for the purpose or with the effect of denying or reducing the rights of the Investor under this Agreement; and (c) if any provision of any charter, mandate, constating document or similar document of the Company or the Board conflicts with any provision of this Agreement, the provisions of this Agreement will prevail.

5.2 Business Opportunities

To the fullest extent permitted by applicable Laws, neither Party nor any of their respective Affiliates have any obligation to the other Party or its Affiliates to refrain from (a) engaging in the same or similar activities or lines of business as the other Party or its Affiliates (b) investing or owning any interest publicly or privately in, or developing a business relationship with, any person engaged in the same or similar activities or lines of business as, or otherwise in competition with, the other Party or any of its Affiliates, (c) doing business with any counterparty of the other Party or any of its Affiliates or (d) employing or otherwise engaging a former officer, employee or contractor of the other Party or any of its Affiliates.

5.3 Books and Records and Information Rights

The Company shall maintain proper, complete and accurate accounting books and records. Provided that the Investor's Percentage is equal to or greater than 5%, the Company shall, upon receipt of reasonable notice, provide the Investor with access to the books and records for inspection and audit.

Provided that the Investor's Percentage is equal to or greater than 5%, the Company shall provide the Investor, in all cases subject to Confidentiality Provisions set forth herein, with the following information with respect to the Company's projects that are wholly-owned:

(a) an annual budget presentation; and

(b) any technical assessment reports for each project concurrently with the Company making any filing thereof with any Governmental Entity, or otherwise, in order to maintain its mining claims in good standing.

5.4 Anti-Corruption Laws

The Company and the Subsidiaries shall at all times comply, and shall ensure that their respective directors, officers, employees and consultants comply, with the Foreign Corrupt Practices Act of 1977, as amended, and the rules and regulations thereunder, the Corruption of Foreign Public Officials Act (Canada), as amended and any other applicable anti-bribery or anti-corruption Laws (collectively, the "**Anti-Corruption Laws**").

The Company shall immediately notify the Investor upon becoming aware of any breach or suspected breach of any Anti-Corruption Law by any of such persons.

5.5 Use of Proceeds

The Company shall use the gross proceeds from the Subscription as follows:

(a) 80% of the aggregate gross proceeds from the Subscription being $4,169,556 shall be used for Exploration Expenditures; and

(b) up to 20% of the aggregate gross proceeds from the Subscription being $1,042,389 may be used for general and administrative expenses.

The Company shall report to the Investor on the Exploration Expenditures that were incurred pursuant to Section 5.5(a) on a periodic basis as reasonably requested by the Investor.

5.6 Standstill

For a period of two years from the Closing Date, the Investor agrees that neither the Investor nor any of its Affiliates, shall, without the prior written consent the Company:

(a) commence a take-over bid or exchange offer for any Common Shares;

(b) acquire, offer or agree to acquire, directly or indirectly, by purchase or otherwise, any beneficial ownership of, or control or direction over, the Common Shares, or direct or indirect rights to acquire any Common Shares;

(c) make, or in any way participate, directly or indirectly, in any solicitation of proxies to vote, or seek to advise or influence any person or entity with respect to the voting of any Common Shares or other voting securities of the Company or its Subsidiaries;

(d) make any public announcement with respect to, or submit a proposal for, or offer of (with or without conditions) any business combination, amalgamation or merger or similar transaction involving the Company; or

(e) form, join, or in any way participate in a group which is acting in concert or in connection with any of the foregoing.

The restrictions set forth in this Section 5.6 shall cease to be of any force or affect as and from the date of any pubic announcement of or public disclosure of commencement of (or if no public announcement or disclosure is made, from the date of entry into a binding agreement with respect to) a take-over bid, exchange offer, business combination, arrangement, or similar transaction that provides for the sale of at least 50% of the Company's assets or Common Shares, or any recapitalization, restructuring or liquidation of the Company.

ARTICLE 6
REPRESENTATIONS & WARRANTIES

6.1 Representations and Warranties of the Company

The Company represents and warrants to the Investor as set forth in the Subscription Agreement and acknowledges that the Investor is relying on such representations and warranties in connection with the purchase of the Subscription Shares and entering into this Investor Rights Agreement.

6.2 Representations and Warranties of the Investor

The Investor represents and warrants to the Company as set forth in the Subscription Agreement and acknowledges that the Company is relying on such representations and warranties in connection with the issuance and sale of the Subscription Shares and entering into the Investor Rights Agreement.

ARTICLE 7
GENERAL PROVISIONS

7.1 Confidentiality

(a) Except as otherwise provided in this Agreement, each Party agrees that all information, data and technology disclosed to it by or on behalf of the other Party and any other information that such Party receives or acquires from the other Party in connection with this Agreement or the subject matter hereof ("**Confidential Information**") shall be kept confidential and shall not be disclosed to any person that is not a Party or an Affiliate or representative of a Party. In complying with the foregoing, each Party shall use the same degree of care as would be used by a normally prudent person in protecting its own proprietary and confidential information.

(b) Notwithstanding the foregoing:

(i) a Party shall not be required to keep confidential any Confidential Information that is:

(A) at the time of the disclosure, through no wrongful act or omission of such Party, part of the public domain;

(B) at the time of the disclosure known by such Party and such Party is not subject to any other restrictions of confidentiality with respect to such Confidential Information;

(C) independently developed by such Party without violating such Party's obligations under this Agreement; or

(D) lawfully obtained by such Party from a third party that to the knowledge of such Party is not subject to restrictions of confidentiality with respect to such Confidential Information; and

(ii) each Party shall have the right to disclose Confidential Information:

(A) to the extent permitted by this Agreement;

(B) to the extent consented to by the other Party;

(C) to its Affiliates and representatives;

(D) to its and its Affiliates auditors, insurers, banks or other financial institutions;

(E) for purposes of its and its Affiliates public company disclosure obligations, provided that, to the extent permissible by applicable Law, prompt notice, in writing, of the proposed disclosure is given to the other Party, and the other Party is given the ability to comment on such disclosure;

(F) to the extent required by applicable Law or the requirements of a Governmental Entity; provided that, to the extent permissible by applicable Law, prompt notice, in writing, of the circumstances of the required disclosure is given to the other Party, and the other Party is given the ability to object to such disclosure and, at its election, to take such steps as it considers necessary to maintain the confidentiality of the Confidential Information by the regulatory or governmental body or court (including, without limitation, steps to obtain a protective order or other assurance that confidential treatment will be accorded to the Confidential Information after the disclosure);

(G) in the exercise of any of its rights and obligations hereunder; and

(H) in legal or arbitration proceedings involving the rights and obligations of a Party (which proceedings shall be kept confidential to the extent permitted by applicable Law).

7.2 Notices

(a) Any notice or other communication that is required or permitted to be given hereunder shall be in writing and shall be validly given if delivered in person (including by courier service) or transmitted by fax or email as follows:

(i) in the case of the Investor:

Sumitomo Metal Mining Canada Ltd.
#818-700 West Georgia Street,
Vancouver, British Columbia, Canada V7Y 1A1

Attention: Eiichi Fukuda
Email: eiichi_fukuda@smmcl.ca

and

McCarthy Tétrault LLP
Suite 5300, TD Bank Tower
Box 48, 66 Wellington Street West
Toronto, Ontario, Canada M5K 1E6

Attention: Eva Bellissimo
Email: ebellissimo@mccarthy.ca

(ii) in the case of the Company:

Kenorland Minerals Ltd.
310-119 West Pender Street
Vancouver, British Columbia
V6B 1S5

Attention: Zachary Flood
Email: zach@kenorlandminerals.com

with a copy to:

Armstrong Simpson
Suite 2080-777 Hornby Street
Vancouver, B.C., V6Z 1S4

Attention: Shauna Hartman
Email: shartman@armlaw.com

(b) Any such notice or other communication if delivered by hand as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is a Business Day and such delivery is received before 4:00 p.m. at the place of delivery; otherwise, it shall be deemed to be validly and effectively given on the Business Day next following the date of delivery. Any notice of communication which is transmitted by electronic mail as aforesaid, shall be deemed to have been validly and effectively given on the date of transmission if such date is a Business Day and such transmission was received before 4:00 p.m. at the place of receipt; otherwise it shall be deemed to have been validly and effectively given on the next Business Day following such date of transmission.

(c) Any 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 7.2.

7.3 Specific Performance and Injunction

The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. The Parties accordingly agree that the Parties shall be entitled to equitable remedies including, but not limited to, specific performance and injunction to prevent breaches or threatened breaches of this Agreement, without being required to show irreparable harm

or to provide any security therefor, in addition to any other remedy to which the Party may be entitled at law or in equity.

7.4 Public Releases

Each Party agrees that the Company shall, as soon as practicable following the execution of this Agreement, file a press release in accordance with this Section 7.4. The Company hereby agrees to obtain prior approval of the Investor as to the content and form of any press release or other public disclosure (including the filing on SEDAR of any material change report or copy of this Agreement) referring to the Investor or relating to the entering into of this Agreement, such approval not to be unreasonably withheld. Notwithstanding the foregoing, if at any time the Company is required by applicable Laws to make a press release or other public disclosure (including the filing on SEDAR of any material change report or copy of this Agreement), such Party may do so, notwithstanding the failure of the Investor to approve the text of such press release or other public disclosure, provided that the Company has made reasonable efforts in the particular circumstances to allow the Investor a reasonable opportunity to comment on such press release or other public disclosure (including with respect to redactions to be made to this Agreement).

7.5 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein, without reference to conflicts of law rules.

7.6 Arbitration

(a) Any dispute, arising out of or related to this Agreement, including any question regarding its existence, validity or termination, shall be referred to and finally resolved by arbitration administered by the ADR Institute of Canada Inc. in accordance with its Arbitration Rules.

(b) The arbitration tribunal shall consist of one arbitrator.

(c) The arbitrator shall be instructed that time is of the essence in proceeding with his or her determination of any dispute under this Section 7.6.

(d) The arbitrator shall have the authority to resolve any equitable remedies sought by any Party.

(e) The seat of arbitration shall be Vancouver, British Columbia.

(f) The arbitration shall be private and confidential, conducted in the English language, and any hearing shall take place in Vancouver, British Columbia (unless the Parties mutually agree otherwise).

(g) The arbitration award shall be in writing and final and binding on the Parties and shall deal with the costs of arbitration and all matters related thereto. The terms of the arbitration award shall remain strictly confidential and neither Party shall disclose such terms except as required in accordance with Section 7.1(b)(ii)(E), 7.1(b)(ii)(F) or 7.1(b)(ii)(H).

(h) Judgment upon the award rendered may be entered into any court having jurisdiction or application may be made to such court for a judicial recognition of the award or an order of enforcement thereof, as the case may be.

7.7 Further Assurances

Each Party shall execute all such further instruments and documents and shall take all such further actions as may be necessary to effect the transactions contemplated herein.

7.8 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 hereto as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

7.9 Entire Agreement

This Agreement and the Subscription Agreement, constitute the entire agreement between the Parties with respect to the subject matter hereof and thereof and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof except as provided in this Agreement and the Subscription Agreement.

7.10 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.

7.11 Waivers

The failure by any Party to enforce at any time any of the provisions of this Agreement shall in no way be construed to be a waiver of any such provision unless such waiver is acknowledged in writing, nor shall such failure affect the validity of this Agreement or any part thereof or the right of a Party to enforce each and every provision. 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.

7.12 Successors and Assignment

(a) This Agreement shall enure to the benefit of and be binding upon the Parties hereto, their respective successors and any permitted assignee of some or all of the

respective Parties' rights or obligations under this Agreement as permitted under this Section.

(b) Except as permitted in paragraph (c), neither the Company nor the Investor shall assign all or any part of its rights, benefits or obligations under this Agreement without the prior written consent of the other Party, which may be unreasonably withheld.

(c) The Investor may assign or transfer all or any part of its rights in respect of this Agreement to, and have its corresponding obligations hereunder and thereunder assumed by, an Affiliate of the Investor without the requirement to obtain the prior written consent of the Company so long as the Investor unconditionally and irrevocably guarantees the obligations of its Affiliate under this Agreement.

(d) Any assignment made hereunder shall become effective when the non-assigning Party has been notified thereof by the assigning Party and the non-assigning Party has received a written acknowledgement from the assignee, in form and substance satisfactory to the non-assigning Party, to be bound by this Agreement. Any such assignee shall be treated as a Party to this Agreement for all purposes of this Agreement and shall be entitled to the full benefit hereof and thereof and shall be subject to the obligations of the assigning Party to the same extent as if it were an original Party in respect of the rights assigned to it and obligations assumed by it.

7.13 No Partnership

Nothing in this Agreement or in the relationship of the Parties shall be construed as in any sense creating a partnership 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.

7.14 Costs and Expenses

The Parties shall pay for their own respective costs and expenses incurred in connection with the preparation, execution and delivery of this Agreement and all documents and instruments executed pursuant to this Agreement.

7.15 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 (whether by email, or other electronic means), 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.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF this Agreement has been executed by the Parties as of the date first written above.

SUMITOMO METAL MINING CANADA LTD.

By: *"Eiichi Fukuda"*
Name: Eiichi Fukuda
Title: Director and President

KENORLAND MINERALS LTD.

By: *"Zachary Flood"*
Name: Zachary Flood
Title: President and Chief Executive Officer

SCHEDULE "A"

FORM OF DIRECTOR INDEMNITY AGREEMENT

See attached.

INDEMNIFICATION AGREEMENT

THIS AGREEMENT (the "**Agreement**") is made as of the 16th day of November, 2021.

BETWEEN:

EIICHI FUKUDA, an individual residing in Vancouver, British Columbia

(the "**Indemnified Party**")

AND:

KENORLAND MINERALS LTD., a corporation existing under the laws of British Columbia

("**Company**")

WHEREAS the Indemnified Party has agreed to act as a director of the Company and the Company has agreed to execute and deliver to the Indemnified Party this Agreement.

NOW THEREFORE in consideration of the premises, the respective covenants of the parties herein and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the parties hereto covenant and agree as follows:

1. DURATION

1.1 Notwithstanding the date of its execution and delivery, this Agreement shall be conclusively deemed to commence on the day upon which the Indemnified Party first became or becomes a director of the Company and shall continue in effect until the later of the Indemnified Party ceasing to be a director of the Company or for so long as the Indemnified Party may have liability for the time the Indemnified Party acted as a director of the Company.

2. INDEMNITY

2.1 Upon the terms and conditions hereof, the Company shall indemnify and save harmless the Indemnified Party, to the maximum extent permitted by law, from and against all:

(a) costs, charges and expenses (including legal fees and disbursements) actually and reasonably incurred by the Indemnified Party in respect of any civil, criminal, administrative, investigative or other proceeding (collectively, a "**Proceeding**") in which the Indemnified Party is involved because of the Indemnified Party's association with the Company (collectively, "**Expenses**"); and

(b) damages, judgments, awards, fines, penalties and amounts paid in settlement of a Proceeding in which the Indemnified Party is involved because of the Indemnified Party's association with the Company (collectively, "**Penalties**").

2.2 Notwithstanding the provisions of Sections 2.1 and 3.1, the Company shall not be obligated to indemnify or save harmless the Indemnified Party against and from any Expense or Penalty, or pay an Advance (as defined below) under Section 3.1:

(a) if in respect thereof the Indemnified Party failed to act honestly and in good faith with a view to the best interests of the Company;

(b) in the case of a Proceeding other than a civil proceeding, if the Indemnified Party did not have reasonable grounds for believing that the Indemnified Party's conduct in respect of which the Proceeding was brought was lawful; or

(c) in the case of a Proceeding brought against the Indemnified Party by or on behalf of the Company or by or on behalf of an associated corporation, as such term is defined in the *Business Corporations Act* (British Columbia).

3. ADVANCE

3.1 The Company shall, upon receipt of written request by the Indemnified Party, advance monies to the Indemnified Party for the Expenses referred to in Section 2.1, subject to the terms and conditions hereof (an "**Advance**"). Each such written request shall include a written affirmation of the Indemnified Party's good faith belief that the Indemnified Party is entitled to indemnification hereunder, together with particulars of the Expenses to be covered by the proposed Advance. The Indemnified Party's execution and delivery to the Company of this Agreement constitutes an undertaking by the Indemnified Party to repay any Advance in respect of which it shall be determined that the Indemnified Party is not entitled to indemnification hereunder. No other form of undertaking shall be required other than the execution of this Agreement.

4. RESIGNATION

4.1 Nothing in this Agreement shall prevent the Indemnified Party from resigning as a director of the Company at any time.

5. PROCEDURES

5.1 Upon the Indemnified Party becoming aware of any pending or threatened Proceeding against the Indemnified Party that results or may result in the incurrence by the Indemnified Party of any Expenses or Penalties for which the Indemnified Party would be entitled to indemnification, written notice shall be given by or on behalf of the Indemnified Party to the Company as soon as is reasonably practicable. Such notice (a "**Notice of Proceeding**") shall also

specify with reasonable detail (to the extent the information is reasonably available) the factual basis for the Proceeding and the amount claimed by the third party, or, if such amount is not then determinable, a reasonable estimate of the likely amount of the claim by the third party. The failure to promptly provide such Notice of Proceeding shall not relieve the Company of any obligation to indemnify the Indemnified Party or to make an Advance under this Agreement, except to the extent such failure prejudices the Company. Thereupon, the Company shall have the right, but not the obligation, upon written notice (the "**Defence Notice**") to the Indemnified Party within thirty (30) days after receipt by the Company of the Notice of Proceeding to conduct, at its own expense, the defence against the Proceeding in its own name, or, if necessary, in the name of the Indemnified Party. If the Company does not give the Defence Notice within the specified time period and the Indemnified Party retains counsel in such Proceeding then the fees and expenses of such counsel incurred by the Indemnified Party shall be included as part of the Expenses for which the Indemnified Party shall be entitled to claim from the Company.

5.2 The Defence Notice shall specify the counsel the Company shall appoint to defend such Proceeding, which counsel shall be experienced and competent in defending the matters raised in the Notice of Proceeding (the "**Defence Counsel**"). The Indemnified Party shall have the right to employ separate counsel in any Proceeding and to participate in the defence thereof, but the fees and expenses of such counsel shall be at the expense of the Indemnified Party and shall not be included as part of any Expenses incurred by the Indemnified Party for which the Indemnified Party shall be entitled to claim from the Company unless: (i) the Company did not give the Defence Notice within the time period specified by Section 5.1 above; (ii) the Indemnified Party has received a written opinion of counsel, reasonably acceptable to the Company, to the effect that the interests of the Indemnified Party and the Company with respect to the Proceeding are sufficiently adverse to prohibit the representation by the same counsel of both parties under applicable ethical rules; (iii) the employment of such counsel at the expense of the Company has been specifically authorized in writing by the Company; or (iv) the Defence Counsel hired by the Company is not experienced and competent to defend the Proceeding. The party conducting the defence of any Proceeding shall keep the other party apprised of all significant developments in relation thereto.

5.3 The Indemnified Party and the Company shall reasonably cooperate with each other and, if applicable, their respective counsel in the investigation related to, and defence of, any Proceeding and shall make available to each other all relevant books, records, documents and files and shall otherwise use reasonable efforts to assist each other's counsel to conduct a proper and adequate defence.

5.4 The Company may conduct such investigation of each Proceeding of which it receives a Notice of Proceeding under Section 5.1 as it deems reasonably necessary in the circumstances, and shall pay all costs of such investigation.

5.5 Neither the Company nor the Indemnified Party shall, without the other party's (the "**Other Party**") prior written consent (such consent not to be unreasonably withheld or delayed), settle, compromise, consent to the entry of any judgment or

otherwise seek to terminate any Proceeding in respect of which indemnification or an Advance has been sought hereunder, unless such settlement, compromise, consent or termination (i) does not include a statement as to, or an admission of, fault, culpability or a failure to act by or on behalf of the Other Party; and (ii) does not require the Other Party to contribute to any compensation or other payment for which provision is made under the settlement, compromise, consent or termination. The Company shall pay any compensation or other payment for which provision is made by such settlement.

5.6 If the Indemnified Party does not consent to the terms of a proposed settlement, compromise, consent or termination which is otherwise acceptable to the Company and the claimant, the Indemnified Party shall have the right to negotiate or defend the Proceeding independently of the Company. In such event if any amount is recovered by such claimant in excess of the amount for which settlement could have been made by the Company, such excess amount shall not be recoverable under this Agreement, and it is agreed by the parties that the Company shall only be responsible for actual and reasonably incurred Expenses up to the time at which such settlement could have been made. In the alternative, if the amount recovered by such claimant is less than the amount for which settlement could have been made by the Company, such amount shall be recoverable under this Agreement and it is agreed by the parties that the Company shall be responsible for the Indemnified Party's Expenses insofar as the aggregate of such amount does not exceed the aggregate of the proposed settlement the Company reached and the Expenses incurred up to the point at which the Company reached the proposed settlement.

5.7 If the Company does not consent to the terms of a proposed settlement, compromise, consent or termination which is otherwise acceptable to the Indemnified Party and the claimant, the Company shall have the right to negotiate or defend the Proceeding independently of the Indemnified Party at its cost and all amounts recovered by the claimant shall be borne by the Company.

5.8 The Indemnified Party shall have the right to negotiate a settlement in respect of any Proceeding which is founded upon any of the acts specified in Section 2.2. In that event, the Indemnified Party shall pay any compensation or other payment for which provision is made under such settlement and shall not seek indemnity or contribution from the Company in respect of such compensation or payment.

5.9 If the Indemnified Party is indemnified by the Company in accordance with this Agreement and it is ultimately determined by a court of competent jurisdiction that the Indemnified Party was not entitled to be so indemnified, or was not entitled to be fully so indemnified, then the Indemnified Party shall reimburse to the Company such amount as the Indemnified Party was not entitled to be paid within sixty (60) days of the Company making written demand therefor.

6. DIRECTOR LIABILITY INSURANCE

6.1 So long as the Indemnified Party is a director of the Company, and for a period of seven (7) years following the date the Indemnified Party ceases to be a director of the Company, the Company shall acquire and maintain, at its sole expense,

liability insurance for the benefit of the Indemnified Party on the same terms as the liability insurance it maintains for other directors of the Company, in such amount and on such terms as the Company determines, acting reasonably.

6.2 Notwithstanding the provisions of Section 2.1, the Company shall have no obligation to indemnify or save harmless the Indemnified Party in respect of any liability for which the Indemnified Party has been indemnified pursuant to any valid and collectible policy of insurance, to the extent of and following receipt of any amounts actually received by the Indemnified Party pursuant to such insurance. If the Indemnified Party is indemnified by the Company and subsequently receives payment in respect of the same liability under such insurance, the Indemnified Party shall immediately pay such amount to the Company. Where partial indemnity is provided by such policy, the obligation of the Company under Section 2.1 shall continue in effect but be limited to that portion of the liability for which indemnity is not provided by such policy.

7. TAX

7.1 Should any payment made pursuant to this Agreement, including the payment of insurance premiums or any payment made by an insurer under an insurance policy, be deemed to constitute a taxable benefit or otherwise be or become subject to any tax or levy, then the Company shall pay any amount as may be necessary to ensure that the amount received by or on behalf of the Indemnified Party, after the payment of or withholding for such tax, fully reimburses the Indemnified Party for the actual cost, expense or liability incurred by or on behalf of the Indemnified Party.

8. GENERAL

8.1 Notwithstanding anything herein provided to the contrary, the obligations of the Company hereunder are subject to any court approvals as may be required by law.

8.2 This Agreement is in addition to and not in substitution for any other right of indemnity the Indemnified Party may have from the Company whether pursuant to any laws or the articles of the Company or otherwise, all of which rights shall survive the execution of this Agreement.

8.3 In this Agreement wherever the singular or masculine is used it shall be construed as if the plural or feminine or neuter, as the case may be, had been used where the context or the nature of the parties hereto so requires and unless the context otherwise requires, a reference to a section by number is a reference to the section so numbered in this Agreement.

8.4 Any notice to be given by one party to the other shall be in writing and shall be deemed to have been given in accordance with this Section 8.4:

If to the Indemnified Party:

Eiichi Fukuda

818 – 700 West Georgia Street
Vancouver, British Columbia
V7Y 1A1

Email: eiichi_fukuda@smmcl.ca

If to the Company:

Kenorland Minerals Ltd.
310-119 West Pender Street
Vancouver, British Columbia
V6B 1S5
Attention: Zachary Flood
zach@kenorlandminerals.com

Any such notice or other communication if delivered by hand as aforesaid shall be deemed to have been validly and effectively given on the date of such delivery if such date is any day other than a Saturday, Sunday or statutory or civic holiday in either of Vancouver, British Columbia or Tokyo, Japan ("**Business Day**") and such delivery is received before 4:00 p.m. at the place of delivery; otherwise, it shall be deemed to be validly and effectively given on the Business Day next following the date of delivery. Any notice of communication which is transmitted by electronic mail as aforesaid, shall be deemed to have been validly and effectively given on the date of transmission if such date is a Business Day and such transmission was received before 4:00 p.m. at the place of receipt; otherwise it shall be deemed to have been validly and effectively given on the next Business Day following such date of transmission.

8.5 Time shall be of the essence of this Agreement.

8.6 The headings in this Agreement are inserted for ease of reference only and shall have no effect on the construction or interpretation of this Agreement.

8.7 This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein. For the purpose of all legal proceedings this Agreement shall be deemed to have been made and performed in the Province of British Columbia and the courts of the Province of British Columbia shall have jurisdiction over all disputes which may arise under this Agreement. The Company and the Indemnified Party each hereby irrevocably attorns to the jurisdiction of the courts of the Province of British Columbia.

8.8 No action or proceeding brought or instituted under this Agreement and no recovery pursuant thereto shall be a bar or defence to any further action or proceeding which may be brought under this Agreement.

8.9 This Agreement contains the entire agreement between the parties relating to the subject matter hereof and there are no agreements, representations or warranties, express or implied, which are collateral hereto.

8.10 This Agreement may only be amended by a written agreement signed by the parties.

8.11 Each of the parties agrees to promptly do all such further acts, and promptly execute and deliver all such further documents, as may be necessary or advisable for the purpose of giving effect to or carrying out the intent of this Agreement.

8.12 This Agreement supersedes all prior written or oral agreements or understandings between the Company and the Indemnified Party regarding the indemnification of the Indemnified Party in relation to the affairs of the Company by reason of the Indemnified Party being a director of the Company.

8.13 The determination of any Proceeding shall not, of itself, create a presumption that the Indemnified Party did not act honestly and in good faith with a view to the best interests of the Company, or in the case of a criminal or administrative action or proceeding that the Indemnified Party did not have reasonable grounds for believing that his or her act was lawful.

8.14 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators, other legal personal representatives, successors and assigns.

8.15 The provisions of this Agreement shall be severable if any of the provisions hereof (including any portion thereof) are held by any court to be invalid, illegal, void or otherwise unenforceable, and the remaining provisions shall remain enforceable to the fullest extent permitted by law.

8.16 This Agreement may be executed by the parties in as many counterparts as may be necessary, each of which so signed shall be deemed to be an original, and such counterparts together shall constitute one and the same Agreement.

8.17 Delivery of an executed signature page to this Agreement by any party by electronic transmission shall be as effective as delivery of a manually executed copy of the Agreement by such party.

[*The remainder of this page has been intentionally left blank.*]

IN WITNESS WHEREOF the parties have executed this Agreement as of the date first written above.

INDEMNIFIED PARTY:

SIGNED and DELIVERED by **EIICHI FUKUDA** in the presence of:

_____
Signature

_____
Print Name

_____
Address

_____
Occupation

_____
EIICHI FUKUDA

KENORLAND MINERALS LTD.

Per: _____
Name: Zachary Flood
Title: President and Chief Executive Officer

SCHEDULE "B"

PROCEDURES FOR REGISTRATION RIGHTS

1.1 Registration Procedures

In connection with the Company's Piggyback Registration obligations pursuant to Article 4 of the Agreement, the Company will use commercially reasonable efforts in accordance with Article 4 of the Agreement to effect the qualification for the offer and sale or other disposition or Distribution of Qualifying Securities of the Investor in one or more Canadian jurisdictions as directed by the Investor, and in pursuance thereof the Company will as expeditiously as practicable:

(a) in accordance with Article 4 of the Agreement, prepare and file in the English language with the applicable Canadian securities authorities, other than Quebec (collectively, the "**Canadian Securities Regulators**") a preliminary prospectus and, promptly thereafter, a final prospectus under and in compliance with the Applicable Securities Laws, relating to the applicable Piggyback Registration, including all exhibits, financial statements and such other related documents required by the Canadian Securities Regulators to be filed therewith, and use its commercially reasonable efforts to cause such prospectus to be receipted; and the Company will furnish to the Investor and the managing underwriters or underwriters, if any, copies of such preliminary prospectus and final prospectus and any amendments or supplements in the form filed with the Canadian Securities Regulators, promptly after the filing of such preliminary prospectus and final prospectus, amendments or supplements;

(b) prepare and file with the Canadian Securities Regulators such amendments and supplements to the preliminary prospectus and final prospectus as may be necessary to complete the Distribution of all such Qualifying Securities and as required under the Securities Act (*British Columbia*) or under any applicable provisions of Applicable Securities Laws;

(c) notify the Investor and the managing underwriter or underwriters, if any, and (if requested) confirm such advice in writing, as soon as practicable after notice thereof is received by the Company: (i) when the preliminary prospectus and final prospectus or any amendment thereto has been filed or been receipted, and furnish to the Investor and managing underwriters or underwriters, if any, with copies thereof; (ii) of any request by the Canadian Securities Regulators for amendments to the preliminary prospectus or the final prospectus or for additional information; (iii) of the issuance by the Canadian Securities Regulators of any stop order or cease trade order relating to the prospectus or any order preventing or suspending the use of any preliminary prospectus or final prospectus or the initiation or threatening of any proceedings for such purposes; and (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification of the Qualifying Securities for offering or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

(d) promptly notify the Investor and the managing underwriter or underwriters, if any, when the Company becomes aware of the happening of any event as a result of which the prospectus contains any untrue statement of a material fact or omits to state a material fact necessary to make the statement therein (in the case of the

prospectus in light of the circumstances under which they were made) when such prospectus was delivered not misleading, fails to constitute full, true and plain disclosure of all material facts regarding the Qualifying Securities when such prospectus was delivered or if for any other reason it will be necessary during such time period to amend or supplement the preliminary prospectus or the final prospectus in order to comply with Applicable Securities Laws and, in either case as promptly as practicable, prepare and file with the Canadian Securities Regulators, and furnish to the Investor and the managing underwriters or underwriters, if any, a supplement or amendment to such preliminary prospectus or final prospectus which will correct such statement or omission or effect such compliance;

(e) use commercially reasonable efforts to obtain the withdrawal of any stop order, cease trade order or other order against the Company or affecting the securities of the Company suspending the use of any prospectus or suspending the qualification of any Qualifying Securities covered by the prospectus, or the initiation or the threatening of any proceedings for such purposes;

(f) furnish to the Investor and each managing underwriter or underwriters, if any, copies of the preliminary prospectus, final prospectus or any amendments or supplements thereto, and provide the Investor and its counsel with a reasonable opportunity to review and provide comments to the Company on the prospectus;

(g) deliver to the Investor and the underwriters, if any, without charge, as many commercial copies of the preliminary prospectus and the final prospectus and any amendment or supplement thereto as such persons may reasonably request (it being understood that the preliminary prospectus and the final prospectus or any amendment or supplement thereto may only be used by the Investor and the underwriters, if any, in connection with the offering and sale of the registrable securities (the "**Registrable Securities**") covered by the preliminary prospectus and the final prospectus or any amendment or supplement thereto in accordance with Applicable Securities Laws and, if applicable, pursuant to the terms and conditions of an underwriting agreement in customary form to be entered into among the Company, the Investor and the underwriters, if any) and such other documents as the Investor may reasonably request in order to facilitate the disposition of the Qualifying Securities by such person;

(h) on or prior to the date on which a receipt is issued for the prospectus by the applicable Canadian Securities Regulators, use commercially reasonable efforts to qualify, and cooperate with the Investor, the managing underwriter or underwriters, if any, and their respective counsel in connection with the qualification of, such Qualifying Securities for offer and sale under the Applicable Securities Laws of each province and/or territory of Canada, as applicable, as any such person or underwriter reasonably requests in writing provided that the Company will not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action which would subject it to general service of process or taxation in any such jurisdiction where it is not then so subject or to register its securities under the United States Securities Act of 1933, as amended;

(i) in connection with any underwritten offering enter into customary agreements, including an underwriting agreement with the underwriter or underwriters, such agreements to contain such representations, warranties and indemnities by the Company and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions;

(j) use its commercially reasonable efforts to obtain a customary legal opinion, in the form and substance as is customarily given by external company counsel in securities offerings, addressed to the Investor and the underwriters, if any, and such other persons as the underwriting agreement may reasonably specify, and a customary "comfort letter" from the Company's auditor and/or the auditors of any financial statements included or incorporated by reference in a prospectus;

(k) furnish to the Investor and the managing underwriter or underwriters, if any, and such other persons as the Investor may reasonably specify, such corporate certificates, satisfactory to the Investor acting reasonably, as are customarily furnished in securities offerings, and, in each case, covering substantially the same matters as are customarily covered in such documents in the relevant jurisdictions and such other matters as the Investor may reasonably request;

(l) use commercially reasonable efforts to cause all Common Shares covered by the prospectus to be listed on each securities exchange or automated quotation system on which Common shares are then listed or quoted;

(m) participate in such marketing efforts as the Investor and Company jointly determine (with advice from the managing underwriter or underwriters, if any) are reasonably necessary, such as "roadshows", institutional investor meetings and similar events; and

(n) take such other actions and execute and deliver such other documents as may be reasonably necessary to give full effect to the rights of the Investor under the Agreement.

1.2 Investor's Obligations

(a) The Investor will furnish to the Company such information regarding the Distribution of such Qualifying Securities and such other information relating to the Investor's ownership of Common Shares as the Company may from time to time reasonably request in writing in order to comply with Applicable Securities Laws in each jurisdiction in which a Piggyback Registration is to be effected. The Investor agrees to furnish such information to the Company and to cooperate with the Company as necessary to enable the Company to comply with the provisions of the Agreement and Applicable Securities Laws. The Investor will promptly notify the Company when the Investor becomes aware of the happening of any event (insofar as it relates to the Investor or information provided by the Investor in writing for inclusion in the applicable prospectus) as a result of which the prospectus contains any untrue statement of a material fact or omits to state a material fact necessary to make the statement therein (in the case of the prospectus in light of the circumstances under which they were made) when such prospectus was delivered not misleading or, if for any other reason it will be necessary during such

time period to amend or supplement the preliminary prospectus or the final prospectus in order to comply with Applicable Securities Laws.

(b) The Investor will:

(i) comply with Applicable Securities Laws in connection with the Investor effecting trades (as defined under Applicable Securities Laws) in the Registrable Securities and the use of any preliminary prospectus, final prospectus or other qualification document;

(ii) comply with any applicable published policies, rules and regulations of the Canadian Securities Regulators and any stock exchange and over-the counter market on which the Registrable Securities are then listed or quoted; and

(i) promptly review and comment on any draft documents provided to the Investor under Section 1.1 of this Schedule "B".

(c) In connection with any underwritten offering in connection with a Piggyback Registration, the Investor will enter into customary agreements, including an underwriting agreement with the underwriter or underwriters, such agreements to contain such representations, warranties and indemnities by the Investor and such other terms and provisions as are customarily contained in underwriting agreements with respect to secondary distributions.

1.3 Underwriters' Cutback

(a) If, in connection with a Piggy-Back Registration, the managing underwriter or underwriters will impose a limitation on the number or kind of securities which may be included in any such Distribution because, in its reasonable judgment, the inclusion of securities requested to be included in such offering exceeds the number of securities which can be sold in an orderly manner in such offering within a price range reasonably acceptable to the Company (the "**Minimum Price**") an "**Underwriters' Cutback**"), then the Company will be obligated to include in such Distribution such securities as is determined in good faith by such managing underwriter or underwriters in the following priority:

(i) first, such securities offered by the Company for its own account;

(ii) second, if there are any additional securities that may be underwritten at no less than the Minimum Price after allowing for the inclusion of all of the securities required under (A) above, such Qualifying Securities requested to be qualified by the Investor, provided that if any Qualifying Securities requested to be qualified by the Investor are not otherwise included in such Distribution, such Qualified Securities that are not so included will be included, to the fullest extent possible, in an over-allotment option which will be granted to the underwriters in connection with such Distribution for such amount of Common Shares requested to be qualified by the Investor that were not otherwise included in such Distribution.

1.4 Withdrawal of Registrable Securities

(a) The Investor will have the right to withdraw its request for inclusion of its Qualifying Securities in any Piggyback Registration pursuant to Section 4.1 of the Agreement by giving written notice to the Company of its request to withdraw; provided, however, that:

(i) such request must be made in writing prior to the execution of the enforceable bought deal letter or underwriting agreement with respect to such Distribution; and

(ii) such withdrawal will be irrevocable and, after making such withdrawal, the Investor will no longer have any right to include its Qualifying Securities in the Distribution pertaining to which such withdrawal was made.

(b) Provided that the Investor withdraws all of its Qualifying Securities from a Piggyback Registration in accordance with Section 1.4(a) of this Schedule "B" prior to the filing of a preliminary prospectus, the Investor will be deemed to not have participated in or requested such Piggyback Registration.

(c) Notwithstanding Section 1.4(a)(i) of this Schedule "B", if the Investor withdraws its request for inclusion of its Qualifying Securities from a Piggyback Registration at any time after having learned of a material adverse change in the condition, business or prospects of the Company, the Investor will not be deemed to have participated in or requested such Piggyback Registration.

1.5 Expenses

(a) Other than as set forth in Section 1.5(b) of this Schedule "B", all expenses incurred in connection with a Piggyback Registration pursuant to Section 4.1 of the Agreement, as applicable including: (i) Canadian Securities Regulators, Canadian stock exchange registration listing and filing fees relating to the Qualifying Securities; (ii) fees and expenses of compliance with Applicable Securities Laws; (iii) printing and copying expenses; (iv) messenger and delivery expenses; (v) expenses incurred in connection with any road show and marketing activities; (vi) fees and disbursements of counsel to the Company; (vii) fees and disbursements of all independent public accountants (including the expenses of any audit and/or "comfort" letter) and fees and expenses of any other special experts retained by the Company; (viii) translation expenses; and (ix) any other fees and disbursements of underwriters customarily paid by issuers or sellers of securities (but excluding the Investor's Expenses), will be borne by the Company.

(b) Any commission payable to the underwriter(s) in connection with any Qualifying Securities requested to be sold by the Investor and the Investor's legal and professional fees, shall be borne by the Investor (the "**Investor's Expenses**"),

1.6 Due Diligence; Indemnification

(a) In connection with the preparation and filing of any prospectus in connection with a Piggyback Registration as herein contemplated, the Company will give the Investor, the underwriter or underwriters of such Distribution, if any, and their

respective counsel, auditors and other representatives, the opportunity to fully participate in the preparation of such documents and each amendment thereof or supplement thereto, and will insert therein such material furnished to the Company in writing, which in the reasonable judgement of the Company and its counsel should be included, and will give each of them such reasonable and customary access to the Company's books and records and such reasonable and customary opportunity to discuss the business of the Company with its officers and auditors, and to conduct all reasonable and customary due diligence which the Investor and the underwriters or underwriter, if any, and their respective counsel may reasonably require in order to conduct a reasonable investigation in order to enable such underwriters to execute any certificate required to be executed by them in Canada for inclusion in such documents, provided that the Investor and the underwriters agree to maintain the confidentiality of such information.

(b) In connection with any Piggyback Registration, the Company will indemnify and hold harmless the Investor and its Affiliates and each of their respective directors, officers, employees and agents, shareholders, limited partners and underwriters, from and against any loss (excluding loss of profits), Liability, claim, damage and expense whatsoever (including reasonable legal fees and expenses), including any amounts paid in settlement of any investigation, order, litigation, proceeding or claim, joint or several, incurred, arising out of or based upon any untrue statement or alleged untrue statement of a material fact contained in any prospectus, or any amendment or supplement thereto, including all documents incorporated therein by reference, or any omission or alleged omission therefrom of a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or as incurred, arising out of or based upon any failure to comply with Applicable Securities Laws (other than any failure to comply with Applicable Securities Laws by the Investor or underwriter); provided that the Company will not be liable under this Section 1.6(b) of this Schedule "B" for any settlement of any action effected without its written consent, which consent will not be unreasonably withheld or delayed; provided further that the indemnity provided for in this Section 1.6(b) of this Schedule "B" in respect of the Investor will not apply to any loss, Liability, claim, damage or expense to the extent incurred, arising out of or based upon any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with written information furnished to the Company by the Investor or underwriter stating that such information is being provided for use in the prospectus.

(c) In connection with any Piggyback Registration, the Investor will indemnify and hold harmless the Company and each of its directors, officers, employees, agents and shareholders from and against any loss (excluding loss of profits), Liability, claim, damage and expense whatsoever (including reasonable legal fees and expenses), including any amounts paid in settlement of any investigation, order, litigation, proceeding or claim, joint or several, as incurred, arising out of or based on any untrue statement or omission of a material fact, or alleged untrue statement or omission of a material fact, made or required to be made in the prospectus, as applicable, included in reliance upon and in conformity with written information furnished to the Company by the Investor, stating that such information is being provided for use in the prospectus or as incurred arising out of or based upon any failure to comply with Applicable Securities Laws (other than any failure to comply

with Applicable Securities Laws by the Company), including, for greater certainty, for any amounts paid pursuant to Section 1.6(b) of this Schedule "B"; provided that the Investor will not be liable under this Section 1.6(c) of this Schedule "B" for any settlement of any action effected without its written consent, which consent will not be unreasonably withheld or delayed; provided further that the indemnity provided for in this Section 1.6(c) of this Schedule "B" will not apply to any loss, Liability, claim, damage or expense to the extent arising out of an untrue statement or omission or alleged untrue statement or omission contained in any prospectus relating to a Piggyback Registration if the Company or any underwriter failed to send or deliver a copy of the prospectus to the person asserting such losses, Liabilities, claims, damages or expenses on or prior to the delivery of written confirmation of any sale of securities covered thereby to such person in any case where such prospectus corrected such untrue statement or omission; provided, further that in no event will the Investor be liable for indemnification or contribution for an amount greater than the lesser of: (i) the net sales proceeds actually received by the Investor; and (ii) the Investor's proportionate share of any such Liability based on the net sales proceeds actually received by the Investor and the aggregate net sales proceeds of the Distribution.

(d) Each party entitled to indemnification under this Section 1.6 of this Schedule "B" (the "**Specified Indemnified Party**") will give written notice to the party required to provide indemnification (the "**Specified Indemnifying Party**") promptly after such Specified Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, and will permit the Specified Indemnifying Party to assume the defense of any such claim or any litigation resulting therefrom, provided that counsel for the Specified Indemnifying Party, who will conduct the defense of such claim or litigation, will be approved by the Specified Indemnified Party (whose approval will not be unreasonably withheld), and the Specified Indemnified Party may participate in such defense at such party's expense, and provided further that the failure of any Specified Indemnified Party to give notice as provided herein will not relieve the Specified Indemnifying Party of its obligations under this Section 1.6 of this Schedule "B" unless the failure to give such notice is materially prejudicial to a Specified Indemnifying Party's ability to defend such action. A Specified Indemnified Party will have the right to retain its own counsel, with fees and expenses to be paid by the Specified Indemnifying Party, if representation of such Specified Indemnified Party by the counsel retained by the Specified Indemnifying Party would be inappropriate due to actual or potential conflicting interests between such Specified Indemnified Party and any other party represented by such counsel in such proceeding. No Specified Indemnifying Party, in the defense of any such claim or litigation, will, except with the consent of each Specified Indemnified Party, consent to entry of any judgment or enter into any settlement unless such settlement includes as an unconditional term thereof: (i) the giving by the claimant or plaintiff to such Specified Indemnified Party of a release from all Liability in respect to such claim or litigation; (ii) no admission on the part of the Specified Indemnified Party that it violated any Law or infringed the rights of any person; and (iii) provides as the claimant's or plaintiff's sole relief monetary damages (that are paid in full by the Specified Indemnifying Party).

(e) If the indemnification provided for in this Section 1.6 of this Schedule "B" is held by a court of competent jurisdiction to be unavailable to a Specified Indemnified Party

with respect to any loss, Liability, claim, damage, or expense referred to therein, then the Specified Indemnifying Party, in lieu of indemnifying such Specified Indemnified Party hereunder, will contribute to the amount paid or payable by such Specified Indemnified Party as a result of such loss, Liability, claim, damage, or expense in such proportion as is appropriate to reflect the relative fault of the Specified Indemnifying Party on the one hand and of the Specified Indemnified Party on the other in connection with the statements or omissions that resulted in such loss, Liability, claim, damage, or expense as well as any other relevant equitable considerations, provided, however, that the liability of the Investor under this Section 1.6(e) of this Schedule "B" will not exceed the lesser of: (i) the net sales proceeds actually received by the Investor; and (ii) the Investor's proportionate share of any such liability based on the net sales proceeds actually received by the Investor and the aggregate net sales proceeds of the Distribution. The relative fault of the Specified Indemnifying Party and of the Specified Indemnified Party will be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission to state a material fact relates to information supplied by the Specified Indemnifying Party or by the Specified Indemnified Party and the parties' relative intent with respect to, knowledge regarding and opportunity to correct, such information. No person guilty of fraudulent misrepresentation will be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.