

**TIERNAN GOLD CORP.**

and

**RAILTOWN CAPITAL CORP.**

and

**1559261 B.C. LTD.**

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**AMENDED AND RESTATED  
BUSINESS COMBINATION AGREEMENT**

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**NOVEMBER 7, 2025**

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**AMENDED AND RESTATED  
BUSINESS COMBINATION AGREEMENT**

**THIS AGREEMENT** (this “**Agreement**”) is made as of November 7, 2025

**A M O N G:**

**TIERNAN GOLD CORP.** (“**Tiernan**”), a company formed under the laws of the Province of British Columbia

- and -

**RAILTOWN CAPITAL CORP.** (“**Railtown**”), a company formed under the laws of the Province of British Columbia

- and -

**1559261 B.C. LTD.** (“**Subco**”), a company formed under the laws of the Province of British Columbia.

**WHEREAS:**

- A. Tiernan, through HM Holdings (as defined below), is a wholly-owned indirect subsidiary of Hochschild Mining PLC, which is advancing the Volcan gold project in the Atacama Region of Chile.
- B. Railtown is a Capital Pool Company (as defined herein) listed on the TSXV (as defined herein).
- C. Subco is a wholly-owned subsidiary of Railtown.
- D. Tiernan and Railtown propose to combine the business and assets of Tiernan with those of Railtown and, upon completion of such transactions, Railtown will become the Resulting Issuer (as such term is defined in Policy 2.4 of the TSXV Manual (as defined below)), with the name “Tiernan Gold Corp.” or such other similar name as may be accepted by the relevant regulatory authorities and agreed to by Tiernan, acting reasonably.
- E. Tiernan, Railtown and Subco intend to carry out the proposed transactions by way of the Amalgamations (as defined below) under the provisions of the BCBCA (as defined below) and to take certain other actions in respect thereof.
- F. Tiernan, Railtown and Subco are parties to a business combination agreement dated October 6, 2025 (the “**Original Business Combination Agreement**”).
- G. Tiernan, Railtown and Subco wish to amend and restate the Original Business Combination Agreement pursuant to the terms and subject to the conditions set forth herein.

**NOW THEREFORE**, in consideration of the covenants and agreements herein contained and for other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Parties (as defined below) agree that the Original Business Combination Agreement is hereby superceded, replaced and amended and restated and further agree as follows:

## ARTICLE 1 INTERPRETATION

### Section 1.1 Definitions

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

**“affiliate”** means, when describing a relationship between two Persons, that either one of them is under the direct or indirect control of the other, or each of them is directly or indirectly controlled by the same Person.

**“Agency Agreement”** means the agency agreement to be entered into among Tiernan, HM Holdings, Railtown and the Agents with respect to the Financing.

**“Agents”** means, collectively, Canaccord, BMO Nesbitt Burns Inc., Raymond James Ltd. and Haywood Securities Inc., acting as agents with respect to the Financing.

**“Agreement”** means this amended and restated business combination agreement, as it may be amended or supplemented at any time and from time to time after the date hereof.

**“Amalgamations”** means, together, the First Amalgamation and the Second Amalgamation.

**“Authorization”** means, with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Governmental Entity having jurisdiction over the Person.

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

**“Business Day”** means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Vancouver, British Columbia.

**“Canaccord”** means Canaccord Genuity Corp.

**“Canadian Securities Laws”** means: (a) the *Securities Act* (British Columbia) and any other applicable Canadian provincial securities Laws and the respective rules and regulations made thereunder, together with applicable published policy statements, instruments, orders and rulings of the Securities Authorities having the force of law; and (b) the policies and regulations of the TSXV.

**“Capital Pool Company”** has the meaning ascribed thereto in Policy 2.4 of the TSXV Manual.

**“CDS”** means CDS Clearing and Depository Services Inc.

**“Closing”** means the completion of the Amalgamations pursuant to this Agreement on the Effective Date.

**“Closure Obligations”** means Tiernan’s obligations in connection with mine closures under applicable Law.

**“Collective Agreements”** means all collective bargaining agreements or union agreements applicable to Tiernan or any of its Subsidiaries and all related documents, including letters or memoranda of understanding, letters of intent and other written communications with

bargaining agents for any Employee of Tiernan which impose obligations upon Tiernan or any of its Subsidiaries.

**“Confidentiality Agreements”** means, collectively: (a) the confidentiality agreement between Tiernan and Railtown dated as of March 17, 2025; and (b) the confidentiality agreement between Railtown and Tiernan dated as of September 2, 2025.

**“Constating Documents”** means any notice of articles, articles of incorporation, amalgamation, or continuation, as applicable, articles or any by-laws, and all amendments thereto.

**“Contract”** means any legally binding agreement, commitment, engagement, contract, franchise, licence, lease, obligation or undertaking (written or oral) to which a Party is a party or by which it is bound or affected or to which any of its properties or assets is subject.

**“Effective Date”** means the date shown on the First Certificate of Amalgamation.

**“Effective Time”** means 12:01 a.m. (Vancouver Time) on the Effective Date, which, for clarity, shall occur prior to filing the Second Amalgamation Application.

**“Employee Plans”** means all plans, transactions, agreements, programs, policies or practices, whether oral or written, formal or informal, funded or unfunded, maintained for Employees, including, without limitation: (a) any Employee benefit plan or material fringe benefit plan; (b) any retirement savings plan, pension plan or compensation plan, including, without limitation, any defined benefit pension plan, defined contribution pension plan, group registered retirement savings plan or supplemental pension or retirement income plan; (c) any bonus, profit sharing, deferred compensation, incentive compensation, stock compensation, stock purchase, hospitalization, health, drug, dental, legal disability, insurance (including without limitation unemployment insurance), vacation pay, severance pay or other benefit plan, transaction or practice with respect to Employees or former Employees, individuals working on Contract, or other individuals providing services of a kind normally provided by Employees; and (d) where applicable, all statutory plans, including, without limitation, the Canada Pension Plan or the Québec Pension Plan.

**“Employees”** means, with respect to any Person, such Person's officers, employees and independent contractors.

**“Environmental Laws”** means all Laws and agreements with Governmental Entities and all other statutory requirements relating to public health, noise control, pollution, reclamation or the protection of the environment or to the generation, production, installation, use, storage, treatment, transportation, release or threatened release of hazardous substances, including civil responsibility for acts or omissions with respect to the environment, and all Authorizations issued pursuant to such Laws, agreements or other statutory requirements.

**“Escrow Release Conditions”** has the meaning ascribed thereto in the Tiernan Subscription Receipt Agreement.

**“Filing Document”** means the filing statement or other applicable filing document, and any amendments thereto, of Railtown in connection with the Transaction to be prepared in accordance with TSXV Form 3B2 – *Information Required in a Filing Document for a Qualifying Transaction* and submitted to the TSXV.

**“Filings”** means all documents publicly filed under the profile of Railtown or Tiernan, as applicable, on SEDAR+ or furnished to the TSXV.

**“Financing”** means the brokered private placement of up to 11,000,000 Tiernan Subscription Receipts on a best-efforts agency basis, at a price of \$5.00 per Subscription Receipt, pursuant to the terms of the Agency Agreement, in one or more closings (provided that each such closing shall occur prior to the Closing), of a minimum of \$40,000,000 from the Treasury Offering and \$15,000,000 from the Secondary Offering, unless the Parties otherwise agree in writing.

**“First Amalco”** means the amalgamated entity resulting from the First Amalgamation pursuant to the First Amalgamation Agreement.

**“First Amalco Shares”** means the common shares in the capital of First Amalco.

**“First Amalgamation”** means the long-form amalgamation of Tiernan and Subco pursuant to the terms and conditions set out in the First Amalgamation Agreement, subject to any amendments or variations thereto made in accordance with the provisions of this Agreement and the First Amalgamation Agreement.

**“First Amalgamation Agreement”** means the amalgamation agreement between Tiernan and Subco substantially in the form of Schedule A.

**“First Amalgamation Application”** means the filings that are required under the BCBCA to be filed with the Registrar in order to give effect to the First Amalgamation, in the form attached to the First Amalgamation Agreement attached hereto as Schedule A.

**“First Amalgamation Resolution”** means the special resolution of Tiernan Shareholders authorizing the First Amalgamation, which resolution will be approved in writing.

**“First Certificate of Amalgamation”** means the certificate of amalgamation to be issued by the Registrar, evidencing that the First Amalgamation is effective.

**“Foreign Private Issuer”** means a corporation or other organization incorporated or organized under the Laws of any country other than the United States meeting the following conditions as of the last Business Day of its most recently completed second fiscal quarter: (a) more than 50% of the outstanding voting securities of such issuer are directly or indirectly owned of record by residents of the United States; and (b) any of the following: (i) the majority of the executive officers or directors are United States citizens or residents; (ii) more than 50% of the assets of the issuer are located in the United States; or (iii) the business of the issuer is administered principally in the United States.

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

**“Hazardous Substances”** means any substances, materials or wastes that are regulated, prohibited, listed, defined, designated or classified as hazardous, dangerous, radioactive, corrosive, explosive, infectious, carcinogenic, or toxic or a pollutant or a contaminant under or

pursuant to, or that could result in liability under, any applicable Environmental Laws, in each case whether naturally occurring or manmade.

**“HM Holdings”** means Hochschild Mining Holdings Ltd.

**“IFRS”** means International Financial Reporting Standards as issued by the International Accounting Standards Board, as adopted in Canada.

**“Investor Rights Agreement”** means the investor rights agreement in respect of Railtown following completion of the Transaction to be entered into between Railtown and HM Holdings on the Effective Date, in the form attached as Schedule E to this Agreement.

**“Law”** means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, by-law, code, rule, regulation, instrument, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended.

**“Letter of Intent”** means the letter of intent between Tiernan and Railtown dated September 2, 2025.

**“Liens”** means any mortgage, charge, pledge, hypothec, security interest, prior claim, assignment, lien (statutory or otherwise), or restriction or adverse right or claim, or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute, and any agreement, option, right or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing.

**“Material Adverse Effect”** means, with respect to any Person, any change, event, occurrence, effect, state of facts or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects, state of facts or circumstances is or would reasonably be expected to be material and adverse to the business, operations, results of operations, assets, properties, capitalization, financial condition or liabilities (contingent or otherwise) of such Person and its Subsidiaries (if applicable), taken as a whole, except any such change, event, occurrence, effect, state of facts or circumstance resulting from or arising in connection with:

- (a) any change in global, national or regional political conditions (including the outbreak or escalation of war or acts of terrorism) or in general economic, business, regulatory, political or market conditions or in national or global financial or capital markets;
- (b) any change in currency exchange, interest or inflation rates or commodity, securities or general economic, financial or credit market conditions in Canada or elsewhere;
- (c) any fluctuations or changes in gold prices;
- (d) any adoption, proposal, implementation or change in Law or any interpretation of Law by any Governmental Entity;
- (e) any change in IFRS;
- (f) any natural disaster, epidemic or pandemic;

- (g) any actions taken (or omitted to be taken) upon the written request, or with the prior written consent, of all of the other Parties;
- (h) the announcement or performance of this Agreement or consummation of the Transaction;
- (i) any change in the market price or trading volume of any securities of the Person (it being understood that the causes underlying such change in market price may be taken into account in determining whether a Material Adverse Effect has occurred), or any suspension of trading in securities generally on any securities exchange on which any securities of the Person trade; or
- (j) the failure of the Person in and of itself to meet any internal or public projections, forecasts or estimates of revenues or earnings (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred),

provided, however, that with respect to clauses (a) through to and including (e), such matter does not have a materially disproportionate effect on the Person and its Subsidiaries (if applicable), taken as a whole, relative to other comparable companies and entities operating in the industries in which the Person and its Subsidiaries (if applicable) operate; and unless expressly provided in any particular section of this Agreement, references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a "Material Adverse Effect" has occurred.

**"Material Contract"** means any Contract of Tiernan or any Subsidiary thereof: (a) that if terminated or modified or if it ceased to be in effect, could reasonably be expected to have a Material Adverse Effect in respect of Tiernan and its Subsidiaries on a consolidated basis; (b) that is a partnership agreement, limited liability company agreement, joint venture agreement or similar agreement or arrangement, relating to the formation, creation or operation of any partnership, limited liability company or joint venture in which Tiernan or any of its Subsidiaries is a partner, member or joint venturer (or other participant); (c) relating directly or indirectly to the guarantee of any liabilities or obligations or to indebtedness for borrowed money or to the lending of any money to another Person; (d) under which a Person made payments to Tiernan and its Subsidiaries in excess of \$250,000 during the 12-month period ended June 30, 2025; (e) under which Tiernan and/or its Subsidiaries made payments to any Person in excess of \$250,000 during the 12-month period ended June 30, 2025, or is required to make such payments over the remaining term of such agreement; (f) restricting the incurrence of indebtedness by Tiernan or any of its Subsidiaries (including by requiring the granting of an equal and ratable Lien) or the incurrence of Liens (other than Permitted Liens) on any properties or assets of Tiernan or any of its Subsidiaries, or restricting the payment of dividends of Tiernan; (g) providing for the purchase, sale or exchange of, or option to purchase, sell or exchange, any property or asset where the purchase or sale price or agreed value or fair market value of such property or asset exceeds \$250,000; (h) that is a Collective Agreement; (i) that contains express exclusivity or non-solicitation obligations of Tiernan or any of its subsidiaries; (j) that limits or restricts in any respect: (i) any business practice of Tiernan or any of its Subsidiaries; (ii) the ability of Tiernan or any Subsidiary to engage in any line of business or carry on business in any geographic area, or (iii) the scope of Persons to whom Tiernan or any of its Subsidiaries may sell assets, products or inventory to or acquire assets, products or inventory from or deliver services to or contract with for services; (k) that contemplates an exclusive business relationship with any other Person or right of first offer or refusal or similar rights or terms to any Person; (l) that gives another Person the right to sell or

license a set quantity or volume of products or services to Tiernan or any of its Subsidiaries or under which Tiernan or any of its Subsidiaries has provided a most-favoured nation right to another Person or that contains “take or pay” provisions; (m) that relates to the acquisition or disposition of any business, any shares or other equity interests of or to any other Person, any assets of or to any other Person or any real property of or to any other Person (whether by amalgamation, arrangement, sale of shares, sale of assets or otherwise) with respect to which there are outstanding obligations; (n) with a Governmental Entity; (o) is made out of the Ordinary Course; or (p) that is otherwise material to Tiernan and its Subsidiaries, taken as a whole.

“**Mineral Rights**” has the meaning given to it in Section 14(b) of Schedule D.

“**Misrepresentation**” means an untrue statement of a material fact or an omission to state a material fact required or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made.

“**Money Laundering Laws**” means financial recordkeeping and reporting requirements under money laundering Laws and the rules and regulations thereunder and any related or similar Laws, rules, regulations or guidelines, issued, administered or enforced by any Governmental Entity with jurisdiction over the applicable Party relating to money laundering.

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

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

“**Notice**” has the meaning given to it in Section 9.2.

“**officer**” has the meaning specified in the *Securities Act* (British Columbia).

“**Ordinary Course**” means, with respect to an action taken by a Party, that such action is consistent with the past practices of such Party and is taken in the ordinary course of the normal operations of the business of such Party and which, in the case of Railtown, includes such actions as described in or otherwise consistent with its Constating Documents and the business of Railtown.

“**Original Business Combination Agreement**” has the meaning given to it in the recitals.

“**Outside Date**” means December 31, 2025 or such later date as may be agreed to in writing by the Parties, provided that if the Effective Date has not occurred by such date as a result of the failure to obtain the TSXV Approval, then Railtown or Tiernan may elect by notice in writing prior to the original Outside Date (and any subsequent Outside Date) to extend such date in one (1) month increments for up to an additional three (3) months, provided further that if permitted extension of the Outside Date were to cause the Outside Date to not occur on a Business Day, the first Business Day thereafter shall be deemed to be the Outside Date.

“**Parties**” means Tiernan, Railtown and Subco, and “**Party**” means any one of them as the context requires.

“**Permitted Liens**” means, in respect of Tiernan or any of its Subsidiaries, any one or more of the following:

- (a) Liens for Taxes , assessments, governmental charges or levies which are not due or delinquent or which are being contested in good faith by appropriate proceedings and in respect of which adequate reserves have been established in accordance with IFRS;
- (b) easements, rights of way, licenses, servitudes and similar rights in land including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph or cable television conduits, poles, wires and cables that do not materially adversely affect the assets of Tiernan or its Subsidiaries;
- (c) inchoate or statutory Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, repairers, carriers and others in respect of the construction, maintenance, repair or operation of the assets of Tiernan or its Subsidiaries; provided that such Liens are related to obligations not due or delinquent, are not registered against title to any assets or properties of Tiernan or its Subsidiaries and in respect of which adequate holdbacks are being maintained as required by Law;
- (d) zoning restrictions, building codes, land use Laws, and other restrictions and limitations imposed by any Governmental Entity having jurisdiction over real property or other reservations, limitations, provisos and conditions expressed in any original grants from the Crown or other grants of real or immovable property, or interests therein;
- (e) Liens incurred, created and granted in the Ordinary Course to a public utility, municipality or Governmental Entity in connection with operations conducted with respect to the assets of Tiernan or its Subsidiaries, but only to the extent those Liens relate to costs and expenses for which payment is not due or delinquent;
- (f) Liens arising in connection with workers' compensation, employment insurance, pension and employment or other social security laws or regulations in respect of amounts which are not due or delinquent;
- (g) Liens securing indebtedness for capital or finance lease or other arrangement in respect of any leased or purchase-money equipment; and
- (h) the Liens listed in Section 14(f) [*Interests in Properties and Mineral Rights*] of the Tiernan Disclosure Letter.

**"Person"** includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

**"Project"** means Tiernan's Volcan gold project located in Tierra Amarilla, Atacama Region, Chile.

**"Qualified Institutional Buyers"** means a "qualified institutional buyer" within the meaning of Rule 144A under the U.S. Securities Act that is also a U.S. Accredited Investor.

**"Railtown"** has the meaning given to it on page 1 of this Agreement.

**"Railtown AGM"** means the annual general and special meeting of Railtown (including any adjournment or postponement thereof) to be called and held to consider resolutions to approve

the Railtown AGM Matters, and to be held on: (a) November 12, 2025; or (b) such earlier or later date as the Parties agree, each acting reasonably.

**“Railtown AGM Matters”** means the items to be presented for approval by the Railtown Shareholders at the Railtown AGM including, among others: (a) re-electing the existing members of the board of directors of Railtown; (b) fixing the number of directors of Railtown at seven (7) conditional upon the completion of the First Amalgamation; (c) electing members of the board of directors of Railtown conditional upon the completion of the First Amalgamation; (d) re-appointment of the existing auditor of Railtown; (e) approval of the Railtown Compensation Plan Resolution; and (f) such other matters as shall properly come before the Railtown AGM, or as may be required by the TSXV in order to give effect to the Transaction.

**“Railtown Board Directors’ Resolution”** means such resolutions of the board of directors of Railtown, as may be requested by Tiernan, acting reasonably, in compliance with Law and the TSXV Manual, to give effect to, among other things, the reconstituted board of directors of Railtown in connection with the Transaction as contemplated in this Agreement, which resolutions will be approved in writing.

**“Railtown Common Shares”** means the common shares in the capital of Railtown and for certainty, includes common shares of Railtown after giving effect to the Railtown Consolidation and common shares of the Resulting Issuer.

**“Railtown Compensation Plan Resolution”** means the shareholders’ resolution of Railtown authorizing the implementation of an omnibus equity incentive plan providing for the issuance of Railtown Options, restricted share units, deferred share units, performance share units and stock appreciation rights by Railtown following completion of the Transaction, such plan in form and substance satisfactory to Railtown and Tiernan, each acting reasonably.

**“Railtown Consolidation”** means the consolidation of the Railtown Common Shares on the basis of one post-consolidation common share for every 7.0916667 pre-consolidation common shares (such that the post-consolidation fully diluted share count of Railtown will be approximately 3,000,000 shares).

**“Railtown Consolidation Resolution”** means the directors’ resolution of Railtown authorizing the Railtown Consolidation.

**“Railtown Financial Statements”** means, collectively: (a) the audited financial statements of Railtown as at and for the financial years ended November 30, 2024, 2023 and 2022 (including, in each case, the notes or schedules thereto, the auditor’s report thereon and related management’s discussion and analysis); and (b) the unaudited financial statements of Railtown for the three and nine-months ended August 31, 2025 and 2024 (including the notes or schedules thereto, and related management’s discussion and analysis).

**“Railtown Name Change Resolution”** means the directors’ resolution of Railtown approving the change of Railtown’s name to “Tiernan Gold Corp.” or such other similar name as may be accepted by the relevant regulatory authorities and agreed to by Tiernan, acting reasonably.

**“Railtown Option Plan”** means the existing option plan of Railtown.

**“Railtown Options”** means (a) the 675,000 currently issued and outstanding options to purchase Railtown Common Shares at a price of \$0.10 per Railtown Common Share until January 28, 2031; and (b) the 600,000 currently issued and outstanding options to purchase

Railtown Common Shares at a price of \$0.53 per Railtown Common Share until March 3, 2034, all of which were issued pursuant to the Railtown Option Plan.

**“Railtown Resolutions”** means, collectively, the Railtown Board Directors’ Resolution, the Railtown Consolidation Resolution, the Railtown Name Change Resolution, and the Railtown Compensation Plan Resolution.

**“Railtown RI Warrants”** means the common share purchase warrants of Railtown to acquire Railtown Common Shares at a price of \$6.50 per Railtown Common Share for a period of 24 months following the closing date of the Financing for which the Tiernan Warrants are exchanged in connection with the First Amalgamation.

**“Railtown Shareholders”** means the holders of Railtown Common Shares.

**“Railtown Warrants”** means the 500,000 warrants to purchase Railtown Common Shares at a price \$0.10 per Railtown Common Share until January 28, 2026.

**“Registrar”** means the Registrar of Companies appointed under Section 400 of the BCBCA.

**“Representative”** means, with respect to any Party, an officer, director, Employee, representative (including any financial or other adviser) or agent of the Party.

**“Resulting Issuer”** means the amalgamated entity resulting from the Second Amalgamation.

**“SEC”** means the United States Securities and Exchange Commission.

**“Second Amalgamation”** means the short-form amalgamation of First Amalco and Railtown, subject to any amendments or variations thereto made in accordance with the provisions of this Agreement.

**“Second Amalgamation Application”** means the filings that are required under the BCBCA to be filed with the Registrar in order to give effect to the Second Amalgamation, in the form attached hereto as Schedule B.

**“Second Amalgamation Resolution”** means collectively, the resolutions of the reconstituted board of directors of Railtown authorizing and approving the Second Amalgamation.

**“Second Certificate of Amalgamation”** means the certificate of amalgamation to be issued by the Registrar, evidencing that the Second Amalgamation is effective.

**“Secondary Offering”** means (a) the offering of Tiernan Common Shares previously issued by Tiernan and currently held by HM Holdings (whether pursuant to a direct purchase and sale, subscription receipts or otherwise, as may be determined by HM Holdings and the Agents) and (b) the associated offering of such number of Tiernan Warrants newly issued by Tiernan from treasury as is equal to half the number of Tiernan Common Shares in (a), forming part of the Financing.

**“Securities Authorities”** means the British Columbia Securities Commission and any other applicable securities commissions or securities regulatory authority of a province or territory of Canada.

**“SEDAR+”** means the System for Electronic Document Analysis and Retrieval+.

“**Subco**” has the meaning given to it on page 1 of this Agreement.

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

“**Subsidiary**” means a Person that is controlled directly or indirectly by another Person and includes a Subsidiary of a Subsidiary.

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

“**Tax Returns**” means any and all returns, reports, declarations, elections, notices, forms, designations, filings, and statements (including estimated tax returns and reports, withholding tax returns and reports, and information returns and reports) filed or required to be filed in respect of Taxes.

“**Taxes**” means: (a) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, Employee health, payroll, workers’ compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (b) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (a) above or this clause (b); (c) any liability for the payment of any amounts of the type described in clauses (a) or (b) above as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (d) any liability for the payment of any amounts of the type described in clauses (a) or (b) above as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any Person.

“**Terminating Party**” has the meaning given to it in Section 6.2(3).

“**Termination Notice**” has the meaning given to it in Section 6.2(3).

“**Tiernan**” has the meaning given to it on page 1 of this Agreement.

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

“**Tiernan Consolidation**” means the consolidation of the Tiernan Common Shares on the basis of one post-consolidation common share for every 2.6841123 pre-consolidation common shares (such that the post-consolidation share count of Tiernan will be 37,000,000 shares).

“**Tiernan Consolidation Resolution**” means the directors’ resolution of Tiernan authorizing the Tiernan Consolidation.

“**Tiernan Disclosure Letter**” means the disclosure letter dated the date of this Agreement and all schedules, exhibits and appendices thereto, delivered by Tiernan to Railtown and Subco with this Agreement.

**“Tiernan Shareholders”** means the holders of Tiernan Common Shares.

**“Tiernan Subscription Receipt Agreement”** means the subscription receipt agreement to be entered into by Tiernan, HM Holdings, Canaccord and the subscription receipt agent and escrow agent appointed thereunder providing for the creation of, and governing the terms of, the Tiernan Subscription Receipts.

**“Tiernan Subscription Receipts”** means the subscription receipts of Tiernan to be issued in connection with the Financing pursuant to the Tiernan Subscription Receipt Agreement, each automatically exercisable into one Tiernan Common Share and one-half of one Tiernan Warrant upon satisfaction of the Escrow Release Conditions in accordance with the terms of the Tiernan Subscription Receipt Agreement.

**“Tiernan Technical Report”** means the report entitled “Volcan Project, NI 43-101 Technical Report and Preliminary Economic Assessment, Tierra Amarilla, Atacama Region, Chile” with an effective date of July 15, 2025 and a report date of August 29, 2025 prepared by Ausenco Chile Limitada in respect of the Project, as may be amended from time to time.

**“Tiernan Warrantholders”** means the holders of Tiernan Warrants.

**“Tiernan Warrants”** means common share purchase warrants of Tiernan to acquire Tiernan Common Shares.

**“Transaction”** means the transactions involving Railtown, Tiernan and Subco pursuant to the terms of this Agreement and contemplated by this Agreement, that will result in a reverse take-over of Railtown by Tiernan pursuant to the First Amalgamation, which, if completed, is intended to constitute the “Qualifying Transaction” of Railtown (as such term is defined in Policy 2.4 of the TSXV Manual) and following which the Tiernan Shareholders immediately prior to the Amalgamations will own the substantial majority of the Railtown Common Shares.

**“Transaction Expenses”** has the meaning given to it in Section 8.3(2).

**“Treasury Offering”** means (a) the offering of Tiernan Common Shares newly issued by Tiernan from treasury and (b) the associated offering of Tiernan Warrants newly issued by Tiernan from treasury, forming part of the Financing.

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

**“TSXV Approval”** means all necessary approvals of the TSXV at the relevant time in connection with the Transaction.

**“TSXV Escrow Agreement”** means the escrow agreement to be entered into between a licensed third-party trustee, as escrow agent, the Resulting Issuer and certain Principals (as such term is defined in the TSXV Manual) and other Persons, if required by the TSXV, in accordance with the TSXV Manual in connection with the completion of the Transaction.

**“TSXV Manual”** means the TSXV Corporate Finance Manual.

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

**“U.S. Exchange Act”** means the United States Securities Exchange Act of 1934, as amended.

**“U.S. Securities Act”** means the United States Securities Act of 1933, as amended.

**“U.S. Securities Laws”** means all applicable United States securities Laws, including the U.S. Securities Act, and the rules and regulations of the SEC promulgated thereunder, the U.S. Exchange Act and the rules and regulations of the SEC promulgated thereunder, and applicable United States state securities Laws.

**“U.S. Tax Code”** means the United States Internal Revenue Code of 1986, as amended.

**“U.S. Treasury Regulations”** means the treasury regulations promulgated under the U.S. Tax Code.

**“United States”** means the United States of America, its territories and possessions, any state of the United States and the District of Columbia.

## **Section 1.2 Certain Rules of Interpretation**

In this Agreement, unless otherwise specified:

- (a) **Headings, etc.** The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Agreement.
- (b) **Currency.** All references to sums of money or to “\$” are references to Canadian dollars and all references to “US\$” are references to United States dollars.
- (c) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (d) **Certain Phrases and References, etc.** The words “including”, “includes” and “include” mean “including (or includes or include) without limitation” and “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning, means “the aggregate (or total or sum), without duplication, of”. Unless stated otherwise, “Article”, “Section”, and “Schedule” followed by a number or letter mean and refer to the specified Article or Section of or Schedule to this Agreement. The term “Agreement” and any reference in this Agreement to “hereunder”, “herein”, “hereby”, “hereof” and this Agreement or any other agreement or document includes, and is a reference to, this Agreement or such other agreement or document as it may have been, or may from time to time be, amended, restated, replaced, supplemented or novated and includes all schedules to it.
- (e) **Control.** A Person is considered to “control” another Person if: (i) the first Person beneficially owns, or directly or indirectly exercises control or direction over, securities of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, unless that first Person holds the voting securities only to secure an obligation; (ii) the second Person is a partnership, other than a limited partnership, and the first Person holds more than 50% of the interests of the partnership; or (iii) the second Person is a limited partnership, and the general partner of the limited partnership is the first Person.
- (f) **Capitalized Terms.** All capitalized terms used in any Schedule or in the Tiernan Disclosure Letter have the meanings ascribed to them in this Agreement.

- (g) **Knowledge.** Where any representation or warranty is expressly qualified by reference to the knowledge of: (i) Railtown, it is deemed to refer to the actual knowledge of: (A) Chris Taylor, Director, President and Chief Executive Officer; (B) Claudia Tornquist, Director and Chief Financial Officer; and (C) Cameron White, Director and Corporate Secretary; or (ii) Tiernan, it is deemed to refer to the actual knowledge of: (A) Greg McCunn, Director and Chief Executive Officer; and (B) Eduardo Noriega, Director. Each of Tiernan and Railtown confirms that it and such foregoing directors and officers, as applicable, have made due and diligent inquiries of such Persons as they consider necessary as to the matters that are the subject of the representations and warranties set forth in this Agreement.
- (h) **Accounting Terms.** All accounting terms are to be interpreted in accordance with IFRS and all determinations of an accounting nature in respect of Railtown required to be made shall be made in a manner consistent with IFRS.
- (i) **Statutes.** Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.
- (j) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 5:00 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 5:00 p.m. on the next Business Day if the last day of the period is not a Business Day.
- (k) **Time References.** References to time are to local time in Vancouver, British Columbia.
- (l) **Consent.** If any provision requires approval or consent of a Party and such approval or consent is not delivered within the specified time limit, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent.

### **Section 1.3 Schedules**

The schedules attached to this Agreement and the Tiernan Disclosure Letter form an integral part of this Agreement for all purposes of it.

## **ARTICLE 2 THE AMALGAMATIONS**

### **Section 2.1 Transaction and Second Amalgamation Steps**

- (1) The Parties agree to effect the combination of their respective businesses and assets by way of the Amalgamations in accordance with the terms, and subject to the conditions, set forth in this Agreement.
- (2) As soon as reasonably practicable following the execution and delivery of this Agreement by the Parties:
  - (a) Tiernan will obtain written approval from the board of directors of Tiernan and approval from the Tiernan Shareholders, as necessary, for the purpose of approving the Transaction, including the First Amalgamation Resolution and the Tiernan Consolidation Resolution;

- (b) Railtown will obtain written approval from the board of directors of Railtown for the purpose of approving the Transaction and will use commercially reasonable efforts to obtain approval from the Railtown Shareholders of the Railtown AGM Matters at the Railtown AGM, as necessary; and
  - (c) Railtown and Tiernan shall cooperate in the preparation of the Filing Document and the filing of such Filing Document with the applicable regulatory authorities.
- (3) Following the satisfaction of all conditions to Closing set out herein (other than the filing of the First Amalgamation Application and the Second Amalgamation Application) and prior to filing the First Amalgamation Application: (a) the Railtown Consolidation shall occur and Railtown shall change its name to such name approved by the Railtown Name Change Resolution; and (b) the Tiernan Consolidation shall occur. No fractional Railtown Common Shares shall be issued to holders of Railtown Common Shares, and in lieu of any fractional entitlement, each fractional share that is less than one-half of a share will be cancelled and each fractional share that is at least one-half of a share will be changed to one whole Railtown Common Share.
- (4) Subject to completion of the foregoing steps in Section 2.1(2) and Section 2.1(3), on the Effective Date, Tiernan and Subco shall jointly complete and file the First Amalgamation Application substantially in the form set forth in Schedule A with the Registrar, giving effect to the First Amalgamation upon and subject to the terms of this Agreement and the First Amalgamation Agreement.
- (5) Upon or immediately following the filing of the First Amalgamation Application, Railtown will reconstitute its board of directors and appoint as the officers of Railtown the following individuals (and Railtown shall promptly file any required notices of change or other filings with the Registrar in connection therewith):

Name	Title
Fausto Di Trapani	President & Chief Executive Officer, Corporate Secretary, and Director
Claudia Tornquist	Interim Chief Financial Officer
Jill Gardiner	Director (Chair of the Board of Directors)
Chris Taylor	Director
Greg McCunn	Director
Adam Schatzker	Director
Eduardo Noriega	Director
Nicolas Hochschild	Director

- (6) As soon as practicable following the filing of the First Amalgamation Application on the Effective Date, the reconstituted board of directors of Railtown shall pass the Second Amalgamation Resolution.
- (7) Subject to completion of the foregoing steps in Section 2.1(4) and Section 2.1(6), as soon as practicable following the filing of the First Amalgamation Application on the Effective Date, First Amalco and Railtown shall complete and file with the Registrar the Second Amalgamation Application substantially in the form set forth in Schedule B, giving effect to the Second Amalgamation upon and subject to the terms of this Agreement.
- (8) The Parties further agree that the Effective Date shall occur within three (3) Business Days, or such shorter or longer period as may be agreed upon by the Parties, following the satisfaction

of all conditions to Closing set out herein (other than the filing of the First Amalgamation Application and the Second Amalgamation Application).

- (9) The Parties shall take any other action and do anything, including the execution of any other agreements, documents or instruments, that are necessary or useful to give effect to the Transaction and the Amalgamations.

## **Section 2.2 Amalgamations**

- (1) Upon the issue of the First Certificate of Amalgamation and in accordance with the terms of the First Amalgamation Agreement:
- (a) the amalgamation of Tiernan and Subco and their continuation as one company, First Amalco, under the terms and conditions prescribed in the First Amalgamation Agreement shall be effective;
  - (b) the property, rights and interests of each of Tiernan and Subco shall continue to be the property, rights and interests of First Amalco;
  - (c) First Amalco will be a wholly-owned Subsidiary of Railtown;
  - (d) First Amalco shall continue to be liable for the obligations of each of Tiernan and Subco;
  - (e) any existing cause of action, claim or liability to prosecution with respect to either or both of Tiernan and Subco shall be unaffected;
  - (f) a legal proceeding prosecuted or pending by or against Tiernan or Subco may be prosecuted, or its prosecution may be continued, as the case may be, by or against First Amalco;
  - (g) any conviction against, or ruling, order or judgment in favour of or against, any of Tiernan or Subco may be enforced by or against First Amalco; and
  - (h) the notice of articles are those contained in the First Amalgamation Application and are in the prescribed form as required by the BCBCA.
- (2) Upon the issue of the Second Certificate of Amalgamation:
- (a) the amalgamation of Railtown and First Amalco and their continuation as one company, the Resulting Issuer, shall be effective;
  - (b) the property, rights and interests of Railtown and First Amalco shall continue to be the property, rights and interests of the Resulting Issuer;
  - (c) the Resulting Issuer shall continue to be liable for the obligations of each of Railtown and First Amalco;
  - (d) any existing cause of action, claim or liability to prosecution with respect to either or both of Railtown and First Amalco shall be unaffected;

- (e) a legal proceeding prosecuted or pending by or against Railtown or First Amalco may be prosecuted, or its prosecution may be continued, as the case may be, by or against the Resulting Issuer;
  - (f) any conviction against, or ruling, order or judgment in favour of or against, any of Railtown or First Amalco may be enforced by or against the Resulting Issuer; and
  - (g) the notice of articles are those contained in the Second Amalgamation Application and are in the prescribed form as required by the BCBCA.
- (3) In connection with the First Amalgamation:
- (a) in accordance with the terms of the Tiernan Subscription Receipt Agreement, upon satisfaction of the Escrow Release Conditions, each Tiernan Subscription Receipt shall be automatically converted into one Tiernan Common Share and one-half of one Tiernan Warrant, in accordance with their terms, immediately prior to the Effective Time; and
  - (b) concurrently with receipt of the First Certificate of Amalgamation:
    - (i) each issued and outstanding Subco Common Share, all of which are held by Railtown, will be exchanged for one issued and fully paid First Amalco Share and the Subco Common Shares shall be cancelled;
    - (ii) each issued and outstanding Tiernan Common Share (including for the avoidance of doubt, the Tiernan Common Shares issued in connection with the conversion of the Tiernan Subscription Receipts) will be exchanged for one fully paid and non-assessable Railtown Common Share, and the Tiernan Common Shares shall be cancelled;
    - (iii) each issued and outstanding Tiernan Warrant will be exchanged, in accordance with their terms, for one Railtown RI Warrant, substantially on the same terms as the Tiernan Warrants, and the Tiernan Warrants shall be cancelled;
    - (iv) in consideration of the issuance by Railtown of the Railtown Common Shares pursuant to the First Amalgamation Agreement, First Amalco shall issue to Railtown one fully paid and non-assessable First Amalco Share for each Railtown Common Share issued to former holders of Tiernan Common Shares;
    - (v) First Amalco shall add an amount to the capital maintained in respect of the First Amalco Shares equal to the sum of the capital of the: (A) Tiernan Common Shares, determined immediately prior to the Effective Time; and (B) Subco Common Shares, determined immediately prior to the Effective Time; and
    - (vi) Railtown shall add an amount to the capital maintained in respect of the Railtown Common Shares equal to the capital of the Tiernan Common Shares, determined immediately prior to the First Amalgamation.
- (4) Upon receipt of the Second Certificate of Amalgamation and as a result of the Second Amalgamation, all First Amalco Shares shall be cancelled without any repayment of capital in

respect thereof and the Railtown Common Shares will be the common shares of the Resulting Issuer.

- (5) As soon as practicable after the date shown on the Second Certificate of Amalgamation and in accordance with normal commercial practice and Section 2.2(3)(b), the Resulting Issuer shall issue or cause to be issued certificates, direct registration statement advices or electronic positions within CDS, as the case may be, representing the appropriate number of Railtown Common Shares and Railtown RI Warrants to the applicable former Tiernan securityholders. No fractional Railtown Common Shares or Railtown RI Warrants will be delivered to any Tiernan securityholder otherwise entitled thereto, and any such fractions will be rounded down to the nearest whole number and no cash amount will be payable in lieu thereof.

### **Section 2.3 U.S. Securities Laws and U.S. Tax Matters**

- (1) The Parties hereto intend for the issuances and exchanges of the securities contemplated herein to be exempt from the registration requirements of the U.S. Securities Act and applicable state securities Laws pursuant to: (a) Rule 506(b) of Regulation D under the U.S. Securities Act for the issuance and exchange of securities to persons in the United States; and (b) pursuant to Regulation S under the U.S. Securities Act for the issuance and exchange of securities to persons outside the United States. Each Party agrees to take such further actions (including the execution and delivery of such further instruments and documents) as any other Party may reasonably request with regards to establishing the availability of and maintaining such exemptions.
- (2) Upon completion of the Second Amalgamation, assuming the accuracy of the representations and warranties made by Railtown to Tiernan in connection with the Transaction, the Resulting Issuer shall be a “foreign private issuer” as defined in Rule 405 under the U.S. Securities Act.
- (3) The securities to be issued and exchanged hereunder have not been and will not be registered under the U.S. Securities Act or any applicable state securities laws, and the securities issued to and exchanged with persons in the United States will be “restricted securities” as such term is defined in Rule 144(a)(3) under the U.S. Securities Act. Share and/or warrant certificates or direct registration statements representing Railtown Common Shares and/or Railtown RI Warrants being issued, exchanged and/or delivered to persons in the United States (other than to persons in the United States that acquired Tiernan Common Shares and Tiernan Warrants pursuant to the conversion of Tiernan Subscription Receipts purchased in the Financing by Qualified Institutional Buyers) shall bear on the face thereof the following legend:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**U.S. SECURITIES ACT**”), OR ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO A REGISTRATION STATEMENT THAT HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT AND IS AVAILABLE FOR RESALE OF THE SECURITIES, (D) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, OR (ii) 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN EACH CASE IN COMPLIANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (E) IN COMPLIANCE WITH ANOTHER

EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. IN THE EVENT OF A TRANSFER PURSUANT TO THE FOREGOING CLAUSE (D)(i) OR (E), THE CORPORATION WILL REQUIRE A LEGAL OPINION OF COUNSEL OF RECOGNIZED STANDING OR OTHER EVIDENCE REASONABLY SATISFACTORY TO THE CORPORATION THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE 'GOOD DELIVERY' IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”.

- (4) Notwithstanding anything to the contrary in this Agreement, no Railtown Common Shares and no Railtown RI Warrants shall be issued or delivered to any Person in the United States if Railtown or the Resulting Issuer determines, in its sole discretion, that doing so may result in any contravention of the U.S. Securities Laws and the Resulting Issuer may instead, in the case of the Railtown Common Shares, appoint an agent to sell the Railtown Common Shares of such Person on behalf of that Person and deliver an amount of cash representing the proceeds of the sale of such Railtown Common Shares to the Resulting Issuer for payment to such Persons, net of expenses of sale, as agreed among the Parties.
- (5) The Transaction, taken together, is intended to constitute a single integrated transaction qualifying as a tax-deferred reorganization within the meaning of Section 368(a) of the U.S. Tax Code, and this Agreement is intended to constitute a “plan of reorganization” within the meaning of the U.S. Treasury Regulations promulgated under Section 368 of the U.S. Tax Code for purposes of Sections 354 and 361 of the U.S. Tax Code. Provided the Transaction, taken together, constitutes a single integrated transaction qualifying as a tax-deferred reorganization within the meaning of Section 368(a) of the U.S. Tax Code, the Parties agree not to take any position on any Tax Return or otherwise take any Tax reporting position inconsistent with such treatment, unless otherwise required by applicable Law. Notwithstanding the foregoing, no Party makes any representation, warranty or covenant to another Party or to any Tiernan Shareholder, Railtown Shareholder or other holder of Tiernan securities or Railtown securities (including, without limitation, Tiernan Subscription Receipts, stock options, warrants, debt instruments or other similar rights or instruments) regarding the U.S. federal income tax treatment of the Amalgamations, including, but not limited to, whether the Transaction, taken together, will constitute a single integrated transaction qualifying as a tax-deferred reorganization within the meaning of Section 368(a) of the U.S. Tax Code.

#### **Section 2.4 Filing Documents**

- (1) Tiernan, with the assistance of Railtown, shall use all commercially reasonable efforts to prepare, as promptly as practicable after the date of this Agreement, the Filing Document, together with any other documents required under Canadian Securities Laws, and Railtown shall cause the Filing Document to be filed as required by applicable Laws as soon as reasonably practicable following receipt of the TSXV Approval, provided that the Filing Document and other documentation required in connection with the Transaction shall be filed only with Tiernan’s prior written consent, such consent not to be unduly withheld, conditioned or delayed.
- (2) Each of Tiernan and Railtown and their respective legal counsel shall be given a reasonable opportunity to review and comment on the Filing Document and other documents related thereto before they become final, and reasonable consideration shall be given to any comments made by such Party and its legal counsel, provided that all information relating solely to a Party included in the Filing Document shall be in form and content satisfactory to such Party, acting reasonably. The Parties acknowledge and agree that the disclosure included in

the Filing Document in respect of the Project shall be consistent in all material respects with the Tiernan Technical Report.

- (3) Tiernan covenants that none of the information to be supplied by Tiernan for inclusion in the Filing Document will at the time of filing of the Filing Document on Railtown's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) contain any Misrepresentation. If, at any time prior to the Effective Time, any event with respect to Tiernan, its officers or directors shall occur that is required to be described in the Filing Document, as the case may be, Tiernan shall give prompt written notice to Railtown of such event and the Parties shall co-operate in the preparation and filing of any amendment or supplement to the Filing Document as required or as appropriate.
- (4) Railtown covenants that the Filing Document will comply as to form in all material respects with Canadian Securities Laws and that none of the information to be supplied by Railtown for inclusion or incorporation in the Filing Document will at the time of filing of the Filing Document on Railtown's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) contain any Misrepresentation. If at any time prior to the Effective Time any event with respect to Railtown, its officers or directors shall occur that is required to be described in the Filing Document, Railtown shall give prompt written notice to Tiernan of such event and the Parties shall co-operate in the preparation and filing of any amendment or supplement to the Filing Document as required or as appropriate.

### **Section 2.5 Withholding Tax**

Railtown shall be entitled to deduct and withhold from any consideration otherwise payable pursuant to the Transaction to any Tiernan Shareholder or Tiernan Warrantholder such amounts as are required to be deducted and withheld with respect to such payment under the Tax Act or any provision of provincial, state, local or foreign tax law, in each case as amended; to the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Tiernan Shareholder or Tiernan Warrantholder in respect of which such deduction and withholding was made, provided that such withheld amounts (if any) are actually remitted to the appropriate Governmental Entity. Upon becoming aware of any such withholding obligation, and prior to making any deduction or withholding, Railtown shall use commercially reasonable efforts to give reasonable advance notice of such withholding to any Tiernan Shareholders or Tiernan Warrantholders and shall reasonably cooperate with the Tiernan Shareholders or Tiernan Warrantholders to eliminate or reduce any such required deduction or withholding (including through the request and provision of any statements, forms or other documents to reduce or eliminate any such deduction or withholding).

## **ARTICLE 3 REPRESENTATIONS AND WARRANTIES**

### **Section 3.1 Representations and Warranties of Railtown and Subco**

- (1) Railtown and Subco represent and warrant to Tiernan as set forth in Schedule C and acknowledge and agree that Tiernan is relying upon such representations and warranties in connection with the entering into of this Agreement.
- (2) Tiernan agrees and acknowledges that, except as expressly set forth in this Agreement, neither Railtown nor Subco nor any other Person on behalf of Railtown or Subco has made or makes any representation or warranty, express or implied, at law or in equity, either written or oral, with respect to Railtown or Subco and any such other representations or warranties are hereby expressly disclaimed. Without limiting the generality of the foregoing, Railtown and Subco expressly disclaim any representation or warranty that is not set forth in this Agreement.

### **Section 3.2 Representations and Warranties of Tiernan**

- (1) Except as set forth in the Tiernan Disclosure Letter (it being expressly understood and agreed that the disclosure of any fact or item in any section of the Tiernan Disclosure Letter shall be deemed to be an exception to (or, as applicable, disclosure for the purposes of) (a) the representations and warranties of Tiernan that are contained in the corresponding section of this Agreement and (b) any other sections of this Agreement and any other representations or warranties of Tiernan contained in this Agreement to which its relevance to such other section, representation or warranty is reasonably apparent on its face), Tiernan represents and warrants to Railtown and Subco as set forth in Schedule D and acknowledges and agrees that Railtown and Subco are relying upon such representations and warranties in connection with the entering into of this Agreement.
- (2) Railtown and Subco agree and acknowledge that, except as expressly set forth in this Agreement, neither Tiernan nor any other Person on behalf of Tiernan has made or makes any representation or warranty, express or implied, at law or in equity, either written or oral, with respect to Tiernan and any such other representations or warranties are hereby expressly disclaimed. Without limiting the generality of the foregoing, Tiernan expressly disclaims any representation or warranty that is not set forth in this Agreement.

## **ARTICLE 4 COVENANTS OF RAILTOWN AND SUBCO**

### **Section 4.1 Conduct of Business of Railtown and Subco**

- (1) Until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, each of Railtown and Subco shall, except as expressly required under this Agreement, conduct business in the Ordinary Course.
- (2) Without limiting the generality of Section 4.1(1), and without derogating from the obligations of Railtown and Subco in Section 4.2, during the period specified in Section 4.1(1) Railtown and Subco shall preserve intact the current business organizations of Railtown and Subco, and, except with the prior written consent of Tiernan, not to be unreasonably withheld, or as expressly contemplated under this Agreement, Railtown and Subco shall not, during the period specified in Section 4.1(1):
  - (a) amend their Constatng Documents or reorganize, amalgamate or merge Railtown or Subco with any other Person;
  - (b) issue, sell, grant, award, pledge, dispose of, encumber or agree to issue, sell, grant, award, pledge, dispose of or encumber any common shares or any warrants, calls, conversion privileges or rights of any kind to acquire any common shares or other securities or any shares or any stock appreciation rights, phantom stock awards or other awards or other rights that are linked to the price or value of the Railtown Common Shares or other securities or any shares of Railtown or Subco. For greater certainty, Railtown may issue common shares pursuant to the due exercise of any issued and outstanding Railtown Warrants or Railtown Options;
  - (c) split, combine or reclassify any shares of capital stock;
  - (d) sell, lease, transfer or otherwise dispose of all or substantially all of the assets of Railtown or Subco;

- (e) redeem, purchase or otherwise acquire or offer to acquire any Railtown Common Shares or other securities of Railtown or Subco or any securities convertible or exchangeable into or exercisable for any Railtown Common Shares or other securities of Railtown or Subco;
- (f) declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any Railtown Common Shares or other securities of Railtown or Subco;
- (g) amend or modify, or terminate or waive any right under, any Contract to which Railtown or Subco is a party or enter into any Contract;
- (h) prepay any indebtedness before its scheduled maturity or increase, create, incur, assume or otherwise become liable for any indebtedness for borrowed money or guarantees thereof other than inter-company indebtedness;
- (i) make any bonus or profit sharing distribution or similar payment of any kind;
- (j) make any change in its methods of accounting, except as required by concurrent changes in IFRS;
- (k) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Railtown or Subco;
- (l) other than in the Ordinary Course, enter into any material interest rate, currency, equity or commodity swaps, hedges, derivatives, forward sales Contracts or similar financial instruments;
- (m) take any action or fail to take any action which action or failure to act would reasonably be expected to cause any Governmental Entities to institute proceedings for the suspension of, or the revocation or limitation of rights under, any Authorizations necessary to conduct its business as now conducted, and use its commercially reasonable efforts to maintain such Authorizations;
- (n) (i) make or rescind any material Tax election or designation, amend, in any manner adverse to Railtown, any Tax Return, settle or compromise any material liability for Taxes or change or revoke any of Railtown's methods of Tax accounting, or (ii) take any action with respect to the computation of Taxes or the preparation of Tax Returns that is in any material respect inconsistent with past practice;
- (o) acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity or material assets;
- (p) enter into any agreements outside of the Ordinary Course with its directors or officers or their respective affiliates;
- (q) enter into or modify any employment, consulting, severance, collective bargaining or similar agreement, policy or transaction with, or grant any bonus, salary increase, option to purchase shares, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred compensation, incentive compensation, severance, change of control or termination pay to, or make any loan to, any officer, director, Employee or consultant of Railtown or Subco;

- (r) cancel, waive or compromise any debts or claims, including accounts payable to and receivable from any affiliates of Railtown or Subco;
- (s) settle any outstanding claim, dispute, litigation matter, or tax dispute;
- (t) fail to pay or satisfy when due any material liability; or
- (u) authorize, agree, resolve or otherwise commit, whether or not in writing, to do any of the foregoing.

#### **Section 4.2 Railtown Consolidation**

Following the passing of the Railtown Consolidation Resolution and approval by the Tiernan Shareholders of the First Amalgamation Resolution, immediately prior to the filing of the First Amalgamation Application, Railtown shall take all required actions to give effect to the Railtown Consolidation in accordance Section 2.1(3).

#### **Section 4.3 First Amalgamation**

Railtown, as the sole shareholder of Subco, shall sign a resolution in writing as the sole shareholder of Subco approving the First Amalgamation. Following the satisfaction of all conditions to Closing set out herein (other than the filing of the First Amalgamation Application and the Second Amalgamation Application) and receipt of Subco shareholder approval of the First Amalgamation, and subject to approval of the First Amalgamation Resolution by Tiernan Shareholders, Subco immediately prior to the First Amalgamation (but after giving effect to the Railtown Consolidation as contemplated in Section 4.2), shall use commercially reasonable efforts to cooperate with Tiernan to jointly complete and file the First Amalgamation Application in accordance with the requirements of the BCBCA with the Registrar giving effect to the First Amalgamation.

#### **Section 4.4 Railtown Common Shares**

Railtown shall take, in a timely manner, all commercially reasonable actions and steps necessary in order to cause or effect, as at the Effective Date: (a) the Railtown Common Shares issuable pursuant to the Transaction to be listed and posted for trading on the TSXV; (b) when received, copies of the conditional and final approval of the TSXV respecting the Transaction and the listing and posting for trading of the additional Railtown Common Shares to be issued pursuant to the Transaction to be delivered to Tiernan; and (c) the distribution of Railtown Common Shares to the Tiernan Shareholders pursuant to the Transaction to be exempt from the prospectus requirements of Canadian Securities Laws.

#### **Section 4.5 Railtown AGM**

Railtown shall:

- (a) call the Railtown AGM as soon as reasonably practicable following the execution and delivery of this Agreement;
- (b) use all commercially reasonable efforts to hold the Railtown AGM on: (i) November 12, 2025; or (ii) such later date as the Parties agree, each acting reasonably; and
- (c) use all commercially reasonable efforts to obtain approval of the Railtown AGM Matters at the Railtown AGM.

#### **Section 4.6 Reconstitution of Board and Appointment of Officers**

At the Effective Time, each director and officer of Railtown shall resign (if applicable) and be replaced with the individuals specified in Section 2.1(5).

#### **Section 4.7 Closing Conditions**

Railtown and Subco shall use all commercially reasonable efforts to cause all of the conditions to the obligations of Tiernan under Section 7.1 and Section 7.2 to be satisfied on or prior to the Effective Date (to the extent the satisfaction of such conditions is within the control of Railtown or Subco).

#### **Section 4.8 Railtown Covenants Regarding the Transaction**

- (1) Railtown shall use its commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary, proper or advisable under Law (to the extent such actions and things are within the control of Railtown) to consummate the Transaction as soon as practicable, including:
  - (a) using its commercially reasonable efforts to obtain and maintain all third party or other consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are necessary or advisable in connection with the Transaction;
  - (b) using its commercially reasonable efforts to oppose, lift or rescind any injunction, restraining or other order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Transaction and defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging the Transaction or this Agreement;
  - (c) complying promptly with all requirements imposed by Law on it with respect to this Agreement or the Transaction;
  - (d) using its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities or pursuant to Canadian Securities Laws or applicable U.S. Securities Laws required from Railtown; and
  - (e) not taking any action, or refraining from taking any commercially reasonable action, or permitting any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to prevent, delay or otherwise impede the consummation of the Transaction.
- (2) Railtown shall promptly, and in any event within two (2) Business Days (or, in the case of Section 4.8(2)(a), one (1) Business Day) notify Tiernan of:
  - (a) to its knowledge any Material Adverse Effect in respect of Railtown or Subco;
  - (b) any notice or other communication received from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person is required in connection with this Agreement or the Transaction;
  - (c) unless prohibited by Law, any notice or other communication received from any Governmental Entity in connection with this Agreement (and Railtown shall

contemporaneously provide a copy of any such written notice or communication to Tiernan); or

- (d) to its knowledge, any filing, actions, suits, claims, investigations or proceedings commenced, threatened against, relating to or involving or otherwise affecting Railtown or Subco, or that relate to this Agreement or the Transaction.

## **ARTICLE 5 COVENANTS OF TIERNAN**

### **Section 5.1 Conduct of Business of Tiernan**

- (1) Until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, Tiernan shall, except as expressly required under this Agreement, conduct business in the Ordinary Course.
- (2) Without limiting the generality of Section 5.1(1), during the period specified in Section 5.1(1), Tiernan shall preserve intact the current business organization of Tiernan, and, except with the prior written consent of Railtown, not to be unreasonably withheld, or as expressly contemplated under this Agreement, Tiernan shall not, and shall not permit its Subsidiaries to, during the period specified in Section 5.1(1):
  - (a) amend its Constatng Documents or reorganize, amalgamate or merge Tiernan with any other Person;
  - (b) issue, sell, grant, award, pledge, dispose of, encumber or agree to issue, sell, grant, award, pledge, dispose of or encumber any common shares or any warrants, calls, conversion privileges or rights of any kind to acquire any common shares or other securities or any shares or any stock appreciation rights, phantom stock awards or other awards or other rights that are linked to the price or value of the Tiernan Common Shares or other securities or any shares of Tiernan;
  - (c) permit HM Holdings to transfer any Tiernan Common Shares to any other party (it being acknowledged and agreed by the Parties that the Secondary Offering forming part of the Financing shall not be deemed to constitute such a transfer by HM Holdings);
  - (d) split, combine or reclassify any shares of capital stock;
  - (e) sell, lease, transfer or otherwise dispose of, or grant any interest in or Lien (other than a Permitted Lien) over, any material asset, including, but not limited to, the Property and the Mineral Rights (as defined below) and the securities of any Subsidiary;
  - (f) redeem, purchase or otherwise acquire or offer to acquire any Tiernan Common Shares or other securities of Tiernan or any securities convertible or exchangeable into or exercisable for any Tiernan Common Shares or other securities of Tiernan;
  - (g) declare, set aside or pay any dividend or other distribution (whether in cash, securities or property or any combination thereof) in respect of any Tiernan Common Shares or other securities of Tiernan;
  - (h) amend or modify, or terminate or waive any right under, any Contract to which Tiernan is a party or enter into any Contract;

- (i) prepay any indebtedness before its scheduled maturity or increase, create, incur, assume or otherwise become liable for any indebtedness for borrowed money or guarantees thereof other than inter-company indebtedness;
- (j) make any bonus or profit sharing distribution or similar payment of any kind;
- (k) make any change in its methods of accounting, except as required by concurrent changes in IFRS;
- (l) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of Tiernan;
- (m) other than in the Ordinary Course, enter into any material interest rate, currency, equity or commodity swaps, hedges, derivatives, forward sales Contracts or similar financial instruments;
- (n) take any action or fail to take any action which action or failure to act would reasonably be expected to cause any Governmental Entities to institute proceedings for the suspension of, or the revocation or limitation of rights under, any Authorizations necessary to conduct its business as now conducted, and use its commercially reasonable efforts to maintain such Authorizations;
- (o) use commercially reasonable efforts to maintain and preserve in good standing the Mineral Rights;
- (p) (i) make or rescind any material Tax election or designation, amend, in any manner adverse to Tiernan, any Tax Return, settle or compromise any material liability for Taxes or change or revoke any of its methods of Tax accounting, or (ii) take any action with respect to the computation of Taxes or the preparation of Tax Returns that is in any material respect inconsistent with past practice;
- (q) acquire or agree to acquire any corporation or other entity (or material interest therein) or division of any corporation or other entity or material assets;
- (r) enter into any agreements outside of the Ordinary Course with its directors or officers or their respective affiliates;
- (s) enter into or modify any employment, consulting, severance, collective bargaining or similar agreement, policy or transaction with, or grant any bonus, salary increase, option to purchase shares, pension or supplemental pension benefit, profit sharing, retirement allowance, deferred compensation, incentive compensation, severance, change of control or termination pay to, or make any loan to, any officer, director, Employee or consultant of Tiernan;
- (t) cancel, waive or compromise any debts or claims, including accounts payable to and receivable from any affiliates of Tiernan;
- (u) settle any outstanding claim, dispute, litigation matter, or tax dispute;
- (v) fail to pay or satisfy when due any material liability; or
- (w) authorize, agree, resolve or otherwise commit, whether or not in writing, to do any of the foregoing.

## **Section 5.2 Tiernan Approval of First Amalgamation**

Following the passing of the First Amalgamation Resolution and Tiernan Consolidation Resolution, and subject to approval of the Railtown Resolutions, Tiernan immediately prior to the First Amalgamation (but after giving effect to the Railtown Consolidation and Tiernan Consolidation as contemplated in Section 4.2), shall cooperate with Subco to jointly complete and file the First Amalgamation Application in accordance with the requirements of the BCBCA with the Registrar giving effect to the First Amalgamation.

## **Section 5.3 Closing Conditions**

Tiernan shall use all commercially reasonable efforts to cause all of the conditions to the obligations of Railtown and Subco under Section 7.1 and Section 7.3 to be satisfied on or prior to the Effective Date (to the extent the satisfaction of such conditions is within the control of Tiernan).

## **Section 5.4 Tiernan Covenants Regarding the Transaction**

- (1) Tiernan shall use its commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary, proper or advisable under Law (to the extent such actions and things are within the control of Tiernan) to consummate the Transaction as soon as practicable, including:
  - (a) subject to satisfaction of the Escrow Release Conditions, using its commercially reasonable efforts to ensure all outstanding Tiernan Subscription Receipts will, without any further action on the part of any holder of Tiernan Subscription Receipts, be converted into Tiernan Common Shares and Tiernan Warrants pursuant to the Tiernan Subscription Receipt Agreement;
  - (b) using its commercially reasonable efforts to ensure that upon satisfaction of the Escrow Release Conditions, the Subscription Receipt Agent (as such term is defined in the Tiernan Subscription Receipt Agreement) does all such acts and things as may be necessary or desirable to assist with the timely closing of the Transaction;
  - (c) using its commercially reasonable efforts to obtain and maintain all third party or other consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are necessary or advisable in connection with the Transaction;
  - (d) using its commercially reasonable efforts to oppose, lift or rescind any injunction, restraining or other order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Transaction and defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging the Transaction or this Agreement;
  - (e) complying promptly with all requirements imposed by Law on it with respect to this Agreement or the Transaction;
  - (f) using its commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities or pursuant to Canadian Securities Laws or applicable U.S. Securities Laws required from Tiernan; and
  - (g) not taking any action, or refraining from taking any commercially reasonable action, or permitting any action to be taken or not taken, which is inconsistent with this

Agreement or which would reasonably be expected to prevent, delay or otherwise impede the consummation of the Transaction.

- (2) Tiernan shall promptly, and in any event within two (2) Business Days (or, in the case of Section 5.4(2)(a), one (1) Business Day) notify Railtown and Subco of:
  - (a) to its knowledge any Material Adverse Effect in respect of Tiernan;
  - (b) any notice or other communication received from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person is required in connection with this Agreement or the Transaction;
  - (c) unless prohibited by Law, any notice or other communication received from any Governmental Entity in connection with this Agreement (and Tiernan shall contemporaneously provide a copy of any such written notice or communication to Railtown);
  - (d) to its knowledge, any filing, actions, suits, claims, investigations or proceedings commenced, threatened against, relating to or involving or otherwise affecting Tiernan, or that relate to this Agreement or the Transaction; or
  - (e) to its knowledge, any breach of the Subscription Receipt Agreement or the Agency Agreement in respect of the Financing, or the termination of either such agreement, by any party thereto, or upon it becoming aware that any of the Escrow Release Conditions may not be satisfied in accordance with the Subscription Receipt Agreement.

## **ARTICLE 6 OTHER COVENANTS OF THE PARTIES**

### **Section 6.1 TSXV Approval**

- (1) As soon as reasonably practicable after the date hereof, each Party, or where appropriate, all Parties jointly, shall make (or cause to be made) all notifications, filings, applications and submissions with Governmental Entities required in connection with the Transaction, and shall use their commercially reasonable efforts to obtain and maintain the TSXV Approval.
- (2) Subject to Law, the Parties shall cooperate with one another in connection with obtaining the TSXV Approval including by providing or submitting on a timely basis, and as promptly as practicable, all documentation and information that is required in connection with obtaining the TSXV Approval and using their commercially reasonable efforts to ensure that such information does not contain a Misrepresentation.
- (3) Subject to Law, the Parties shall cooperate with and keep one another reasonably informed as to the status of and the processes and proceedings relating to obtaining the TSXV Approval, and shall promptly notify each other of any material communication (and provide copies) from any Governmental Entity in respect of the Transaction, this Agreement, and the TSXV Approval.
- (4) Each Party shall promptly notify the other Party if it becomes aware that any: (a) application, filing, document or other submission for the TSXV Approval contains a Misrepresentation; or (b) the TSXV Approval contains, reflects or was obtained following the submission of any

application, filing, document or other submission containing a Misrepresentation, such that an amendment or supplement may be necessary or advisable. In such case, the Parties shall cooperate in the preparation, filing and dissemination, as applicable, of any such amendment or supplement.

### **Section 6.2 Notice and Cure Provisions**

- (1) Each Party shall promptly notify the other Parties of the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would, or would be reasonably likely to:
  - (a) cause any of the representations or warranties of such Party contained in this Agreement to be untrue or inaccurate in any material respect at any time from the date of this Agreement to the Effective Time; or
  - (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party under this Agreement.
- (2) Notification provided under this Section 6.2 will not affect the representations, warranties, covenants, agreements or obligations of the Parties (or remedies with respect thereto) or the conditions to the obligations of the Parties under this Agreement.
- (3) Tiernan may not elect to exercise its right to terminate this Agreement pursuant to Section 8.1(1)(d)(i) and Railtown may not elect to exercise its right to terminate this Agreement pursuant to Section 8.1(1)(c), unless the Party seeking to terminate this Agreement (the "**Terminating Party**") has delivered a written notice ("**Termination Notice**") to the other Parties specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Terminating Party asserts as the basis for termination. After delivering a Termination Notice, provided that the Party or Parties which the Terminating Party alleges in the Termination Notice is or are in breach is or are proceeding diligently to cure such matter(s) and such matter(s) is or are capable of being cured prior to the Outside Date (with any intentional breach being deemed to be incurable), the Terminating Party may not exercise such termination right until the earlier of: (a) the Outside Date; and (b) if such matter(s) has or have not been cured by the date that is ten (10) Business Days following receipt of such Termination Notice by the other Parties, such date.

### **Section 6.3 Access to Information; Confidentiality**

- (1) Subject to Law, Railtown shall give Tiernan and its Representatives: (a) upon reasonable notice, reasonable access during normal business hours to Railtown's (i) property and assets (comprised of all books and records, whether retained internally or otherwise); (ii) Contracts that are material to Railtown or Subco; and (iii) personnel; and (b) such financial and operating data or other information with respect to the assets or business of Railtown as Tiernan from time to time reasonably requests.
- (2) Subject to Law, Tiernan shall give Railtown and its Representatives: (a) upon reasonable Notice, reasonable access during normal business hours to Tiernan's (i) property and assets (comprised of all books and records, whether retained internally or otherwise), (ii) Contracts that are material to Tiernan, and (iii) personnel; and (b) such financial and operating data or other information with respect to the assets or business of Tiernan as Railtown from time to time reasonably requests.
- (3) For greater certainty, Tiernan and Railtown and their respective affiliates shall treat, and shall cause their respective Representatives to treat, all information furnished to the other Parties

or any of their respective affiliates or Representatives in connection with the Transaction or pursuant to the terms of this Agreement in accordance with the terms of the Confidentiality Agreements. Without limiting the generality of the foregoing, Railtown and Subco each acknowledge and agree that the Tiernan Disclosure Letter and all information contained in it is confidential and shall be treated in accordance with the terms of the Confidentiality Agreements.

#### **Section 6.4 Public Communications**

The Parties shall co-operate in the preparation of presentations, if any, to Tiernan Shareholders, Railtown Shareholders, and investors in the Financing regarding the Transaction. A Party must not issue any press release or make any other public statement or disclosure with respect to this Agreement or the Transaction without the consent of the other Parties (which consent shall not be unreasonably withheld, conditioned or delayed), and Railtown must not make any filing with any Governmental Entity with respect to this Agreement or the Transaction without the written consent of Tiernan (which consent shall not be unreasonably withheld, conditioned or delayed); provided that any Party that is required to make disclosure by Law shall use its reasonable efforts to give the other Party prior written notice and a reasonable opportunity to review or comment on the disclosure or filing (other than with respect to confidential information contained in such disclosure or filing). The Party making such disclosure shall give reasonable consideration to any comments made by the other Party or its counsel, and if such prior notice is not possible, shall give such notice immediately following the making of such disclosure or filing.

#### **Section 6.5 Defense of Proceedings**

Other than any lawsuits or other legal proceedings brought against any Party, or its officers, directors or shareholders, by one or more other Parties, Railtown and Subco, on the one hand, and Tiernan, on the other hand, shall vigorously defend, or shall cause to be vigorously defended, any lawsuits or other legal proceedings brought against Railtown, Subco or Tiernan, or their respective officers, directors or shareholders, challenging this Agreement or the completion of the Transaction, and the Parties shall cooperate with each other in all respects in such defense. Neither Railtown, Subco nor Tiernan shall compromise or settle any claim brought in connection with the Transaction, without the prior written consent of the other Parties except when such claim was brought against any Party, or its officers, directors or shareholders, by one or more other Parties.

#### **Section 6.6 Refrain from Certain Actions**

No Party shall take any action (subject to commercially reasonable efforts) or permit any action to not be taken that is inconsistent with the provisions of this Agreement or which would or could reasonably be expected to materially impede the completion of the Transaction or which would or could reasonably be expected to have a Material Adverse Effect on such Party.

#### **Section 6.7 Non-Solicitation**

Unless and until this Agreement is terminated pursuant to the terms hereof, each of the Parties agrees not to solicit, initiate, knowingly encourage, cooperate with or facilitate (including by way of furnishing any confidential information or entering into any form of agreement, arrangement or understanding) the submission, initiation or continuation of any oral or written inquiries or proposals or expressions of interest regarding, constituting or that may reasonably be expected to lead to any activity, arrangement or transaction or propose any activities or solicitations in opposition to or in competition with the Transaction, and without limiting the generality of the foregoing, not to induce or attempt to induce any other person to initiate any offer, shareholder proposal, "business combination" or "take-over bid," exempt or otherwise, within the meaning of the Canadian Securities Laws, for securities or assets of

Tiernan (other than pursuant to the Financing) or Railtown or Subco, as applicable, nor to undertake any transaction or negotiate any transaction which would be or potentially could reasonably be in conflict with the Transaction, including, without limitation, allowing access to any third party to conduct due diligence, nor to permit any of its officers or directors to do so, except as required by statutory obligations. In the event that any Party, including any of its officers or directors, receives any form of offer or inquiry, such Party shall forthwith (and in any event within one (1) Business Day following receipt) notify the other Party of such offer or inquiry and provide the other Party with such details as it may request.

## **ARTICLE 7 CONDITIONS**

### **Section 7.1 Mutual Conditions Precedent**

The Parties are not required to complete the Transaction unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions may only be waived, in whole or in part, by the mutual consent of each of the Parties:

- (1) **Consents, Waivers, and Approvals.** All consents, waivers, permits, exemptions, orders and approvals required to permit the completion of the Transaction, of which the failure to obtain could reasonably be expected to have a Material Adverse Effect on a Party or materially impede the completion of the Transaction, shall have been obtained, on terms acceptable to the Parties, each acting reasonably, and shall remain in force unmodified.
- (2) **TSXV Approval.** The TSXV Approval, subject to usual and ordinary conditions, shall have been obtained, on terms acceptable to the Parties, each acting reasonably, and shall remain in force unmodified.
- (3) **Railtown Common Shares.** The Railtown Common Shares to be issued pursuant to the Transaction shall have been approved for listing on the TSXV, subject to standard conditions, on the Effective Date or as soon as practicable thereafter.
- (4) **Illegality.** No Law is in effect that makes the consummation of the Transaction illegal or otherwise prohibits or enjoins the Parties from consummating the Transaction.
- (5) **Financing.** In respect of the Financing: (a) the Closing (as such term is defined in the Tiernan Subscription Receipt Agreement) of the Financing shall have been completed for aggregate gross proceeds sufficient to satisfy the minimum listing requirements of the TSXV for a Tier 1 mining issuer; and (b) the Escrow Release Conditions shall have been satisfied and the Tiernan Subscription Receipts shall have been converted into Tiernan Common Shares and Tiernan Warrants in accordance with the Tiernan Subscription Receipt Agreement.
- (6) **Railtown Consolidation.** The Railtown Consolidation shall have been completed.
- (7) **Tiernan Consolidation.** The Tiernan Consolidation shall have been completed.
- (8) **Escrow Agreement.** If required, the TSXV Escrow Agreement shall have been entered into with all of the Persons required to be parties thereto under the TSXV Manual.
- (9) **No Legal Action.** There shall be no action or proceeding pending by a Governmental Entity that is seeking to:

- (a) enjoin or prohibit the ownership or operation by Tiernan of the business or assets of Railtown; or
  - (b) prevent or materially delay the consummation of the Transaction, or if the Transaction is consummated, have a Material Adverse Effect in respect of Railtown.
- (10) **No Cease Trade Order.** On the Effective Date, no cease trade order or similar restraining order of any other provincial securities administrator relating to the Railtown Common Shares, the Tiernan Common Shares or the First Amalco Shares shall be in effect.
- (11) **Exemption from Prospectus Requirements.** The distribution of the First Amalco Shares and the Railtown Common Shares pursuant to the First Amalgamation shall be exempt from the prospectus requirements of Canadian Securities Laws either by virtue of exemptive relief from the Securities Authorities of each of the provinces of Canada or by virtue of applicable exemptions under Canadian Securities Laws and shall not be subject to resale restrictions under Canadian Securities Laws (other than as mandated by the TSXV or as may be applicable under section 2.5 of National Instrument 45-102 – *Resale of Securities*); provided that the Parties acknowledge that the policies of the TSXV concerning escrow and/or resale restrictions may apply to issuances of Railtown Common Shares (and any securities convertible into Railtown Common Shares) to certain former Railtown Shareholders and Tiernan Shareholders and certain subscribers to the Financing.

## **Section 7.2 Additional Conditions Precedent to the Obligations of Tiernan**

Tiernan is not required to complete the Transaction unless each of the following conditions is satisfied on or before the Effective Time, which conditions are for the exclusive benefit of Tiernan and may only be waived, in whole or in part, by Tiernan, in its sole discretion:

- (1) **Representations and Warranties of Railtown and Subco.** The representations and warranties of Railtown and Subco:
- (a) that are set forth in Section 1 [*Organization and Qualification*], Section 2 [*Corporate Authorization*], Section 3 [*Execution and Binding Obligation*], Section 4 [*Governmental Authorization*], Section 5 [*No Conflict/Non-Contravention*] and Section 24 [*Brokers and Finders' Fees*] of Schedule C were true and correct in all respects as of the date of this Agreement and are true and correct in all respects as of the Effective Time as if made at such time;
  - (b) that are set forth in Section 7 [*Capitalization*] of Schedule C were true and correct in all respects (other than *de minimis* inaccuracies) as of the date of this Agreement and are true and correct in all respects (other than *de minimis* inaccuracies) as of the Effective Time as if made at such time; and
  - (c) other than those to which Section 7.2(1)(a) or Section 7.2(1)(b) applies, were true and correct in all respects (without giving effect to any materiality or Material Adverse Effect qualifications set forth therein) as of the date of this Agreement and are true and correct in all respects (without giving effect to any materiality or Material Adverse Effect qualifications set forth therein) as of the Effective Time as if made at such time, except, in the case of this Section 7.2(1)(c), where the failure to be so true and correct in all respects, individually or in the aggregate, would not result in a Material Adverse Effect in respect of Railtown or Subco,

except, in each case, for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date only, and Railtown and Subco have delivered certificates confirming same to Tiernan, executed by a senior officer of Railtown and Subco (without personal liability) and dated the Effective Date.

- (2) **Performance of Covenants of Railtown and Subco.** Railtown and Subco have fulfilled or complied in all material respects with each of the respective covenants of Railtown and Subco contained in this Agreement to be fulfilled or complied with by them on or prior to the Effective Date, and have delivered certificates confirming same to Tiernan, executed by a senior officer of Railtown and Subco (without personal liability) addressed to Tiernan and dated the Effective Date.
- (3) **Material Adverse Effect of Railtown.** Since the date of this Agreement there shall not have occurred any Material Adverse Effect in respect of Railtown.
- (4) **Railtown AGM and Resolutions.** The Railtown AGM shall have occurred and the board of directors and the Railtown Shareholders (as applicable) shall have adopted the Railtown Resolutions and all necessary resolutions and all other necessary corporate actions shall have been taken by Railtown and Subco to permit the consummation of the Transaction, the First Amalgamation, the reconstitution of the Railtown board of directors as contemplated herein, and the Transaction.
- (5) **Investor Rights Agreement.** The Investor Rights Agreement shall have been entered into between Railtown and HM Holdings.
- (6) **Waiver of Payments.** Directors and officers of Railtown shall have duly waived any termination, severance or change of control payments triggered upon completion of the Transaction and provided waivers in form and substance acceptable to Tiernan, acting reasonably.
- (7) **Resignation of Directors and Officers.** Each of the directors and officers of Railtown (other than individuals specified in Section 2.1(5) as remaining as directors and/or officers of Railtown) shall have tendered their resignations and provided mutual releases in form and substance acceptable to Tiernan, acting reasonably.
- (8) **Availability of Prospectus Exemption.** Tiernan shall be satisfied that the exchange of Tiernan Common Shares and Tiernan Warrants for Railtown Common Shares and Railtown RI Warrants, respectively, shall be qualified or exempt from registration or qualification under all Canadian Securities Laws.
- (9) **Deliveries to Tiernan.** Railtown shall have delivered, or caused to be delivered, to Tiernan the following in form and substance satisfactory to Tiernan, acting reasonably:
  - (a) the certificates referred to in Section 7.2(1) and Section 7.2(2);
  - (b) a Certificate of Good Standing with respect to Railtown issued by the Registrar of Companies for the Province of British Columbia dated as of a date not earlier than two (2) Business Days prior to the Effective Date;
  - (c) a Certificate of Good Standing with respect to Subco issued by the Registrar of Companies for the Province of British Columbia dated as of a date not earlier than two (2) Business Days prior to the Effective Date;

- (d) certified copies, dated the Effective Date, of the notice of articles and articles of Railtown;
- (e) certified copies, dated the Effective Date, of the notice of articles and articles of Subco;
- (f) a certified copy of each of the resolutions referred to in Section 7.2(4) (including a certified copy of the scrutineer's report from the Railtown AGM);
- (g) a certified copy of the resolutions passed by the board of directors of Subco approving the Transaction, the entering into of this Agreement and certain other related matters;
- (h) a certified copy of the resolutions passed by Railtown, as the sole shareholder of Subco, approving the Transaction, the entering into of this Agreement and certain other related matters;
- (i) the waivers referred to in Section 7.2(6); and
- (j) the resignations and releases referred to in Section 7.2(7).

### **Section 7.3 Additional Conditions Precedent to the Obligations of Railtown and Subco**

Railtown and Subco are not required to complete the Transaction unless each of the following conditions is satisfied on or before the Effective Time, which conditions are for the exclusive benefit of Railtown and Subco and may only be waived, in whole or in part, by Railtown and Subco in their sole discretion:

- (1) **Representations and Warranties of Tiernan.** The representations and warranties of Tiernan:
  - (a) that are set forth in Section 1 [*Organization and Qualification*], Section 2 [*Corporate Authorization*], Section 3 [*Execution and Binding Obligation*], Section 4 [*Governmental Authorization*], Section 5 [*No Conflict/Non-Contravention*], Section 14 [*Interest in Properties and Mineral Rights*] and Section 33 [*Fees and Commissions*] of Schedule D were true and correct in all respects as of the date of this Agreement and are true and correct in all respects as of the Effective Time as if made at such time;
  - (b) that are set forth in paragraph Section 7 [*Capitalization*] and Section 8 [*Subsidiaries*] of Schedule D were true and correct in all respects (other than *de minimis* inaccuracies) as of the date of this Agreement and are true and correct in all respects (other than *de minimis* inaccuracies) as of the Effective Time as if made at such time; and
  - (c) other than those to which Section 7.3(1)(a) or Section 7.3(1)(b) applies, were true and correct in all respects (without giving effect to any materiality or Material Adverse Effect qualifications set forth therein) as of the date of this Agreement and are true and correct in all respects (without giving effect to any materiality or Material Adverse Effect qualifications set forth therein) as of the Effective Time as if made at such time, except, in the case of this Section 7.3(1)(c), where the failure to be so true and correct in all respects, individually or in the aggregate, would not result in a Material Adverse Effect in respect of Railtown or Subco,

except, in each case, for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date only, and Tiernan has

delivered a certificate confirming same to Railtown and Subco, executed by a senior officer of Tiernan (without personal liability) and dated the Effective Date.

- (2) **Performance of Covenants of Tiernan.** Tiernan has fulfilled or complied in all material respects with each of the covenants of Tiernan contained in this Agreement to be fulfilled or complied with by it on or prior to the Effective Date, and has delivered a certificate confirming same to Railtown and Subco, executed by a senior officer of Tiernan (without personal liability) addressed to Railtown and Subco and dated the Effective Date.
- (3) **Material Adverse Effect of Tiernan.** Since the date of this Agreement there shall not have occurred any Material Adverse Effect in respect of Tiernan.
- (4) **Tiernan Resolutions.** Tiernan's board of directors and the Tiernan Shareholders (as applicable) shall have adopted the First Amalgamation Resolution and Tiernan Consolidation Resolution, and all other necessary resolutions and necessary corporate actions shall have been taken by Tiernan to permit the consummation of the Transaction, the First Amalgamation and the Transaction.
- (5) **Deliveries to Railtown.** Tiernan shall have delivered, or caused to be delivered, to Railtown the following in form and substance satisfactory to Railtown, acting reasonably:
  - (a) the certificates referred to in Section 7.3(1) and Section 7.3(2);
  - (b) a Certificate of Good Standing with respect to Tiernan issued by the Registrar of Companies for the Province of British Columbia dated as of a date not earlier than two (2) Business Days prior to the Effective Date;
  - (c) certified copies, dated the Effective Date, of the notice of articles and articles of Tiernan; and
  - (d) a certified copy of each of the resolutions referred to in Section 7.3(4).
- (6) **Marketable Title.** The Tiernan Shareholders shall hold marketable title to all Tiernan Common Shares and Tiernan Warrants, free and clear of any and all encumbrances, Liens, charges and demands of whatsoever nature.
- (7) **Tiernan Technical Report.** As soon as practicable after the date hereof and, in any event, prior to the filing of the Tiernan Technical Report on SEDAR+, Tiernan shall have delivered, or caused to be delivered, to Railtown and the TSXV the Tiernan Technical Report, in a form satisfactory to Railtown, acting reasonably, and the TSXV shall be satisfied with its review thereof.
- (8) **Ownership of the Project.** Tiernan shall own all of the Mineral Rights.
- (9) **Title Opinion.** Tiernan shall have delivered, or caused to be delivered, to Railtown and the TSXV a title opinion in respect of the Mineral Rights, in a form satisfactory to Railtown, acting reasonably, and the TSXV shall be satisfied with its review thereof.

#### **Section 7.4 Satisfaction of Conditions**

The conditions precedent set out in Section 7.1, Section 7.2 and Section 7.3 will be conclusively deemed to have been satisfied, waived or released when the Second Certificate of Amalgamation is issued by the Registrar.

## ARTICLE 8 TERMINATION AND EXPENSES

### Section 8.1 Termination

- (1) This Agreement may be terminated prior to the Effective Time by:
- (a) the mutual written agreement of the Parties;
  - (b) Railtown and Subco, or Tiernan, if:
    - (i) after the date of this Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Transaction illegal or otherwise permanently prohibits or enjoins the Parties from consummating the Transaction, and such Law has, if applicable, become final and non-appealable, provided the Party seeking to terminate this Agreement pursuant to this Section 8.1(1)(b)(i) has used its commercially reasonable efforts to, as applicable, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Transaction; or
    - (ii) the Effective Time does not occur on or prior to the Outside Date, provided that:
      - (A) Railtown and Subco may not terminate this Agreement pursuant to this Section 8.1(1)(b)(ii) if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by Railtown or Subco of any of their respective representations or warranties or the failure of any of Railtown or Subco to perform any of their covenants or agreements under this Agreement; and
      - (B) Tiernan may not terminate this Agreement pursuant to this Section 8.1(1)(b)(ii) if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by Tiernan of any of its representations or warranties or the failure of Tiernan to perform any of its covenants or agreements under this Agreement; or
    - (iii) the Subscription Receipt Agreement is terminated in accordance with its terms;
  - (c) Railtown and Subco if:
    - (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Tiernan under this Agreement occurs that would cause any condition in Section 7.3(1) or Section 7.3(2) not to be satisfied, and such breach or failure is incapable of being cured or is not cured on or prior to the Outside Date in accordance with the terms of Section 6.2(3); provided that Railtown is not then in breach of this Agreement so as to cause any condition in Section 7.3(1) or Section 7.3(2) not to be satisfied; or
    - (i) there is a Material Adverse Effect in respect of Tiernan; or
  - (d) Tiernan if:

- (i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Railtown or Subco under this Agreement occurs that would cause any condition in Section 7.2(1) or Section 7.2(2) not to be satisfied, and such breach or failure is incapable of being cured or is not cured on or prior to the Outside Date in accordance with the terms of Section 6.2(3); provided that Tiernan is not then in breach of this Agreement so as to cause any condition in Section 7.2(1) or Section 7.2(2) not to be satisfied; or
- (ii) there is a Material Adverse Effect in respect of Railtown or Subco.

## **Section 8.2 Effect of Termination/Survival**

If this Agreement is terminated pursuant to Section 8.1, this Agreement shall become void and of no further force or effect without liability of any Party (or any shareholder or Representative of such Party) to any other Party, except that this Section 8.2, Section 6.3 [*Access to Information; Confidentiality*], Section 8.3 [*Expenses*], Section 9.2 [*Notices*] through Section 9.13 [*General Provisions*] inclusive, and all related definitions set forth in Section 1.1 shall survive for a period of two (2) years after the termination of this Agreement and provided that no Party shall be relieved from any liability for any willful or intentional breach by it of any provision of this Agreement prior to the termination of this Agreement.

## **Section 8.3 Expenses and Expense Reimbursement**

- (1) Subject to Section 8.3(2) and Section 8.3(3), all out-of-pocket third-party transaction expenses incurred in connection with this Agreement and the Transaction, including all costs, expenses and fees shall be paid by the Party incurring such expenses, whether or not the Transaction is consummated.
- (2) Notwithstanding Section 8.3(1), the Parties acknowledge and agree that: (a) Tiernan and its counsel will be primarily responsible for the preparation of Filing Document as prescribed by Policy 2.4 of the TSXV Manual (and any other transaction documents required hereunder); and (b) Tiernan shall be responsible for all reasonable, documented out-of-pocket costs and charges in respect of (i) all costs and fees payable to the TSXV regarding its review of the Transaction and the personal information forms to be submitted by the proposed executive officers and directors of the Resulting Issuer; (ii) all listing fees in connection with any securities issued pursuant to the Transaction; and (iii) all expenses in connection with the preparation of a business valuation or valuation report, if required, and all other documentation required by the TSXV (collectively, "**Transaction Expenses**").
- (3) Railtown shall regularly invoice Tiernan for any and all Transaction Expenses incurred by it, and, upon receipt of an invoice setting out the Transaction Expenses in reasonable detail, Tiernan shall promptly reimburse Railtown for such invoiced Transaction Expenses. In addition, Tiernan shall promptly reimburse Railtown for any and all of its invoiced outstanding Transaction Expenses that remain outstanding within two (2) Business Days following the termination of this Agreement. Notwithstanding the foregoing, if this Agreement is terminated by Tiernan in accordance with Section 8.1(1)(d)(i), Tiernan shall not be liable for any expenses incurred from the time of such breach.

## ARTICLE 9 GENERAL PROVISIONS

### Section 9.1 Amendments

This Agreement may, at any time and from time to time but not later than the Effective Time, be amended by mutual written agreement of the Parties, and any such amendment may, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) modify any representation or warranty contained in this Agreement or in any document delivered pursuant to this Agreement;
- (c) modify any of the covenants contained in this Agreement and waive or modify performance of any of the obligations of the Parties; and/or
- (d) modify any mutual conditions contained in this Agreement.

### Section 9.2 Notices

Any notice, direction or other communication given regarding the matters contemplated by this Agreement (each a "**Notice**") must be in writing, sent by personal delivery, courier, or email and is deemed to be given and received:

- (a) on the date of delivery by hand or courier if it is a Business Day and the delivery was made prior to 5:00 p.m. (local time in the place of receipt), and otherwise on the next Business Day; or
- (b) if sent by email, on the date of transmission if it is a Business Day and the delivery was made prior to 5:00 p.m. (local time in the place of receipt), and otherwise on the next Business Day,

in each case to the Parties at the following addresses (or such other address for a Party as specified by like Notice):

- (i) to Tiernan:

666 Burrard Street  
Suite 1700  
Vancouver, BC V6C 2X8

Attention: Greg McCunn  
Email: *[Redacted for Confidentiality]*

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

Hochschild Mining PLC  
21 Gloucester Place  
London, UK W1U 8HR

Attention: Jose Frias  
Email: *[Redacted for Confidentiality]*

and

Stikeman Elliott LLP  
199 Bay Street  
Suite 5300, Commerce Court West  
Toronto, ON M5L 1B9

Attention: Ivan T. Grbešić / Steven D. Bennett  
Email: igrbesic@stikeman.com / sbennett@stikeman.com

(ii) to Railtown or Subco at:

c/o Railtown Capital Corp.  
885 West Georgia Street  
Suite 2200  
Vancouver, BC V6C 3E8

Attention: Chris Taylor  
Email: *[Redacted for Confidentiality]*

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

Bennett Jones LLP  
666 Burrard Street  
Suite 2500  
Vancouver, BC V6C 2X8

Attention: James Beeby  
Email: beebyj@bennettjones.com

Rejection or other refusal to accept, or the inability to deliver because of changed address of which no Notice was given, shall be deemed to be receipt of the Notice as of the date of such rejection, refusal or inability to deliver. Sending a copy of a Notice to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the Notice to that Party. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a Party.

### **Section 9.3 Time of the Essence**

Time is of the essence in this Agreement.

### **Section 9.4 Third Party Beneficiaries**

The Parties intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties, and that no Person, other than the Parties, shall be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum.

### **Section 9.5 Waiver**

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate

as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

### **Section 9.6 Entire Agreement**

This Agreement, together with the Tiernan Disclosure Letter and the Confidentiality Agreements, constitutes the entire agreement between the Parties with respect to the Transaction and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties (including, without limitation, the Letter of Intent and the term sheet between Tiernan and Railtown dated August 14, 2025). There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the Transaction. If there is any conflict or inconsistency between the provisions of this Agreement and the provisions of the Letter of Intent, the provisions of this Agreement shall govern.

### **Section 9.7 Further Assurances**

The Parties will, with reasonable diligence, do all things and provide all such reasonable assurances as may be required to consummate the Transaction, and each Party will provide such further documents or instruments required by the other Parties as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after the Effective Time.

### **Section 9.8 Successors and Assigns**

- (1) This Agreement becomes effective only when executed by the Parties. After that time, it will be binding upon and enure to the benefit of the Parties and their respective heirs, administrators, executors, legal representatives, successors and permitted assigns.
- (2) Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by any Party without the prior written consent of the other Parties.

### **Section 9.9 Severability**

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the Transaction is fulfilled to the fullest extent possible.

### **Section 9.10 Governing Law**

- (1) This Agreement will be governed by and interpreted and enforced in accordance with the Laws of the Province of British Columbia and the federal Laws of Canada applicable therein.
- (2) Each Party irrevocably attorns and submits to the exclusive jurisdiction of the British Columbia courts situated in the City of Vancouver and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

**Section 9.11 Rules of Construction**

The Parties waive the application of any Law or rule of construction providing that ambiguities in any agreement or other document shall be construed against the party drafting such agreement or other document.

**Section 9.12 No Personal Liability**

No director or officer of Tiernan shall have any personal liability whatsoever to Railtown under this Agreement or any other document delivered in connection with the Transaction on behalf of Tiernan. No director or officer of Railtown or Subco shall have any personal liability whatsoever to Tiernan under this Agreement or any other document delivered in connection with the Transaction on behalf of Railtown or Subco, as applicable.

**Section 9.13 Counterparts**

This Agreement may be executed in any number of counterparts (including counterparts by facsimile or portable document format (".pdf") or via DocuSign or similar executed electronic copy) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

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

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

**TIERNAN GOLD CORP.**

By: (signed) "Greg McCunn"  
Name: Greg McCunn  
Title: Chief Executive Officer, Director

**RAILTOWN CAPITAL CORP.**

By: (signed) "Chris Taylor"  
Name: Chris Taylor  
Title: Chief Executive Officer

**1559261 B.C. LTD.**

By: (signed) "Chris Taylor"  
Name: Chris Taylor  
Title: President

**SCHEDULE A**  
**FORM OF FIRST AMALGAMATION AGREEMENT AND FIRST AMALGAMATION APPLICATION**

See attached.

## FIRST AMALGAMATION AGREEMENT

THIS AGREEMENT (this “**Agreement**”) is dated as of the ● day of ●, 2025

### BY AND AMONG:

**TIERNAN GOLD CORP.**, a company existing under the laws of the Province of British Columbia

(hereinafter referred to as “**Tiernan**”)

- and -

**1559261 B.C. LTD.**, a company existing under the laws of the Province of British Columbia

(hereinafter referred to as “**Subco**”)

- and -

**RAILTOWN CAPITAL CORP.**, a company existing under the laws of the Province of British Columbia

(hereinafter referred to as “**CPC**”)

### WHEREAS:

- A. Tiernan and Subco wish to amalgamate and continue as one company in accordance with the terms and conditions hereof.
- B. Subco is a wholly-owned subsidiary of CPC and has not carried on active business.
- C. CPC, Subco and Tiernan are parties to the Business Combination Agreement (as defined below), which contemplates the Amalgamation (as defined below).
- D. The parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters relating to the Amalgamation.

**NOW, THEREFORE, THIS AGREEMENT WITNESSES** that for and in consideration of the mutual covenants and agreements herein contained and other lawful and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

- 1. **Definitions.** As used in this Agreement (including the recitals hereto), the following terms have the following meanings:
  - (a) “**Agreement**” means this amalgamation agreement.
  - (b) “**Amalgamating Parties**” means, together, Tiernan and Subco.
  - (c) “**Amalgamation**” means the amalgamation of Tiernan and Subco on the terms and conditions set forth in this Agreement and in accordance with the BCBCA.

- (d) **“Amalgamation Application”** means *Form 13 – Amalgamation Application* to be filed with the Registrar in order to effect the Amalgamation, annexed to this Agreement as Appendix 1.
- (e) **“BCBCA”** means the *Business Corporations Act* (British Columbia) as from time to time amended or re-enacted.
- (f) **“Business Combination Agreement”** means the amended and restated business combination agreement dated November 7, 2025 among Tiernan, CPC and Subco governing the terms and conditions of the Transaction, as amended from time to time.
- (g) **“Business Day”** means a day other than a Saturday, Sunday or a civic or statutory holiday in the City of Vancouver, British Columbia.
- (h) **“Certificate of Amalgamation”** means the certificate of amalgamation to be issued by the Registrar, evidencing that the Amalgamation is effective.
- (i) **“CPC Common Shares”** means common shares in the capital of CPC.
- (j) **“CPC RI Warrants”** means the common share purchase warrants of CPC to acquire CPC Common Shares at a price of \$6.50 per CPC Common Share for a period of 24 months following the closing date of the Financing for which the Tiernan Warrants are exchanged in connection with the Amalgamation.
- (k) **“Effective Date”** means the date shown on the Certificate of Amalgamation.
- (l) **“Effective Time”** means 12:01 a.m. (Vancouver time) on the Effective Date.
- (m) **“Financing”** means the brokered private placement of Tiernan Subscription Receipts, in one or more closings (provided that each such closing shall occur prior to the closing of the Transaction), of minimum of aggregate gross proceeds of \$35,000,000, unless the parties otherwise agree in writing.
- (n) **“First Amalco”** means the company which results from the Amalgamation.
- (o) **“First Amalco Common Shares”** means the common shares in the capital of First Amalco.
- (p) **“Registrar”** means the Registrar of Companies appointed under Section 400 of the BCBCA.
- (q) **“Resulting Issuer”** means the issuer resulting from the completion of the Transaction.
- (r) **“Resulting Issuer Common Shares”** means the common shares in the capital of the Resulting Issuer following the Transaction.
- (s) **“Subco Common Shares”** means the common shares in the capital of Subco.
- (t) **“Tiernan Common Shares”** means common shares in the capital of Tiernan.
- (u) **“Tiernan Shareholder”** means a registered holder owning Tiernan Common Shares immediately prior to the filing of the Amalgamation Application.

- (v) **“Tiernan Subscription Receipts”** means the subscription receipts of Tiernan issued in connection with the Financing.
  - (w) **“Tiernan Warrantholder”** means a holder of Tiernan Warrants immediately prior to the filing of the Amalgamation Application.
  - (x) **“Tiernan Warrants”** means common share purchase warrants of Tiernan to acquire Tiernan Common Shares.
  - (y) **“Transaction”** means the transactions involving CPC, Tiernan and Subco pursuant to the terms of the Business Combination Agreement, that will result in a reverse takeover of CPC by Tiernan, which, if completed, is intended to constitute the “Qualifying Transaction” of CPC (as such term is defined in Policy 2.4 of the TSXV Corporate Finance Manual) and following which the current Tiernan Shareholders will own the substantial majority of the Resulting Issuer Common Shares.
  - (z) **“TSXV”** means the TSX Venture Exchange.
2. **Amalgamation.** In accordance with the Business Combination Agreement, the Amalgamating Parties hereby agree to amalgamate on the Effective Date and continue as one company under the provisions of the BCBCA upon the terms and conditions hereinafter set out.
3. **Certain Phrases, etc.** In this Agreement: (a) the words “including”, “includes” and “include” mean “including (or includes or include) without limitation”; and (b) the phrase “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”. In the computation of periods of time from a specified date to a later specified date, unless otherwise expressly stated, the word “from” means “from and including” and the words “to” and “until” each mean “to but excluding”. The term “Agreement” and any reference in this Agreement to “hereunder”, “herein”, “hereby”, “hereof” and this Agreement or any other agreement or document includes, and is a reference to, this Agreement or such other agreement or document as it may have been, or may from time to time be, amended, restated, replaced, supplemented or novated and includes all appendices to it.
4. **Effect of Amalgamation.** At the Effective Time, subject to the BCBCA:
- (a) the amalgamation of the Amalgamating Parties and their continuation as one company, First Amalco, under the terms and conditions prescribed in this Agreement shall be effective and becomes irrevocable, and First Amalco will be capable immediately of exercising the functions of an incorporated company;
  - (b) the shareholders of the Amalgamating Parties will each be bound by this Agreement;
  - (c) the property, rights and interests of each of the Amalgamating Parties shall continue to be the property, rights and interests of First Amalco;
  - (d) First Amalco will be a wholly-owned subsidiary of CPC;
  - (e) First Amalco shall continue to be liable for the obligations of each of the Amalgamating Parties;
  - (f) any existing cause of action, claim or liability to prosecution with respect to either or both of the Amalgamating Parties shall be unaffected;

- (g) a legal proceeding prosecuted or pending by or against any of the Amalgamating Parties may be prosecuted, or its prosecution may be continued, as the case may be, by or against First Amalco;
  - (h) any conviction against, or ruling, order or judgment in favour of or against, any of the Amalgamating Parties may be enforced by or against First Amalco;
  - (i) the notice of articles of First Amalco are those contained in the Amalgamation Application and are in the prescribed form as required by the BCBCA; and
  - (j) the articles of First Amalco are those appended to this Agreement as part of Appendix 1.
5. **Name.** The name of First Amalco shall be “● B.C. Ltd.”.
6. **Registered Office.** The registered office of First Amalco shall be located at Suite 1700, Park Place, 666 Burrard Street, Vancouver, British Columbia V6C 2X8.
7. **Restrictions on Business.** There shall be no restrictions on the business which First Amalco is authorized to carry on.
8. **Authorized Share Capital.** The authorized capital of First Amalco shall consist of an unlimited number of First Amalco Common Shares, as set out in the notice of articles, which shares are without special rights or restrictions.
9. **Transfer Restrictions.** The right to transfer securities of First Amalco shall be restricted. Securities of First Amalco, other than non-convertible debt securities, may not be transferred unless:
- (a) (i) the consent of the directors of First Amalco is obtained; or (ii) the consent of shareholders holding more than 66 $\frac{2}{3}$ % of the shares entitled to vote at such time is obtained; or
  - (b) in the case of securities other than shares, which are subject to restrictions on transfer contained in a securityholders' agreement, such restrictions on transfer are complied with.
- The consent of the directors or the shareholders of First Amalco for the purposes of this section is evidenced by a resolution of the directors or shareholders, as the case may be, or by an instrument or instruments in writing signed by a majority of the directors, or by all of the shareholders.
10. **Articles.** The articles of First Amalco are appended to this Agreement as part of Appendix 1.
11. **Number of Directors.** The number of directors of First Amalco, until amended in accordance with the articles of the First Amalco, will be equal to the number of First Amalco's first directors.
12. **First Directors.** The first directors of First Amalco shall be the persons whose names and addresses are set out below, who shall hold office until the first annual meeting of shareholders of First Amalco or until their successors are duly elected or appointed and will be responsible for the subsequent management and operation of First Amalco:

Name	Address
Fausto Di Trapani	c/o Stikeman Elliott LLP Suite 1700, 666 Burrard Street Vancouver, BC V6C 2X8
Eduardo Noriega	c/o Stikeman Elliott LLP Suite 1700, 666 Burrard Street Vancouver, BC V6C 2X8

13. **Treatment of Issued Capital.** In connection with the Amalgamation:
- (a) immediately prior to the Effective Time, the Tiernan Subscription Receipts shall be automatically converted into Tiernan Common Shares in accordance with their terms; and
  - (b) at the Effective Time:
    - (i) each issued and outstanding Subco Common Share, all of which are held by CPC, will be exchanged for one issued and fully paid First Amalco Common Share and the Subco Common Shares shall be cancelled;
    - (ii) each issued and outstanding Tiernan Common Share (including for avoidance of doubt, the Tiernan Common Shares issued in connection with the conversion of the Tiernan Subscription Receipts) will be exchanged for one issued and fully paid and non-assessable CPC Common Share and the Tiernan Common Shares shall be cancelled;
    - (iii) each issued and outstanding Tiernan Warrant will, in accordance with their terms, be exchanged for one CPC RI Warrant, substantially on the same terms as the Tiernan Warrants, and the Tiernan Warrants shall be cancelled; and
    - (iv) in consideration of the issuance by CPC of the CPC Common Shares pursuant to this Section 13(b)(ii) hereof, First Amalco shall issue to CPC one fully paid and non-assessable First Amalco Common Share for each CPC Common Share issued to former holders of Tiernan Common Shares.
14. **No Fractional Shares or Securities upon Conversion.** Notwithstanding Section 13 hereof, but subject to the BCBCA, no Tiernan Shareholder and no Tiernan Warrantholder shall be entitled to, and CPC will not issue, fractions of CPC Common Shares or CPC RI Warrants, as applicable, and no cash amount will be payable by CPC in lieu thereof. To the extent any Tiernan Shareholder or Tiernan Warrantholder is entitled to receive a fractional CPC Common Share or CPC RI Warrant, as applicable, such fraction shall be rounded down to the closest whole number of the applicable security.
15. **Certificates.** On the Effective Date, the shareholders of the Amalgamating Parties shall, when requested by First Amalco, surrender for cancellation the certificates or notices of uncertificated shares representing the shares held by them in the Amalgamating Parties and, as soon as practicable thereafter, shall be entitled to receive certificates or notices of

uncertificated shares or warrants for shares or warrants of CPC or First Amalco, as the case may be, issuable to them pursuant to Section 13 hereof.

16. **First Amalco Stated Capital.** First Amalco shall add an amount to the capital maintained in respect of the First Amalco Common Shares equal to the sum of the capital of the: (a) Tiernan Common Shares, determined immediately prior to the Effective Time; and (b) Subco Common Shares, determined immediately prior to the Effective Time.
17. **CPC Stated Capital.** CPC shall add an amount to the capital maintained in respect of the CPC Common Shares equal to the capital of the Tiernan Common Shares, determined immediately prior to the Effective Time.
18. **Representation and Warranty of CPC.** CPC hereby represents and warrants to and in favour of Tiernan and Subco and acknowledges that Tiernan and Subco are relying upon such representation and warranty, that CPC is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against CPC in accordance with its terms.
19. **Representation and Warranty of Tiernan.** Tiernan hereby represents and warrants to and in favour of CPC and Subco and acknowledges that CPC and Subco are relying upon such representation and warranty, that Tiernan is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against Tiernan in accordance with its terms.
20. **Representation and Warranty of Subco.** Subco represents and warrants to and in favour of Tiernan and CPC and acknowledges that Tiernan and CPC are relying upon such representations and warranty, that Subco is duly authorized to execute and deliver this Agreement and this Agreement is a valid and binding agreement, enforceable against Subco in accordance with its terms.
21. **Amendment.** This Agreement may at any time and from time to time be amended by written agreement of the parties hereto without, subject to applicable law, further notice to or authorization on the part of their respective shareholders and any such amendment may, without limitation:
  - (a) change the time for performance of any of the obligations or acts of the parties hereto;
  - (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
  - (c) waive compliance with or modify any of the covenants contained herein and waive or modify performance of any of the obligations of the parties hereto; or
  - (d) waive compliance with or modify any other conditions precedent contained herein,provided that no such amendment shall change the provisions hereof regarding the consideration to be received by Tiernan Shareholders in exchange for their Tiernan Common Shares without approval by the Tiernan Shareholders given in the same manner as required for the approval of the Amalgamation.
22. **Termination.** This Agreement may, prior to the issuance of the Certificate of Amalgamation, be terminated by mutual agreement of the respective parties hereto, without further action on the part of the shareholders of Tiernan or Subco. This Agreement shall also terminate without

further notice or agreement if the Business Combination Agreement is terminated in accordance with its terms.

23. **Binding Effect.** This Agreement shall be binding upon and enure to the benefit of the parties hereto and their successors and permitted assigns.
24. **Assignment.** No party to this Agreement may assign any of its rights or obligations under this Agreement without the prior written consent of each of the other parties.
25. **Further Assurances.** Each of the parties hereto agrees to execute and deliver such further instruments and to do such further reasonable acts and things as may be necessary or appropriate to carry out the intent of this Agreement.
26. **Notice.** Any notice which a party hereto may desire to give or serve upon another party to this Agreement shall be in writing and may be hand delivered, mailed by prepaid registered mail, return receipt requested or sent by email transmission to the following addresses:

(a) to Tiernan:

Tiernan Gold Corp.  
666 Burrard Street  
Suite 1700  
Vancouver, BC V6C 2X8

Attention: Greg McCunn  
Email: *[Redacted for Confidentiality]*

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

Hochschild Mining PLC  
21 Gloucester Place  
London, UK W1U 8HR

Attention: Jose Frias  
Email: *[Redacted for Confidentiality]*

and:

Stikeman Elliott LLP  
199 Bay Street  
Suite 5300, Commerce Court West  
Toronto, ON M5L 1B9

Attention: Ivan T. Grbešić / Steven D. Bennett  
Email: igrbesic@stikeman.com / sbennett@stikeman.com

(b) to CPC or Subco at:

Railtown Capital Corp.  
885 West Georgia Street  
Suite 2200  
Vancouver, BC V6C 3E8

Attention: Chris Taylor  
Email: *[Redacted for Confidentiality]*

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

Bennett Jones LLP  
666 Burrard Street  
Suite 2500  
Vancouver, BC V6C 2X8

Attention: James Beeby  
Email: [beebyj@bennettjones.com](mailto:beebyj@bennettjones.com)

or to such other address as the party to or upon whom notice is to be given or served has communicated to the other parties by notice given or served in the manner provided for in this section. In the case of delivery or email transmission, notice shall be deemed to be given on the date of delivery and in the case of mailing, notice shall be deemed to be given on the third Business Day after such mailing.

27. **Time of Essence.** Time shall be of the essence of this Agreement.
28. **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.
29. **Counterparts.** This Agreement may be executed in any number of counterparts (including counterparts by portable document format (".pdf") or via DocuSign or similar executed electronic copy) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The parties shall be entitled to rely upon delivery of an executed electronic copy of this Agreement, and such executed electronic copy shall be legally effective to create a valid and binding agreement between the parties.

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

**IN WITNESS WHEREOF** this Agreement has been duly executed by the parties hereto as of the date first above written.

**TIERNAN GOLD CORP.**

By: \_\_\_\_\_  
Name:  
Title:

**1559261 B.C. LTD.**

By: \_\_\_\_\_  
Name: Chris Taylor  
Title: President

**RAILTOWN CAPITAL CORP.**

By: \_\_\_\_\_  
Name: Chris Taylor  
Title: Chief Executive Officer

**APPENDIX 1**

**ARTICLES OF FIRST AMALCO AND FORM OF AMALGAMATION APPLICATION**

See attached.



Telephone: 1 877 526-1526

www.bcregistryservices.gov.bc.ca

DO NOT MAIL THIS FORM to the BC Registry Services unless you are instructed to do so by registry staff. The Regulation under the Business Corporations Act requires the electronic version of this form to be filed on the Internet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FOIPPA) Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the Business Corporations Act for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Executive Coordinator of the BC Registry Services at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

A. INITIAL INFORMATION – When the amalgamation is complete, your company will be a BC limited company.

What kind of company(ies) will be involved in the amalgamation? (Check all applicable boxes.)

[X] BC company

[ ] BC unlimited liability company

B. NAME OF COMPANY – Choose one of the following:

[ ] The name \_\_\_\_\_ is the name reserved for the amalgamated company. The name reservation number is: \_\_\_\_\_, OR

[ ] The company is to be amalgamated with a name created by adding "B.C. Ltd." after the incorporation number, OR

[X] The amalgamated company is to adopt, as its name, the name of one of the amalgamating companies.

The name of the amalgamating company being adopted is:

1559261 B.C. Ltd.

The incorporation number of that company is: BC1559261

Please note: If you want the name of an amalgamating corporation that is a foreign corporation, you must obtain a name approval before completing this amalgamation application.

C. AMALGAMATION STATEMENT – Please indicate the statement applicable to the amalgamation.

With Court Approval:

[ ] This amalgamation has been approved by the court and a copy of the entered court order approving the amalgamation has been obtained and has been deposited in the records office of each of the amalgamating companies.

OR

Without Court Approval:

[X] This amalgamation has been effected without court approval. A copy of all of the required affidavits under section 277(1) have been obtained and the affidavit obtained from each amalgamating company has been deposited in that company's records office.

**D. AMALGAMATION EFFECTIVE DATE** – Choose **one** of the following:

- The amalgamation is to take effect at the time that this application is filed with the registrar.
- The amalgamation is to take effect at 12:01 a.m. Pacific Time on \_\_\_\_\_, 2025 being a date that is not more than ten days after the date of the filing of this application.
- The amalgamation is to take effect at \_\_\_\_\_  a.m. or  p.m. Pacific Time on \_\_\_\_\_ being a date and time that is not more than ten days after the date of the filing of this application.

**E. AMALGAMATING CORPORATIONS**

Enter the name of each amalgamating corporation below. For each company, enter the incorporation number. If the amalgamating corporation is a foreign corporation, enter the foreign corporation's jurisdiction and if registered in BC as an extraprovincial company, enter the extraprovincial company's registration number. Attach an additional sheet if more space is required.

NAME OF AMALGAMATING CORPORATION	BC INCORPORATION NUMBER, OR EXTRAPROVINCIAL REGISTRATION NUMBER IN BC	FOREIGN CORPORATION'S JURISDICTION
1. 1559261 B.C. Ltd.	BC1559261	
2. Tiernan Gold Corp.	BC1354409	

**F. FORMALITIES TO AMALGAMATION**

If any amalgamating corporation is a foreign corporation, section 275 (1)(b) requires an authorization for the amalgamation from the foreign corporation's jurisdiction to be filed.

- This is to confirm that each authorization for the amalgamation required under section 275(1)(b) is being submitted for filing concurrently with this application.

**G. CERTIFIED CORRECT** – I have read this form and found it to be correct.

This form must be signed by an authorized signing authority for each of the amalgamating companies as set out in Item E.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED (YYYY / MM / DD)
1. Chris Taylor for 1559261 B.C. Ltd.	X	
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED (YYYY / MM / DD)
2. Greg McCunn for Tiernan Gold Corp.	X	

## NOTICE OF ARTICLES

**A. NAME OF COMPANY**

Set out the name of the company as set out in Item B of the Amalgamation Application.  
1559261 B.C. Ltd.

**B. TRANSLATION OF COMPANY NAME**

Set out every translation of the company name that the company intends to use outside of Canada.

**C. DIRECTOR NAME(S) AND ADDRESS(ES)**

Set out the full name, delivery address and mailing address (if different) of every director of the company. The director may select to provide either (a) the delivery address and, if different, the mailing address for the office at which the individual can usually be served with records between 9 a.m. and 4 p.m. on business days or (b) the delivery address and, if different, the mailing address of the individual's residence. The delivery address must not be a post office box. Attach an additional sheet if more space is required.

LAST NAME	FIRST NAME	MIDDLE NAME	DELIVERY ADDRESS INCLUDING PROVINCE/STATE, COUNTRY AND POSTAL/ZIP CODE	MAILING ADDRESS INCLUDING PROVINCE/STATE, COUNTRY AND POSTAL/ZIP CODE
Di Trapani,	Fausto		Suite 1700, 666 Burrard Street Vancouver, BC V6C 2X8	
Noriega,	Eduardo		Suite 1700, 666 Burrard Street Vancouver, BC V6C 2X8	

**D. REGISTERED OFFICE ADDRESSES**

DELIVERY ADDRESS OF THE COMPANY'S REGISTERED OFFICE

Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8

MAILING ADDRESS OF THE COMPANY'S REGISTERED OFFICE

Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8

**E. RECORDS OFFICE ADDRESSES**

DELIVERY ADDRESS OF THE COMPANY'S RECORDS OFFICE

Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8

MAILING ADDRESS OF THE COMPANY'S RECORDS OFFICE

Suite 1700, Park Place, 666 Burrard Street, Vancouver, BC V6C 2X8

**F. AUTHORIZED SHARE STRUCTURE**

Identifying name of class or series of shares	Maximum number of shares of this class or series of shares that the company is authorized to issue, or indicate there is no maximum number	Kind of shares of this class or series of shares		Are there special rights or restrictions attached to the shares of this class or series of shares?
	MAXIMUM NUMBER OF SHARES AUTHORIZED OR NO MAXIMUM NUMBER	PAR VALUE OR WITHOUT PAR VALUE	TYPE OF CURRENCY	YES/NO
Common	no maximum number	without par value	n/a	No

Incorporation Number BC

**ARTICLES  
OF  
1559261 B.C. LTD.**

**PROVINCE OF BRITISH COLUMBIA  
*BUSINESS CORPORATIONS ACT***

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**ARTICLES**

**1559261 B.C. LTD.**

**(the "Company")**

**ARTICLE 1  
INTERPRETATION**

**Section 1.1 Definitions**

In these Articles, unless the context otherwise requires:

- (1) **"appropriate person"** has the meaning assigned in the *Securities Transfer Act*;
- (2) **"board of directors"** and **"board"** mean the board of directors or sole director of the Company for the time being;
- (3) **"BCA"** means the *Business Corporations Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (4) **"director"** means a person who is a director of the Company for the time being;
- (5) **"directors' resolution"** means a resolution of the board of directors passed at a meeting of the board or consented to by the directors in accordance with Section 140 of the BCA and Section 18.12;
- (6) **"Interpretation Act"** means the *Interpretation Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (7) **"legal personal representative"** means the personal or other legal representative of a shareholder or other person, as the context requires;
- (8) **"protected purchaser"** has the meaning assigned in the *Securities Transfer Act*;
- (9) **"registered address"** of a shareholder means the shareholder's address as recorded in the central securities register;
- (10) **"seal"** means the seal of the Company, if any;
- (11) **"Securities Act"** means the *Securities Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act;
- (12) **"securities legislation"** means statutes concerning the regulation of securities markets and trading in securities and the regulations, rules, forms and schedules under those statutes, all as amended from time to time, and the blanket rulings and orders, as amended from time to time, issued by the securities commissions or similar regulatory authorities appointed under or pursuant to those statutes; **"Canadian securities legislation"** means the securities legislation in any province or territory of Canada and includes the *Securities Act*; and **"U.S. securities legislation"** means the securities legislation in the federal jurisdiction of the United States and

in any state of the United States and includes the *Securities Act* of 1933 and the *Securities Exchange Act* of 1934;

(13) "**Securities Transfer Act**" means the *Securities Transfer Act* (British Columbia) from time to time in force and all amendments thereto and includes all regulations and amendments thereto made pursuant to that Act; and

(14) "**special business**" has the meaning set out in Section 11.1.

### **Section 1.2 BCA and Interpretation Act Definitions Applicable**

The definitions in the BCA and the definitions and rules of construction in the *Interpretation Act*, with the necessary changes, so far as applicable, and unless the context requires otherwise, apply to these Articles as if they were an enactment.

### **Section 1.3 Conflicts or Inconsistencies**

If there is a conflict between a definition in the BCA and a definition or rule in the *Interpretation Act* relating to a term used in these Articles, the definition in the BCA will prevail in relation to the use of the term in these Articles. If there is a conflict or inconsistency between these Articles and the BCA, the BCA will prevail.

## **ARTICLE 2 SHARES AND SHARE CERTIFICATES**

### **Section 2.1 Authorized Share Structure**

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

### **Section 2.2 Form of Share Certificate**

Each share certificate issued by the Company must comply with, and be signed as required by, the BCA.

### **Section 2.3 Shareholder Entitled to Certificate or Acknowledgement**

Unless the shares of which the shareholder is the registered owner are uncertificated shares within the meaning of the BCA, each shareholder is entitled, without charge, to (a) one share certificate representing the shares of each class or series of shares registered in the shareholder's name or (b) a non-transferable written acknowledgement of the shareholder's right to obtain such a share certificate, provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgement and delivery of a share certificate or an acknowledgement to one of several joint shareholders or to a duly authorized agent of one of the joint shareholders will be sufficient delivery to all.

### **Section 2.4 Delivery by Mail**

Any share certificate or non-transferable written acknowledgement of a shareholder's right to obtain a share certificate may be sent to the shareholder by mail at the shareholder's registered address and neither the Company nor any director, officer or agent of the Company is liable for any loss to the shareholder because the share certificate or acknowledgement is lost in the mail or stolen.

### **Section 2.5 Replacement of Worn Out or Defaced Certificate or Acknowledgement**

If the Company is satisfied that a share certificate or a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate is worn out or defaced, it must, on production to it of the share certificate or acknowledgement, as the case may be, and on such other terms, if any, as it thinks fit:

- (1) order the share certificate or acknowledgement, as the case may be, to be cancelled; and
- (2) issue a replacement share certificate or acknowledgement, as the case may be.

### **Section 2.6 Replacement of Lost, Destroyed or Wrongfully Taken Certificate**

If a person entitled to a share certificate claims that the share certificate has been lost, destroyed or wrongfully taken, the Company must issue a new share certificate, if that person:

- (1) so requests before the Company has notice that the share certificate has been acquired by a protected purchaser;
- (2) provides the Company with an indemnity bond sufficient in the Company's judgement to protect the Company from any loss that the Company may suffer by issuing a new certificate; and
- (3) satisfies any other reasonable requirements imposed by the Company.

A person entitled to a share certificate may not assert against the Company a claim for a new share certificate where a share certificate has been lost, apparently destroyed or wrongfully taken if that person fails to notify the Company of that fact within a reasonable time after that person has notice of it and the Company registers a transfer of the shares represented by the certificate before receiving a notice of the loss, apparent destruction or wrongful taking of the share certificate.

### **Section 2.7 Recovery of New Share Certificate**

If, after the issue of a new share certificate, a protected purchaser of the original share certificate presents the original share certificate for the registration of transfer, then in addition to any rights under any indemnity bond, the Company may recover the new share certificate from a person to whom it was issued or any person taking under that person other than a protected purchaser.

### **Section 2.8 Splitting Share Certificates**

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more share certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as represented by the share certificate so surrendered, the Company must cancel the surrendered share certificate and issue replacement share certificates in accordance with that request.

### **Section 2.9 Certificate Fee**

There must be paid to the Company, in relation to the issue of any share certificate under Section 2.5, Section 2.6, or Section 2.8, the amount, if any and which must not exceed the amount prescribed under the BCA, determined by the board.

### **Section 2.10 Recognition of Trusts**

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as required by law or statute or these Articles or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

## **ARTICLE 3 ISSUE OF SHARES**

### **Section 3.1 Board Authorized**

Subject to the BCA and the rights, if any, of the holders of issued shares of the Company, the Company may issue, allot, sell or otherwise dispose of the unissued shares, and issued shares held by the Company, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares with par value may be issued) that the board may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

### **Section 3.2 Commissions and Discounts**

The Company may at any time pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

### **Section 3.3 Brokerage**

The Company may pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

### **Section 3.4 Conditions of Issue**

Except as provided for by the BCA, no share may be issued until it is fully paid. A share is fully paid when:

- (1) consideration is provided to the Company for the issue of the share by one or more of the following:
  - (a) past services performed for the Company;
  - (b) property;
  - (c) money; and
- (2) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Section 3.1.

### **Section 3.5 Share Purchase Warrants and Rights**

Subject to the BCA, the Company may issue share purchase warrants, options and rights upon such terms and conditions as the board determines, which share purchase warrants, options and rights may be issued alone or in conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

## **ARTICLE 4 SHARE REGISTERS**

### **Section 4.1 Central Securities Register**

As required by and subject to the BCA, the Company must maintain a central securities register, which may be kept in electronic form. The board may, subject to the BCA, appoint an agent to maintain the central securities register. The board may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series

of its shares, as the case may be. The board may terminate such appointment of any agent at any time and may appoint another agent in its place.

#### **Section 4.2 Closing Register**

The Company must not at any time close its central securities register.

### **ARTICLE 5 SHARE TRANSFERS**

#### **Section 5.1 Registering Transfers**

Subject to Article 26, the BCA and the *Securities Transfer Act*, the Company must register a transfer of a share of the Company if either:

- (1) the Company or the transfer agent or registrar for the class or series of shares to be transferred has received:
  - (a) in the case where the Company has issued a share certificate in respect of the share to be transferred, that share certificate and a written instrument of transfer (which may be on a separate document or endorsed on the share certificate) made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person;
  - (b) in the case of a share that is not represented by a share certificate (including an uncertificated share within the meaning of the BCA and including the case where the Company has issued a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate in respect of the share to be transferred), a written instrument of transfer, made by the shareholder or other appropriate person or by an agent who has actual authority to act on behalf of that person; and
  - (c) such other evidence, if any, as the Company or the transfer agent or registrar for the class or series of shares to be transferred may require to prove the title of the transferor or the transferor's right to transfer the share, that the written instrument of transfer is genuine and authorized and that the transfer is rightful or to a protected purchaser; or
- (2) all the preconditions for a transfer of a share under the *Securities Transfer Act* have been met and the Company is required under the *Securities Transfer Act* to register the transfer.

#### **Section 5.2 Waivers of Requirements for Transfer**

The Company may waive any of the requirements set out in Section 5.1(1) and any of the preconditions referred to in Section 5.1(2).

#### **Section 5.3 Form of Instrument of Transfer**

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form satisfactory to the Company or the transfer agent for the class or series of shares to be transferred.

#### **Section 5.4 Transferor Remains Shareholder**

Except to the extent that the BCA otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

### **Section 5.5 Signing of Instrument of Transfer**

If a shareholder or other appropriate person or an agent who has actual authority to act on behalf of that person, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer or specified in any other manner, or, if no number is specified but share certificates are deposited with the instrument of transfer, all the shares represented by such share certificates:

- (1) in the name of the person named as transferee in that instrument of transfer; or
- (2) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered.

### **Section 5.6 Enquiry as to Title Not Required**

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgement of a right to obtain a share certificate for such shares.

### **Section 5.7 Transfer Fee**

Subject to the applicable rules of any stock exchange on which the shares of the Company may be listed, there must be paid to the Company, in relation to the registration of any transfer, the amount, if any, determined by the board.

## **ARTICLE 6 TRANSMISSION OF SHARES**

### **Section 6.1 Legal Personal Representative Recognized on Death**

In the case of the death of a shareholder, the legal personal representative of the shareholder, or in the case of shares registered in the shareholder's name and the name of another person in joint tenancy, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative of a shareholder, the board may require the original grant of probate or letters of administration or a court certified copy of them or the original or a court certified or authenticated copy of the grant of representation, will, order or other instrument or other evidence of the death under which title to the shares or securities is claimed to vest.

### **Section 6.2 Rights of Legal Personal Representative**

The legal personal representative of a shareholder has the rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles and applicable securities legislation, if appropriate evidence of appointment or incumbency within the meaning of the *Securities Transfer Act* has been deposited with the Company. This Section 6.2 does not apply in the case of the death of a shareholder with respect to shares registered in the shareholder's name and the name of another person in joint tenancy.

**ARTICLE 7  
ACQUISITION OF COMPANY'S SHARES**

**Section 7.1 Company Authorized to Purchase or Otherwise Acquire Shares**

Subject to Section 7.2, the special rights or restrictions attached to the shares of any class or series of shares, the BCA and applicable securities legislation, the Company may, if authorized by the board, purchase or otherwise acquire any of its shares at the price and upon the terms determined by the board.

**Section 7.2 No Purchase, Redemption or Other Acquisition When Insolvent**

The Company must not make a payment or provide any other consideration to purchase, redeem or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (1) the Company is insolvent; or
- (2) making the payment or providing the consideration would render the Company insolvent.

**Section 7.3 Sale and Voting of Purchased, Redeemed or Otherwise Acquired Shares**

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (1) is not entitled to vote the share at a meeting of its shareholders;
- (2) must not pay a dividend in respect of the share; and
- (3) must not make any other distribution in respect of the share.

**ARTICLE 8  
BORROWING POWERS**

**Section 8.1 Borrowing Powers**

The Company, if authorized by the board, may:

- (1) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the board considers appropriate;
- (2) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person and at such discounts or premiums and on such other terms as the board considers appropriate;
- (3) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (4) mortgage, charge, whether by way of specific or floating charge, grant a security interest in, or give other security on, the whole or any part of the present and future assets and undertaking of the Company.

**ARTICLE 9  
ALTERATIONS**

**Section 9.1 Alteration of Authorized Share Structure**

Subject to Section 9.2, the special rights or restrictions attached to the shares of any class or series of shares and the BCA, the Company may:

- (1) by ordinary resolution;
  - (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares are allotted or issued, eliminate that class or series of shares;
  - (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;
  - (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
  - (d) if the Company is authorized to issue shares of a class of shares with par value:
    - (i) decrease the par value of those shares; or
    - (ii) if none of the shares of that class of shares are allotted or issued, increase the par value of those shares;
  - (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
  - (f) alter the identifying name of any of its shares; or
  - (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the BCA;

and, if applicable, alter its Notice of Articles and, if applicable, its Articles, accordingly; or

- (2) by directors' resolution, subdivide or consolidate all or any of its unissued, or fully paid issued, shares and if applicable, alter its Notice of Articles and, if applicable, its Articles accordingly.

### **Section 9.2 Special Rights or Restrictions**

Subject to the special rights or restrictions attached to the shares of any class or series of shares and the BCA, the Company may by ordinary resolution:

- (1) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (2) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued;

and alter its Articles and Notice of Articles accordingly.

### **Section 9.3 No Interference with Class or Series Rights without Consent**

A right or special right attached to issued shares must not be prejudiced or interfered with under the BCA, the Notice of Articles or these Articles unless the holders of shares of the class or series of shares to which the right or special right is attached consent by a special separate resolution of the holders of such class or series of shares.

#### **Section 9.4 Change of Name**

The Company may by directors' resolution or ordinary resolution authorize an alteration to its Notice of Articles in order to change its name.

#### **Section 9.5 Other Alterations**

If the BCA does not specify the type of resolution and these Articles do not specify another type of resolution, the Company may by ordinary resolution alter these Articles.

### **ARTICLE 10 MEETINGS OF SHAREHOLDERS**

#### **Section 10.1 Annual General Meetings**

Unless an annual general meeting is deferred or waived in accordance with the BCA, the Company must hold its first annual general meeting within 18 months after the date on which it was incorporated or otherwise recognized, and after that must hold an annual general meeting at least once in each calendar year and not more than 15 months after the last annual reference date at such time and place, either in or outside British Columbia, as may be determined by the board.

#### **Section 10.2 Resolution Instead of Annual General Meeting**

If all the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Section 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

#### **Section 10.3 Calling of Meetings of Shareholders**

The board may, at any time, call a meeting of shareholders, to be held at such time and at such place, either in or outside British Columbia, as may be determined by the board.

#### **Section 10.4 Electronic Meetings**

The board may determine that a meeting of shareholders shall be held entirely by means of telephone, electronic or other communications facilities that permit all participants to communicate with each other during the meeting. A meeting of shareholders may also be held at which some, but not necessarily all, persons entitled to attend may participate by means of such communications facilities, if the board determines to make them available. A person participating in a meeting by such means is deemed to be present at the meeting.

#### **Section 10.5 Notice for Meetings of Shareholders**

The Company must send notice of the date, time and location of any meeting of shareholders (including, without limitation, any notice specifying the intention to propose a resolution as an exceptional resolution, a special resolution or a special separate resolution, and any notice to consider approving an amalgamation into a foreign jurisdiction, an arrangement or the adoption of an amalgamation agreement, and any notice of a general meeting, class meeting or series meeting), in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

### **Section 10.6 Record Date for Notice**

The board may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the BCA, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

### **Section 10.7 Record Date for Voting**

The board may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the BCA, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

### **Section 10.8 Failure to Give Notice and Waiver of Notice**

The accidental omission to send notice of any meeting of shareholders to, or the non-receipt of any notice by, any of the persons entitled to notice does not invalidate any proceedings at that meeting. Any person entitled to notice of a meeting of shareholders may, in writing or otherwise, waive that entitlement or agree to reduce the period of that notice. Attendance of a person at a meeting of shareholders is a waiver of entitlement to notice of the meeting unless that person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

### **Section 10.9 Notice of Special Business at Meetings of Shareholders**

If a meeting of shareholders is to consider special business within the meaning of Section 11.1, the notice of meeting must:

- (1) state the general nature of the special business; and
- (2) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by shareholders:
  - (a) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and
  - (b) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

### **Section 10.10 Class Meetings and Series Meetings of Shareholders**

Unless otherwise specified in these Articles, the provisions of these Articles relating to a meeting of shareholders will apply with the necessary changes and so far as they are applicable, to a class meeting or series meeting of shareholders holding a particular class or series of shares.

### **Section 10.11 Notice of Dissent Rights**

The Company must send to each of its shareholders, whether or not their shares carry the right to vote, a notice of any meeting of shareholders at which a resolution entitling shareholders to dissent is to be considered specifying the date of the meeting and containing a statement advising of the right to send a notice of dissent together with a copy of the proposed resolution at least the following number of days before the meeting:

- (1) if and for so long as the Company is a public company, 21 days;
- (2) otherwise, 10 days.

## **ARTICLE 11 PROCEEDINGS AT MEETINGS OF SHAREHOLDERS**

### **Section 11.1 Special Business**

At a meeting of shareholders, the following business is special business:

- (1) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (2) at an annual general meeting, all business is special business except for the following:
  - (a) business relating to the conduct of or voting at the meeting;
  - (b) consideration of any financial statements of the Company presented to the meeting;
  - (c) consideration of any reports of the board or auditor;
  - (d) the setting or changing of the number of directors;
  - (e) the election or appointment of directors;
  - (f) the appointment of an auditor;
  - (g) the setting of the remuneration of an auditor;
  - (h) business arising out of a report of the board not requiring the passing of a special resolution or an exceptional resolution;
  - (i) any non-binding advisory vote; and
  - (j) any other business which, under these Articles or the BCA, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

### **Section 11.2 Special Majority**

The majority of votes required for the Company to pass a special resolution at a general meeting of shareholders is two-thirds of the votes cast on the resolution.

### **Section 11.3 Quorum**

Subject to the special rights or restrictions attached to the shares of any class or series of shares, a quorum for the transaction of business at a meeting of shareholders is present if shareholders who, in

the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting are present in person or represented by proxy, irrespective of the number of persons actually present at the meeting.

#### **Section 11.4 Persons Entitled to Attend Meeting**

In addition to those persons who are entitled to vote at a meeting of shareholders, the only other persons entitled to be present at the meeting are the directors, the officers, any lawyer for the Company, the auditor of the Company, any persons invited to be present at the meeting by the board or by the chair of the meeting and any other persons who, although not entitled to vote, are entitled or required under the BCA or these Articles to be present at the meeting; but if any of those persons does attend the meeting, that person is not to be counted in the quorum and is not entitled to vote at the meeting unless that person is a shareholder or proxy holder entitled to vote at the meeting.

#### **Section 11.5 Requirement of Quorum**

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting, but such quorum need not be present throughout the meeting.

#### **Section 11.6 Lack of Quorum**

If, within one-half hour from the time set for holding a meeting of shareholders, a quorum is not present:

- (1) in the case of a general meeting requisitioned by shareholders, the meeting is dissolved, and
- (2) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place.

#### **Section 11.7 Lack of Quorum at Succeeding Meeting**

If, at the meeting to which the meeting referred to in Section 11.6(2) was adjourned, a quorum is not present within one-half hour from the time set for holding the meeting, the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

#### **Section 11.8 Chair**

The following individual is entitled to preside as chair at a meeting of shareholders:

- (1) the chair of the board, if any; or
- (2) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

#### **Section 11.9 Selection of Alternate Chair**

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting. If all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

### **Section 11.10 Adjournments**

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

### **Section 11.11 Notice of Adjourned Meeting**

It is not necessary to give any notice of an adjourned meeting of shareholders or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

### **Section 11.12 Electronic Voting**

Any vote at a meeting of shareholders may be held entirely or partially by means of telephonic, electronic or other communications facilities if the directors determine to make them available whether or not persons entitled to attend participate in the meeting by means of telephonic, electronic or other communications facilities.

### **Section 11.13 Decisions by Show of Hands or Poll**

Subject to the BCA, every motion put to a vote at a meeting of shareholders will be decided on a show of hands or the functional equivalent of a show of hands by means of telephonic, electronic or other communications facilities, unless a poll, before or on the declaration of the result of the vote by show of hands (or its functional equivalent), is directed by the chair or demanded by any shareholder entitled to vote who is present in person or by proxy.

### **Section 11.14 Declaration of Result**

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands (or its functional equivalent) or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Section 11.13, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

### **Section 11.15 Motion Need Not be Seconded**

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

### **Section 11.16 Casting Vote**

In the case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

### **Section 11.17 Manner of Taking Poll**

Subject to Section 11.18, if a poll is duly demanded at a meeting of shareholders:

- (1) the poll must be taken:
  - (a) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
  - (b) in the manner, at the time and at the place that the chair of the meeting directs;

- (2) the result of the poll is deemed to be the decision of the meeting at which the poll is demanded;  
and
- (3) the demand for the poll may be withdrawn by the person who demanded it.

#### **Section 11.18 Demand for Poll on Adjournment**

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

#### **Section 11.19 Chair Must Resolve Dispute**

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

#### **Section 11.20 Casting of Votes**

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

#### **Section 11.21 No Demand for Poll on Election of Chair**

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

#### **Section 11.22 Demand for Poll Not to Prevent Continuance of Meeting**

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of the meeting for the transaction of any business other than the question on which a poll has been demanded.

#### **Section 11.23 Retention of Ballots and Proxies**

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during normal business hours by any shareholder or proxyholder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

## **ARTICLE 12 VOTES OF SHAREHOLDERS**

#### **Section 12.1 Number of Votes by Shareholder or by Shares**

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint shareholders under Section 12.3:

- (1) on a vote by show of hands (or its functional equivalent), every person present who is a shareholder or proxy holder and entitled to vote on the matter has one vote; and
- (2) on a poll, every shareholder entitled to vote on the matter has one vote in respect of each share entitled to be voted on the matter and held by that shareholder and may exercise that vote either in person or by proxy.

#### **Section 12.2 Votes of Persons in Representative Capacity**

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the board, that the person is a legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

### **Section 12.3 Votes by Joint Holders**

If there are joint shareholders registered in respect of any share:

- (1) any one of the joint shareholders may vote at any meeting of shareholders, personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (2) if more than one of the joint shareholders is present at any meeting of shareholders, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

### **Section 12.4 Legal Personal Representatives as Joint Shareholders**

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Section 12.3, deemed to be joint shareholders registered in respect of that share.

### **Section 12.5 Representative of a Corporate Shareholder**

If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (1) for that purpose, the instrument appointing a representative must be received:
  - (a) at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
  - (b) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting;
- (2) if a representative is appointed under this Section 12.5:
  - (a) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
  - (b) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

### **Section 12.6 When Proxy Holder Need Not Be Shareholder**

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (1) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Section 12.5;
- (2) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;

- (3) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or
- (4) the Company is a public company.

### **Section 12.7 When Proxy Provisions Do Not Apply to the Company**

If and for so long as the Company is a public company, Section 12.8 to Section 12.16 apply only insofar as they are not inconsistent with any Canadian securities legislation applicable to the Company, any U.S. securities legislation applicable to the Company or any rules of an exchange on which securities of the Company are listed.

### **Section 12.8 Appointment of Proxy Holders**

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders may, by proxy, appoint one or more proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy. The instructing of proxy holders may be carried out by means of telephonic, electronic or other communications facility in addition to or in substitution for instructing proxy holders by mail.

### **Section 12.9 Alternate Proxy Holders**

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

### **Section 12.10 Deposit of Proxy**

Subject to Section 12.13 and Section 12.15, a proxy for a meeting of shareholders must:

- (1) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting or any adjourned meeting; or
- (2) unless the notice provides otherwise, be received, at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting or by a person designated by the chair of the meeting or adjourned meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages or by using such available telephone or internet voting services as may be approved by the board.

### **Section 12.11 Validity of Proxy Vote**

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (1) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

**Section 12.12 Form of Proxy**

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the board or the chair of the meeting:

[name of company]

(the "Company")

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders of the Company to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the undersigned):

\_\_\_\_\_

\_\_\_\_\_  
Signed [month, day, year]

\_\_\_\_\_  
[Signature of shareholder]

\_\_\_\_\_  
[Name of shareholder - printed]

**Section 12.13 Revocation of Proxy**

Subject to Section 12.14 and Section 12.15, every proxy may be revoked by an instrument in writing that is received:

- (1) at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting or any adjourned meeting at which the proxy is to be used; or
- (2) at the meeting or any adjourned meeting, by the chair of the meeting or adjourned meeting, before any vote in respect of which the proxy has been given has been taken.

**Section 12.14 Revocation of Proxy Must Be Signed**

An instrument referred to in Section 12.13 must be signed as follows:

- (1) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy; or
- (2) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Section 12.5.

**Section 12.15 Chair May Determine Validity of Proxy.**

The chair of any meeting of shareholders may, at his or her sole discretion, determine whether or not a proxy deposited for use at the meeting, which may not strictly comply with the requirements of this Article 12 as to form, execution, accompanying documentation, time of filing or otherwise, shall be valid

for use at the meeting, and any such determination made in good faith shall be final, conclusive and binding upon the meeting.

#### **Section 12.16 Production of Evidence of Authority to Vote**

The board or the chair of any meeting of shareholders may, but need not, at any time (including before, at or subsequent to the meeting), inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence for the purposes of determining a person's share ownership as at the relevant record date and the authority to vote.

### **ARTICLE 13 DIRECTORS**

#### **Section 13.1 Number of Directors**

- (1) The number of directors is the number determined from time to time by directors' resolution or by ordinary resolution.
- (2) If the number of directors has not been determined as provided in paragraph (1), the number of directors is equal to the number of directors designated as directors in the Notice of Articles that applied when the Company was recognized under the BCA or the number of directors holding office immediately following the most recent election or appointment of directors, whether at an annual or special general meeting of the shareholders, by a consent resolution of shareholders, or by the directors pursuant to Section 14.4, Section 14.5 or Section 14.8.
- (3) Notwithstanding paragraph (2), the minimum number of directors is one or, if the company is a public company, three.

#### **Section 13.2 Change in Number of Directors**

If the number of directors is set under Section 13.1(1):

- (1) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number; and
- (2) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number at the first meeting of shareholders following the setting of that number, then the board, subject to Section 14.8, may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

No decrease in the number of directors will shorten the term of an incumbent director.

#### **Section 13.3 Board's Acts Valid Despite Vacancy**

An act or proceeding of the board is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

#### **Section 13.4 Qualifications of Directors**

A director is not required to hold a share of the Company as qualification for his or her office but must be qualified as required by the BCA to become, act or continue to act as a director.

#### **Section 13.5 Remuneration of Directors**

The directors are entitled to the remuneration for acting as directors, if any, as the board may from time to time determine. If the board so decides, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

### **Section 13.6 Reimbursement of Expenses of Directors**

The Company must reimburse each director for the reasonable expenses that he or she may incur in and about the business of the Company.

### **Section 13.7 Special Remuneration for Directors**

If any director performs any professional or other services for the Company that in the opinion of the board are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the board, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

### **Section 13.8 Gratuity, Pension or Allowance on Retirement of Director**

Unless otherwise determined by ordinary resolution, the board on behalf of the Company may pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

## **ARTICLE 14 ELECTION AND REMOVAL OF DIRECTORS**

### **Section 14.1 Election at Annual General Meeting**

At every annual general meeting and in every unanimous resolution contemplated by Section 10.2:

- (1) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (2) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (1) but are eligible for re-election or re-appointment.

### **Section 14.2 Consent to be a Director**

No election, appointment or designation of an individual as a director is valid unless:

- (1) that individual consents to be a director in the manner provided for in the BCA;
- (2) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director; or
- (3) with respect to first directors, the designation is otherwise valid under the BCA.

### **Section 14.3 Failure to Elect or Appoint Directors**

If:

- (1) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Section 10.2, on or before the date by which the annual general meeting is required to be held under the BCA; or
- (2) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Section 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (3) when his or her successor is elected or appointed; and
- (4) when he or she otherwise ceases to hold office under the BCA or these Articles.

#### **Section 14.4 Places of Retiring Directors Not Filled**

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose.

#### **Section 14.5 Board May Fill Casual Vacancies**

Any casual vacancy occurring in the board of directors may be filled by the remaining directors. For greater certainty, the appointment of a director to fill a casual vacancy as contemplated by this section is not the appointment of an additional director for the purposes of Section 14.8.

#### **Section 14.6 Remaining Directors' Power to Act**

The board may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the board may only act for the purpose of:

- (1) appointing directors up to that number; or
- (2) calling a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the BCA, for any other purpose.

#### **Section 14.7 Shareholders May Fill Vacancies**

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

#### **Section 14.8 Additional Directors**

Notwithstanding Section 13.1 and Section 13.2, between annual general meetings or unanimous resolutions contemplated by Section 10.2, the board may appoint one or more additional directors, but the number of additional directors appointed under this Section 14.8 must not at any time exceed:

- (1) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (2) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Section 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Section 14.1(1), but is eligible for re-election or re-appointment.

#### **Section 14.9 Ceasing to be a Director**

A director ceases to be a director when:

- (1) the term of office of the director expires;
- (2) the director dies;

- (3) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (4) the director is removed from office pursuant to Section 14.10 or Section 14.11.

#### **Section 14.10 Removal of Director by Shareholders**

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the board may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

#### **Section 14.11 Removal of Director by Directors**

The board may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company in accordance with the BCA and does not promptly resign, and the board may appoint a director to fill the resulting vacancy.

### **ARTICLE 15 ALTERNATE DIRECTORS**

#### **Section 15.1 Application**

The provisions of this Article 15 do not apply to the Company and its directors if and for so long as it is a public company.

#### **Section 15.2 Appointment of Alternate Director**

Any director (an "**appointor**") may by notice in writing received by the Company appoint any person (an "**appointee**") who is qualified to act as a director to be his or her alternate to act in his or her place at meetings of the board or committees of the board at which the appointor is not present unless (in the case of an appointee who is not a director) the board has reasonably disapproved the appointment of such person as an alternate director and has given notice to that effect to his or her appointor within a reasonable time after the notice of appointment is received by the Company.

#### **Section 15.3 Notice of Meetings**

Every alternate director so appointed is entitled to notice of meetings of the board and of committees of the board of which his or her appointor is a member and to attend and vote as a director at any such meetings at which his or her appointor is not present.

#### **Section 15.4 Alternate for More Than One Director Attending Meetings**

A person may be appointed as an alternate director by more than one director, and an alternate director:

- (1) will be counted in determining the quorum for a meeting of the board once for each of his or her appointors and, in the case of an appointee who is also a director, once more in that capacity;
- (2) has a separate vote at a meeting of the board for each of his or her appointors and, in the case of an appointee who is also a director, an additional vote in that capacity;
- (3) will be counted in determining the quorum for a meeting of a committee of the board once for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, once more in that capacity; and

- (4) has a separate vote at a meeting of a committee of the board for each of his or her appointors who is a member of that committee and, in the case of an appointee who is also a member of that committee as a director, an additional vote in that capacity.

#### **Section 15.5 Consent Resolutions**

Every alternate director, if authorized by the notice appointing him or her, may sign in place of his or her appointor any resolutions to be consented to in writing.

#### **Section 15.6 Alternate Director Not an Agent**

Every alternate director is deemed not to be the agent of his or her appointor.

#### **Section 15.7 Revocation of Appointment of Alternate Director**

An appointor may at any time, by notice in writing received by the Company, revoke the appointment of an alternate director appointed by him or her.

#### **Section 15.8 Ceasing to be an Alternate Director**

The appointment of an alternate director ceases when:

- (1) his or her appointor ceases to be a director and is not promptly re-elected or re-appointed;
- (2) the alternate director dies;
- (3) the alternate director resigns as an alternate director by notice in writing provided to the Company or a lawyer for the Company;
- (4) the alternate director ceases to be qualified to act as a director; or
- (5) his or her appointor revokes the appointment of the alternate director.

#### **Section 15.9 Remuneration and Expenses of Alternate Director**

The Company may reimburse an alternate director for the reasonable expenses that would be properly reimbursed if he or she were a director, and the alternate director is entitled to receive from the Company such proportion, if any, of the remuneration otherwise payable to the appointor as the appointor may from time to time direct.

### **ARTICLE 16 POWERS AND DUTIES OF THE BOARD**

#### **Section 16.1 Powers of Management**

The board must, subject to the BCA and these Articles, manage or supervise the management of the business and affairs of the Company and has the authority to exercise all such powers of the Company as are not, by the BCA or by these Articles, required to be exercised by the shareholders of the Company.

#### **Section 16.2 Appointment of Attorney of Company**

The board may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the board, to appoint or remove officers appointed by the board and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the board may think fit. Any such power of attorney

may contain such provisions for the protection or convenience of persons dealing with such attorney as the board thinks fit. Any such attorney may be authorized by the board to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

## **ARTICLE 17 INTERESTS OF DIRECTORS AND OFFICERS**

### **Section 17.1 Obligation to Account for Profits**

A director or senior officer who holds a disclosable interest (as that term is used in the BCA) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the BCA.

### **Section 17.2 Restrictions on Voting by Reason of Interest**

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

### **Section 17.3 Interested Director Counted in Quorum**

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of the board at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

### **Section 17.4 Disclosure of Conflict of Interest or Property**

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the BCA.

### **Section 17.5 Director Holding Other Office in the Company**

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the board may determine.

### **Section 17.6 No Disqualification**

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

### **Section 17.7 Professional Services by Director or Officer**

Subject to the BCA, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

### **Section 17.8 Director or Officer in Other Corporations**

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the

BCA, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

## **ARTICLE 18 PROCEEDINGS OF THE BOARD**

### **Section 18.1 Meetings of the Board**

The board may meet for the conduct of business, adjourn and otherwise regulate its meetings as the board thinks fit, and meetings of the board held at regular intervals may be held at the place, at the time and on the notice, if any, as the board may from time to time determine.

### **Section 18.2 Voting at Meetings**

Questions arising at any meeting of the board are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

### **Section 18.3 Chair of Meetings**

The following individual is entitled to preside as chair at a meeting of the board:

- (1) the chair of the board, if any;
- (2) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (3) any other director chosen by the directors present if:
  - (a) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;
  - (b) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
  - (c) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

### **Section 18.4 Meetings by Telephone or Other Communications Medium**

A director may participate in a meeting of the board or of any committee of the board:

- (1) in person;
- (2) by telephone; or
- (3) with the consent of all directors who wish to participate in the meeting, by other communications medium;

if all directors participating in the meeting, whether in person, or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Section 18.4 is deemed for all purposes of the BCA and these Articles to be present at the meeting and to have agreed to participate in that manner.

### **Section 18.5 Calling of Meetings**

A director may, and the secretary or an assistant secretary of the Company, if any, on the request of a director must, call a meeting of the board at any time.

### **Section 18.6 Notice of Meetings**

Other than for meetings held at regular intervals as determined by the board pursuant to Section 18.1 or as provided in Section 18.7, reasonable notice of each meeting of the board, specifying the place, day and time of that meeting must be given to each of the directors and the alternate directors by any method set out in Section 24.1 or orally or by telephone conversation with that director.

### **Section 18.7 When Notice Not Required**

It is not necessary to give notice of a meeting of the board to a director or an alternate director if:

- (1) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed, or is the meeting of the board at which that director is appointed; or
- (2) the director or alternate director, as the case may be, has waived notice of the meeting.

### **Section 18.8 Meeting Valid Despite Failure to Give Notice**

The accidental omission to give notice of any meeting of the board to, or the non-receipt of any notice by, any director or alternate director, does not invalidate any proceedings at that meeting.

### **Section 18.9 Waiver of Notice of Meetings**

Any director or alternate director may send to the Company a document signed by him or her waiving notice of any past, present or future meeting or meetings of the board and may at any time withdraw that waiver with respect to meetings held after that withdrawal. After sending a waiver with respect to all future meetings and until that waiver is withdrawn, no notice of any meeting of the board need be given to that director or, unless the director otherwise requires by notice in writing to the Company, to his or her alternate director, and all meetings of the board so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director or alternate director.

Attendance of a director or alternate director at a meeting of the board is a waiver of notice of the meeting, unless that director or alternate director attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

### **Section 18.10 Quorum**

The quorum necessary for the transaction of the business at a meeting of the board may be set by the board and, if not so set, is deemed to be set at a majority of the number of directors then in office. If the number of directors is set at one, the quorum is deemed to be set at one director, and that director may constitute a meeting.

### **Section 18.11 Validity of Acts Where Appointment Defective**

Subject to the BCA, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

### **Section 18.12 Consent Resolutions in Writing**

A resolution of the board or of any committee of the board may be passed without a meeting:

- (1) in all cases, if each of the directors entitled to vote on the resolution consents to it in writing; or
- (2) in the case of a resolution to approve a contract or transaction in respect of which a director has disclosed that he or she has or may have a disclosable interest, if each of the other directors who have not made such a disclosure consents in writing to the resolution.

A consent in writing under this Section 18.12 may be by any written instrument, fax, e-mail or any other method of transmitting legibly recorded messages in which the consent of the director is evidenced,

whether or not the signature of the director is included in the record. A consent in writing may be in two or more counterparts which together are deemed to constitute one consent in writing. A resolution of the board or of any committee of the board passed in accordance with this Section 18.12 is effective on the date stated in the consent in writing or on the latest date stated on any counterpart and is deemed to be a proceeding at a meeting of the board or of the committee of the board and to be as valid and effective as if it had been passed at a meeting of the board or of the committee of the board that satisfies all the requirements of the BCA and all the requirements of these Articles relating to meetings of the board or of a committee of the board.

## **ARTICLE 19 EXECUTIVE AND OTHER COMMITTEES**

### **Section 19.1 Appointment and Powers of Executive Committee**

The board may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and during the intervals between meetings of the board all of the board's powers are delegated to the executive committee, except:

- (1) the power to fill vacancies in the board of directors;
- (2) the power to remove a director;
- (3) the power to change the membership of, or fill vacancies in, any committee of the board; and
- (4) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

### **Section 19.2 Appointment and Powers of Other Committees**

The board may, by resolution:

- (1) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (2) delegate to a committee appointed under paragraph (1) any of the board's powers, except:
  - (a) the power to fill vacancies in the board of directors;
  - (b) the power to remove a director;
  - (c) the power to change the membership of, or fill vacancies in, any committee of the board; and
  - (d) the power to appoint or remove officers appointed by the board; and
- (3) make any delegation referred to in paragraph (2) subject to the conditions set out in the resolution or any subsequent directors' resolution.

### **Section 19.3 Obligations of Committees**

Any committee appointed under Section 19.1 or Section 19.2, in the exercise of the powers delegated to it, must:

- (1) conform to any rules that may from time to time be imposed on it by the board; and
- (2) report every act or thing done in exercise of those powers at such times as the board may require.

#### **Section 19.4 Powers of Board**

The board may, at any time, with respect to a committee appointed under Section 19.1 or Section 19.2:

- (1) revoke or alter the authority given to the committee, or override a decision made by the committee, except as to acts done before such revocation, alteration or overriding;
- (2) terminate the appointment of, or change the membership of, the committee; and
- (3) fill vacancies in the committee.

#### **Section 19.5 Committee Meetings**

Subject to Section 19.3(1) and unless the board otherwise provides in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Section 19.1 or Section 19.2:

- (1) the committee may meet and adjourn as it thinks proper;
- (2) the committee may elect a chair of its meetings but, if no chair of a meeting is elected, or if at a meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (3) a majority of the members of the committee constitutes a quorum of the committee; and
- (4) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

### **ARTICLE 20 OFFICERS**

#### **Section 20.1 Board May Appoint Officers**

The board may, from time to time, appoint such officers, if any, as the board determines and the board may, at any time, terminate any such appointment.

#### **Section 20.2 Functions, Duties and Powers of Officers**

The board may, for each officer:

- (1) determine the functions and duties of the officer;
- (2) delegate to the officer any of the powers exercisable by the board on such terms and conditions and with such restrictions as the board thinks fit; and
- (3) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

#### **Section 20.3 Qualifications**

No officer may be appointed unless that officer is qualified in accordance with the BCA. One person may hold more than one position as an officer of the Company. Any person appointed as the chair of the board must be a director. Any other officer need not be a director.

#### **Section 20.4 Remuneration and Terms of Appointment**

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the board thinks fit and are subject to termination at the pleasure of the board, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

### **ARTICLE 21 INDEMNIFICATION**

#### **Section 21.1 Definitions**

In this Article 21:

- (1) **"eligible penalty"** means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (2) **"eligible proceeding"** means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director, alternate director, officer or former officer of the Company (each, an **"eligible party"**) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director or alternate director or officer of the Company:
  - (a) is or may be joined as a party; or
  - (b) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (3) **"expenses"** has the meaning set out in the BCA; and
- (4) **"officer"** means a person appointed by the board as an officer of the Company.

#### **Section 21.2 Mandatory Indemnification of Eligible Parties**

Subject to the BCA, the Company must indemnify an eligible party and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director, alternate director and officer is deemed to have contracted with the Company on the terms of the indemnity contained in this Section 21.2.

#### **Section 21.3 Permitted Indemnification**

Notwithstanding Section 21.2 and subject to any restrictions in the BCA, the Company may indemnify any person including directors, officers, employees, agents and representatives of the Company.

#### **Section 21.4 Non-Compliance with BCA**

The failure of a director, alternate director or officer of the Company to comply with the BCA or these Articles or, if applicable, any former Articles, does not invalidate any indemnity to which he or she is entitled under this Article 21.

#### **Section 21.5 Company May Purchase Insurance**

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (1) is or was a director, alternate director, officer, employee or agent of the Company;
- (2) is or was a director, alternate director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (3) at the request of the Company, is or was a director, alternate director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (4) at the request of the Company, holds or held a position equivalent to that of a director, alternate director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, alternate director, officer, employee or agent or person who holds or held such equivalent position.

## **ARTICLE 22 DIVIDENDS**

### **Section 22.1 Payment of Dividends Subject to Special Rights**

The provisions of this Article 22 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

### **Section 22.2 Declaration of Dividends**

Subject to the BCA, the board may from time to time declare and authorize payment of such dividends as it may consider appropriate.

### **Section 22.3 No Notice Required**

The board need not give notice to any shareholder of any declaration under Section 22.2.

### **Section 22.4 Record Date**

The board may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the board passes the resolution declaring the dividend.

### **Section 22.5 Manner of Paying Dividend**

A resolution declaring a dividend may direct payment of the dividend wholly or partly in money or by the distribution of specific assets or of fully paid shares or of bonds, debentures or other securities of the Company or any other corporation, or in any one or more of those ways.

### **Section 22.6 Settlement of Difficulties**

If any difficulty arises in regard to a distribution under Section 22.5, the board may settle the difficulty as it deems advisable, and, in particular, may:

- (1) set the value for distribution of specific assets;
- (2) determine that money in substitution for all or any part of the specific assets to which any shareholders are entitled may be paid to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (3) vest any such specific assets in trustees for the persons entitled to the dividend.

### **Section 22.7 When Dividend Payable**

Any dividend may be made payable on such date as is fixed by the board.

### **Section 22.8 Dividends to be Paid in Accordance with Number of Shares**

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

### **Section 22.9 Receipt by Joint Shareholders**

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

### **Section 22.10 Dividend Bears No Interest**

No dividend bears interest against the Company.

### **Section 22.11 Fractional Dividends**

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

### **Section 22.12 Payment of Dividends**

Any dividend or other distribution payable in respect of shares will be paid by cheque or by electronic means or by such other method as the directors may determine. The payment will be made to or to the order of each registered holder of shares in respect of which the payment is to be made. Cheques will be sent to the registered address of the shareholder, unless the shareholder otherwise directs. In the case of joint holders, the payment will be made to the order of all such joint holders and, if applicable, sent to them at the registered address of the joint shareholder who is first named on the central securities register, unless such joint holders otherwise direct. The sending of the cheque or the sending of the payment by electronic means or the sending of the payment by a method determined by the directors in an amount equal to the dividend or other distribution to be paid less any tax that the Company is required to withhold will satisfy and discharge the liability for the payment, unless payment is not made upon presentation, if applicable, or the amount of tax so deducted is not paid to the appropriate taxing authority.

### **Section 22.13 Capitalization of Retained Earnings or Surplus**

Notwithstanding anything contained in these Articles, the board may from time to time capitalize any retained earnings or surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the retained earnings or surplus so capitalized or any part thereof.

## **ARTICLE 23 ACCOUNTING RECORDS AND AUDITOR**

### **Section 23.1 Recording of Financial Affairs**

The board must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the BCA.

### **Section 23.2 Inspection of Accounting Records**

Unless the board determines otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

### **Section 23.3 Remuneration of Auditor**

The board may set the remuneration of the auditor of the Company.

## **ARTICLE 24 NOTICES**

### **Section 24.1 Method of Giving Notice**

Unless the BCA or these Articles provide otherwise, a notice, statement, report or other record required or permitted by the BCA or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (1) mail addressed to the person at the applicable address for that person as follows:
  - (a) for a record mailed to a shareholder, the shareholder's registered address;
  - (b) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
  - (c) in any other case, the mailing address of the intended recipient;
- (2) delivery at the applicable address for that person as follows, addressed to the person:
  - (a) for a record delivered to a shareholder, the shareholder's registered address;
  - (b) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
  - (c) in any other case, the delivery address of the intended recipient;
- (3) unless the intended recipient is the auditor of the Company, sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (4) unless the intended recipient is the auditor of the Company, sending the record by e-mail to the e-mail address provided by the intended recipient for the sending of that record or records of that class;
- (5) physical delivery to the intended recipient; or
- (6) as otherwise permitted by applicable securities legislation.

### **Section 24.2 Deemed Receipt**

A notice, statement, report or other record that is:

- (1) mailed to a person by ordinary mail to the applicable address for that person referred to in Section 24.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing;
- (2) faxed to a person to the fax number provided by that person referred to in Section 24.1 is deemed to be received by the person to whom it was faxed on the day it was faxed; and

- (3) e-mailed to a person to the e-mail address provided by that person referred to in Section 24.1 is deemed to be received by the person to whom it was e-mailed on the day it was e-mailed.

### **Section 24.3 Certificate of Sending**

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that capacity on behalf of the Company stating that a notice, statement, report or other record was sent in accordance with Section 24.1 is conclusive evidence of that fact.

### **Section 24.4 Notice to Joint Shareholders**

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing such record to the joint shareholder first named in the central securities register in respect of the share.

### **Section 24.5 Notice to Legal Personal Representatives and Trustees**

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (1) mailing the record, addressed to them:
  - (a) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
  - (b) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or
- (2) if an address referred to in paragraph (1)(b) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

### **Section 24.6 Undelivered Notices**

If, on two consecutive occasions, a notice, statement, report or other record is sent to a shareholder pursuant to Section 24.1 and on each of those occasions any such record is returned because the shareholder cannot be located, the Company shall not be required to send any further records to the shareholder until the shareholder informs the Company in writing of his or her new address.

## **ARTICLE 25 SEAL**

### **Section 25.1 Who May Attest Seal**

Except as provided in Section 25.2 and Section 25.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signatures of:

- (1) any two directors;
- (2) any officer, together with any director;
- (3) if the Company only has one director, that director; or
- (4) any one or more directors or officers or persons as may be determined by the board.

### **Section 25.2 Sealing Copies**

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Section 25.1, the impression of the seal may be attested by the signature of any director or officer or the signature of any other person as may be determined by the board.

### **Section 25.3 Mechanical Reproduction of Seal**

The board may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as the board may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the BCA or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and such persons as are authorized under Section 25.1 to attest the Company's seal may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

## **ARTICLE 26 PROHIBITIONS**

### **Section 26.1 Definitions**

In this Article 26:

- (1) **"security"** has the meaning assigned in the *Securities Act*;
- (2) **"transfer restricted security"** means
  - (a) a share of the Company;
  - (b) a security of the Company convertible into shares of the Company; or
  - (c) any other security of the Company which must be subject to restrictions on transfer in order for the Company to satisfy the requirement for restrictions on transfer under the "private issuer" exemption of Canadian securities legislation or under any other exemption from prospectus or registration requirements of Canadian securities legislation similar in scope and purpose to the "private issuer" exemption.

### **Section 26.2 Application**

Section 26.3 does not apply to the Company if and for so long as it is a public company.

**Section 26.3 Consent Required for Transfer of Shares or Transfer Restricted Securities**

No share or other transfer restricted security may be sold, transferred or otherwise disposed of unless:

(a) (i) the consent of the directors of the Company is obtained; or (ii) the consent of shareholders holding more than 66⅔% of the shares entitled to vote at such time is obtained; or

(b) in the case of securities other than shares, which are subject to restrictions on transfer contained in a securityholders' agreement, such restrictions on transfer are complied with.

The consent of the directors or the shareholders of the Company for the purposes of this section is evidenced by a resolution of the directors or shareholders, as the case may be, or by an instrument or instruments in writing signed by a majority of the directors, or by all of the shareholders.

Dated \_\_\_\_\_, 2025.

**SIGNATURE AND FULL NAME OF A  
PROPOSED DIRECTOR OF THE  
(AMALGAMATED) COMPANY**

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**SCHEDULE B  
FORM OF SECOND AMALGAMATION APPLICATION**

See attached.



Telephone: 1 877 526-1526 www.bcregistryservices.gov.bc.ca

DO NOT MAIL THIS FORM to the BC Registry Services unless you are instructed to do so by registry staff. The Regulation under the Business Corporations Act requires the electronic version of this form to be filed on the Internet at www.corporateonline.gov.bc.ca

Freedom of Information and Protection of Privacy Act (FOIPPA) Personal information provided on this form is collected, used and disclosed under the authority of the FOIPPA and the Business Corporations Act for the purposes of assessment. Questions regarding the collection, use and disclosure of personal information can be directed to the Executive Coordinator of the BC Registry Services at 1 877 526-1526, PO Box 9431 Stn Prov Govt, Victoria BC V8W 9V3.

A. AMALGAMATION TYPE – Please indicate if this application is for a Vertical or Horizontal Amalgamation

This is a vertical short form amalgamation under section 273 of the Business Corporations Act. The amalgamated company will adopt as its notice of articles, the notice of articles of the amalgamating holding corporation that is a company.

The name and incorporation number of the amalgamating holding corporation is:

Name: Railtown Capital Corp.

Incorporation number: BC 1254283

OR

This is a horizontal short form amalgamation under section 274 of the Business Corporations Act. The amalgamated company will adopt as its notice of articles, the notice of articles of the amalgamating company the shares of which are not to be cancelled.

The name and incorporation number of the amalgamating company the shares of which are not to be cancelled is:

Name:

Incorporation number:

B. AMALGAMATION STATEMENT – Please indicate the statement applicable to the amalgamation.

With Court Approval:

This amalgamation has been approved by the court and a copy of the entered court order approving the amalgamation has been obtained and has been deposited in the records office of each of the amalgamating companies.

OR

Without Court Approval:

This amalgamation has been effected without court approval. A copy of all the required affidavits under section 277(1) have been obtained and the affidavit obtained from each amalgamating company has been deposited in that company's records office.

C. AMALGAMATION EFFECTIVE DATE – Choose one of the following:

The amalgamation is to take effect at the time that this application is filed with the registrar.

The amalgamation is to take effect at 12:01 a.m. Pacific Time on \_\_\_\_\_ being a date that is not more than ten days after the date of the filing of this application.

The amalgamation is to take effect at \_\_\_\_\_ a.m. or \_\_\_\_\_ p.m. Pacific Time on \_\_\_\_\_ being a date and time that is not more than ten days after the date of the filing of this application.

**D. AMALGAMATING CORPORATIONS**

Enter the name of each amalgamating corporation below. For each company, enter the incorporation number. If this is a vertical amalgamation and an amalgamating corporation is a foreign corporation, enter the foreign corporation's jurisdiction and if registered in BC as an extraprovincial company, enter the extraprovincial company's registration number.

	NAME OF AMALGAMATING CORPORATION	BC INCORPORATION NUMBER, OR EXTRAPROVINCIAL REGISTRATION NUMBER IN BC	FOREIGN CORPORATION'S JURISDICTION
1.	1559261 B.C. LTD.	BC _____	
2.	RAILTOWN CAPITAL CORP.	BC1254283	

**E. FORMALITIES TO AMALGAMATION**

If this is a vertical amalgamation and an amalgamating corporation is a foreign corporation, section 275(1)(b) requires an authorization for the amalgamation from the foreign corporation's jurisdiction to be filed.

This is to confirm that each authorization for the amalgamation required under section 275(1)(b) is being submitted for filing concurrently with this application.

**F. CERTIFIED CORRECT – I have read this form and found it to be correct.**

This form must be signed by an authorized signing authority for each of the amalgamating companies as set out in Item D.

NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED (YYYY / MM / DD)
1. _____	1559261 B.C. LTD.  <b>X</b>	2025 / /
NAME OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	SIGNATURE OF AUTHORIZED SIGNING AUTHORITY FOR THE AMALGAMATING CORPORATION	DATE SIGNED (YYYY / MM / DD)
2. _____	RAILTOWN CAPITAL CORP.  <b>X</b>	2025 / /

**SCHEDULE C**  
**REPRESENTATIONS AND WARRANTIES OF RAILTOWN AND SUBCO**

1. **Organization and Qualification.**
  - (a) Each of Railtown and Subco is a corporation duly organized and validly existing under the Laws of the Province of British Columbia and has the corporate power and authority to own and operate its assets and conduct its business as now owned and conducted. Each of Railtown and Subco is duly qualified, licensed or registered to carry on business and is in good standing in each jurisdiction in which, to the knowledge of Railtown, the character of its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities makes such qualification necessary, and has all Authorizations required to own, lease and operate its properties and to carry on its business as now conducted.
  - (b) True and complete copies of the Constatng Documents of Railtown and Subco have been provided to Tiernan and no action has been taken by Railtown or Subco to amend or supersede such documents.
2. **Corporate Authorization.** Subject to the requisite shareholder and director approvals as specifically contemplated herein, each of Railtown and Subco has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution and delivery and performance by Railtown and Subco of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of Railtown and no other corporate proceedings on the part of Railtown or Subco are necessary to authorize this Agreement or the consummation of the Transaction other than approvals of the Railtown Shareholders and directors of Railtown as contemplated by this Agreement.
3. **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by Railtown and Subco, and constitutes a legal, valid and binding agreement of Railtown and Subco enforceable against Railtown and Subco in accordance with its terms subject only to any limitation under bankruptcy, insolvency or other Law affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
4. **Governmental Authorization.** The execution, delivery and performance by Railtown and Subco of this Agreement and the consummation by Railtown and Subco of the Transaction does not and will not require any Authorization or other action by or in respect of, or filing, recording, registering or publication with, or notification to, any Governmental Entity except that which may be required under Canadian Securities Laws and any approval or Authorization under the BCBCA that may be required for the Railtown Consolidation, the name change of Railtown, the Transaction and the Amalgamations, or such other Authorizations or other actions, filings, recordings, registrations or publications the failure of which to take or make would not have a Material Adverse Effect in respect of Railtown or Subco.
5. **No Conflict/Non-Contravention.** The execution, delivery and performance by Railtown and Subco of this Agreement and the consummation of the Transaction does not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):
  - (a) contravene, conflict with, or result in any violation or breach of the Constatng Documents of Railtown or Subco; and

- (b) assuming compliance with the matters referred to in paragraph (4) above, and subject to the receipt of the TSXV Approval, contravene, conflict with or result in a violation or breach of Law.
- 6. **Restrictions on Transaction.** Except to the extent that Railtown must comply with the TSXV Manual and Law, Railtown and Subco are not party to or bound or affected by any Contract which would prohibit or restrict Railtown or Subco from entering into this Agreement and completing the Transaction.
- 7. **Capitalization.**
  - (a) The authorized capital of Railtown consists of an unlimited number of Railtown Common Shares and unlimited number of preferred shares of Railtown. As of the close of business on the date of this Agreement, there were issued and outstanding 19,500,000 Railtown Common Shares (of which 5,660,000 Railtown Common Shares are held in escrow in accordance with the rules of the TSXV and will be released over a period of up to 18 months following completion of the Transaction). Other than restrictions imposed by the TSXV, all outstanding Railtown Common Shares have been duly authorized and validly issued, are fully paid and non-assessable. No Railtown Common Shares have been issued in violation of any Law or any pre-emptive or similar rights applicable to them. Subject to an escrow agreement entered into between certain Railtown Shareholders and Computershare Investor Services Inc., all Railtown Common Shares to be issued on the exercise of Railtown Options have been duly authorized and will be, when duly issued and paid for, validly issued as fully paid and non-assessable shares, and are not and will not be subject to, or issued in violation of, any pre-emptive rights.
  - (b) Other than: (i) 675,000 Railtown Options issued pursuant to the Railtown Option Plan exercisable for Railtown Common Shares at a price \$0.10 per Railtown Option expiring January 28, 2031 and 600,000 Railtown Options exercisable for Railtown Common Shares at a price \$0.53 per Railtown Option expiring March 3, 2034 (all of which Railtown Options are held in escrow and will be released over a period of up to eighteen (18) months following completion of the Transaction); and (ii) 500,000 Railtown Warrants exercisable for Railtown Common Shares at a price \$0.10 per Railtown Warrant and expiring on January 28, 2026 (all of which Railtown Warrants are held in escrow and will be released over a period of up to eighteen (18) months following completion of the Transaction), there are no issued, outstanding or authorized options, warrants, calls, conversion, pre-emptive, redemption, repurchase, stock appreciation or other rights, or any other agreements, transactions, instruments or commitments of any kind that obligate Railtown to, directly or indirectly, issue or sell any securities of Railtown, or give any Person a right to subscribe for or acquire, any securities of Railtown, or the value of which is based on the value of the securities of Railtown.
  - (c) Other than in connection with the Transaction, there are no issued, outstanding or authorized:
    - (i) obligations to repurchase, redeem or cause Railtown or Subco to otherwise acquire any securities of Railtown or Subco or qualify securities for public distribution in Canada or elsewhere, or, to the knowledge of Railtown, with respect to the voting or disposition of any securities of Railtown or Subco; or

- (ii) notes, bonds, debentures or other evidences of indebtedness or any other agreements, transactions, instruments or commitments of any kind that give any Person, directly or indirectly, the right to vote with holders of Railtown Common Shares or Subco Common Shares on any matter.

**8. Subsidiaries**

- (a) Except for its ownership of all of the outstanding Subco Common Shares, Railtown does not have any interest in any body corporate, partnership, joint ventures or other entity or Person.
- (b) All of the outstanding Subco Common Shares and other securities of Subco are validly issued and fully-paid and held directly or indirectly by Railtown, are free and clear of all encumbrances and no Person has any right for the purchase of any interest in such Subco Common Shares or other securities or for the issue or allotment of any unissued Subco Common Shares or other securities of Subco.
- (c) Subco does not have any interest in any body corporate, partnership, joint ventures or other entity or Person.

**9. Securities Law Matters.**

- (a) Railtown is a “reporting issuer” under Canadian Securities Laws in the Provinces of British Columbia and Alberta. The Railtown Common Shares are listed and posted for trading on the TSXV under the symbol “RLT.P”. Railtown is not in default under Canadian Securities Laws in any material respect.
- (b) Railtown has not taken any action to cease to be a reporting issuer in any province or territory nor has Railtown received notification from any Governmental Entity under Canadian Securities Laws seeking to revoke the reporting issuer status of Railtown. No delisting, suspension of trading or cease trade or other order or restriction with respect to any securities of Railtown is pending, in effect, has been threatened, or, to the knowledge of Railtown, is expected to be implemented or undertaken, and, to its knowledge, Railtown is not subject to any formal or informal review, enquiry, investigation or other proceeding relating to any such order or restriction.
- (c) Since its incorporation, other than as disclosed to Tiernan in writing, Railtown has timely filed or furnished all forms, reports, schedules, statements and other documents required to be filed or furnished by Railtown with any Governmental Entity under Canadian Securities Laws (including “documents affecting the rights of security holders” and “material contracts” required to be filed by Part 12 of NI 51-102). The documents comprising Railtown’s Filings as filed complied in all material respects with Law and did not, other than, in the case of the Filing Statement, with respect to information furnished by Tiernan, as of the date filed (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such filing), contain any Misrepresentation.
- (d) Railtown has not filed any confidential material change report (which at the date of this Agreement remains confidential) or any other confidential filings (including fully redacted filings) filed to or furnished with, as applicable, any Securities Authority. There are no outstanding or unresolved comments in comment letters from any Securities Authority or the TSXV with respect to any of the Filings and, to the knowledge of

Railtown, neither Railtown nor any of the Filings is the subject of an ongoing audit, review, comment or investigation by any Securities Authority or the TSXV.

- (e) Except as set forth above, Railtown is not subject to continuous disclosure or other public reporting requirements under any securities Laws including, without limitation, U.S. Securities Laws.
  - (f) The Railtown Common Shares are listed on the TSXV and, except for such listing and trading, no securities of Railtown, are listed or quoted for trading on any other stock or securities exchange or market. No order, ruling or determination having the effect of ceasing or suspending trading in any securities of Railtown has been issued and no proceedings for such purpose are, to its knowledge, pending or threatened. Other than as a result of this Agreement, neither Railtown nor Subco has taken any action which would be reasonably expected to result in the delisting or suspension of the Railtown Common Shares on or from the TSXV.
  - (g) To its knowledge, Railtown is in compliance with all published policies and requirements of the TSXV, including Policy 2.4 of the TSXV Manual, and has not carried on any business or activities except as permitted thereby.
10. **Share Issuance.** Subject to Canadian Securities Laws, Railtown has the full and lawful right and authority to issue Railtown Common Shares to the holders of Tiernan Common Shares pursuant to the First Amalgamation, and upon issuance, such shares will be validly issued as fully paid and non-assessable shares in the capital of Railtown, free and clear of all encumbrances.
  11. **Shareholder Approval.** To the knowledge of Railtown, none of the Non-Arm's Length Parties (as defined in the TSXV Manual) to Railtown have any direct or indirect interest in Tiernan or its assets, or any other relationship which would result in the Transaction requiring approval by Railtown Shareholders under the TSXV Manual.
  12. **Financial Statements.** The Railtown Financial Statements included in the Filings: (a) were prepared or shall be prepared, as applicable, in accordance with IFRS and Law; (b) complied or shall comply, as applicable, as to form in all material respects with applicable accounting requirements in Canada; and (c) fairly present or shall fairly present, as applicable, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), financial position, results of operations or financial performance and cash flows of Railtown as of their respective dates and the financial position, results of operations or financial performance and cash flows of Railtown for the respective periods covered by such financial statements (except as may be expressly indicated in the notes to such financial statements).
  13. **Auditors.** The auditors of Railtown are independent public accountants as required by Law and there is not now and there has not been, any reportable event (as defined in NI 51-102) with the present or any former auditors of Railtown.
  14. **Internal Controls.** Railtown maintains a system of internal accounting controls sufficient to provide reasonable assurances that: (a) transactions are executed in accordance with management's general or specific authorization; and (b) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets.
  15. **Absence of Changes.** Except as set out in the Railtown Financial Statements, since its incorporation there has not been any material adverse change in the results of operations,

financial condition, assets, properties, capital, liabilities (contingent or otherwise), cash flow or business operations of Railtown that would reasonably be expected to: (a) prevent, hinder or delay the consummation of the Transaction; or (b) have a Material Adverse Effect, except for a decrease in Railtown's working capital position.

16. **Ordinary Course.** Since its incorporation, Railtown has carried on no business other than that permitted by Policy 2.4 of the TSXV Manual. Except as set out in the Railtown Financial Statements and except for the Transaction, Railtown has carried on its business consistent with the practices of a Capital Pool Company in accordance with the TSXV Manual and Railtown has not carried on any business or entered into any material Contract, commitment or agreement other than as disclosed in the Filings.
17. **Liabilities.** Other than expenses incurred in connection with the Transaction and in the Ordinary Course of business, Railtown and Subco have no outstanding liabilities (accrued, absolute, contingent or otherwise), except as disclosed in the Railtown Financial Statements.
18. **Expenses and Obligations.** Railtown and Subco have no obligations or commitments to incur any expenses of any sort whatsoever from the date hereof until completion of the Transaction, other than fees payable in connection with Railtown's status as a reporting issuer on the TSXV, fees payable in accordance with the Letter of Intent, and subject to the terms of, this Agreement, and general administrative expenses consistent with past practice and expenses relating to the completion of the Transaction.
19. **Non-Arm's Length Transactions.** Except as disclosed in the Railtown Financial Statements:
  - (a) Railtown has not engaged in any transaction with, made any payment or loan to, or borrowed any monies from or is otherwise indebted to, any director, officer, Employee or shareholder of Railtown or any other Person with whom Railtown is not dealing at arm's length (within the meaning of the Tax Act) or any affiliate of any of the foregoing, except for amounts due as normal compensation or reimbursement of ordinary business expenses; and
  - (b) Railtown is not a party to any Contract or agreement with any director, officer, Employee, or shareholder of Railtown or any other Person with whom Railtown is not dealing at arm's length (within the meaning of the Tax Act) or any affiliate of any of the foregoing, other than employment agreements entered into in the Ordinary Course of business (and matters related thereto) and agreements evidencing the Railtown Options.
20. **No Guarantees.** Neither Railtown nor Subco is bound by any Contract, assurance, bond, undertaking or guarantee under or pursuant to which it has guaranteed or endorsed the debts, obligations or liabilities of any other Person, except as disclosed in the Railtown Financial Statements.
21. **Off Balance Sheet Transactions.** Neither Railtown nor Subco is party to or bound by any "off-balance sheet" transactions.
22. **Insurance.** Neither Railtown nor Subco has (nor has it ever had) any insurance of any nature whatsoever relating to it, its assets, its business, or its directors or officers.
23. **Compliance with Laws.** To the knowledge of Railtown, each of Railtown and Subco is and has been since incorporation in compliance in all material respects with Law and Railtown is not conducting its business so as to violate any such Laws in any material respect.

24. **Brokers and Finders' Fees.** No investment banker, broker, finder, financial adviser or other intermediary has been retained by or is authorized to act on behalf of Railtown or any of its officers or directors, or is entitled to any fee, commission or other payment from Railtown or any of its officers or directors, in connection with the Transaction.
25. **Board Approval.** The board of directors of Railtown has unanimously and the sole director of Subco has authorized the entering into of this Agreement and the performance by Railtown and Subco of their respective obligations under this Agreement, and no action has been taken to amend, or supersede such determinations, resolutions, or authorizations.
26. **Employment Matters**
- (a) Railtown and Subco do not have now, nor have they ever had, any Employees or independent contractors (other than legal and accounting professional advisors engaged by Railtown or Subco).
  - (b) There are no Contracts, written or oral, between Railtown or Subco and any other party, relating to payment, remuneration or compensation for work performed or services provided (other than legal and accounting professional advisors and the transfer agent and registrar engaged by Railtown or Subco) that would require any payment to be made as a result of the completion of the Transaction.
  - (c) Except for the Railtown Option Plan, a copy of which has been provided to Tiernan, Railtown does not have any Employee Plans of any nature whatsoever nor has it ever had any such plans.
  - (d) There are no actions, suits or claims pending, threatened or reasonably anticipated for common law reasonable notice or as against any Employee Plan or its assets, and there are no audits, inquiries or proceedings pending or, to the knowledge of Railtown, threatened by any Governmental Entity with respect to any Employee Plan, which in either case reasonably could be expected to result in material liability to Railtown.
27. **Contracts, etc.**
- (a) Except as disclosed to Tiernan in writing and as will be disclosed in the Filing Document, Railtown and Subco have not entered into any material Contract as at the date hereof.
  - (b) Other than the material Contracts noted in (a) above, neither Railtown nor Subco is party to any Contract, the termination, expiry or non-renewal of which would reasonably be expected to have a Material Adverse Effect.
  - (c) To the knowledge of Railtown, no consent, approval or waiver is required pursuant to the terms of any material Contract to which Railtown or Subco is a party for the valid execution, delivery and performance of its obligations under this Agreement or the completion of the Transaction pursuant to this Agreement.
  - (d) To the knowledge of Railtown, no event has occurred which, with the giving of notice, the passing of time or both, would constitute an event of default by any other party to any material Contract. To the knowledge of Railtown, neither Railtown nor Subco is alleged to be in default of any provision of any Contracts to which it is a party, and Railtown is not aware of any disputes with respect thereto.

- (e) Neither Railtown nor Subco is bound by any Contract, assurance, bond, undertaking or guarantee under or pursuant to which it has guaranteed or endorsed the debts, obligations or liabilities of any other Person.
  - (f) Except to the extent that Railtown must comply with the TSXV Manual, neither Railtown nor Subco is a party to or bound or affected by any commitment, Contract or document containing any covenant which in any way expressly limits the freedom of Railtown or Subco to compete in any line of business, or to use, transfer or move any of its assets or operations, or which materially or adversely affects the business practices, operations or condition of Railtown or Subco, respectively, and taken as a whole.
  - (g) To the knowledge of Railtown, all material Contracts to which Railtown or Subco are party are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms except as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other Laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principals when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by Law.
  - (h) To the knowledge of Railtown, Railtown and Subco are not a party to any material disputes with respect to any material Contracts to which they are party.
28. **Assets and Properties.** Railtown and Subco have no material assets and properties except as set forth in the Railtown Financial Statements.
29. **Litigation.**
- (a) There is no claim, action, inquiry, proceeding or investigation in effect or ongoing or, to the knowledge of Railtown, pending or threatened against or relating to Railtown or Subco or their respective businesses or affecting any of their respective current or former assets. To the knowledge of Railtown, there is no such claim, action, inquiry, proceeding or investigation that, if determined adverse to the interests of Railtown or Subco, would have, or reasonably could be expected to: (i) have a Material Adverse Effect in respect of Railtown or Subco; (ii) prevent, hinder or delay the consummation of the Transaction; or (iii) affect the ability of Tiernan to own or operate the business of Railtown or Subco upon completion of the Transaction, nor are there any events or circumstances which could reasonably be expected to give rise to any such claim, action, proceeding or investigation.
  - (b) Neither Railtown nor Subco is insolvent within the meaning of applicable bankruptcy, insolvency or fraudulent conveyance Laws. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Railtown, threatened against or relating to Railtown or Subco before any Governmental Entity.
  - (c) To the knowledge of Railtown, neither Railtown nor Subco is subject to any outstanding order, writ, injunction or decree which has had or is reasonably likely to have, a Material Adverse Effect in respect of Railtown or Subco or which would prevent or delay the consummation of the Transaction.

30. **Taxes.**

- (a) Railtown and Subco have paid all Taxes which are due and payable within the time required by Law, and have paid all assessments and reassessments they have received in respect of Taxes. Railtown and Subco have made full and adequate provision in the books and records and interim financial statements of Railtown and Subco for all Taxes which are not yet due and payable but which relate to periods ending on or before the Effective Date. Railtown and Subco have not received any refund of Taxes to which they are not entitled.
- (b) All income Tax Returns and other material Tax Returns required to be filed by Railtown and Subco prior to the date hereof have been filed and such Tax Returns were true, complete and correct in all material respects.
- (c) As of the date of this Agreement, there are no claims, actions, suits, audits, proceedings, investigations or other action pending or, to the knowledge of Railtown, threatened against Railtown and Subco in respect of Taxes and, to the knowledge of Railtown, there is no reason to expect that any such claim, action, suit, audit, proceeding, investigation or other action may be asserted against Railtown or Subco by a Governmental Entity for any period ending on or prior to the Effective Date.

31. **U.S. Matters.**

- (a) Railtown is a Foreign Private Issuer.
- (b) Railtown is not registered and is not required to be registered as an “investment company”, as such term is defined in the United States Investment Company Act of 1940, as amended, under such Act.

32. **No Powers of Attorney.** There are no outstanding powers of attorney or other Authorizations granted by Railtown or Subco to any third party to bind Railtown to any Contract, liability or obligation.

33. **Books and Records.** The corporate records and minute books of Railtown and Subco contain or, at or prior to the Transaction will contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders since their respective dates of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed.

34. **Money Laundering.** The operations of Railtown and Subco are, and have been conducted at all times, in compliance in all material respects with applicable Money Laundering Laws and, to the knowledge of Railtown, no action, suit or proceeding by or before any court or Governmental Entity involving Railtown or Subco with respect to the Money Laundering Laws is pending or threatened.

35. **Anti-Corruption.** Neither Railtown, Subco nor to the knowledge of Railtown, any of their directors, Employees, Representatives or agents has: (a) used or is using any corporate funds for any illegal contributions, gifts, entertainment or other expenses relating to political activity that would be illegal; (b) used or is using any corporate funds for any direct or indirect illegal payments to any foreign or domestic governmental officials or Employees; (c) violated or is violating any provision of the United States *Foreign Corrupt Practices Act of 1977*, as amended or the *Corruption of Foreign Public Officials Act (Canada)*, or any Law of similar effect; (d) has established or maintained, or is maintaining, any illegal fund of corporate monies or other

properties; or (e) made any bribe, illegal rebate, illegal payoff, influence payment, kickback or other illegal payment of any nature.

**SCHEDULE D  
REPRESENTATIONS AND WARRANTIES OF TIERNAN**

1. **Organization and Qualification.**
  - (a) Tiernan is a corporation duly organized and validly existing under the Laws of the Province of British Columbia and has the corporate power and authority to own and operate its assets and conduct its business as now owned and conducted. Tiernan is duly qualified, licensed or registered to carry on business and is in good standing in each jurisdiction in which, to the knowledge of Tiernan, the character of its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities makes such qualification necessary, and has all Authorizations required to own, lease and operate its properties and to carry on its business as now conducted.
  - (b) True and complete copies of the Constatng Documents of Tiernan have been provided to Railtown and no action has been taken by Tiernan to amend or supersede such documents.
2. **Corporate Authorization.** Subject to the requisite shareholder approvals as specifically contemplated herein, Tiernan has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution and delivery and performance by Tiernan of this Agreement and the consummation of the Transaction have been duly authorized by all necessary corporate action on the part of Tiernan and no other corporate proceedings on the part of Tiernan are necessary to authorize this Agreement or the consummation of the Transaction other than approval by the Tiernan Shareholders in the manner required by this Agreement.
3. **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by Tiernan, and constitutes a legal, valid and binding agreement of Tiernan enforceable against Tiernan in accordance with its terms subject only to any limitation under bankruptcy, insolvency or other Law affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
4. **Governmental Authorization.** The execution, delivery and performance by Tiernan of this Agreement and the consummation by Tiernan of the Transaction does not and will not require any Authorization or other action by or in respect of, or filing, recording, registering or publication with, or notification to, any Governmental Entity except that which may be required under Canadian Securities Laws and any approval or Authorization under the BCBCA that may be required for the name change of Tiernan, the Transaction and the Amalgamations, or such other Authorizations or other actions, filings, recordings, registrations or publications or notifications the failure of which to take or make would not have a Material Adverse Effect in respect of Tiernan and its Subsidiaries on a consolidated basis.
5. **No Conflict/Non-Contravention.** The execution, delivery and performance by Tiernan of this Agreement and the consummation of the Transaction do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):
  - (a) contravene, conflict with, or result in any violation or breach of the Constatng Documents of Tiernan; and

- (b) assuming compliance with the matters referred to in paragraph (4) above, and subject to the receipt of the TSXV Approval, contravene, conflict with or result in a violation or breach of Law.

**6. Restrictions on Transaction.**

- (a) Except to the extent that Tiernan must comply with Law, neither Tiernan nor any Subsidiary is a party to or bound or affected by any Contract which would prohibit or restrict Tiernan from entering into this Agreement and completing the Transaction.
- (b) The execution and delivery by Tiernan of this Agreement and the performance by it of its obligations hereunder, and the completion of the Transaction will not result in a violation, contravention or breach, constitute a default under, or entitle any third party to terminate, accelerate, modify or call any obligations or rights under, require any consent to be obtained under or give rise to any termination rights under any provision of any Contract to which Tiernan or any of its Subsidiaries is bound or is subject to or of which Tiernan or any of its Subsidiaries is the beneficiary.

**7. Capitalization.**

- (a) The authorized capital of Tiernan consists of an unlimited number of Tiernan Common Shares. As of the close of business on the date of this Agreement, there were issued and outstanding 99,312,155 Tiernan Common Shares, all of which are owned by HM Holdings. All outstanding Tiernan Common Shares have been duly authorized and validly issued, are fully paid and non-assessable. No Tiernan Common Shares have been issued in violation of any Law or any pre-emptive or similar rights applicable to them.
- (b) There are no issued, outstanding or authorized options, warrants, calls, conversion, pre-emptive, redemption, repurchase, stock appreciation or other rights, or any other agreements, transactions, instruments or commitments of any kind that obligate Tiernan to, directly or indirectly, issue or sell any securities of Tiernan, or give any Person a right to subscribe for or acquire, any securities of Tiernan, or the value of which is based on the value of the securities of Tiernan.
- (c) Other than in connection with the Transaction, there are no issued, outstanding or authorized:
  - (i) obligations to repurchase, redeem or otherwise acquire any securities of Tiernan or qualify securities for public distribution in Canada or elsewhere, or with respect to the voting or disposition of any securities of Tiernan; or
  - (ii) notes, bonds, debentures or other evidences of indebtedness or any other agreements, Transactions, instruments or commitments of any kind that give any Person, directly or indirectly, the right to vote with holders of Tiernan Common Shares on any matter.

**8. Subsidiaries.**

- (a) The following information with respect to each Subsidiary is accurately set out in the Section 8(a) of the Tiernan Disclosure Letter: (i) its name; (ii) the number, type and principal amount, as applicable, of its outstanding equity securities or other equity

interests and a list of registered holders of capital stock or other equity interests; and (iii) its jurisdiction of incorporation, organization or formation.

- (b) Tiernan is, directly or indirectly, the registered and beneficial owner of all of the outstanding common shares or other equity interests of each of its Subsidiaries, free and clear of any Liens, and no person has any right to acquire any such shares. Except for the shares or other equity interests owned by Tiernan in any Subsidiary as set out in Section 8(b) of the Tiernan Disclosure Letter, Tiernan does not own, beneficially or of record, any equity interests of any kind in any other Person.
  - (c) All of the issued and outstanding shares and other equity interests of each Subsidiary of Tiernan have been validly issued and are fully paid and non-assessable, as the case may be, and no such shares or interests have been issued in violation of any Law or any pre-emptive or similar rights. There are no issued, outstanding or authorized options, warrants, calls, conversion, pre-emptive, redemption, repurchase, stock appreciation or other rights, or any agreements, arrangements, entitlements, instruments or commitments of any kind (pre-emptive, contingent or otherwise) that obligate or may obligate any Subsidiary of Tiernan to, directly or indirectly, issue or sell any securities of such Subsidiary of Tiernan or any securities convertible into, or exchangeable or exercisable for, securities of any such Subsidiary of Tiernan, or that give any Person the right to subscribe for or acquire, any securities or other ownership interests in any such Subsidiary of Tiernan. There are no issued, outstanding or authorized: (i) obligations to repurchase, redeem or otherwise acquire any securities of any Subsidiary of Tiernan, or to qualify securities for public distribution in Canada, the U.S. or elsewhere, or with respect to the voting or disposition of any securities of any Subsidiary of Tiernan; or (ii) notes, bonds, debentures or other evidences of indebtedness or any other agreements, arrangements, instruments or commitments of any kind that give any Person, directly or indirectly, the right to vote with holders of equity securities of any Subsidiary of Tiernan on any matter.
  - (d) Each of Tiernan's Subsidiaries is a corporation duly organized and validly existing under the Laws of its jurisdiction of incorporation and has the corporate power and authority to own and operate its assets and conduct its business as now owned and conducted. Each such Subsidiary is duly qualified, licensed or registered to carry on business and is in good standing in each jurisdiction in which, to the knowledge of Tiernan, the character of its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities makes such qualification necessary, and has all Authorizations required to own, lease and operate its properties and to carry on its business as now conducted.
9. **Financial Statements.** The audited financial statements and the interim financial statements of Tiernan (including, in each case, any of the notes or schedules to and the auditor's report on such financial statements) included in the Filings: (a) were prepared or shall be prepared, as applicable, in accordance with IFRS and Law; (b) complied or shall comply, as applicable, as to form in all material respects with applicable accounting requirements in Canada; and (c) fairly present or shall fairly present, as applicable, in all material respects, the assets, liabilities (whether accrued, absolute, contingent or otherwise), financial position, results of operations or financial performance and cash flows of Tiernan as of their respective dates and the financial position, results of operations or financial performance and cash flows of Tiernan for the respective periods covered by such financial statements (except as may be expressly indicated in the notes to such financial statements).

10. **Absence of Changes.** There has not been any material adverse change in the results of operations, financial condition, assets, properties, capital, liabilities (contingent or otherwise), cash flow or business operations of Tiernan or its Subsidiaries that would reasonably be expected to: (a) prevent, hinder or delay the consummation of the Transaction; or (b) have a Material Adverse Effect in respect of Tiernan or its Subsidiaries on a consolidated basis, except for a decrease in Tiernan's working capital position.
11. **Liabilities.** Other than expenses incurred in connection with the Transaction and in the Ordinary Course of business, neither Tiernan nor its Subsidiaries have any outstanding liabilities (accrued, absolute, contingent or otherwise).
12. **No Guarantees.** Neither Tiernan nor its Subsidiaries is bound by any Contract, assurance, bond, undertaking or guarantee under or pursuant to which it has guaranteed or endorsed the debts, obligations or liabilities of any other Person.
13. **Off Balance Sheet Transactions.** Neither Tiernan nor its Subsidiaries is party to or bound by any "off-balance sheet" transactions.
14. **Interest in Properties and Mineral Rights.**
  - (a) The Project is the only mineral property material to Tiernan and its Subsidiaries for the purposes of NI 43-101.
  - (b) All of the Tiernan's and its Subsidiaries' material real properties in respect of the Project (collectively, the "**Property**") and all of Tiernan's and its Subsidiaries' mineral interests and rights in respect of the Project (including any material claims, concessions, exploration licenses, exploitation licenses, prospecting permits, mining licences, mining leases and mining rights, in each case, either existing under Contract, by operation of Law or otherwise) (collectively, the "**Mineral Rights**") are set out in Section 14(b) of the Tiernan Disclosure Letter. Other than the Property and the Mineral Rights, neither Tiernan nor its Subsidiaries owns or has any interest in any material real property or any material mineral interests and rights.
  - (c) Tiernan or one of its Subsidiaries is the sole legal and beneficial owner of all right, title, interest in and to the Property and the Mineral Rights.
  - (d) The Property and the Mineral Rights are valid and in good standing under applicable Law and, to the knowledge of Tiernan, all material filings with Governmental Entities in respect thereof have been filed, all work required to be performed and filed in respect thereof has been performed and filed, all Taxes, rentals, fees, expenditures and other payments in respect thereof have been paid or incurred and all filings in respect thereof have been made.
  - (e) There is no adverse claim against or challenge to the title to or ownership of the Property or any of the Mineral Rights.
  - (f) Other than as set out in Section 14(f) of the Tiernan Disclosure Letter, no Person other than Tiernan and its Subsidiaries has any interest in the Property or any of the Mineral Rights or the production or profits therefrom or any royalty in respect thereof or any right to acquire any such interest.

- (g) No Person has any back-in rights, earn-in rights, rights of first refusal or similar provisions or rights which would affect Tiernan's or a Subsidiary's interest in the Property or any of the Mineral Rights.
  - (h) There are no material restrictions on the ability of Tiernan and its Subsidiaries to use, transfer or exploit the Property or any of the Mineral Rights, except pursuant to applicable Law and the terms of the relevant Mineral Rights.
  - (i) Neither Tiernan nor any of its Subsidiaries has received any notice, whether written or oral, from any Governmental Entity of any deficiency, revocation, cancellation or intention to revoke any interest of Tiernan or a Subsidiary in any of the Property or any of the Mineral Rights.
  - (j) Neither Tiernan nor any of its Subsidiaries has received any material compliance orders, citations, notices relating to non-compliance or alleged non-compliance of any Mineral Rights.
  - (k) Tiernan and its Subsidiaries have all surface rights, or the Laws governing mining activities in Chile operate to effectively grant such rights to Tiernan and its Subsidiaries, including fee simple estates, leases, easements, rights of way and permits or licenses from landowners or Governmental Entities permitting the use of land by Tiernan and its Subsidiaries, and the mineral interests that are required to exploit the development potential of the Property and the Mineral Rights filed on or before the date of this Agreement and no third party or group holds any such rights that would be required by Tiernan to develop the Property or any of the Mineral Rights.
  - (l) All mines located in or on the lands of the Property or any Mineral Rights, or lands pooled or unitized therewith, which have been abandoned by Tiernan or any of its Subsidiaries, have been abandoned in accordance with good mining practices and in material compliance with all applicable Laws.
15. **Mineral Resources.** The mineral resources for the Property and the Mineral Rights in which Tiernan or its Subsidiaries hold an interest, as set forth in the Tiernan Technical Report, were prepared in all material respects in accordance with sound mining, engineering, geoscience and other applicable industry standards and practices, and in all material respects in accordance with all applicable Laws, including the requirements of NI 43-101.
16. **Tiernan Technical Report.** The Tiernan Technical Report complies, in all material respects, with the requirements of NI 43-101 and does not contain any Misrepresentation or any omission or misstatement of a material fact. The scientific and technical information concerning the Project contained in the Tiernan Technical Report is complete and accurate in all material respects, and there have been no material changes to such information since the date of delivery or preparation thereof. Tiernan made available to the authors of the Tiernan Technical Report all information requested by the authors and such information was complete and accurate and none of such information contained any misrepresentation at the time provided.
17. **Operational Matters.** Except as would not, individually or in the aggregate, be reasonably expected to result in a Material Adverse Effect in respect of Tiernan or its Subsidiaries on a consolidated basis:
- (a) all rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens, payments and obligations due and payable, or performable, as the case may be, on or prior to the date hereof under, with respect to, or on account of,

any direct or indirect assets of Tiernan and its Subsidiaries, have been: (i) duly paid; (ii) duly performed or (iii) provided for prior to the date of this Agreement; and

- (b) all material costs, expenses and liabilities payable on or prior to the date of this Agreement under the terms of any contracts and agreements to which Tiernan or any of its Subsidiaries is directly or indirectly bound have been properly and timely paid, except for such expense that are currently being paid prior to delinquency in the Ordinary Course.
18. **Compliance with Laws.** To the knowledge of Tiernan, each of Tiernan and its Subsidiaries is and has been since incorporation in compliance in all material respects with Law and neither Tiernan nor its Subsidiaries is conducting its business so as to violate any such Laws in any material respect.
19. **Board Approval.** The board of directors of Tiernan has unanimously authorized the entering into of this Agreement and the performance by Tiernan of its obligations under this Agreement, and no action has been taken to amend, or supersede such determinations, resolutions, or authorizations.
20. **Litigation.**
- (a) There is no claim, action, inquiry, proceeding or investigation in effect or ongoing or, to the knowledge of Tiernan, pending or threatened against or relating to Tiernan or its Subsidiaries or their respective businesses or affecting any of their respective current or former assets. There is no such claim, action, inquiry, proceeding or investigation that, if determined adverse to the interests of Tiernan or any of its Subsidiaries, would have, or reasonably could be expected to: (i) have a Material Adverse Effect in respect of Tiernan or its Subsidiaries on a consolidated basis; (ii) prevent, hinder or delay the consummation of the Transaction; or (iii) affect the ability of Tiernan to own or operate the business of Railtown or Subco upon completion of the Transaction, nor are there any events or circumstances which could reasonably be expected to give rise to any such claim, action, proceeding or investigation.
  - (b) Neither Tiernan nor its Subsidiaries are insolvent within the meaning of applicable bankruptcy, insolvency or fraudulent conveyance Laws. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of Tiernan, threatened against or relating to Tiernan or its Subsidiaries before any Governmental Entity.
  - (c) Neither Tiernan nor its Subsidiaries is subject to any outstanding order, writ, injunction or decree which has had or is reasonably likely to have, a Material Adverse Effect in respect of Tiernan or its Subsidiaries on a consolidated basis or which would prevent or delay the consummation of the Transaction.
21. **Taxes.**
- (a) Tiernan and its Subsidiaries have paid all Taxes which are due and payable within the time required by Law, and have paid all assessments and reassessments they have received in respect of Taxes. Tiernan and its Subsidiaries have made full and adequate provision in the books and records and interim financial statements of Tiernan and its Subsidiaries for all Taxes which are not yet due and payable but which relate to periods

ending on or before the Effective Date. Neither Tiernan nor its Subsidiaries have received any refund of Taxes to which they are not entitled.

- (b) All income Tax Returns and other material Tax Returns required to be filed by Tiernan and its Subsidiaries prior to the date hereof have been filed and such Tax Returns were true, complete and correct in all material respects.
- (c) As of the date of this Agreement, there are no claims, actions, suits, audits, proceedings, investigations or other action pending or, to the knowledge of Tiernan, threatened against Tiernan or its Subsidiaries in respect of Taxes and, to the knowledge of Tiernan, there is no reason to expect that any such claim, action, suit, audit, proceeding, investigation or other action may be asserted against Tiernan or its Subsidiaries by a Governmental Entity for any period ending on or prior to the Effective Date.

22. **Authorizations and Licenses.** Section 22 of the Tiernan Disclosure Letter lists and describes all material Authorizations that are required by Law in connection with the operation of the business of Tiernan or of any of its Subsidiaries or that are required by Law in connection with the ownership, operation or use of the assets of Tiernan or of any of its Subsidiaries. Tiernan or its Subsidiaries, as applicable, lawfully hold, own or use, and have complied with, all such Authorizations and all such Authorizations which may be obtained after the date hereof and prior to the Effective Date. Each such Authorization (and each such Authorization obtained after the date hereof and prior to the Effective Date) is validly subsisting and in full force and effect, and is renewable by its terms in the Ordinary Course of business without the need for Tiernan to comply with any special rules or procedures, agree to any materially different terms or conditions or pay any amounts other than routine fees. No action, investigation or proceeding is pending, or to the knowledge of Tiernan threatened, in respect of or regarding any such Authorization (or any such Authorization obtained after the date hereof and prior to the Effective Date) and none of Tiernan, its Subsidiaries or, to the knowledge of Tiernan, any of their respective officers or directors has received notice, whether written or oral, of revocation, non-renewal or material amendments of any such Authorization (or any such Authorization obtained after the date hereof and prior to the Effective Date), or of the intention of any Person to revoke, refuse to renew or materially amend any such Authorization (or any such Authorization obtained after the date hereof and prior to the Effective Date). No Authorizations of Tiernan or of any of its Subsidiaries will in any way be affected by, or terminate or lapse by reason of, the Transaction.

23. **Material Contracts.**

- (a) Section 23(a) of the Tiernan Disclosure Letter sets out a complete and accurate list of all Material Contracts outstanding as of the close of business on the Business Day prior to the date of this Agreement.
- (b) Each Material Contract is legal, valid, binding and in full force and effect and is enforceable by Tiernan or one of its Subsidiaries, as applicable, in accordance with its terms and is the product of fair and arms' length negotiations between each of the parties to such Material Contracts. Tiernan or its applicable Subsidiary has not waived any rights under a Material Contract.
- (c) Tiernan and each of its Subsidiaries have performed all respective obligations required to be performed by them under the Material Contracts and neither Tiernan nor any of its Subsidiaries is in breach or default under any Material Contract, nor does Tiernan have knowledge of any condition that with the passage of time or the given of notice

or both would result in any such breach or default. None of Tiernan or any of its Subsidiaries knows of, or has received any notice (whether written or oral) of, any breach or default under nor, to the knowledge of Tiernan, does there exist any condition which with the passage of time or the given of notice or both would result in any such breach or default under any Material Contract by any other party to a Material Contract.

- (d) Neither the entering into of this Agreement nor the consummation of the Transaction will trigger any change of control or similar provisions in any of the Material Contracts.

24. **Personal Property.** Tiernan or its Subsidiaries have good title to all material personal property of any kind or nature which Tiernan or any of its Subsidiaries purports to own. Tiernan and its Subsidiaries, as lessees, have the right under valid and subsisting leases to use, possess and control all personal property leased by and material to Tiernan or any of its Subsidiaries as used, possessed and controlled by Tiernan or its Subsidiaries, as applicable. The assets and property owned, leased or licensed by Tiernan and its Subsidiaries are sufficient, in all material respects, for conducting the business, as currently conducted, of Tiernan and its Subsidiaries.

25. **Real Property.**

- (a) Other than as set out in Section 25(a) of the Tiernan Disclosure Letter, neither Tiernan nor any of its Subsidiaries own any real or immovable property.

- (b) Each property currently leased or subleased by Tiernan or its Subsidiaries from a third party (collectively, the "**Tiernan Leased Properties**") is listed in Section 25(b) of the Tiernan Disclosure Letter, identifying the documents under which such leasehold interests are held (collectively, the "**Tiernan Lease Documents**"). Tiernan or one of its Subsidiaries, as applicable, holds good and valid leasehold interests in Tiernan Leased Properties, free and clear of all Liens (other than Permitted Liens). Each of Tiernan Lease Documents is valid, legally binding and enforceable against Tiernan or its Subsidiary, as applicable, and the other party or parties thereto in accordance with its terms and in full force and effect unamended by oral or written agreement. None of Tiernan or any of its Subsidiaries, or to the knowledge of Tiernan, the other parties to Tiernan Lease Documents, is in material breach of, or material default under, any of Tiernan Lease Documents and no event has occurred which, with notice, lapse of time or both, would constitute such a breach or default by Tiernan or any of its Subsidiaries, or to the knowledge of Tiernan, the other parties thereto.

26. **No Expropriation.** No property or asset of Tiernan or its Subsidiaries (including any Property or Mineral Rights) has been taken or expropriated by any Governmental Entity nor has any notice or proceeding in respect thereof been given or commenced nor, to the knowledge of Tiernan, is there any intent or proposal to give any such notice or to commence any such proceeding.

27. **Environmental Matters.**

- (a) All facilities and operations of Tiernan and its Subsidiaries have been conducted, and are now, in material compliance with all Environmental Laws.
- (b) Section 27(b) of the Tiernan Disclosure Letter sets out a complete and accurate list of all permits held under Environmental Laws. Tiernan and its Subsidiaries are in possession of, and in compliance with, all permits required under Environmental Laws

to own, lease and operate the Property and Mineral Rights and to conduct their respective business as they are now being conducted.

- (c) Other than Closure Obligations, no environmental, reclamation or closure obligation, demand, notice, work order or other liabilities presently exist with respect to any portion of the Project or any other currently or formerly owned, leased, used or otherwise controlled property, interests and rights or relating to the operations and business of Tiernan and its Subsidiaries and, to the knowledge of Tiernan, there is no basis for any such obligations, demands, notices, work orders or liabilities to arise in the future as a result of any activity in respect of such property, interests, rights, operations and business.
- (d) Neither Tiernan nor any of its Subsidiaries is subject to any material proceeding, application, order or directive which relates to environmental, health or safety matters, and which may require any material work, repairs, construction or expenditures.
- (e) To the knowledge of Tiernan, there are no changes in the status, terms or conditions of any permits granted in relation to Environmental Laws held by Tiernan or any of its Subsidiaries or any renewal, modification, revocation, reassurance, alteration, transfer or amendment of any such environmental approvals, consents, waivers, permits, orders and exemptions, or any review by, or approval of, any Governmental Entity of such environmental approvals, consents, waivers, permits, orders and exemptions that are required in connection with the execution or delivery of this Agreement, the consummation of the Transaction or the continuation of the business of Tiernan or any of its Subsidiaries following the Effective Date.
- (f) Neither Tiernan nor any of its Subsidiaries: (i) is a party to any litigation or administrative proceeding, nor to the knowledge of Tiernan has any litigation or administrative proceeding been threatened against it or its property or assets, which in either case (A) asserts or alleges that it violated any Environmental Laws, (B) asserts or alleges that it is required to clean up, remove or take remedial or other response action due to the release of any Hazardous Substances, or (C) asserts or alleges that it is required to pay all or a portion of the cost of any past, present or future cleanup, removal or remedial or other response action which arises out of or is related to the release of any Hazardous Substances; (ii) has any knowledge of any conditions existing currently which could reasonably be expected to subject it to damages, penalties, injunctive relief or cleanup costs under any Environmental Laws or which require or are likely to require cleanup, removal, remedial action or other response by it pursuant to applicable Environmental Laws; and (iii) is subject to any judgment, decree, order or citation related to or arising out of applicable Environmental Law and has not been named or listed as a potentially responsible party by any Governmental Entity in a matter arising under any Environmental Laws.

**28. Employees.**

- (a) Tiernan and its Subsidiaries are in material compliance with all terms and conditions of employment and all Law respecting employment, including pay equity, wages, hours of work, overtime, human rights and occupational health and safety, and there are no outstanding claims, complaints, investigations or orders under any such Law and, to the knowledge of Tiernan, there is no basis for such claim.
- (b) There are no outstanding assessments, penalties, fines, Liens (other than Permitted Liens), charges, surcharges, or other amounts due or owing pursuant to any workplace

safety and insurance legislation and neither Tiernan nor any Subsidiary has been reassessed under such legislation and, to the knowledge of Tiernan, no audit of Tiernan or any Subsidiary is currently being performed pursuant to any applicable workplace safety and insurance legislation. There are no charges pending under applicable occupational health and safety Laws in respect of Tiernan or any of its Subsidiaries, and Tiernan and each of its Subsidiaries has complied in all material respects with any orders issued under applicable occupational health and safety Laws.

29. **Collective Agreements.** There is no Collective Agreement in force with respect to Tiernan's or any of its Subsidiaries' Employees nor is there any Contract with any employee association in respect of Tiernan's or any of its Subsidiaries' Employees. There are no threatened or pending union organizing activities involving any Employees of Tiernan or any of its Subsidiaries and no such activities have been undertaken in the last two (2) years. There is no labour strike, dispute, work slowdown or stoppage pending or involving or, to the knowledge of Tiernan, threatened against Tiernan or any of its Subsidiaries and no such event has occurred within the last two (2) years.
30. **Employee Plans.** Section 30 of the Tiernan Disclosure Letter sets out a complete and accurate list of all Employee Plans. Tiernan has, in all material respects, registered and administered each material Employee Plan, and made all contributions and paid all premiums in respect of each such material Employee Plan, in accordance with Law, except as would not, individually or in the aggregate, have a Material Adverse Effect in respect of Tiernan or its Subsidiaries on a consolidated basis. No fact or circumstance exists which could adversely affect the registered status of any such material Employee Plan. There are no pending, or to the knowledge of Tiernan, threatened claims (other than routine claims for benefits) by, on behalf of or against any Employee Plan or any trust related thereto which could reasonably be expected to result in any material liability to Tiernan or any of its Subsidiaries and no material audit or other proceeding by a Governmental Entity is pending, or to the knowledge of Tiernan, threatened with respect to such plan.
31. **Insurance.** Tiernan and each of its Subsidiaries is insured by reputable third-party insurers with reasonable and prudent policies appropriate for the size and nature of the business of Tiernan and its Subsidiaries and their respective assets, including a sufficient level of insurance necessary to comply with the terms and conditions of its Authorizations and Material Contracts. Section 31 of the Tiernan Disclosure Letter sets out a complete and accurate list of all third-party insurance policies held by Tiernan and its Subsidiaries. The third-party insurance policies of Tiernan and its Subsidiaries are in full force and effect in accordance with their terms, and Tiernan and its Subsidiaries are not in default under the terms of any such policy. There is no claim pending under any insurance policy that has been denied, rejected, questioned or disputed by any insurer or as to which any insurer has made any reservation of rights or refused to cover all or any portion of such claims. All proceedings covered by any of the insurance policies have been properly reported to and accepted by the applicable insurer.
32. **No Powers of Attorney.** There are no outstanding powers of attorney or other Authorizations granted by Tiernan to any third party to bind Tiernan to any Contract, liability or obligation.
33. **Fees and Commissions.** Other than the Agents in connection with the Financing, no investment banker, broker, finder, financial adviser or other intermediary has been retained by or is authorized to act on behalf of Tiernan or any of its officers or directors, or is entitled to any fee, commission or other payment from Tiernan or any of its officers or directors, in connection with the Transaction.

34. **Books and Records.** The corporate records and minute books of Tiernan contain or, at or prior to the Transaction will contain, in all material respects, complete and accurate minutes of all meetings of the directors and shareholders since its date of incorporation, together with the full text of all resolutions of directors and shareholders passed in lieu of such meetings, duly signed.
35. **Money Laundering.** The operations of Tiernan and its Subsidiaries are, and have been conducted at all times, in compliance in all material respects with applicable Money Laundering Laws and, to the knowledge of Tiernan, no action, suit or proceeding by or before any court or Governmental Entity involving Tiernan or its Subsidiaries with respect to the Money Laundering Laws is pending or threatened.
36. **Anti-Corruption.** Neither Tiernan nor its Subsidiaries nor any of their respective directors, Employees, Representatives or agents has: (a) used or is using any corporate funds for any illegal contributions, gifts, entertainment or other expenses relating to political activity that would be illegal; (b) used or is using any corporate funds for any direct or indirect illegal payments to any foreign or domestic governmental officials or Employees; (c) violated or is violating any provision of the United States *Foreign Corrupt Practices Act of 1977*, as amended or the *Corruption of Foreign Public Officials Act (Canada)*, or any Law of similar effect; (d) has established or maintained, or is maintaining, any illegal fund of corporate monies or other properties; or (e) made any bribe, illegal rebate, illegal payoff, influence payment, kickback or other illegal payment of any nature.
37. **Information Supplied.** None of the information regarding Tiernan or its Subsidiaries or their respective assets or business that was supplied by Tiernan specifically for inclusion or incorporation into the Filing Document describing Tiernan and its Subsidiaries, will, at the time of initial submission of the Filing Document to the TSXV, or at the time of any amendment or supplement thereof, as amended or supplemented at such date or time, contain any Misrepresentation.

**SCHEDULE E**  
**FORM OF INVESTOR RIGHTS AGREEMENT**

See attached.

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**INVESTOR RIGHTS AGREEMENT**

**TIERNAN GOLD CORP.**

**AND**

**HOCHSCHILD MINING HOLDINGS LIMITED**

**DATED ●, 2025**

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## INVESTOR RIGHTS AGREEMENT

THIS INVESTOR RIGHTS AGREEMENT (this “**Agreement**”) is dated ●, 2025, between:

**TIERNAN GOLD CORP.**, a corporation incorporated under the laws of the Province of British Columbia (the “**Corporation**”)

and

**HOCHSCHILD MINING HOLDINGS LIMITED**, a corporation organized under the laws of England and Wales (the “**Investor**”)

and

Such other Persons, if any, who may from time to time become party to this Agreement in accordance with Section 6.5 hereof by executing the written acknowledgment and agreement in the form attached hereto as Schedule “A”.

**WHEREAS** the Corporation is the Resulting Issuer (as such term is defined in Policy 2.4 of the TSXV Manual (as defined below)) from a business combination that constituted a reverse-takeover of the Corporation and the "Qualifying Transaction" of the Corporation under the TSXV Manual (collectively, the “**RTO**”);

**AND WHEREAS** the Parties believe that it is in their respective best interests to set forth their agreements regarding rights of the Investor following the RTO in connection with its ownership of common shares in the capital of the Corporation (the “**Common Shares**”);

**NOW THEREFORE** in consideration of the foregoing and the mutual covenants and agreements hereinafter set forth and other good and valuable consideration, the receipt and sufficiency of which is irrevocably acknowledged, it is agreed by and among the Parties hereto as set forth below.

### ARTICLE 1 DEFINITIONS AND INTERPRETATION

#### Section 1.1 Definitions.

As used in this Agreement, the following terms shall have the following meanings unless the context otherwise requires:

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

“**Affiliate**” has the meaning given to it in NI 45-106, subject to the terms “person” and “issuer” in NI 45-106 being ascribed the same meaning as the term “Person” in this Agreement;

“**Agreement**” has the meaning ascribed thereto in the preamble;

“**Arbitration**” has the meaning ascribed thereto in Article 5;

“**Articles**” means the certificate of incorporation, notice of articles and articles of the Corporation, as amended to the date of this Agreement, and as may be amended, replaced or superseded from time to time;

“**Audit Committee**” shall mean the Audit Committee of the Board;

“**Base Shelf Prospectus**” has the meaning ascribed thereto in NI 44-102;

“**Board**” means the board of directors of the Corporation, as constituted from time to time;

“**Bought Deal**” means a sale of securities of the Corporation to underwriters for reoffering to the public as described in the definition of “bought deal agreement” in Section 7.1 of NI 44-101;

“**Business Day**” means any day of the year, other than a Saturday, Sunday or day on which major banks are closed for business in Vancouver, British Columbia;

“**Canadian Securities Authorities**” means the “Canadian securities regulatory authorities” as defined in National Instrument 14-101 – *Definitions*, and any of their successors, including the Capital Markets Regulatory Authority pursuant to the Cooperative Capital Markets Regulatory System;

“**CNCG Committee**” means the Compensation, Nominating and Corporate Governance Committee of the Board or equivalent if at any time there is no such committee of the Board;

“**Common Shares**” has the meaning ascribed thereto in the preamble;

“**Confidential Information**” has the meaning ascribed thereto in Section 6.5;

“**Convertible Securities**” has the meaning ascribed thereto in Section 4.1(1);

“**Corporation**” has the meaning ascribed thereto in the preamble;

“**Demand Registration**” has the meaning ascribed thereto in Section 3.1(1);

“**Demand Registration Request**” has the meaning ascribed thereto in Section 3.1(1);

“**Dilutive Issuance**” has the meaning ascribed thereto in Section 4.2(1)(a);

“**Dilutive Shares**” has the meaning ascribed thereto in Section 4.2(1)(a);

“**Director Election Meeting**” means any meeting of shareholders of the Corporation at which Directors are to be elected to the Board;

“**Directors**” means the persons who are elected or appointed as directors of the Corporation, and “**Director**” means any one of them;

“**Distributed Securities**” has the meaning ascribed thereto in Section 4.1(1);

“**Distribution**” has the meaning ascribed thereto in Section 4.1(1);

“**Governmental Entity**” means (i) any international, multinational, national, federal, provincial, state, municipal, local or other governmental or public department, central bank, court, commission, board, bureau, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any stock exchange and (iv) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above;

“**Indemnified Party**” has the meaning ascribed thereto in Section 3.10;

**"Indemnifying Party"** has the meaning ascribed thereto in Section 3.10;

**"Independent Director"** means an independent Director, as determined by the CNCG Committee in accordance with the applicable Securities Laws and rules of any stock exchange on which the Common Shares are then listed;

**"Investor"** has the meaning ascribed thereto in the preamble;

**"Investor Expenses"** has the meaning ascribed thereto in Section 3.6;

**"Investor Nominee"** means a Director that was designated by the Investor for election as Nominee or appointed pursuant to Section 2.1;

**"Investor Piggyback Registration"** has the meaning ascribed thereto in Section 3.2(1);

**"Investor Piggyback Registration Request"** has the meaning ascribed thereto in Section 3.2(1);

**"Investor Top-Up Shares"** has the meaning ascribed thereto in Section 4.2(1)(a);

**"Laws"** means applicable (i) laws, constitutions, treaties, statutes, codes, ordinances, principles of common and civil law and equity, orders, decrees, rules, regulations and municipal by-laws, whether domestic, foreign or international, (ii) judicial, arbitral, administrative, ministerial, departmental and regulatory judgments, orders, writs, injunctions, decisions, rulings, decrees and awards of any Governmental Entity, and (iii) policies, practices and guidelines of, or contracts with, any Governmental Entity, which, although not actually having the force of law, are considered by such Governmental Entity as requiring compliance as if having the force of law, in each case binding on or affecting the Person, or the assets of the Person, referred to in the context in which such word is used;

**"Market Price"** means the "market price" of the Common Shares calculated in accordance with the rules of the TSX Venture Exchange or, if the Common Shares are not traded on the TSX Venture Exchange at the relevant time, the closing price of the Common Shares on the trading day immediately prior to the date of public announcement of the event, as applicable, on such other exchange or marketplace as such Common Shares are then traded (or at the "market price" otherwise determined pursuant to the rules of such other exchange or marketplace, if different);

**"Maximum Offering Size"** has the meaning ascribed thereto in Section 3.4(1);

**"NI 44-101"** means National Instrument 44-101 - *Short Form Prospectus Distributions*;

**"NI 44-102"** means National Instrument 44-102 - *Shelf Distributions*;

**"NI 45-106"** means National Instrument 45-106 - *Prospectus Exemptions*;

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

**"NI 52-110"** means National Instrument 52-110 - *Audit Committees*;

**"Nominee"** means, with respect to a Director Election Meeting, a nominee proposed for election as a Director either by the Corporation or the Investor;

**"Party"** or **"Parties"** means one or more of the parties to this Agreement;

**“Person”** includes a natural person, partnership, limited partnership, limited liability partnership, corporation, limited liability company, unlimited liability company, joint stock company, trust, unincorporated organization, an association, a union, joint venture or other entity or Governmental Entity, and pronouns have a similarly extended meaning;

**“Project”** means the Corporation's Volcan gold project located in Tierra Amarilla, Atacama Region, Chile;

**“Registration”** means the qualification of securities for distribution under Securities Laws (or any of them, other than the laws of the Province of Quebec) by way of a prospectus prepared in accordance with the applicable Securities Laws;

**“Rights to Subscribe”** has the meaning ascribed thereto in Section 4.1(1);

**“RTO”** has the meaning ascribed thereto in the preamble;

**“RTO Closing Date”** means the closing date of the RTO;

**“Securities Laws”** means the securities laws, regulations and rules of each of the provinces and territories of Canada, the forms and disclosure requirements made or promulgated under those laws, regulations or rules, the published policy statements, rules, orders and companion policies of or administered by the Canadian Securities Authorities, and applicable published discretionary rulings, blanket orders or orders issued by the Canadian Securities Authorities pursuant to such laws, regulations, rules and policy statements, all as amended and in effect from time to time;

**“Shelf Prospectus Supplement”** has the meaning given to it in NI 44-102;

**“Short Form Prospectus”** means a prospectus in the form of Form 44-101F1 under NI 44-101;

**“Subscription Securities”** has the meaning ascribed thereto in Section 4.1(2);

**“Top-Up Exercise Notice”** has the meaning ascribed thereto in Section 4.2(3);

**“Top-Up Notice”** has the meaning ascribed thereto in Section 4.2(2);

**“Top-Up Offering”** has the meaning ascribed thereto in Section 4.2(4);

**“Top-Up Right”** has the meaning ascribed thereto in Section 4.2(1)(a);

**“Top-Up Shares”** has the meaning ascribed thereto in Section 4.2(1)(a);

**“Top-Up Threshold”** has the meaning ascribed thereto in Section 4.2(1)(b);

**“Transfer”** means, with respect to any Common Shares, any interest therein, or any other securities or equity interests relating thereto, a direct or indirect transfer, sale, exchange, assignment, pledge, hypothecation or other encumbrance or other disposition thereof, including the grant of an option or other right, whether directly or indirectly, whether voluntarily, involuntarily, by operation of law, pursuant to judicial process or otherwise, and **“Transferred”** shall have a correlative meaning;

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

**“TSXV Manual”** means the TSXV Corporate Finance Manual; and

“Valid Business Reason” has the meaning ascribed thereto in Section 3.1(7).

## **Section 1.2 Gender, Number and Derivatives.**

Any reference in this Agreement to gender includes all genders. Words importing the singular number only include the plural and *vice versa*, as the context requires. If a term is defined herein, a capitalized derivative of such term shall have a corresponding meaning unless the context otherwise requires.

## **Section 1.3 Headings, etc.**

The provision of a table of contents, the division of this Agreement into articles and sections and the insertion of headings are for convenience of reference only and shall not and do not affect the interpretation of this Agreement.

## **Section 1.4 Currency.**

All references in this Agreement to dollars or to “\$” are expressed in Canadian currency unless otherwise specifically indicated.

## **Section 1.5 Rules of Construction.**

The Parties to this Agreement waive the application of any law or rules of construction providing that ambiguities in any agreement or other document shall be construed against the Party drafting such agreement or other document. In construing this Agreement, the rule known as the *ejusdem generis* rule shall not apply nor shall any similar rule or approach apply to the construction of this Agreement and, accordingly, general words introduced or followed by the word “other” or “including” or “in particular” shall not be given a restrictive meaning because they are followed or preceded (as the case may be) by particular examples intended to fall within the meaning of the general words.

## **Section 1.6 Certain Phrases, etc.**

In this Agreement, (i) the words “including”, “includes” and “include” mean “including (or includes or include) without limitation”, and (ii) the words “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of”. The expressions “Article” or “Section” or other subdivisions followed by a number mean and refer to the specified Article, Section or other subdivision of the Agreement and the expressions “hereof”, “herein”, “hereinafter”, “hereto”, “hereunder”, “hereby” and similar expressions refer to this Agreement. All references to specific Articles, Sections, or other subdivisions of this Agreement followed by a number are references to the whole of the Article, Section or other subdivision of this Agreement, as applicable, bearing that number, including all subsidiary provisions containing that same number as a prefix.

## **Section 1.7 Schedules and Appendices.**

The Schedules and Appendices to this Agreement are an integral part of this Agreement and a reference to this Agreement includes a reference to the Schedules and Appendices.

## **Section 1.8 Parties and Persons.**

References in this Agreement to any Party or other Person shall include, where the context permits, references to the estate of that Party or Person or that Party or Person’s respective

successors resulting from any amalgamation, merger, arrangement or other reorganization of such Party or other Person.

### **Section 1.9 Statutory and Contractual References.**

Except as otherwise provided in this Agreement:

- (a) any reference in this Agreement to a statute shall include and shall be deemed to be a reference to, such statute and to the regulations, policies and rules made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute, regulation, policy or rule that may be passed that has the effect of supplementing or superseding the statute so referred to or the regulations, policies or rules made pursuant thereto; and
- (b) any reference in this Agreement to an agreement refers to such agreement as amended, restated, supplemented or replaced from time to time.

### **Section 1.10 Business Days.**

Any reference to a number of days shall refer to calendar days unless Business Days are specified.

### **Section 1.11 Time of Day and Date.**

Any references to time of day or date means the local time or date in Vancouver, British Columbia, Canada, unless otherwise specified.

### **Section 1.12 Time Periods.**

Unless otherwise specified, time periods within or following which any act is to be done shall be calculated by excluding the day on which the action is taken and including the day on which the period ends and by extending the period to the Business Day immediately following if the last day of the period is not a Business Day.

### **Section 1.13 Time By Which Obligations Must Be Performed.**

Where this Agreement states that an obligation shall be performed “no later than” or “within” or “by” a prescribed number of days before a stipulated date or event or “by” a date which is a prescribed number of days before a stipulated date or event, the latest performance shall be 5:00 p.m. on the last day for performance of the obligation concerned, or if that day is not a Business Day, 5:00 p.m. on the next Business Day. Where this Agreement states that an obligation shall be performed “on” a stipulated date, the latest time for performance shall be 5:00 p.m. on that day, or, if that day is not a Business Day, 5:00 p.m. on the next Business Day.

### **Section 1.14 Conflicts.**

If there is any conflict or inconsistency between a provision of the body of this Agreement and that of any document delivered pursuant to this Agreement, the provision of the body of this Agreement shall prevail.

## ARTICLE 2 GOVERNANCE

### Section 2.1 Board Nomination Rights.

- (1) Immediately following the RTO Closing Date, the Board shall consist of seven Directors. The initial Directors shall be Jill Gardiner (Chair), Fausto Di Trapani, Chris Taylor, Greg McCunn, Claudia Tornquist, Eduardo Noriega and Nicolas Hochschild. The initial Investor Nominees shall be Jill Gardiner, Greg McCunn, Eduardo Noriega and Nicolas Hochschild.
- (2) As long as the Investor has the right to designate one or more Nominees under Section 2.1(3), the Corporation shall notify the Investor of its intent to hold a Director Election Meeting at least 60 days prior to the date of such Director Election Meeting:
  - (a) The Investor shall notify the Corporation of its designated Nominee(s) not less than 25 Business Days prior to the date of any Director Election Meeting. If, prior to the Director Election Meeting, the Nominee of the Investor is unable or unwilling to serve as a Director, then the Investor will be entitled to designate a replacement Nominee not less than 10 Business Days prior to the date of any Director Election Meeting.
  - (b) The Investor shall cause each Investor Nominee to provide the Corporation, prior to such appointment, such information and materials as are required to be disclosed in any information circular of the Corporation to be sent to securityholders of the Corporation under applicable Securities Laws and rules of any stock exchange on which the Corporation's Common Shares are then listed or as the Corporation may otherwise reasonably request from time-to-time from members of the Board in compliance with its internal policies and procedures, including, without limitation, from each Investor Nominee, an executed consent to serve as a director of the Corporation, a completed directors' questionnaire in the form provided by the Corporation and a completed personal information form in the applicable form required under applicable Securities Laws and rules of any stock exchange.
  - (c) For so long as the Investor has the right to designate one or more Nominees under Section 2.1(3), the Corporation shall, subject to Section 2.1(8), nominate for election and include in any management information circular relating to any Director Election Meeting (or submit to shareholders by written consent if applicable) each person designated as an Investor Nominee by the Investor (up to the limit specified in Section 2.1(3)) and take all steps that may be necessary or appropriate to recognize, enforce and comply with the rights of the Investor under this Section 2.1.
- (3) In respect of any Director Election Meeting, as long as the Investor holds, directly or indirectly:
  - (a) at least 50% of the Common Shares outstanding (calculated on a non-diluted basis), the Investor shall be entitled to designate four Nominees and to designate the Chair of the Board;
  - (b) at least 25% of the Common Shares outstanding, but less than 50% thereof (each calculated on a non-diluted basis), the Investor shall be entitled to designate three Nominees and the Chair of the Board shall be an independent Director mutually agreed by the Investor and the Board, each acting reasonably; and

- (c) at least 10% of the Common Shares outstanding, but less than 25% thereof (each calculated on a non-diluted basis), the Investor shall be entitled to designate two Nominees and the Chair of the Board shall be an independent Director mutually agreed by the Investor and the Board, each acting reasonably.
- (4) The selection of Nominees, other than the Nominees designated by the Investor pursuant to Section 2.1(3), shall rest with the Board or, if so determined by the Board, the CNCG Committee.
- (5) If any Director designated by the Investor resigns, is removed, or is unable to serve for any reason prior to the expiration of his or her term as a Director, then the Investor shall be entitled to designate a replacement to be appointed by the Board as Director as soon as reasonably practicable, except if the Investor would have otherwise ceased to be entitled to designate such Nominee pursuant to Section 2.1(3).
- (6) The Investor shall cease to have any rights or obligations under this Section 2.1 immediately upon ceasing to have the right to designate any Nominee pursuant to the terms of Section 2.1(3) and shall concurrently therewith, if requested by the Board, use its commercially reasonable and good faith efforts to promptly obtain and deliver to the Corporation the written resignation of any Director previously designated by it pursuant to the terms of Section 2.1(3).
- (7) If the number of Directors which the Investor is entitled to nominate hereunder is reduced as a result of the Investor ceasing to meet the shareholding requirements of any paragraph of Section 2.1(3), the Investor will, if requested by the Board, use its commercially reasonable and good faith efforts to promptly obtain and deliver to the Corporation the written resignation of such number of Director previously designated by it pursuant to the terms of Section 2.1(3) as is necessary to reflect the reduced number of Directors it is entitled to nominate under Section 2.1(3).
- (8) Notwithstanding anything to the contrary in this Agreement, all Directors (including Investor Nominees) shall, at all times while serving on the Board, meet the qualification requirements to serve as a director under the Act, applicable Securities Laws and the rules of the TSXV.

## **Section 2.2 Director Compensation and Expenses.**

- (1) No Investor Nominee who is an officer or employee of the Corporation shall be entitled to any compensation for his or her service as a Director or on any committee of the Board.
- (2) The Corporation shall compensate the Investor Nominees that are not Investor Nominees specified in Section 2.2(1) on the same terms and conditions as an Independent Director, that is not an Investor Nominee, in the ordinary course.
- (3) The Corporation shall reimburse all Directors (including all of the Investor Nominees) for all reasonable out-of-pocket expenses incurred in connection with the attendance at meetings of the Board and any committees thereof, including without limitation, travel, lodging and meal expenses.
- (4) The Corporation shall obtain customary director liability insurance on commercially reasonable terms for all Directors (including all of the Investor Nominees).
- (5) The Corporation shall provide customary director indemnities as permitted by the Act to all Directors (including all of the Investor Nominees).

### Section 2.3 Written Consent or Resolutions.

The provisions of this Article 2 applicable to Director Election Meetings shall apply *mutatis mutandis* to any written consent or resolutions of shareholders relating to the election of Directors.

## ARTICLE 3 REGISTRATION RIGHTS

### Section 3.1 Demand Registration.

- (1) Subject to the limitations of this Article 3, at any time and from time to time, as long as the Investor holds, directly or indirectly, at least 20% of the Common Shares outstanding (calculated on a non-diluted basis), the Investor shall have the right to make a written request to the Corporation for Registration of all or a portion of the Common Shares held by the Investor. The written request to the Corporation for Registration of Common Shares shall hereinafter be referred to as a “**Demand Registration Request**” and any such Registration pursuant to a Demand Registration Request shall hereinafter be referred to as a “**Demand Registration**”.
- (2) Subject to Section 3.1(3), if the Investor makes a Demand Registration Request under this Section 3.1, the Investor shall be entitled to choose the jurisdictions in Canada (other than Québec) in which the Demand Registration shall be effected.
- (3) Each Demand Registration Request shall be in writing and shall specify (i) the aggregate number of Common Shares that the Investor intends to offer and sell under the Demand Registration; (ii) the intended method of disposition thereof (which may include the use of a Short Form Prospectus, including a Base Shelf Prospectus and Shelf Prospectus Supplement, if the Corporation then qualifies to use such procedures); (iii) whether the intended offer and sale of Common Shares shall be made by an underwritten offering; (iv) the jurisdiction(s) in Canada in which the Registration is to be effected, which jurisdictions shall not include the Province of Quebec and must otherwise be acceptable to the Corporation, acting reasonably; and (v) contain an undertaking by the Investor to provide all such information regarding the Investor’s holdings of Common Shares and the proposed manner of distribution for the Common Shares the Investor intends to offer and sell in connection with such Demand Registration or as may otherwise be reasonably required in order to permit the Corporation to comply with applicable Securities Laws.
- (4) Subject to Section 3.4(1), the Corporation shall be entitled to include Common Shares to be issued and sold by the Corporation in any Demand Registration.
- (5) The Investor shall have the right to select the investment banker(s) and manager(s) to administer the offering of the Common Shares which are the subject of a Demand Registration, subject to the Corporation’s approval, which shall not be unreasonably withheld; provided that if any Demand Registration also involves an underwritten or agency treasury offering of the Corporation, the Corporation and the Investor shall jointly select the investment banker(s) and manager(s) to administer the offering. In the case of an underwritten Demand Registration, the Investor and its representatives may participate in the negotiation of the terms of any underwriting or agency agreement.
- (6) The Corporation shall not be obligated to take any action to effect any Demand Registration if: (i) within the preceding 90 days a Demand Registration or Registration was effected; (ii) within 12-months following the RTO Closing Date; (iii) in the 12-month period prior to the date

on which the Demand Registration Request is received by the Corporation, the Corporation has effected two Demand Registrations; (iv) it is expected to result in gross sale proceeds from the sale of Common Shares subject to the Demand Registration of less than \$10 million; or (v) the Corporation is prohibited from filing a prospectus at such time pursuant to any agreement between the Corporation and any underwriter or agent.

- (7) In the event the Board reasonably determines in its good faith judgment (as evidenced by a resolution of the Board) that the filing of a prospectus (including, after the filing of a Base Shelf Prospectus, a Shelf Prospectus Supplement) in respect of a Demand Registration would require the disclosure of material non-public information relating to the Corporation that the Corporation has a *bona fide* business purpose for preserving as confidential and disclosure of which would have a material adverse effect on the business of the Corporation (a “**Valid Business Reason**”), then the Corporation’s obligation to effect a Demand Registration under this Article 3 will be deferred for a period of not more than 90 days from the date of receipt of the Demand Registration Request, provided that the Corporation may not defer its obligations under this Article 3 for a period of more than 120 days during any 12 month period. In each case, the Corporation shall provide prompt written notice to the Investor (including a copy of the above-mentioned resolution of the Board and copies of any other resolutions or determinations by its Board relating to such postponement) of its determination and the facts giving rise to the Valid Business Reason and an approximation of the anticipated period of time of such postponement. The Corporation shall provide prompt written notice to the Investor of the time at which it determines that the Valid Business Reason no longer exists.
- (8) A Demand Registration requested pursuant to this Section 3.1 shall not be deemed to have been effected if (i) a receipt is not obtained for a final prospectus (if applicable), (ii) the applicable proposed distribution is interfered with by any cease trade or stop order, injunction or other order or requirement of any Canadian Securities Authority, the TSXV or other Governmental Entity, or (iii) the conditions to closing specified in the applicable underwriting or agency agreement entered into in connection with the applicable proposed distribution are not satisfied or waived by reason of the failure or refusal of the Corporation to satisfy or perform a condition to such closing (including if so specified by reason of the occurrence of a material adverse change).

### **Section 3.2 Investor Piggyback Registration.**

- (1) As long as the Investor holds, directly or indirectly, at least 10% of the Common Shares outstanding (calculated on a non-diluted basis), if the Corporation at any time and from time to time proposes to qualify, distribute or register any securities of the Corporation under any of the Securities Laws in a form and manner which would permit qualification of Common Shares held by the Investor (an “**Investor Piggyback Registration**”), the Corporation shall give prompt written notice to the Investor of its intention to do so and, subject to Section 3.4(2), shall include in such qualification or registration all Common Shares in respect of which the Corporation has received from the Investor a written request from the Investor for inclusion therein within 10 Business Days (2 Business Days in the case of a Bought Deal to be undertaken by way of a Short Form Prospectus or Shelf Prospectus Supplement) after the receipt of the Corporation’s notice. The written request by the Investor for inclusion in the Registration shall hereinafter be referred to as an “**Investor Piggyback Registration Request**”.
- (2) The Corporation’s notice shall include the particulars of the proposed offering, if available, including the proposed jurisdictions in which such distribution is to be effected, the estimated number and type of securities of the Corporation proposed to be issued, the range of the

estimated offering price per security, the proposed plan of distribution (including the use of a Short Form Prospectus or Shelf Prospectus Supplement) and the proposed terms of the underwriting or agency arrangements.

- (3) The Corporation 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 Investor Piggyback Registration, subject to the approval of the Investor, which shall not be unreasonably withheld.
- (4) The Corporation shall also provide to the Investor any current draft preliminary prospectus or draft Shelf Prospectus Supplement as applicable, if available, and any current draft engagement letter in respect of a Bought Deal, underwriting agreement or agency agreement, if available, relating to the proposed offering.

### **Section 3.3 Registration Procedures.**

Upon receipt of a Demand Registration Request or an Investor Piggyback Registration Request in accordance with and subject to the provisions of this Article 3, the Corporation will use commercially reasonable efforts to effect the Registration of the Common Shares which are the subject of the Demand Registration Request or Investor Piggyback Registration Request (as may be reduced under Section 3.4) and pursuant thereto the Corporation will as expeditiously as reasonably possible and to the extent necessary by virtue of the Securities Laws of the jurisdictions in which the Registration is to be effected:

- (a) prepare and file (in any event within 30 days (60 days in the event the Corporation is not eligible to file a Short Form Prospectus) after a request for Registration has been delivered to the Corporation, or such shorter period required under Securities Laws with respect to the particular prospectus process) under the Securities Laws, in the English language only, a preliminary prospectus or similar document in each jurisdiction in which the Registration is to be effected as consented to by the Corporation and such other related documents (including exhibits, financial statements, and ancillary materials, where applicable) as may be necessary or appropriate relating to the proposed distribution;
- (b) furnish to the Investor copies of the preliminary prospectus, prospectus, or any amendments or supplements thereto, including exhibits, financial statements and ancillary materials if applicable, and provide the Investor and the managing underwriter(s) and or agent(s) if any (and their respective counsel) with a reasonable opportunity to participate in the preparation of such documents and each amendment thereof or supplement thereto in accordance with Section 3.8;
- (c) notify the Investor and the managing underwriter(s) and or agent(s), if any, and (if requested) confirm such advice in writing as soon as practicable after notice thereof is received by the Corporation (A) when the preliminary prospectus and prospectus, and any amendment thereto, has been filed or been receipted (as applicable); (B) of any request by the Canadian Securities Authorities for amendments to the preliminary prospectus or prospectus or for additional information; (C) of the issuance by the Canadian Securities Authorities of any stop trade or cease trade order relating to the prospectus or any order preventing or suspending the use of any preliminary prospectus or prospectus or the initiation or threatening of any proceedings for such purposes; and (D) of the receipt by the Corporation of any notification with respect to

the suspension of the qualification of the Common Shares for offering or sale in any jurisdiction or the initiation or threatening of any proceeding for such purpose;

- (d) use commercially reasonable efforts, as soon as possible after any comments of the relevant Canadian Securities Authorities have been satisfied with respect thereto, to prepare and file under the Securities Laws a prospectus in the English language only, and receive a receipt therefor;
- (e) use commercially reasonable efforts to take all other steps and proceedings that may be necessary in order to qualify the applicable Common Shares for distribution under applicable Securities Laws by registrants who comply with the relevant provisions of such Securities Laws;
- (f) prepare and file with the relevant Canadian Securities Authorities such amendments and supplements to such preliminary prospectus and prospectus as may be necessary to comply with the provisions of Securities Laws with respect to the distribution of all Common Shares and other securities covered thereby, and to take such reasonable steps to maintain the qualification of such prospectus until the earlier of the completion of the distribution or 60 days following issuance of the receipt for the final prospectus (except in the case of a Base Shelf Prospectus, in which case the Corporation shall take such steps as are necessary to maintain the effectiveness of such prospectus for the maximum period provided pursuant to Section 2.2(3) of NI 44-102 (or, if applicable, the maximum period provided under the applicable other qualification methods under such National Instrument));
- (g) furnish to the Investor and underwriters, if any, without charge, as many commercial copies of the preliminary prospectus, prospectus and any amendment and supplement thereto, including financial statements and schedules and all documents incorporated therein by reference, as such Persons may reasonably request, and such other documents as the Investor may reasonably request, in order to facilitate the distribution of the Common Shares;
- (h) furnish to the Investor:
  - (i) opinions of counsel for the Corporation in the preliminary prospectus, final prospectus or Shelf Prospectus Supplement, as applicable, in forms that are customary at such times for distributions of securities similar to the distribution of the Common Shares to be offered and sold;
  - (ii) opinions of counsel for the Corporation addressed to the Investor, the underwriters or agents, and their respective counsel on the closing date for the distribution of such securities, in forms that are customary at such times for distributions of securities similar to the distribution of the Common Shares to be offered and sold;
  - (iii) a “comfort” letter addressed to the Investor and the underwriters or agents dated the date of the final prospectus or Shelf Prospectus Supplement, as applicable, and again on the closing date signed by the auditors of the Corporation and providing comfort in relation to financial information contained in the prospectus (or incorporated by reference therein); and

- (iv) such corporate certificates, satisfactory to the Investor acting reasonably, as are customary at such times for distributions of securities similar to the distribution of the Common Shares to be offered and sold;

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;

- (i) during the period after the filing of a preliminary prospectus (or Shelf Prospectus Supplement) and before the completion of the distribution, immediately notify the Investor and the managing underwriter(s) and or agent(s), if any, of the happening of any event as a result of which the preliminary prospectus or the prospectus, as then in effect, would include an untrue statement of material fact or would omit any fact that is required to be stated or that is necessary to make any statement therein not misleading, or would fail to constitute full, true and plain disclosure of all material facts regarding the Common Shares when such preliminary prospectus or prospectus was delivered, and as promptly as practicable, prepare and file with the Canadian Securities Authorities, and furnish to the Investor and the managing underwriter(s) and or agent(s), if any, a supplement or amendment to such preliminary prospectus or prospectus which will correct such information. The Corporation shall furnish to the Investor and the managing underwriter(s) and or agent(s), if any, a reasonable number of commercial copies of any such supplement or amendment as may be necessary so that, as thereafter delivered to the purchasers of such Common Shares, the preliminary prospectus or prospectus shall not include an untrue statement of a material fact or omit to state any fact that is required to be stated or that is necessary to make any statement therein not misleading;
- (j) otherwise use commercially reasonable efforts to comply with all applicable policies, rules and regulations of the relevant Canadian Securities Authorities;
- (k) use its commercially reasonable efforts to cause all of the Common Shares to be listed and posted for trading on each securities exchange in Canada on which any of the Corporation's equity securities are then listed or quoted and on each inter-dealer quotation system in Canada on which any of the Corporation's equity securities are then quoted;
- (l) enter into such customary agreements and underwriting or agency agreements containing such representations and warranties by the Corporation, indemnification provisions in favour of the agents or underwriters, indemnification and contribution provisions consistent with Section 3.9, Section 3.10 and Section 3.11, and such other terms and provisions as are customary in underwriting or agency agreements for such offerings (including, where applicable, secondary offerings);
- (m) in the event of the issuance of any order or ruling suspending the effectiveness of a prospectus receipt or of any order suspending or preventing the use of any prospectus or suspending the qualification of any securities qualified by such prospectus for sale in any jurisdiction, the Corporation will notify the Investor and the managing underwriter(s) and or agent(s), if any, of such event and use commercially reasonable efforts to promptly obtain the withdrawal of such order or ruling; in the case of a secondary offering by the Investor, the Investor will not (until further notice) effect sales thereof or deliver any prospectus in respect of such sale after notification by the Corporation to the Investor under this Section 3.3(m);

- (n) use commercially reasonable efforts to qualify such Common Shares under the Securities Laws of such jurisdictions of Canada in which the Registration will be effected, and obtain such other governmental authorizations reasonably necessary to effect sales (provided that the Corporation will not be required to: (i) qualify generally to do business in any jurisdiction of Canada or any other jurisdiction in which it would not otherwise be required to qualify but for this Section 3.3(n); or (ii) consent to general service or process in any such jurisdiction in which it is not then so subject);
- (o) cause the senior officers and other representatives of the Corporation acceptable to the Investor, and the underwriters or agents, on a reasonable basis, to be available for and participate in “road shows”, institutional investor meetings, and similar events to support the sale of the Common Shares subject to the offering; and
- (p) 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 this Article 3.

#### **Section 3.4 Underwriters’ Cutback.**

- (1) If any Demand Registration involves an underwritten or agency offering and the lead underwriter(s) or agent(s) advises the Corporation and the Investor in writing that in its or their good faith reasonable judgment, the number of Common Shares that the Investor and the Corporation have requested to be included in such offering together with any other Common Shares to be included in the such offering hereunder exceeds the number (the “**Maximum Offering Size**”) that can be sold in such offering without being likely to have an adverse effect on the price, timing or distribution of the Common Shares offered or the market for the Common Shares, the Corporation shall include Common Shares in such qualification for distribution in the following priority to the extent possible, without causing the distribution to exceed the Maximum Offering Size:
  - (a) first, such Common Shares requested to be qualified for distribution by the Investor; and
  - (b) second, after allowing for the inclusion of all of the Common Shares required under Section 3.4(1)(a), as many of the Common Shares proposed to be qualified for distribution by the Corporation as part of the Demand Registration, or by any other person pursuant to another agreement with the Corporation permitted pursuant to Section 3.12.
- (2) If any Investor Piggyback Registration involves an underwritten or agency offering and the lead underwriter(s) or agent(s) advises the Corporation and the Investor in writing that in its or their good faith reasonable judgment, the number of Common Shares that the Corporation and the Investor have requested to be included in such offering exceeds the Maximum Offering Size, the Corporation shall include Common Shares in such qualification for distribution in the following priority to the extent possible, without causing the distribution to exceed the Maximum Offering Size:
  - (a) first, such Common Shares the Corporation proposes to sell from treasury; and
  - (b) second, after allowing for the inclusion of all of the Common Shares required under Section 3.4(2)(a), such Common Shares requested to be qualified for distribution by the Investor; and

- (c) third, after allowing for the inclusion of all of the Common Shares required under Section 3.4(2)(a) and (b), any remaining Common Shares requested to be qualified for distribution by the Investor.

### **Section 3.5 Withdrawal.**

The Investor shall be entitled to withdraw its request for inclusion of its Common Shares in any Demand Registration or Investor Piggyback Registration, in each case, by giving written notice to the Corporation of its request, provided that (i) such request is made prior to the execution of an engagement letter in respect of a Bought Deal or underwriting agreement with respect to such offering, and (ii) such withdrawal is irrevocable and, after making such request, the Investor shall no longer have any right to include its Common Shares in the Demand Registration or Investor Piggyback Registration pertaining to which the withdrawal was made.

### **Section 3.6 Expenses.**

All expenses incurred in connection with a Demand Registration or Investor Piggyback Registration pursuant to Section 3.1 and Section 3.2, as applicable (excluding underwriters' discounts and commissions in respect of Common Shares to be sold by the Investor and fees and disbursements of counsel to the Investor, which shall be borne by the Investor (the "**Investor Expenses**")), including, (i) fees payable to Canadian Securities Authorities, (ii) fees and expenses of compliance with 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 Corporation, (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 or advisors retained by the Corporation, (viii) translation expenses, and (ix) any other fees and disbursements of underwriters customarily paid by issuers or sellers of securities (but excluding the Investor Expenses), shall be borne by the Corporation.

### **Section 3.7 Agreement Regarding Compliance with Securities Laws.**

If, in connection with a secondary offering as herein contemplated, in the reasonable opinion of counsel to the Corporation it is necessary or appropriate in order to comply with any Securities Law, the Corporation's obligations under this Article 3 shall be conditional upon the Investor and any underwriter or agent participating in such public sale or distribution, executing and delivering to the Corporation an appropriate agreement, in a form reasonably satisfactory to counsel for the Corporation, that such Person will comply with all prospectus delivery requirements of all relevant Securities Laws and with stabilization, anti-manipulation and similar provisions of the relevant Securities Laws and will furnish to the Corporation information about sales made in such public sale or distribution.

### **Section 3.8 Preparation; Reasonable Investigation.**

In connection with the preparation and filing of any preliminary prospectus, prospectus or similar document in connection with a secondary offering as herein contemplated, the Corporation will give the Investor and the applicable underwriters or agents, if any, and their respective counsel, auditors and other representatives, the opportunity to participate in the preparation of such documents and each amendment thereof or supplement thereto, and shall include therein such material, furnished to the Corporation in writing, which in the reasonable judgment of counsel to the Investor, should be included and the inclusion of which is agreed upon by the Corporation, acting reasonably, and will give the Investor, and its underwriters and agents, if any, and their respective counsel, such access to its books and records and such opportunities to discuss the business of the Corporation with its officers

and auditors and other experts as shall be necessary in the opinion of the Investor, such underwriters or agents and their respective counsel, and to conduct all due diligence as the Investor, such underwriters or agents and their respective counsel may reasonably require in order to conduct a reasonable investigation for purposes of establishing a due diligence defence as contemplated by the Securities Laws and in order to enable such underwriters or agents to execute the certificate required to be executed by them in Canada for inclusion in each such document.

### **Section 3.9 Indemnification.**

- (1) In connection with any secondary offering as herein contemplated, to the extent permitted by Laws, the Corporation shall indemnify and hold harmless the Investor and their respective shareholders, members, and limited and general partners, each shareholder, member and limited and general partner of each such shareholder, member and limited and general partner, and each of their respective Affiliates, officers, directors, managers, shareholders, employees, advisors and agents from and against all losses, penalties, judgments, suits, costs, claims, damages, liabilities and expenses 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 (a) any untrue or alleged untrue statement of material fact contained in any preliminary prospectus or prospectus or any amendment thereof or supplement thereto, including all documents incorporated therein by reference (b) any omission or alleged omission of a material fact required to be stated therein or necessary to make any statement therein not misleading, or (c) any non-compliance by the Corporation with applicable Securities Laws in connection with a Demand Registration or Investor Piggyback Registration and the offering of securities effected thereunder; provided that the Corporation shall not be liable under this Section 3.9(1) for any settlement of any action effected without its written consent, which consent shall not be unreasonably withheld or delayed; and provided further that the indemnity provided for in this Section 3.9(1) shall not apply to any loss, penalty, judgment, suit, cost, claim, damage, liability or expense to the extent incurred, arising out of, or based upon an untrue statement or omission of material fact or alleged untrue statement or omission of material fact made in reliance upon and in conformity with written information furnished to the Corporation by the Investor for use in the prospectus. This indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of the Investor and regardless of any indemnity agreed to in an underwriting agreement that is less favourable to the Investor. In connection with an underwritten offering pursuant to a Demand Registration, the Corporation will indemnify the underwriters or agents, their officers and directors and each person who controls such underwriters or agents (within the meaning of any applicable Securities Laws) to the same extent as provided above with respect to the indemnification of the Investor.
- (2) In connection with any secondary offering as herein contemplated, to the extent permitted by Laws, the Investor shall indemnify and hold harmless the Corporation, each of its Affiliates and subsidiaries and their respective directors, officers, employees, shareholders and agents and underwriters or agents, their officers and directors and each person who controls such underwriters or agents who participates in such secondary offering from and against all losses, penalties, judgments, suits, costs, claims, damages, liabilities and expenses whatsoever (including reasonable costs of investigation and legal fees and expenses and any indemnity and contribution payments made to underwriters), including any amounts paid in settlement of any investigation, order, litigation, proceeding or claim, joint or several, incurred, arising out of or based on (a) any untrue or alleged untrue statement of material fact contained in any preliminary prospectus or prospectus or any amendment thereof or supplement thereto, including all documents incorporated therein by reference caused by information relating solely to the Investor furnished to the Corporation in writing by the Investor for use in the prospectus;

or (b) any omission or alleged omission to state in any such document a material fact relating to the Investor required to be stated therein or necessary to make any statement therein not misleading; provided that the Investor shall not be liable under this Section 3.10(2) for any settlement of any action effected without its written consent, which consent shall not be unreasonably withheld or delayed; and provided further that the indemnity provided for in this Section 3.10(2) shall not apply to any loss, claim, damage, liability 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 the secondary offering if the Corporation 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. In no event shall the liability of the Investor under this Section 3.9(2) be greater in amount than the dollar amount of the proceeds from the sale of Common Shares in the offering giving rise to such indemnification obligation, net of underwriting discounts and commissions but before expenses, less any amounts paid by the Investor under Section 3.11 and any amounts paid by the Investor as a result of liabilities incurred under the underwriting agreement, if any.

- (3) Notwithstanding any other provision of this Article 3, should the Investor not agree to the indemnification set out in Section 3.9(2), the Corporation shall not be required to qualify the Investor's Common Shares in the Demand Registration or Investor Piggyback Registration in respect of which the Investor does not agree to provide such indemnification.

### **Section 3.10 Defence of the Action by the Indemnifying Parties.**

Each party entitled to indemnification under this Article 3 (the "**Indemnified Party**") will give notice to the party required to provide indemnification (the "**Indemnifying Party**") promptly after such Indemnified Party has actual knowledge of any claim as to which indemnity may be sought, but the omission to so notify the Indemnifying Party shall not relieve it from any liability which it may have to the Indemnified Party pursuant to the provisions of this Article 3 except to the extent of the damage or prejudice suffered by such delay in notification. The Indemnifying Party will assume the defence of such action, including the employment of counsel to be chosen by the Indemnifying Party to the reasonable satisfaction of the Indemnified Party, and the payment of expenses. The Indemnified Party will have the right to employ its own counsel in any such case, but the legal fees and expenses of such counsel will be at the expense of the Indemnified Party, unless the employment of such counsel is authorized in writing by the Indemnifying Party in connection with the defence of such action, the Indemnifying Party shall not have employed counsel to take charge of the defence of such action, or the Indemnified Party reasonably concludes, based on the opinion of counsel, that there may be defences available to it or them which are different from or additional to those available to the Indemnifying Party (in which case the Indemnifying Party shall not have the right to direct the defence of such action on behalf of the Indemnified Party); in any of which events the reasonable fees and expenses will be borne by the Indemnifying Party. The Indemnifying Party, in the defence of any such claim or litigation, will not, except with the consent of the Indemnified Party, consent to entry of any judgment or enter into any settlement which does not include as an unconditional term thereof the giving by the claimant or plaintiff to such Indemnified Party of a release from all liability in respect to such claim or litigation.

### **Section 3.11 Contribution.**

In order to provide for just and equitable contribution in circumstances in which the indemnification provided for pursuant to Section 3.9 is due in accordance with its terms but is, for any reason, held by a court to be unavailable from an Indemnifying Party on grounds of policy or otherwise,

each Indemnifying Party and Indemnified Party shall contribute to the aggregate liabilities, claims, demands, losses (other than losses of profit in connection with the distribution of the Common Shares), costs, damages, fines, penalties and expenses (including, without limitation, legal fees, charges and disbursements on an as between a solicitor and his own client basis incurred in connection with investigation or defence of the same) to which they may be subject or which they may suffer or incur in such proportion as is appropriate to reflect the relative fault of the party or parties seeking indemnity, on the one hand, and the parties from whom indemnity is sought, on the other hand, in connection with the statements, commissions or omissions or other matters which resulted in such liabilities, claims, demands, losses, costs, damages, fines, penalties or expenses as well as any other relevant equitable considerations. The Indemnifying Parties and the Indemnified Parties hereto agree that it would not be just and equitable if contributions pursuant to this Agreement were determined by pro rata allocation or by any other method of allocation which does not take into account the equitable considerations referred to in this Section 3.11.

### **Section 3.12 Restriction on Other Registration Rights.**

Provided that at the relevant time the Investor owns or exercises control or direction over 20% or more of the outstanding Common Shares (calculated on a non-diluted basis), the Corporation may not and shall not, without the express prior written consent of each the Investor, which consent may be arbitrarily withheld, grant to any other Person any registration, distribution or similar qualification rights to the registration and distribution rights granted hereunder, unless such rights are subordinated to the rights granted to the Investor under this Article 3 and are on terms reasonably satisfactory to the Investor.

### **Section 3.13 Prospectus Qualification.**

The Corporation agrees to promptly file, and agrees to not withdraw, a notice declaring its intention to be qualified to file a Short Form Prospectus as soon as permitted by Securities Laws. After such time, the Corporation agrees to make commercially reasonable efforts to make available and maintain the availability of short form prospectus Registrations pursuant to NI 44-101. For greater certainty, references in this Agreement to a preliminary prospectus or prospectus shall include a short form preliminary prospectus or prospectus.

### **Section 3.14 U.S. Registration Rights.**

If the Corporation proposes to file a registration statement for the distribution of Common Shares to the public in the United States, the Parties shall, prior to such distribution taking place, supplement this Agreement so as to provide the Investor with registration rights enabling the distribution of Common Shares to the public in the United States that are substantially equivalent to the registration rights provided under this Agreement, including demand registration rights and piggyback registration rights upon terms and conditions substantially equivalent to the demand registration rights and piggyback registration rights granted hereunder (with the necessary modifications to reflect differences in securities laws and process), and provisions relating to payment of expenses and indemnification and contribution substantially equivalent to the terms set forth in this Agreement.

## ARTICLE 4 SUBSCRIPTION RIGHTS

### Section 4.1 Subscription Rights.

- (1) At any time the Investor owns, directly or indirectly, or exercises control or direction over an aggregate of 10% or more of the outstanding Common Shares (calculated on a non-diluted basis), in the event of any distribution or issuance, including by way of a share dividend (a "**Distribution**") of Common Shares or of securities convertible or exchangeable into Common Shares or giving the right to acquire Common Shares (other than options or other securities issued under compensatory plans or other plans to purchase Common Shares or any other securities in favour of the management, directors, employees or consultants of the Corporation) (the "**Convertible Securities**" and, together with the Common Shares, the "**Distributed Securities**"), the Corporation shall issue to the Investor rights to subscribe for that number of Common Shares or, as the case may be, for securities convertible or exchangeable into or giving the right to acquire, on the same terms and conditions, including subscription or exercise price, as applicable, *mutatis mutandis* (except for the ultimate underlying securities which shall be Common Shares), as those stipulated in the Convertible Securities, that number of Common Shares, respectively, which carry, in the aggregate, a number of voting rights sufficient to fully maintain the proportion of total voting rights (on a fully diluted basis) associated with the then outstanding Common Shares as of the date immediately prior to the date of closing of the Distribution (the "**Rights to Subscribe**").
- (2) The Rights to Subscribe shall be issued to the Investor concurrently with the completion of the Distribution of the applicable Distributed Securities. To the extent that any such Rights to Subscribe are exercised, in whole or in part, the securities underlying such Rights to Subscribe (the "**Subscription Securities**") shall be issued and must be paid for concurrently with the completion of the Distribution and payment to the Corporation of the issue price for the Distributed Securities, at the lowest price permitted by the applicable securities and stock exchange regulations and subject (as to such price) to the prior consent of the exchanges but at a price not lower than (i) if the Distributed Securities are Common Shares, the price at which Common Shares are then being issued or distributed (excluding, for greater certainty, underwriting commissions and discounts and other transaction expenses paid by the Corporation), (ii) if the Distributed Securities are Convertible Securities, the price at which the applicable Convertible Securities are then being issued or distributed; and (iii) if the Distributed Securities are voting shares other than Common Shares, the higher of (a) the weighted average price of the transactions on the Common Shares on the TSXV (or such other primary stock exchange on which they are listed, as the case may be) for the 20 trading days preceding the Distribution of such voting shares or of (b) the weighted average price of transactions on the Common Shares on the TSXV (or such other primary stock exchange on which they are listed, as the case may be), the trading day before the Distribution of such voting Shares.
- (3) The privileges attached to Subscription Securities which are securities convertible or exchangeable into or giving the right to acquire Common Shares shall only be exercisable if and whenever the same privileges attached to the Convertible Securities are exercised and shall not result in the issuance of a number of Common Shares which increases the proportion (as in effect immediately prior to giving effect to the completion of the Distribution) of total voting rights associated with the Common Shares after giving effect to the exercise by the holder(s) of the privileges attached to such Convertible Securities.
- (4) At least fifteen (15) Business Days prior to the closing of any such proposed Distribution, the Corporation shall deliver to the Investor a notice in writing offering the Investor the opportunity

to subscribe for the applicable Subscription Securities. The offer will contain a description of the terms and conditions relating to the Distributed Securities and the Subscription Securities and will, to the extent known, state the price at which the Distributed Securities and the Subscription Securities will be distributed and the date on which the issuance of Distributed Securities is to be completed and will state that the Investor, if it wishes to subscribe for Subscription Securities, may do so only by giving written notice of the exercise of the subscription right granted hereby to the Corporation within ten (10) Business Days after the date of the offer, provided that if the Corporation receives a Bought Deal relating to such distribution of shares, the Investor shall have not less than 24 hours from the time the Corporation advises them of such Bought Deal to provide the written notice to the Corporation specified in this Section 4.1(4). The Investor will be entitled to participate in the issuance of the Distributed Securities in accordance with Section 4.1(2).

- (5) If the Corporation proposes to grant an option or other right for the purchase of or subscription for Distributed Securities (other than options or other securities issued under compensatory plans or other plans to purchase Common Shares or any other securities in favour of the management, directors, employees or consultants of the Corporation), such option or other right will also be made available to the Investor as nearly as may be possible in accordance with the foregoing.

#### **Section 4.2 Top-Up Rights.**

- (1) Without limiting Section 4.1, at any time the Investor owns, directly or indirectly, or exercises control or direction over an aggregate of 10% or more of the outstanding Common Shares (calculated on a non-diluted basis):
- (a) the Investor shall have the right (the “**Top-Up Right**”) to subscribe for and to be issued in connection with the issuance of Common Shares in connection with (any, a “**Dilutive Issuance**”): (i) any equity-based compensation arrangements of the Corporation; and (ii) the conversion, exercise or exchange of Convertible Securities (the “**Dilutive Shares**”) up to such number of Common Shares (the “**Investor Top-Up Shares**”) such that the ratio that the Investor Top-Up Shares bears to the sum of the Investor Top-Up Shares and the Dilutive Shares is the same as the ratio that (i) the aggregate of the Common Shares then owned by or over which control or direction is exercised by the Investor (calculated on a non-diluted basis), bears to (ii) all Common Shares then outstanding (calculated on a non-diluted basis); provided that the Investor shall not have a Top-Up Right in connection with any Dilutive Issuance of any Dilutive Shares to the Investor or any of its Affiliates; and
  - (b) the Top-Up Right shall be exercisable from time to time following Dilutive Issuances that result in the reduction of the Investor’s ownership by an aggregate of 1.0% or more (the “**Top-Up Threshold**”). The Top-Up Threshold shall be calculated by aggregating all Dilutive Issuances that occurred in each case from the later of: (i) the date of this Agreement; (ii) the date of the last Top-Up Notice; and (iii) the date of completion of the last Top-Up Offering.
- (2) Subject to Section 4.2(5), within five (5) Business Days of the end of each three month period ending March 31, June 30, September 30 and December 31 during which one or more Dilutive Issuances occurred resulting in the Top-Up Threshold being achieved, the Corporation shall deliver a written notice (a “**Top-Up Notice**”) to the Investor containing the number of Convertible Securities converted, exercised or exchanged into Common Shares, and the total number of issued and outstanding Common Shares following such Dilutive Issuances and any

other conversions, exercises and exchanges of Convertible Securities, in each case from the later of (A) the date of this Agreement, (B) the date of the last Top-Up Notice, and (C) the date of completion of the last Top-Up Offering.

- (3) If the Investor wishes to exercise the Top-Up Right, the Investor shall give written notice to the Corporation (the "**Top-Up Exercise Notice**") of its intention to exercise such right and of the number of Top-Up Shares the Investor wishes to subscribe for and purchase pursuant to the Top-Up Right. The Investor shall deliver the Top-Up Exercise Notice to subscribe to the Top-Up Offering or issuance of Top-Up Shares, within fifteen (15) Business Days after the date of receipt of a Top-Up Notice, failing which the Investor will not be entitled to exercise the Top-Up Right in respect of such issuance of Top-Up Shares.
- (4) If the Investor delivers a Top-Up Exercise Notice in accordance with Section 4.2(3), the Corporation shall in accordance with the provisions of this Section 4.2, promptly, and in any event within 30 days of the date on which the relevant Top-Up Exercise Notice was delivered, complete an offering to the Investor of the number of Top-Up Shares the Investor wishes to subscribe for pursuant to the Top-Up Right, as specified in the Top-Up Exercise Notice, at an offering price per Top-Up Share equal to the Market Price on the date the Top-Up Notice was delivered to the Investor (each, a "**Top-Up Offering**"). For greater certainty, each Top-Up Offering will be an offering of Common Shares.
- (5) Notwithstanding any other provision of this Article 4 to the contrary, if a Top-Up Threshold is achieved, or is determined by the Corporation, acting reasonably, to be likely to occur prior to the date on which a record date for any meeting of shareholders is to be set, the Corporation shall deliver a Top-Up Notice to the Investor at least 20 Business Days prior to such record date or such shorter period prior to such record date as may be agreed in writing between the Investor and the Corporation upon confirmation by the Corporation that it has all necessary authorizations and approvals to complete the Top-Up Offering within such shortened period. If the Investor delivers a Top-up Exercise Notice in accordance with Section 4.2(3) or during such shortened notice period as may have been agreed between the Corporation and the Investor pursuant to this Section 4.2(5), in response to a Top-Up Notice delivered pursuant to Section 4.2(2), the Corporation shall in accordance with the provisions of this Article 4, promptly, and in any event prior to declaring the record date for such shareholder meeting, complete a Top-Up Offering to the Investor.

### **Section 4.3 Listing on Stock Exchange.**

The Corporation shall use commercially reasonable efforts to cause all Common Shares (and, if the applicable class of Convertible Securities is generally listed and posted for trading, all such Convertible Securities) issued pursuant to this Article 4 together with all Common Shares underlying any Convertible Securities issued pursuant to this Article 4 to be listed on each securities exchange on which such securities are then listed or quoted and on each inter-dealer quotation system on which such securities are then quoted, concurrently with the listing of such other securities of that class.

### **Section 4.4 Application of Securities Laws.**

The Parties acknowledge that the transactions contemplated pursuant to this Article 4, including the issuance and resale of Common Shares and Convertible Securities, are subject to 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, and the Corporation shall not be required to complete any such transactions except in accordance with such applicable Securities Laws and rules, policies and determinations of the TSXV, including, but not

limited to, approval of the TSXV of any such transactions. In particular, and without limiting the foregoing, the Parties acknowledge that the transactions contemplated pursuant to this Article 4 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 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.

## **ARTICLE 5 DISPUTE RESOLUTION**

### **Section 5.1 Arbitration.**

Any dispute, controversy, questions, disagreement or claim arising out of or relating to this Agreement, including any question regarding its existence, interpretation, validity, breach or termination or the business relationship created by it or the enforcement of rights and obligations hereunder, will be finally resolved by binding confidential arbitration administered by the ADR Institute of British Columbia under the Arbitration Rules of ADR Institute of Canada Inc., as amended or supplemented by the provisions of this Article 5 (an “**Arbitration**”). The arbitrator may order injunctive relief, including, but not limited to a temporary restraining order. The service of any notice, process, motion or any other document in connection with an Arbitration or any enforcement of any arbitration award may be made in the same manner that communications may be given under Section 6.3. The Arbitration will be conducted in the English language in the City of Vancouver with one arbitrator. Except as required under applicable Law, neither a party nor an arbitrator may disclose the existence, content, or results of any arbitration hereunder without the prior written consent of the parties to the Arbitration, save and except no consent is required for disclosure to professional advisors and tax authorities in connection with or as a result of an Arbitration.

### **Section 5.2 Binding Awards.**

The arbitrator shall set forth in writing his or her findings of fact and conclusions of Law and shall render his or her award based thereon. The Parties agree that, as applicable, the award of the arbitrator shall become final and binding upon each of them on the thirtieth day following delivery to the Parties, and that, thereafter judgment upon the award may be entered in any court having jurisdiction.

### **Section 5.3 Injunctive Relief; Jurisdiction and Consent to Service.**

- (1) Notwithstanding the foregoing, each Party shall have the right to seek injunctive relief from a court of competent jurisdiction with respect to matters of specific performance hereunder. All other matters in dispute under this Agreement shall be governed by the arbitration provisions of this Article 5.
- (2) For the limited purposes set forth in Section 5.2 and Section 5.3(1), each of the Parties (i) agrees that any suit, action or proceeding arising out of or relating to this Agreement shall be brought solely in British Columbia courts situated in the City of Vancouver; (ii) waives to the extent not prohibited by applicable law, and agrees not to assert by way of motion, as a defense or otherwise, in any such action, any claim that it is not subject personally to the jurisdiction of the above-named court, that its property is exempt or immune from attachment or execution, that any such proceeding brought in the above-named court is improper, or that this Agreement or the subject matter hereof or thereof may not be enforced in or by such court;

(iii) agrees not to commence or maintain any action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation arising out of or based upon this Agreement or relating to the subject matter hereof or thereof other than before the above-named court nor to make any motion or take any other action seeking or intending to cause the transfer or removal of any such action, claim, cause of action or suit (in contract, tort or otherwise), inquiry, proceeding or investigation to any court other than the above-named court whether on the grounds of inconvenient forum or otherwise; and (iv) consents to service of process in any such proceeding in any manner permitted by the laws of the Province of British Columbia, and agrees that service of process by registered or certified mail, return receipt requested, at its address specified pursuant to Section 6.3 is reasonably calculated to give actual notice.

## **ARTICLE 6 MISCELLANEOUS**

### **Section 6.1 Information and Access Rights.**

- (1) The Corporation shall provide the Investor with timely access to all scientific and technical information related to the Corporation and the Project, including, without limitation, reasonable access to the Corporation's scientific and technical data, work plans and programs, and permitting information and results of operations. In addition, on reasonable prior notice, the Corporation shall also make its management available, as reasonably requested by the Investor or its designated agent or representative, to discuss with the Investor the Corporation's business strategies and objectives and financing opportunities; provided, however, that the Investor shall, and shall cause all its of representatives to, hold all information including, but not limited to, all scientific and technical data, work plans and programs, permitting information and results of operations forming part thereof and information provided in discussions with management in the strictest confidence and in accordance with Section 6.5.
- (2) The Corporation shall permit and shall cause its Affiliates to permit the Investor or any agents or representatives designated by the Investor (subject to the execution and delivery of a non-disclosure agreement, in a form satisfactory to the Corporation, acting reasonably, by that designated agent(s) or representative(s) and the Corporation) to visit and inspect the Corporation, its Affiliates, the Project and any other properties or businesses of the Corporation and its affiliates, on a reasonable basis as requested by the Investor or its designated agents or representatives.
- (3) As soon as practicable, but in any event no later than twenty (20) days after the end of each calendar month, the Corporation shall deliver to the Investor a report concerning the Corporation, its Affiliates, the Project and their other business and activities during the preceding month, to include a summary description of actions taken with respect to the development, construction and operation of the Project during the prior month, a description of actual expenditures, and such other data and information reasonably requested by the Investor.
- (4) As soon as available and in any event no later than fifteen (15) days prior to the start of the Corporation's fiscal year, the Corporation shall deliver to the Investor an updated and current budget that reflects anticipated activities and expenditures of the Corporation and its affiliates for the upcoming fiscal year, which budget shall have been reviewed and approved by the Board.

- (5) As soon as available and in any event no later than ten (10) days after issuance, the Corporation shall deliver to the Investor copies of: (a) any reports prepared by the Corporation or its Affiliates pursuant to with National Instrument 43-101 - *Standards of Disclosure for Mineral Projects*; and (b) any technical report with respect to the Project, including any such reports evaluating the construction of the Project, any evaluating the geology or metallurgy of the Project, and any evaluating any mineral processing plans and procedures.
- (6) Promptly after initiation thereof, the Corporation shall deliver to the Investor notice of any material claims, proceedings, litigation or material disputes by, against, or otherwise involving the Corporation or any affiliate thereof, or the Project, or other litigation which alleges material noncompliance with or violation of environmental laws or permits, licenses or other approvals associated with the Project or any other business of the Corporation or that could reasonably be expected to have a material adverse effect on the Corporation, any affiliate or the Project, together with copies of the court filings or other documents associated therewith.
- (7) The Corporation shall deliver to the Investor such other data, documentation and information respecting the condition or operations, financial or otherwise, of the Corporation, its affiliates, the Project or their business as the Investor may from time to time reasonably request; provided, however, that the Corporation may decline to respond to any such requests where the Chair of the Board believes, in his or her sole discretion, acting reasonably and in good faith, that there could be a potential conflict as a matter of applicable corporate law relating to the Investor as a result of making such disclosure.
- (8) The Corporation shall not be deemed to have made any representation or warranty to the accuracy or completeness of any information, materials or data furnished to the Investor under this Agreement and shall have no obligation to revise or update any such information, material or data provided to the Investor hereunder unless specifically required hereunder.

## **Section 6.2 Authority; Effect.**

Each Party hereto represents and warrants to and agrees with each other Party that the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized on behalf of such Party and do not violate any agreement or other instrument applicable to such Party or by which its assets are bound. This Agreement does not, and shall not be construed to, give rise to the creation of a partnership among any of the Parties hereto, or to constitute any of such Parties members of a joint venture or other association. The Corporation and its subsidiaries shall be jointly and severally liable for all obligations of each such Party pursuant to this Agreement.

## **Section 6.3 Notices.**

Any notices, requests, demands, designations and other communications required or permitted in this Agreement shall be effective if in writing and (i) delivered personally, (ii) sent by e-mail, or (iii) sent by overnight courier, in each case, addressed as follows:

- (a) If to the Corporation to:

885 West Georgia Street  
Suite 2200  
Vancouver, BC V6C 3E8

Attention: Fausto Di Trapani  
E-mail: *[Redacted for Confidentiality]*

(b) If to the Investor to:

c/o Hochschild Mining PLC  
21 Gloucester Place  
London, UK W1U 8HR

Attention: Raj Bhasin  
E-mail: *[Redacted for Confidentiality]*

Unless otherwise specified herein, such notices or other communications shall be deemed to have been delivered (i) on the date received, if personally delivered, (ii) on the date received if delivered by e-mail on a Business Day before 5:00 p.m. (Vancouver time), or if not delivered on a Business Day or after 5:00 p.m. (Vancouver time) on a Business Day, on the first Business Day thereafter and (iii) 2 Business Days after being sent by overnight courier. Each of the Parties hereto shall be entitled to specify a different address by giving notice as aforesaid to each of the other Parties hereto.

#### **Section 6.4 Termination and Effect of Termination.**

- (1) This Agreement shall come into force and effect as of the date set out on the first page of this Agreement and, except as provided below, shall continue in force until the earlier of:
  - (a) the last day of the first continuous 180-day period during which the Common Shares owned, controlled or directed, directly or indirectly, in the aggregate, by the Investor constitutes less than 10% of all of the issued and outstanding Common Shares (on a non-diluted basis); but only in respect of the Investor and shall otherwise continue in full force and effect as between all remaining Parties;
  - (b) the date on which this Agreement is terminated by the mutual consent of the Parties;  
or
  - (c) the dissolution or liquidation of the Corporation.
- (2) Notwithstanding Section 6.4(1), the provisions of Section 3.9, Section 3.10 and Section 3.11 and Article 5 and Article 6 shall survive any termination. No termination under this Agreement shall relieve any Person of liability for breach or Registration expenses incurred prior to termination.

#### **Section 6.5 Confidentiality.**

- (1) Any information regarding a Party (including, for greater certainty, any information regarding any proposed offering of securities) that:
  - (a) has not become generally available to the public;

- (b) was not available to a Party or its representatives on a non-confidential basis before the date of this Agreement; or
- (c) does not become available to a Party or its representatives on a non-confidential basis from a Person who is not, to the knowledge of the Party or its representatives, otherwise bound by confidentiality obligations to the provider of such information or otherwise prohibited from transmitting the information to the party or its representatives,

will be kept confidential by each Party and shall constitute confidential information (the "**Confidential Information**").

- (2) Each Party undertakes that it and its representatives will: (a) keep such Confidential Information strictly confidential; and (b) except with the prior written consent of the disclosing Party, not disclose to any third party any Confidential Information received from the disclosing Party; provided that any such information may be disclosed to those Affiliates and representatives of the receiving Party who in each such case have a legitimate and verifiable need to know such information and who agree in writing or by the receiving Party's written policies or protocols are required to keep such information confidential and to be bound by the terms of this Section 6.5 at least to the same extent as if they were Parties hereto. Notwithstanding any such agreement on the part of each such affiliate or representative, each Party shall ensure that its affiliates or representatives strictly observe the terms of this Section 6.5 and shall be liable for any breach of this Section 6.5 by any of its affiliates or representatives. Each Party shall fully inform each of its affiliates and representatives to whom Confidential Information is disclosed of all restrictions and requirements contained in this Section 6.5.
- (3) No Confidential Information may be released to third parties without the consent of the provider thereof, except that the Parties agree that they will not unreasonably withhold such consent to the extent that such Confidential Information is compelled to be released by legal process or must be released to regulatory bodies and/or included in public documents.
- (4) Upon request by the provider of the Confidential Information, the other Party will return to the provider, or destroy (subject only to normal course data back-up or archival processes), all documents, including any copies thereof, comprised in the Confidential Information provided by the provider, and the recipient of the Confidential Information will confirm in writing that all Confidential Information has been returned or destroyed (subject only to normal course data back-up or archival processes), as applicable, provided that copies of the Confidential Information may be retained by a Party to comply with Law and/or bona fide corporate governance requirements or for liability defense purposes. Notwithstanding any such return or destruction of any Confidential Information, Confidential Information, including, without limitation, any Confidential Information retained by a receiving Party, will continue to be subject to this Agreement. In addition, Confidential Information that has been prepared by either Party from publicly available information or from information not obtained pursuant to this Agreement may be retained by the Party that has prepared such information.
- (5) The Investor acknowledges that the Corporation is a public company and that the Investor is subject to Securities Laws regarding insider trading, tipping and recommending which prohibit trading in securities of the Corporation on the basis of material undisclosed information of the Corporation. Such information may be embodied from time to time in the Confidential Information and the Investor agrees to abide by all such requirements in Securities Laws.

- (6) The foregoing confidentiality restrictions shall not prohibit a Party from using general geological inferences, interpretations or understanding which it has drawn from or in the course of the Project in the pursuit of any other business opportunity.

#### **Section 6.6 Permitted Transferees.**

The rights of the Investor hereunder may only be assigned (but only with all related obligations as set forth below) in connection with a Transfer of Common Shares to an affiliate of the Investor. Without prejudice to any other or similar conditions imposed hereunder with respect to any such Transfer, no assignment permitted under the terms of this Section 6.6 will be effective unless the Person to which the assignment is being made, if not a Party to this Agreement at the time of the proposed assignment, has delivered to the Corporation a written acknowledgment and agreement in the form attached as Schedule "A" to this Agreement that such Person will be bound by and subject to the terms and conditions, and will be a Party to, this Agreement. The Investor may not assign or transfer this Agreement or any of the rights or obligations under it without the prior written consent of the Corporation, except as provided herein.

#### **Section 6.7 Determination of Investor's Ownership Percentage.**

For all purposes of this Agreement, in determining the Investor's percentage ownership interest in the equity capital of the Corporation, any Common Shares issued as a result of any Dilutive Issuance 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 Dilutive Issuance(s) had not occurred, unless and until the Investor fails to provide a written notice to the Corporation within the prescribed time period required to exercise its right to subscribe for Investor Top-Up Shares pursuant to Section 4.2, in which case, the Common Shares issued in connection with such Dilutive Issuance(s) shall thereafter be included in such calculation.

#### **Section 6.8 Remedies.**

Subject to Article 5, the Parties shall have all remedies available at law, in equity or otherwise in the event of any breach or violation of this Agreement or any default hereunder. Each Party hereto acknowledges that a breach or threatened breach by a Party of any provision of Article 2 will result in the other Parties suffering irreparable harm which cannot be calculated or fully or adequately compensated by recovery of damages alone. Accordingly, each Party agrees that the other Parties shall be entitled to interim and permanent injunctive relief, specific performance and other equitable remedies, in addition to any other relief to which it or any other party may become entitled, any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief hereby being waived. No delay of or omission in the exercise of any right, power or remedy accruing to any party as a result of any breach or default by any other party under this Agreement shall impair any such right, power or remedy, nor shall it be construed as a waiver of or acquiescence in any such breach or default, or of any similar breach or default occurring later; nor shall any such delay, omission nor waiver of any single breach or default be deemed a waiver of any other breach or default occurring before or after that waiver.

#### **Section 6.9 Amendments.**

This Agreement may not be orally amended, modified, extended or terminated. This Agreement may be amended, modified, extended or terminated only by an agreement in writing signed by each of the Corporation and the Investor. Each such amendment, modification, extension or termination shall be binding upon each Party hereto.

**Section 6.10 Waiver.**

Except as expressly provided in this Agreement, no waiver of any provision or of any breach of any provision of this Agreement shall be effective or binding unless made in writing and signed by the Party purporting to give such waiver and, unless otherwise provided in such written waiver, shall be limited to the specific provision or breach waived. No waiver by any Party hereto of any provisions or of any breach of any term, covenant, representation or warranty contained in this Agreement, in one or more instances, shall be deemed to be or construed as a further or continuing waiver of that or any other provision (whether or not similar) or of any breach of that or any other term, covenant, representation or warranty contained in this Agreement.

**Section 6.11 No Third Party Rights.**

The terms and provisions of this Agreement are intended solely for the benefit of the Parties and their respective successors and permitted assigns, and it is not the intention of the Parties to confer any third party beneficiary rights and this Agreement does not confer any such rights upon any third party (including any holders of securities of the Corporation) that is not a Party to this Agreement.

**Section 6.12 Time of Essence.**

Time is of the essence of this Agreement.

**Section 6.13 Governing Law.**

This Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia (without giving effect to any conflict of laws principles thereunder) and the federal laws of Canada applicable therein.

**Section 6.14 Further Assurances.**

Each Party shall use reasonable efforts to take all such steps, execute all such documents and do all such acts and things as may be reasonably within its power to implement to their full extent the provisions of this Agreement and to cause the Corporation to act in the manner contemplated by this Agreement.

**Section 6.15 Independent Legal Advice.**

The Parties acknowledge that they have entered into this Agreement willingly with full knowledge of the obligations imposed by the terms of this Agreement. Further, the Parties acknowledge that they have been afforded the opportunity to obtain independent legal advice and confirm by the execution of this Agreement that they have either done so or waived their right to do so, and agree that this Agreement constitutes a binding legal obligation and that they are estopped from raising any claim on the basis that they have not obtained such advice.

**Section 6.16 Entire Agreement.**

This Agreement constitutes the entire agreement between the Parties with respect to the matters contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties related to such matters. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this

Agreement, except as specifically set forth in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into this Agreement.

**Section 6.17 Successors and Assigns.**

This Agreement becomes effective only when executed by all of the Parties. After that time, it is binding on and enures to the benefit of the Parties and their respective heirs, administrators, executors, legal representatives, successors and permitted assigns.

**Section 6.18 Counterparts.**

This Agreement may be executed in any number of counterparts, each of which is deemed to be an original, and such counterparts together constitute one and the same instrument. Transmission of an executed signature page by email or other electronic means is as effective as a manually executed counterpart of this Agreement.

**Section 6.19 Severability.**

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction from which no appeal exists or is taken, that provision will be severed from this Agreement and the remaining provisions will remain in full force and effect. The Parties shall engage in good faith negotiations to replace any provision which is declared invalid or unenforceable with a valid and enforceable provision, the economic and substantive effect of which comes as close as possible to that of the invalid or unenforceable provision which it replaces.

***[Remainder of page intentionally left blank]***

**IN WITNESS WHEREOF** the Parties hereto have duly executed this Agreement as of the date and year first above written.

**TIERNAN GOLD CORP.**

Per: \_\_\_\_\_  
Name:  
Title:

**HOCHSCHILD MINING HOLDINGS LIMITED**

Per: \_\_\_\_\_  
Name:  
Title:

**SCHEDULE "A"**

**FORM OF ASSUMPTION AGREEMENT**

**TO:** The Parties to the Investor Rights Agreement (the "**Investor Rights Agreement**") made as of ●, 2025 between Tiernan Gold Corp. and Hochschild Mining Holdings Limited, and any subsequent or replacement Parties thereto.

**WHEREAS** the undersigned (the "**New Shareholder**") proposed to acquire \_\_\_\_\_ common shares of Tiernan Gold Corp. (the "**Subject Shares**") from \_\_\_\_\_ (the "**Existing Shareholder**") and, as a condition precedent to such acquisition, is required to execute and deliver this Assumption Agreement pursuant to Section 6.5 of the Investor Rights Agreement.

**NOW THEREFORE** this agreement witnesses that, in consideration of the provisions set out below, the acquisition of the Subject Shares, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the New Shareholder hereby agrees as follows:

1. Any expression capitalized herein for other than grammatical purposes and not defined herein shall have the meaning set out in the Investor Rights Agreement.
2. The New Shareholder hereby consents to the terms and conditions of the Investor Rights Agreement and agrees to assume all of the obligations of the Existing Shareholder thereunder and to be subject to all of the restrictions to which the Existing Shareholder is subject thereunder, in each case as though the New Shareholder was the Existing Shareholder and had been an original signatory to the Investor Rights Agreement.
3. The New Shareholder confirms that it has executed this agreement voluntarily after having had the opportunity to seek independent legal advice and that it fully appreciates the nature, extent and consequences of this agreement and the Investor Rights Agreement.
4. The New Shareholder hereby acknowledges receipt of a copy of the Investor Rights Agreement.
5. This agreement shall enure to the benefit of the Parties and their respective heirs, executors, administrators, legal personal representatives, successors (including, without limitation, any successor by reason of amalgamation of any Party) and permitted assigns. Neither this agreement nor any rights or obligations hereunder shall be assignable by any Party except pursuant to the provisions of the Investor Rights Agreement.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
(Witness)

\_\_\_\_\_  
(New Shareholder)