

UNDERWRITING AGREEMENT

July 29, 2019

Chesapeake Gold Corp.
1512 Yew Street, Suite 201
Vancouver, BC V6K 3E4

Attention: P. Randy Reifel, Chairman and President

Mackie Research Capital Corporation (the "**Underwriter**") understand that Chesapeake Gold Corp. (the "**Corporation**") proposes to issue and sell 5,334,000 Common Shares (as hereinafter defined) (the "**Offered Shares**") at a price of \$2.25 per share (the "**Offering**"), for aggregate gross proceeds of \$12,001,500. The Underwriter hereby offers to purchase from the Corporation, and the Corporation hereby agrees to sell to the Underwriter, all, but not less than all, of the Offered Shares pursuant to the terms of this Agreement.

The Underwriter and the Corporation acknowledge that Schedules "A", "B" and "C" form part of this Agreement.

In consideration for its services hereunder, the Corporation agrees to pay to the Underwriter the fees and other compensation set forth in this Agreement.

The Underwriter and the Corporation agree that the Underwriter may arrange for substituted purchasers (the "**Substituted Purchasers**") for the Offered Shares in the Offering Jurisdictions (as defined below), subject to the terms and conditions set out in this Agreement.

The following are the terms and conditions of the agreement between the Corporation and the Underwriter:

ARTICLE 1 - INTERPRETATION

1.1 In this Agreement,

"**Agreement**" means this agreement, as it may be amended, modified or supplemented from time to time in accordance with its terms;

"**Ancillary Documents**" means the Subscription Agreements and all other agreements, certificates and documents executed and delivered, or to be executed and delivered, by the Corporation in connection with the transactions contemplated by this Agreement;

"**Applicable Securities Laws**" means, collectively, and, as the context may require, all applicable securities Laws of each of the Canadian Offering Jurisdictions, together with the published regulations, rules, rulings and orders made under those securities Laws and forms prescribed thereunder together with all the applicable published policy statements, blanket orders and rulings of multilateral or national instruments and similar instruments issued or adopted by the Securities Commissions;

“Business Day” means a day other than a Saturday, Sunday or statutory or banking holiday in the Province of Ontario or British Columbia;

“Canadian Offering Jurisdictions” means each of the provinces of Canada;

“Claim” has the meaning given to it in Section 9.1 of this Agreement;

“Closing” means the closing of the Offering;

“Closing Date” means August 22, 2019, or such earlier or later date (but not later than August 30, 2019) as the Underwriter may designate;

“Common Shares” means common shares in the capital of the Corporation, as currently constituted;

“Contract” means any written or oral agreement, indenture, contract, lease, sublease, deed of trust, licence, option, or other legally enforceable obligation of or in favour of the applicable person;

“Corporation” has the meaning given to it in the first paragraph of this Agreement;

“Corporation’s Counsel” means Koffman Kalef LLP;

“Corporation’s Information Record” means any statement contained in any press release, material change report, financial statement, annual information form, annual or interim report, proxy circular or other document of the Corporation which has been filed on SEDAR;

“Employee Plans” has the meaning given to it in Section 3.2(hh) of this Agreement;

“Environmental Laws” has the meaning given to it in Section 3.2(n) of this Agreement;

“Enforceability Qualifications” means that enforceability is subject to bankruptcy, insolvency and other similar Laws affecting creditors’ rights generally and to general principles of equity;

“Exchange” means the TSX Venture Exchange;

“Exchange Approval” means the conditional approval of the Exchange for the Offering;

“FCPA Legislation” means all applicable foreign corrupt practice Laws, including the *Corruption of Foreign Public Officials Act* (Canada);

“Financial Information” means (i) the audited consolidated financial statements of the Corporation for the years ended December 31, 2018 and 2017, including the notes thereto, together with the report of the auditors thereon; (ii) the unaudited condensed interim consolidated financial statements of the Corporation for the three months ended March 31, 2019 and 2018, including the notes thereto; and (iii) in the case of each of (i) and (ii), the applicable accompanying management’s discussion and analysis of financial condition and results of operations;

“Governmental Authority” means any (i) multinational, federal, provincial, state, municipal, local or other governmental or public department, court, commission, board, bureau, agency or instrumentality, domestic or foreign; (ii) any subdivision or authority of any of the foregoing; (iii)

any quasi-governmental, self-regulatory organization or private body exercising any regulatory, expropriation or taxing authority under or for the account of its members or any of the above (including the Exchange); or (iv) any arbitrator exercising jurisdiction over the affairs of the applicable person, asset, obligation or other matter;

“**IFRS**” has the meaning given to it in Section 3.2(f);

“**Law**” means any federal, provincial, state or municipal law, statute, ordinance, regulation, rule, by-law, judgment, decree, order or award of any Governmental Authority of competent jurisdiction;

“**Lien**” means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by Law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, hypothec, pledge, title retention agreement, reservation of title, servitude, right of way, restrictive covenant, right of use or any matter capable of registration against title or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or the right to use or occupy property or assets;

“**Material Adverse Effect**” means the effect resulting from any event or change which has a material adverse effect on the consolidated business, affairs, capital, operations or assets (including assets in which the Corporation has a direct or indirect economic interest) of the Corporation;

“**material change**” has the meaning ascribed to such term in NI 51-102;

“**material fact**” means a material fact for the purposes of the Applicable Securities Laws or any of them or where undefined under the Applicable Securities Laws of a jurisdiction means a fact that significantly affects, or would reasonably be expected to have a significant effect on, the market price or value of the Common Shares;

“**Metates Mineral Concessions**” has the meaning given to it in Section 3.2(nn) of this Agreement;

“**Metates Project**” means the Corporation’s Metates gold-silver mineral development project located in Durango State, Mexico, as more particularly described in the Corporation’s Information Record;

“**Metates Technical Report**” means the pre-feasibility study technical report dated April 29, 2016 and titled “Metates Gold-Silver Project – NI 43-101 Technical Report Updated Preliminary Feasibility Study”, by M3 Engineering and Technology Corp. (and other consultants);

“**Metates Title Opinion**” has the meaning given to it in Section 5.1(g);

“**misrepresentation**” means a misrepresentation as defined under the Applicable Securities Laws or any of them or, where undefined under the Applicable Securities Laws of a jurisdiction, means (i) an untrue statement of a material fact, or (ii) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made;

“**NEO**” has the meaning given to it in Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*;

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

“**NI 45-102**” means National Instrument 45-102 *Resale of Securities*;

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

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

“**Offering**” has the meaning given to it in the first paragraph of this Agreement;

“**Offering Jurisdictions**” means the Canadian Offering Jurisdictions and any other jurisdiction outside of Canada as may be designated by the Underwriter provided no prospectus filing, offering memorandum, registration statement requirement or comparable obligations arise in such jurisdictions as a result of such offer or sale;

“**Offered Shares**” has the meaning given to it in the first paragraph of this Agreement;

“**Other Projects**” means (i) the Talapoosa gold project located in Lyon County Nevada, U.S.A., (ii) the La Cecilia gold project located in Sonoma State, Mexico; (iii) the La Gitana gold-silver project located in Oaxaca State, Mexico; (iv) the Tatatila project located in Veracruz State, Mexico; (v) the Rio Minas project located in Oaxaca State, Mexico, (vi) the Cerro Minas project located in Oaxaca State, (vii) the Pena Blanca project located in Oaxaca State and, (viii) the El Escorpion project located in eastern Guatemala;

“**Outstanding Convertible Securities**” means all options (whether put or call options), including options granted or proposed to be granted to officers, directors, employees or consultants, share purchase or acquisition rights or warrants and other convertible securities outstanding, whether issued pursuant to an established plan or otherwise;

“**person**” means any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning;

“**Purchasers**” means purchasers of the Offered Shares;

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

“**SEC**” means the United States Securities Exchange Commission;

“**Securities Commissions**” means, collectively, the securities commissions or similar regulatory authorities in each of the Canadian Offering Jurisdictions and each other relevant jurisdiction and “**Securities Commission**” means a securities commission or other securities regulatory authority in any one Canadian Offering Jurisdiction or other relevant jurisdiction, as the context may require;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

“Subscription Agreements” means the subscription agreements entered into between the Purchasers, the Corporation and the Underwriter in respect of the Offering, including all schedules thereto;

“Substituted Purchasers” has the meaning given to it in the fourth paragraph of this Agreement;

“Subsidiaries” means American Gold Capital Corporation, Metates Mining Enterprises LLC, American Gold Metates S. de R.L. de C.V., American Gold Capital U.S. Inc., Hunt Exploration S.A., Minerales El Prado S.A. de C.V. and Gunpoint Exploration Ltd.

“subsidiary” has the meaning given to such term under NI 45-106;

“Survival Limitation Date” means the second anniversary of the Closing Date;

“Tax Act” means the *Income Tax Act* (Canada), as amended, re-enacted or replaced from time to time;

“Time of Closing” means 8:00 a.m. (Vancouver time) on the Closing Date, or such other time on the Closing Date as may be agreed to by the Corporation and the Underwriter;

“Underwriter” has the meaning given to it in the first paragraph of this Agreement;

“Underwriter’s Counsel” means McCarthy Tétrault LLP;

“Underwriting Fee” means the fee payable to the Underwriter as specified in Section 7.1 of this Agreement;

“United Kingdom” means the United Kingdom of Great Britain and Northern Ireland;

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

“U.S. Affiliate” means the U.S. registered broker-dealer affiliate of the Underwriter;

“U.S. Person” has the meaning given to such term in Rule 902(k) of Regulation S promulgated under the U.S. Securities Act; and

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

1.2 The division of this Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 Unless otherwise expressly provided in this Agreement, words importing only the singular number include the plural and vice versa and words importing gender include all genders. References to “paragraph” and “Section” (unless otherwise indicated) are to the appropriate paragraphs and Sections of this Agreement. Unless the context otherwise requires, any reference to a statute shall be deemed to include regulations made pursuant thereto, all amendments in force from time to time and any statute or

regulation that may be passed that has the effect of supplementing or superseding the statute or regulation referred to.

- 1.4 Any action or payment required or permitted to be taken or made hereunder on a day which is not a Business Day shall or may be, as the case may be, taken or made on the next succeeding Business Day, except when otherwise prescribed by Applicable Securities Laws or rules and policies of the Exchange, with the same force and effect as if taken or made within the period for the taking or making of such action.
- 1.5 This Agreement shall be governed by and construed in accordance with the internal laws of the Province of British Columbia and the federal laws of Canada applicable therein, without reference to conflicts of law rules.
- 1.6 All amounts expressed herein in terms of money refer to lawful currency of Canada and all payments to be made hereunder shall be made in such currency.
- 1.7 In this Agreement, a reference to “knowledge” of the Corporation means to the best of the knowledge of the senior officers of the Corporation, in each case having made due inquiry.
- 1.8 In this Agreement, “**including**” means including without limitation and shall not be construed to limit any general statement which it follows to the specific or similar items or matters immediately following it;
- 1.9 Any reference in this Agreement to “Purchasers” or the purchasers of Offered Shares shall be taken to be a reference to the Underwriter, as the initial committed purchaser, and to the Substituted Purchasers, if any.
- 1.10 In this Agreement, “disclosed in the Corporation’s Information Record” means that the information was disclosed (i) in a document filed at the Corporation’s profile on SEDAR, (ii) such document has not been superceded by a document more recently filed on SEDAR (such as, by way of example, financial statements or MD&A for a prior period relative to the financial statements or MD&A for a more recent period) and (iii) there is no Misrepresentation in respect of such disclosure.
- 1.11 The following are the schedules attached to this Agreement, which schedules are deemed to be a part hereof and are hereby incorporated by reference herein:
 - Schedule “A” - Details of the Metates Mineral Concessions
 - Schedule “B” - Details as to Outstanding Convertible Securities
 - Schedule “C” - Interests in Subsidiaries

ARTICLE 2 - PURCHASE, SALE AND DISTRIBUTION

- 2.1 The Corporation understands that, although the offer to purchase the Offered Shares is being made by the Underwriter as purchaser, the Underwriter will endeavour to arrange for one or more Substituted Purchasers for the Offered Shares in the Offering Jurisdictions, subject to acceptance by the Corporation, acting reasonably, of the Subscription Agreements, with the effect that such Substituted Purchasers shall be the

initial Purchasers of the applicable Offered Shares. The Underwriter acknowledges that, subject to the conditions contained in Article 5 being satisfied and subject to the termination rights of the Underwriter contained in Article 8, the Underwriter is obligated to purchase or cause to be purchased all of the Offered Shares. To the extent that Substituted Purchasers purchase Offered Shares at the Closing, the Underwriter will not be obligated to purchase the Offered Shares so purchased by Substituted Purchasers.

- 2.2 If required by the Exchange, the Underwriter will give written notice of the distribution of the Offered Shares to the Exchange, in such form as may be required by the Exchange, in order to permit all such shares to be listed on the Exchange upon or prior to their issuance.
- 2.3 Each Purchaser who is resident in one of the Canadian Offering Jurisdictions will purchase under one or more “private placement” exemptions so that the Corporation will be exempt from the prospectus requirements of the Applicable Securities Laws in Canada. The Corporation hereby agrees to use its commercially reasonable efforts to secure compliance with all securities regulatory requirements on a timely basis in connection with the distribution of the Offered Shares, including by filing within the periods stipulated under Applicable Securities Laws and at the Corporation’s expense all private placement forms required to be filed by the Corporation in connection with the Offering and paying all filing fees required to be paid in connection therewith so that the distribution of the Offered Shares may lawfully occur without the necessity of filing a prospectus or any similar document under the Applicable Securities Laws (including so as to ensure that the requirements from the Closing Date under NI 45-102 that are within the Corporation’s power to control are complied with by the Corporation such that the Offered Shares will be subject to a “hold period” which expires four months and one day following the Closing Date). The Underwriter agrees to assist the Corporation in all reasonable respects to secure compliance with all regulatory requirements in connection with the Offering and to obtain from each Purchaser such forms and other documents as may be required by the Securities Commissions and the Exchange and provided by the Corporation to the Underwriter for delivery under this Agreement. The Underwriter will notify the Corporation with respect to the identity of each Purchaser and other necessary information respecting each Purchaser as soon as practicable, and with a view to leaving sufficient time to allow the Corporation to secure compliance with all relevant regulatory requirements under Applicable Securities Laws relating to the sale of the Offered Shares.
- 2.4 The certificates, if any, or ownership statements representing the Offered Shares, and each certificate or ownership statement issued in transfer of the Offered Shares prior to the date which is four months and one day after the Closing Date, will bear or be deemed to bear, as applicable, the following legends, in addition to any other legends required under Applicable Securities Laws, substantially in the following forms with the necessary information inserted:

“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE [insert date that is four months and one day after Closing Date].”

“WITHOUT PRIOR WRITTEN APPROVAL OF THE TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE (INCLUDING ANY

UNDERLYING SECURITIES THAT MAY BE ISSUED ON THE CONVERSION, EXERCISE OR EXCHANGE OF THE SECURITIES REPRESENTED BY THIS CERTIFICATE) MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [insert date that is four months and one day after Closing Date].”

ARTICLE 3 - REPRESENTATIONS, WARRANTIES AND COVENANTS

3.1 Representations, Warranties, Covenants and Acknowledgements of the Underwriter

The Underwriter hereby represents, warrants and covenants with the Corporation that:

- (a) it will conduct (and has conducted) activities in connection with arranging for the sale of the Offered Shares in compliance with the Applicable Securities Laws;
- (b) it will not solicit (and has not solicited) offers to purchase or sell the Offered Shares generally or so as to require registration of, or filing of a prospectus, offering memorandum or similar disclosure document with respect to, the Offered Shares under the laws of any jurisdiction, including the United States and the United Kingdom, and not, without the consent of the Corporation or as otherwise contemplated in this Agreement, solicit offers to purchase or sell the Offered Shares in any jurisdiction outside of Canada where the solicitation or sale of the Offered Shares would result in any ongoing disclosure requirements in such jurisdiction, any registration or filing requirements in such jurisdiction, or any requirement in such jurisdiction to deliver an offering memorandum, or where the Corporation may be subject to liability in connection with the sale of the Offered Shares which is more onerous than its liability under, taken together, the Applicable Securities Laws to which it is subject as at the date of this Agreement;
- (c) it will obtain from each Purchaser a completed and executed Subscription Agreement in a form reasonably acceptable to the Corporation and to the Underwriter relating to the transactions herein contemplated, together with all documentation (including questionnaires, corporate placee registration forms, undertakings and documents required by the Exchange, if any, and certificates) as may be necessary in connection with subscriptions for Offered Shares, to ensure compliance with Applicable Securities Laws and the Exchange Approval;
- (d) the Underwriter at its own expense may offer selling group participation in the normal course of the brokerage business to selling groups of other licensed dealers, brokers and investment dealers (the “**Selling Firms**”), who may or who may not be offered part of the Underwriting Fee, provided that any such selling group participants will be required to comply with the terms of this Agreement as if they were original signatories hereto;
- (e) the Underwriter and, if applicable, its U.S. Affiliate is a duly registered dealer (or exempt from dealer registration) in the jurisdictions where they offer and sell the Offered Shares to Purchasers;

- (f) it will not provide (and has not provided) to prospective purchasers an offering memorandum within the meaning of Applicable Securities Laws or other material detailing the business or affairs of the Corporation and will not advertise (and has not advertised) the Offering in (i) printed media of general and regular paid circulation, (ii) radio, (iii) television, or (iv) telecommunication (including electronic display) and will not make (and has not made) use of any green sheet or other internal marketing document without the prior consent of the Corporation, such consent to be promptly considered and not to be unreasonably withheld; and
- (g) it will not make (and has not made) any representations or warranties with respect to the Offering other than those contained in the Corporation's Information Record and the Ancillary Documents.

The Underwriter further acknowledges and agrees that the Offered Shares have not been and will not be registered with the SEC under the U.S. Securities Act. The Offered Shares may be offered and sold in the United States only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. The Underwriter acknowledges and agrees that offers of the Offered Shares may be directed only to persons in member states of the European Economic Community who are "qualified investors" within the meaning of Article 2(1)(e) of the Prospectus Directive ("**Qualified Investors**"). In addition, the Underwriter acknowledges and agrees that in the United Kingdom offers of the Offered Shares may be directed only to Qualified Investors meeting other specified requirements.

3.2 Representations, Warranties and Covenants of the Corporation

The Corporation hereby represents and warrants to, and covenants with, the Underwriter, on its own behalf and on behalf of the Purchasers, intending that the same may be relied upon by the Underwriter and the Purchasers, that:

- (a) *Good Standing of the Corporation.* The Corporation has been duly incorporated and is validly existing under the *Business Corporations Act* (British Columbia) and is current and up to date with all filings required to be made by it, and has all requisite corporate power and authority to carry on its business as currently conducted, and to own, lease and operate its properties and assets and to carry out the transactions contemplated by this Agreement and the Ancillary Documents and carrying out the obligations hereunder and thereunder, and has all requisite corporate power to carry on its business as presently proposed to be conducted by it. The Corporation is duly qualified or authorized to transact business and is in good standing (in respect of the filing of annual returns where required or other information filings under applicable corporations information legislation) in each jurisdiction in which such qualification is required, whether by reason of the ownership or leasing of property or the conduct of business.
- (b) *Subsidiaries.* Other than the Subsidiaries, the Corporation has no other subsidiaries. The Corporation beneficially owns, directly or indirectly, the percentages indicated in Schedule "C" hereto of the issued and outstanding shares in the capital of the Subsidiaries free and clear of all Liens of any kind whatsoever other than as disclosed in the Corporation's Information Record, all of such shares have been duly authorized and validly issued and are outstanding as fully paid and non-assessable shares (or the equivalent legal concept in

another jurisdiction), and no person has any right, agreement or option for the purchase from the Corporation of any interest in any of such shares or for the issue or allotment of any unissued shares in the capital of the Subsidiaries or any other security convertible into or exchangeable for any such shares. Each of the Subsidiaries has been duly incorporated and is validly existing under the Laws of its jurisdiction of incorporation and has all requisite corporate power, capacity and authority to own, lease and operate, as applicable, its properties, permits and assets and conduct its business as currently conducted, and has all requisite corporate power to conduct its business as presently proposed to be conducted by it, and each of the Subsidiaries is current with all material filings required to be made under its jurisdiction of incorporation and all other jurisdictions in which it exists or carries on any material business.

- (c) *Share Capital of the Corporation.* As of the date hereof, the authorized share capital of the Corporation consists of an unlimited number of Common Shares, an unlimited number of Class A shares (issuable in series) and an unlimited number of preferred shares. As of the date hereof (prior to giving effect to the Offering), 44,573,866 Common Shares (and no other shares) are issued and outstanding (and such Common Shares have been issued as fully paid and non-assessable shares). As of the date hereof, other than as described in Schedule "B" to this Agreement and other than pursuant to this Agreement, there are no Outstanding Convertible Securities of the Corporation or any Subsidiary.
- (d) *Authorization.* The Corporation has full corporate power and authority to issue the Offered Shares. The Offered Shares, when issued (upon receipt by the Corporation of the full consideration therefor), will have been duly and validly issued as fully paid and non-assessable.
- (e) *Absence of Rights.* Except as disclosed in the Corporation's Information Record, there is no right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the issue or allotment of any unissued Common Shares (or other shares in the capital of the Corporation) or any other agreement or option, for the issue or allotment of any unissued Common Shares (or other shares in the capital of the Corporation) or any other security convertible into or exchangeable for any Common Shares (or other shares in the capital of the Corporation) or to require the Corporation to purchase, redeem or otherwise acquire any of the issued and outstanding Common Shares.
- (f) *Financial Information.* The Financial Information:
 - (i) presents fairly, in all material respects, the consolidated financial position of the Corporation, and the consolidated results of its operations and its cash flows, for the periods specified in such Financial Information;
 - (ii) conforms with International Financial Reporting Standards applicable in Canada ("**IFRS**"); and
 - (iii) does not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a

statement not misleading in light of the circumstances under which it was made, with respect to any period covered by the Financial Information.

- (g) *Off Balance Sheet.* The Corporation has not engaged in any “off balance sheet” or similar financing.
- (h) *Liabilities.* To the Corporation’s knowledge, neither the Corporation nor any of the Subsidiaries has any liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Financial Information, other than liabilities, obligations or indebtedness or commitments incurred after the last period covered by the Financial Information in the normal course of business and which would not reasonably be expected to have a Material Adverse Effect.
- (i) *Non-Contravention.* Neither the Corporation nor any Subsidiary is in violation of its constating documents. None of the Offering, the execution, delivery and performance of this Agreement or the Ancillary Documents or the consummation of the transactions contemplated herein and therein, including the issue of the Offered Shares, does or will:
 - (i) subject to compliance by the Underwriter with the provisions of this Agreement, require the consent, approval, authorization, order or agreement of, or registration or qualification with, any Governmental Authority or other person, except:
 - A. such as have been obtained, or
 - B. such as may be required under the Applicable Securities Laws and the policies of the Exchange and will be obtained by the Closing Date; or
 - (ii) conflict with, or result in any violation or breach of, or default (with or without notice or lapse of time, or both) under, or give rise to a right of termination, cancellation or acceleration of any obligation or to the loss of or Lien upon any of the consolidated properties or assets of the Corporation under any provision of:
 - A. the constating documents of the Corporation or the comparable organizational documents of any Subsidiary, or
 - B. subject to the filings and other matters referred to in the immediately following sentence:
 - (1) any Contract to which the Corporation or any Subsidiary is a party or by which any of their respective properties or assets are bound;
 - (2) any Law applicable to the Corporation or any Subsidiary or any of their respective properties or assets; or

- (3) any authorization held or obtained by the Corporation or any Subsidiary,

other than any such conflicts, violations, defaults, rights, losses or Liens that would not, in any case of (i) or (ii) above, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

- (j) *Independent Accountants.* The accountants who reported on the Financial Information are independent with respect to the Corporation within the meaning of Applicable Securities Laws. There has never been any reportable event (within the meaning of NI 51-102) with the current auditors or any former auditors of the Corporation.
- (k) *Material Assets.* The Corporation is, directly or indirectly, the legal and beneficial owner of, and has good and marketable right, title and interest in and to the assets of the Corporation and the Subsidiaries reflected in the Corporation's Information Record, free and clear of all Liens (except as otherwise disclosed in the Corporation's Information Record). The Corporation's ownership interest in the Metates Mineral Concessions is as will be set forth in the Metates Title Opinion. Any and all Contracts pursuant to which the Corporation or any Subsidiary holds material assets or is entitled to the use of or acquire ownership of material assets (whether directly or indirectly) (including in respect of the Metates Project, subject to the qualifications to be provided in the Metates Title Opinion) are valid and subsisting agreements in full force and effect, enforceable in accordance with their respective terms, and there is currently no material default of any of the provisions of any such agreements nor has any such default been alleged, and the Corporation, after making due enquiries, is not aware of any disputes with respect thereto and such assets are in good standing under the applicable Laws of the jurisdictions in which they are situate, and all leases, licences, concessions, and claims pursuant to which the Corporation and the Subsidiaries derive their interests (whether legal or beneficial) in such material assets are in good standing (subject to the qualifications to be provided in the Metates Title Opinion) and there has been no material default under any such leases, licences, concessions, and claims and all taxes required to be paid with respect to such assets to the date hereof have been paid.
- (l) *Technical Information.* The Corporation has filed all technical reports as required by NI 43-101 for each mineral project on a property material to the Corporation, and the current technical reports have been prepared in material compliance with the requirements thereof. The technical information set forth in the Corporation's Information Record, including relating to the estimates by the Corporation of mineral resources and mineral reserves, has been reviewed and approved by qualified persons (as defined in NI 43-101) and, in all cases, the resource information has been prepared in accordance with Canadian industry standards set forth in NI 43-101, and the information upon which the estimates of resources and reserves were based was, at the time of delivery thereof, complete and accurate in all material respects and there have been no material adverse changes to such information since the date of delivery or preparation thereof. The Metates Technical Report is the sole "current" technical report of the Corporation for the purposes of NI 43-101 and no material information was withheld from the authors thereof for the purposes of preparing the Metates

Technical Report and, to the knowledge of the Corporation, all information provided to such authors for such purposes is true and accurate and not misleading and was given in good faith. All statements of fact relating to the Corporation and the Subsidiaries and their respective activities contained in the Metates Technical Report are true and accurate in all material respects as of the date thereof and no such fact has been omitted therefrom (or information withheld) the omission of which would make any statement of fact therein misleading. To the knowledge of the Corporation, there have been no material changes to such information since the date of delivery or preparation thereof, except as disclosed in the Corporation's Information Record.

- (m) *Exploration and Development Activities.* To the knowledge of the Corporation:
- (i) all assessments or other work required to be performed in relation to mineral concessions in respect of the Metates Project or the Other Projects in order to maintain the Corporation's and its Subsidiaries' interests therein have been performed to date and the Corporation and its Subsidiaries have complied in all material respects with all applicable Laws in this regard, as well as with regard to legal, contractual obligations to third parties in this regard except for any non-compliance that could not, either individually or in the aggregate, have a Material Adverse Effect;
 - (ii) there are no expropriations or similar proceedings against any property in which the Corporation has a direct or indirect economic interest or any related mining claim; and
 - (iii) all exploration and development activities conducted on premises in which the Corporation has a direct or indirect economic interest have been conducted in all respects in accordance with good mining and engineering practices and all applicable workers' compensation and health and safety and workplace Laws have been duly complied with, except where the failure to so conduct operations could not reasonably be expected to have a Material Adverse Effect.
- (n) *Environmental Laws.* To the Corporation's knowledge (i) neither the Corporation nor any Subsidiary is in violation of any federal, provincial, state, local, municipal or foreign Law or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, relating to pollution or protection of human health, the environment (including ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including Laws relating to the release or threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "**Hazardous Materials**") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "**Environmental Laws**") except where such violations would not be reasonably expected, on an individual or aggregate basis, to have a Material Adverse Effect, (ii) the Corporation and the Subsidiaries have all permits, authorizations and approvals required under any applicable Environmental Laws and are each in compliance with their requirements, except where the failure to have such permits, authorizations and

approvals would not reasonably be expected, on an individual or aggregate basis, to have a Material Adverse Effect, and (iii) there are no pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against the Corporation or any Subsidiary, which if determined adversely, would reasonably be expected to have a Material Adverse Effect. Other than for ongoing legislative reporting, there are no environmental audits, evaluations, assessments, studies or tests that were commissioned by the Corporation or any Subsidiary respecting the business, operations, properties or facilities of the Corporation or any Subsidiary or in which it has a direct or indirect economic interest.

- (o) *Conduct of Business; Possession of Licenses and Permits.* The Corporation and each Subsidiary has conducted and is conducting its business in compliance in all material respects with all applicable Laws of each jurisdiction in which it carries on business. The Corporation and each Subsidiary possesses such permits, certificates, licenses, approvals, consents and other authorizations (collectively, “**Governmental Licenses**”) issued by the appropriate federal, provincial, state, local or foreign, as applicable, Governmental Authorities necessary to own, lease, stake or maintain the mineral concessions and other property interests and to conduct the business now operated, including to conduct exploration at their various projects, except where the failure to possess such permits, certificates, licenses, approvals, consents or authorizations would not reasonably be expected to have a Material Adverse Effect. The Corporation and each Subsidiary is in compliance with the terms and conditions of all such Governmental Licenses, and is not in violation of, or in default under, applicable Laws (including Environmental Laws) of any Governmental Authorities having, asserting or claiming jurisdiction over the Corporation or any Subsidiary or over any part of the Corporation’s or any Subsidiary’s operations or assets except where such non-compliance, violation or default would not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Corporation, all of the Governmental Licenses are valid and in full force and effect. Neither the Corporation nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any such Governmental Licenses.
- (p) *Material Contracts.* All of the material Contracts of the Corporation and the Subsidiaries (collectively, the “**Material Contracts**”) have been disclosed in the Corporation’s Information Record and if required under the Applicable Securities Laws have been filed at the Corporation’s profile on SEDAR. Neither the Corporation nor any Subsidiary has received notification from any party claiming that the Corporation or any Subsidiary is in material breach or default under any Material Contract.
- (q) *Restrictions on Dividends or Business.* There is not, in the constating documents, by-laws or in any Contract or other instrument or document to which the Corporation is a party, any restriction upon or impediment to, the declaration or payment of dividends by the directors of the Corporation or the payment of dividends by the Corporation to the holders of its Common Shares. No Subsidiary is currently prohibited, directly or indirectly, under any Contract or other instrument to which it is a party or is subject, from paying any dividends to

the Corporation, from making any other distribution on such Subsidiary's outstanding equity securities, from repaying to the Corporation any loans or advances to such Subsidiary from the Corporation or from transferring any of such Subsidiary's properties or assets to the Corporation or any other Subsidiary. Neither the Corporation nor the Subsidiary is a party to or bound or affected by any Contract containing any covenant which expressly limits the freedom of the Corporation or any Subsidiary to compete in any line of business, transfer or move any of its assets or operations or which materially or adversely affects the consolidated business practices, operations or condition of the Corporation, except as disclosed in the Corporation's Information Record.

- (r) *No Material Adverse Effect.* Since December 31, 2018, (i) there has been no change in the consolidated condition (financial or otherwise), or in the consolidated properties, capital, affairs, prospects, operations, assets or liabilities of the Corporation, whether or not arising in the ordinary course of business, which would reasonably be expected to give rise to a Material Adverse Effect and except as disclosed in the Corporation's Information Record, and (ii) there have been no transactions entered into by the Corporation, other than those in the ordinary course of business, which are material with respect to the Corporation, except as disclosed in the Corporation's Information Record.
- (s) *Absence of Changes.* Since December 31, 2018, the Corporation and each Subsidiary has carried on business in the ordinary course and, except as disclosed in the Corporation's Information Record, there has not been:
 - (i) any material change in the consolidated assets, liabilities or obligations (absolute, accrued, contingent or otherwise), business, business prospects, condition (financial or otherwise) or results of operations of the Corporation, other than those changes occurring in the ordinary course of business, none of which (either singly or taken together) has had or would have a Material Adverse Effect to the Corporation;
 - (ii) except as contemplated in this Agreement, any material change in the share capital or long-term debt of the Corporation;
 - (iii) any declaration, setting aside or payment of any dividend or other distribution with respect to any shares in the capital of the Corporation or any direct or indirect redemption, purchase or other acquisition of any shares; or
 - (iv) any change in accounting or tax practices followed by the Corporation.
- (t) *Absence of Proceedings.* To the Corporation's knowledge, there is no action, suit, proceeding, inquiry or investigation before or brought by any court or other Governmental Authority, domestic or foreign, now pending or, to the knowledge of the Corporation, threatened against or affecting the Corporation or any Subsidiary, which has not been disclosed in the Corporation's Information Record, or which if determined adversely would reasonably be expected to have a Material Adverse Effect, or which, if determined adversely, would reasonably be expected to materially adversely affect the consummation of the transactions

contemplated in this Agreement or the performance by the Corporation of its obligations hereunder or under any of the Ancillary Documents.

- (u) *Outstanding Judgements.* There is no outstanding judgement, order, decree, arbitral award or decision of any court, tribunal or other Governmental Authority against the Corporation or any Subsidiary.
- (v) *No Insolvency.* Neither the Corporation nor any Subsidiary has committed an act of bankruptcy or sought protection from its creditors from any court or pursuant to any Law, proposed a compromise or arrangement to its creditors generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to have itself declared bankrupt or wound up, as the case may be, taken any proceeding to have a receiver appointed of any part of its assets, had any encumbrancer or receiver take possession of any of its property, had an execution or distress become enforceable or levied upon any portion of its property or had any petition for a receiving order in bankruptcy or application for a bankruptcy order filed against it, and at the Time of Closing neither the Corporation nor any Subsidiary will be an insolvent person (as that term is defined in the *Bankruptcy and Insolvency Act (Canada)*).
- (w) *Unlawful Payment.* To the knowledge of the Corporation, neither the Corporation nor any Subsidiary, nor any employee or agent of the Corporation or any Subsidiary, has made any unlawful contribution or other payment to any person holding, or candidate for, any federal, state, provincial or other public office, Canadian or foreign, or failed to disclose fully any contribution, in violation of any Law, or made any payment, to any federal, state, provincial or other governmental officer or official, Canadian or foreign, or other person charged with similar public or quasi-public duties, other than payments required or permitted by applicable Laws. Without limiting the generality of the foregoing, to the knowledge of the Corporation, neither the Corporation or any Subsidiary, nor any employee or agent of the Corporation or any Subsidiary, has violated FCPA Legislation.
- (x) *Brokerage Fees.* Other than the Underwriter, there is no person acting or, to the knowledge of the Corporation, purporting to act at the request of the Corporation, who is entitled to any brokerage or finder's fees in connection with the Offering.
- (y) *Authorization of Documents, etc.* This Agreement has been, and at the Closing Time each of the Ancillary Documents, and the transactions contemplated herein and therein, will have been, duly authorized, executed and delivered by the Corporation and, in each case, will be a legal, valid and binding obligation of, and be enforceable against, the Corporation in accordance with its terms (subject to the Enforceability Qualifications). All corporate action required to be taken by the Corporation for the authorization, issuance, sale and delivery of the Offered Shares has been validly taken at the date hereof or will have been taken by the Closing Date.
- (z) *No Default of Securities Laws.* The Corporation is not in default of any requirement of Applicable Securities Laws which would reasonably be expected to have a Material Adverse Effect on the Offering or the Corporation.

- (aa) *Disclosure.* All information which has been prepared or compiled by the Corporation relating to the Corporation and its business, properties and liabilities, and either filed on SEDAR or provided to the Underwriter, including all financial, marketing, sales, technical mining and operational information, is as of the date of such information, true and correct in all material respects, and no material fact or facts have been omitted therefrom which would make such information misleading. In addition, the Corporation has filed all documents required to be filed by it under the Applicable Securities Laws and the documents filed by the Corporation constituting the Corporation's Information Record did not contain a misrepresentation at the time of their filing on SEDAR.
- (bb) *No Default.* Neither the Corporation nor any Subsidiary is in default of any material term, covenant or condition under or in respect of any judgment, order, agreement or instrument to which it is a party or to which it or any of the material property or assets (including any royalty or interest therein) thereof are or may be subject, and no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any Contract to which the Corporation or any Subsidiary is a party entitling any other party thereto to accelerate the maturity of any amount owing thereunder or which could reasonably be expected to have a Material Adverse Effect.
- (cc) *Voting Agreements.* The Corporation is not party to any agreement, nor is the Corporation aware of any agreement, which in any manner affects the voting control of any of the securities of the Corporation or a Subsidiary.
- (dd) *Shareholder Agreements.* Neither the Corporation nor, to the knowledge of the Corporation, any shareholder of the Corporation is a party to any shareholders agreement, pooling agreement, voting trust or other similar type of arrangements in respect of outstanding securities of the Corporation.
- (ee) *Interest of Insiders; Conflicts.* Other than as disclosed in the Corporation's Information Record, to the knowledge of the Corporation:
 - (i) other than as disclosed in the Corporation's Information Record, none of the directors, officers or employees of the Corporation or the Subsidiaries, any known holder of more than 10% of any class of shares of the Corporation, or any known associate or affiliate of any of the foregoing persons (as such terms are defined in the *Securities Act* (Ontario)), has had any material interest, direct or indirect, in any material transaction within the previous two years or has any material interest in any proposed material transaction involving the Corporation or a Subsidiary which, as the case may be, materially affected, is material to or will materially affect the Corporation or any of the Subsidiaries. To the knowledge of the Corporation, no insider of the Corporation (within the meaning of Applicable Securities Laws) has a present intention to sell any securities of the Corporation;
 - (ii) no officer, director or employee of the Corporation or any Subsidiary, and no person which is an affiliate or associate of one or more of the foregoing, owns, directly or indirectly, any interest in (except for shares representing less than 10% of the outstanding shares of any class or

series of any publicly traded company), or is an officer, director, employee or consultant of any person which is, or is engaged in, a business competitive with the Corporation or any Subsidiary, as applicable, which, in either case, materially adversely impacts, or can reasonably be expected to materially and adversely impact, on their ability to duly and properly perform their services;

- (iii) to the knowledge of the Corporation, no officer, director, employee or security holder of the Corporation or any of the Subsidiaries has any cause of action or other claim whatsoever against, or owes any amount to, the Corporation or any Subsidiary, as applicable, in connection with its business except for claims in the ordinary and normal course of the business such as for accrued vacation pay or other amounts or matters which would not be material to the Corporation on a consolidated basis; and
- (iv) other than as disclosed in the Corporation's Information Record and a short term bridge loan of US\$9 million owed by the Corporation to its President, neither the Corporation nor any Subsidiary owes any monies to, has any present loans to, or borrowed any monies from or is otherwise indebted to, any officer, director, employee, shareholder or any person not dealing at "arm's length" (as such term is defined in the Tax Act) with any of them except for usual employee reimbursements and compensation paid in the ordinary and normal course of its business. To the Corporation's knowledge, except as disclosed in the Corporation's Information Record and usual employee or consulting arrangements made in the ordinary and normal course of business, neither the Corporation nor any Subsidiary is a party to any Contract or understanding with any officer, director, employee, shareholder or any other person not dealing at arm's length with it.

The directors and executive officers of the Corporation and the Subsidiaries who are NEOs and their compensation arrangements (as applicable) with the Corporation and the Subsidiaries, as applicable, whether as directors, officers or employees are, in all material respects, as disclosed in the Corporation's Information Record.

- (ff) *Interest in Revenues.* Except as disclosed in the Corporation's Information Record, no officer, director, employee or any other person not dealing at arm's length with the Corporation (within the meaning of the Tax Act), or to the knowledge of the Corporation, any associate or affiliate of such person, owns, has or is entitled to any royalty, net profits interest, carried interest, licensing fee, or any other Liens or claims of any nature whatsoever which are based on the revenues, profits, results of mineral project exploitation or other economic measure of the Corporation.
- (gg) *Employees.* All material employment agreements, severance agreements and change of control agreements in respect of any NEOs, and all Employee Plans have been, in all material respects, disclosed in the Corporation's Information Record. The Corporation and the Subsidiaries are in material compliance with all Laws respecting employment and employment practices, terms and conditions of

employment, occupational health and safety, pay equity and wages, and there is not currently any labour disruption or conflict involving the Corporation or any Subsidiary. Neither the Corporation nor any Subsidiary is a party to a collective bargaining agreement. To the best of the Corporation's knowledge, there are no union organizing efforts being made at the Corporation or the Subsidiaries.

- (hh) *Employee Plans.* Each material plan, if any, for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by the Corporation or any Subsidiary for the benefit of any current or former director, officer, employee or consultant (collectively, the "**Employee Plans**") has been maintained in material compliance with its terms and with the requirements prescribed by any and all Laws that are applicable to such Employee Plan. The Corporation does not have nor has had any pension plan (as such term is defined in the relevant legislation of the applicable jurisdiction). All material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or provincial pension plan premiums, accrued wages, salaries and commissions and Employee Plan payments have been reflected in the books and records of the Corporation.
- (ii) *Indebtedness.* Neither the Corporation nor any Subsidiary has guaranteed or otherwise given security for or agreed to guarantee or give security for any liability, debt or obligation of any other person.
- (jj) *Insurance.* The properties and assets of the Corporation and the Subsidiaries are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full force and effect, and the terms of any policies in respect thereof have not been breached and the insured has not failed to promptly give any notice or present any material claim thereunder.
- (kk) *Taxes.* All tax returns, reports, elections, remittances and payments of the Corporation and the Subsidiaries required by applicable Law to have been filed or made in any applicable jurisdiction, have been filed or made (as the case may be), and are substantially true, complete and correct, and all taxes of the Corporation and of the Subsidiaries have been paid or accrued in the Financial Information (except in any case in which the failure to file, pay or accrue such taxes would not result in a Material Adverse Effect).
- (ll) *Reporting Issuer.* The Corporation is, and will at the Time of Closing be, a "reporting issuer" (or its equivalent) in British Columbia and Alberta, not in default of any requirement of Applicable Securities Laws. The Corporation has made timely disclosure of all material changes relating to it and no such disclosure has been made on a confidential basis and there is no material change relating to the Corporation which has occurred with respect to which the requisite material change statement has not been filed.

- (mm) *Accounting Controls.* The Corporation and each of the Subsidiaries maintains, and will maintain, a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
- (nn) *Mineral Concessions.* The material mining licenses, concessions, claims, leases and other mineral property rights (including the exploration concessions and exploitation concessions) in respect of the Metates Project ("**Metates Mineral Concessions**") are set forth on Schedule "A", which schedule is a complete and accurate list of all such rights held (directly or indirectly) by the Corporation. All such Metates Mineral Concessions are validly held (directly or indirectly) by the Corporation, subject to the qualifications to be set out in the Metates Title Opinion. Such Metates Mineral Concessions are free and clear of any material Liens and no material royalty is payable in respect of any of them, except as described in Schedule "A" or disclosed in the Corporation's Information Record. Except as disclosed in the Corporation's Information Record, no other property rights are necessary for the conduct of the Corporation's or any Subsidiary's business as presently conducted and as contemplated in the Corporation's Information Record; and there are no material restrictions on the ability of the Corporation or any Subsidiary to use, access, transfer or otherwise exploit any such property rights except as required by applicable Law and as disclosed in the Corporation's Information Record. Except as disclosed in the Corporation's Information Record, and except in respect of permits to be obtained in the ordinary course that are reasonably expected to be received by the Corporation or a Subsidiary in a timely fashion, the Corporation and its Subsidiaries beneficially and legally own the Metates Mineral Concessions necessary to carry on the current and proposed exploration and exploitation activities. In respect of all such Metates Mineral Concessions:
- (i) neither the Corporation nor any Subsidiary has received or has knowledge of there having been issued any notice of default of any of the terms or provisions of the Metates Mineral Concessions;
 - (ii) the execution, delivery and performance of this Agreement and the Ancillary Documents by the Corporation, and the consummation of the transactions contemplated herein, will not cause a default or termination, or give rise to the right of termination, or rights of first refusal or other pre-emptive rights under any of the Metates Mineral Concessions;
 - (iii) all exploration permits, leases, concessions, license and mining claim payments, rentals, taxes, rates, assessments, renewal fees and other governmental charges owing in respect of the Metates Mineral Concessions have been paid in full up to the date of this Agreement except as would not have a Material Adverse Effect; and

- (iv) there is no actual or, to the knowledge of the Corporation, threatened adverse claim against, or challenge to, the ownership of, or title to, the Metates Mineral Concessions.
- (oo) *Aboriginal Claims.* To the knowledge of the Corporation, there are no claims with respect to Aboriginal rights currently, or pending or threatened, with respect to the Metates Project or in respect of any other properties in which the Corporation has a direct or indirect economic interest.
- (pp) *No Cease Trade Orders.* No Securities Commission in any jurisdiction has issued any order which is currently outstanding preventing or suspending trading in any securities of the Corporation, no such proceeding is, to the knowledge of the Corporation, pending, contemplated or threatened, and the Corporation is not in default of any requirement of Canadian Applicable Securities Laws, except such as would not have or would not reasonably be expected to have a Material Adverse Effect.
- (qq) *Stock Exchange Listing.* The Corporation is in compliance in all material respects with the current listing requirements and all other applicable rules and regulations of the Exchange and has not taken any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the Exchange.
- (rr) *Transfer Agent and Registrar.* Computershare Investor Services Inc., at its principal offices in Vancouver, British Columbia, has been duly appointed as the transfer agent and registrar for the Common Shares.
- (ss) *Money Laundering Laws.* The operations of the Corporation and the Subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements of the money laundering Laws of all relevant jurisdictions, the rules and regulations thereunder and any related Laws issued, administered or enforced by any Governmental Authority (collectively, the "**Money Laundering Laws**"), and no action, suit or proceeding by or before any court or other Governmental Authority or any arbitrator non-Governmental Authority involving the Corporation or any Subsidiary with respect to the Money Laundering Laws is, to the best knowledge of the Corporation, pending or threatened.
- (tt) *No Pending Changes to Law, etc.* The Corporation is not aware of any pending change or contemplated change to any applicable Law that could reasonably be expected to materially affect the business of the Corporation or the business or legal environment under which the Corporation or any Subsidiary operates.
- (uu) *Corporate Records.* The minute books and corporate records of the Corporation and the Subsidiaries made or to be made available to the Underwriter's Counsel in connection with the Underwriter's due diligence investigations of the Corporation and the Subsidiaries for the period from its date of incorporation to the date of examination thereof, are the original minute books and records of such companies or true copies thereof and contain copies of all proceedings (or certified copies thereof) of the shareholders, the boards of directors and all committees of the boards of directors of such companies and there have been no

other proceedings of the shareholders, boards of directors or any committee of the boards of directors of such companies that are required to be included in such minute books and records to the date of review of such corporate records and minute books not reflected in such minute books and corporate and other records other than those which have been disclosed to the Underwriter in writing and those which are or are not material in the context of the Corporation.

- (vv) *Subscription Agreement Reps.* The representations and warranties of the Corporation in the Subscription Agreements are, and will at the Time of Closing be, true and correct.

ARTICLE 4 - ADDITIONAL COVENANTS OF THE CORPORATION

- 4.1 The Corporation hereby further covenants to and with the Underwriter, on its own behalf and on behalf of the Purchasers, as follows:
- (a) the Corporation will enter into duly and fully completed Subscription Agreements, accompanied by properly completed and executed applicable schedules thereto and the subscription amount, with the Purchasers and, unless the Corporation reasonably believes that it would be unlawful to do so or in breach of any Applicable Securities Laws or the number of Offered Shares subscribed for pursuant to the Subscription Agreement exceeds the maximum number of Offered Shares to be sold under this Agreement and the Offering, will fully accept the subscriptions in each duly executed Subscription Agreement submitted to the Corporation accompanied by properly completed and executed applicable schedules thereto and by the required subscription funds;
 - (b) the Corporation will fulfil all legal requirements to permit the creation, issuance, offering and sale of the Offered Shares, all as contemplated in this Agreement, and file or cause to be filed all documents, applications, forms or undertakings required to be filed by the Corporation and take or cause to be taken all action required to be taken by the Corporation in connection with the Offering;
 - (c) the Corporation will comply with each of the covenants of the Corporation set out in the Subscription Agreements;
 - (d) the Corporation will make all necessary filings, use its commercially reasonable efforts to obtain all necessary regulatory consents and approvals, including approvals required by the Applicable Securities Laws and the Exchange, and the Corporation will pay all filing fees required to be paid in connection with the transactions contemplated in this Agreement and the Ancillary Documents;
 - (e) the Corporation will not, directly or indirectly, without the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed), offer to sell, grant any option to purchase or otherwise dispose of (or announce any intention to do so) any Common Shares, or any securities of the Corporation convertible into or exercisable or exchangeable for Common Shares, for a period commencing on the date hereof and ending 120 days after the Closing Date (other than pursuant to the grant or exercise of options issued or that may be issued in the future pursuant to the Corporation's existing employee stock option plan, or in connection with the issuance of securities of the Corporation pursuant

to employee or executive incentive compensation arrangements or other existing commitments of the Corporation to issue Common Shares as of the date hereof);

- (f) prior to the Closing Time, the Corporation will allow the Underwriter (and the Underwriter's counsel and consultants) to conduct all due diligence which the Underwriter may reasonably require or which may be considered necessary or appropriate by the Underwriter. The Corporation will provide to the Underwriter (and the Underwriter's counsel) reasonable access to the Corporation's senior management personnel and corporate, financial and other records, for the purposes of conducting such due diligence. Without limiting the scope of the due diligence inquiry that the Underwriter (or the Underwriter's counsel) may conduct, the Corporation shall also make available its directors, senior management (including its qualified person for purposes of NI 43-101), the Chairman of the Audit Committee of its board of directors, the auditors and the Corporation's counsel to answer any questions which the Underwriter may have and to participate in one or more due diligence sessions to be held prior to Closing and to use its commercial best efforts to arrange for the auditors of the Corporation to participate in any such due diligence session;
- (g) the Corporation will ensure that the Offered Shares have the attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Ancillary Documents;
- (h) during the period commencing on the date hereof and ending on the Closing Date, the Corporation will promptly inform the Underwriter of the full particulars of any request of any Securities Commission or the Exchange for any information, or the receipt by the Corporation of any communication from any Securities Commission, the Exchange or any other competent Governmental Authority relating to the Corporation or which may be relevant to the distribution of the Offered Shares. Without limiting the foregoing, the Corporation will advise the Underwriter, promptly after receiving notice or obtaining knowledge thereof, of:
 - (i) the institution, threatening or contemplation of any proceeding for any such purpose; or
 - (ii) any order, ruling, or determination having the effect of suspending the sale or ceasing the trading in any securities of the Corporation (including the Offered Shares) having been issued by any Securities Commission or the institution, threatening or contemplation of any proceeding for any such purposes;
- (i) during the period commencing on the date hereof and ending on the Closing Date, the Corporation will promptly inform the Underwriter of the full particulars of:
 - (i) any material change (whether actual, anticipated, threatened, contemplated, or proposed by, to, or against), whether financial or otherwise, in the consolidated assets, liabilities (contingent or otherwise), business, affairs, operations, assets, financial condition or capital of the Corporation; or

- (ii) any change in any material fact or any misstatement of any material fact contained in the Corporation's Information Record,

which change or new material fact is, or could reasonably be expected to be, of such a nature as:

- (i) to render this Agreement or any of the Ancillary Documents, as they exist taken together in their entirety immediately prior to such change or new material fact, misleading or untrue in any material respect or would result in any of such documents, as they exist taken together in their entirety immediately prior to such change or material fact, containing a misrepresentation;
- (ii) would result in this Agreement or any of the Ancillary Documents, as they exist taken together in their entirety immediately prior to such change or material fact, not complying with any Applicable Securities Laws; or
- (iii) would reasonably be expected to have a material and adverse effect on the market price or value of the Common Shares or constitute a Material Adverse Effect.

In such regard to "material changes", the Corporation will comply with Part 7 of NI 51-102, and the Corporation will prepare and will file promptly any document which may be necessary, and will otherwise comply with all applicable filing and other requirements under Applicable Securities Laws arising as a result of such fact or change; and

- (j) the Corporation will use the proceeds from the Offering for working capital and general corporate purposes.

ARTICLE 5 - CONDITIONS TO PURCHASE OBLIGATION

5.1 The following are conditions of the Underwriter's obligations to purchase the Offered Shares:

- (a) the Corporation's board of directors will have authorized and approved (i) this Agreement and the Ancillary Documents, (ii) the issuance of the Offered Shares and (iii) all matters relating to the foregoing;
- (b) the Corporation will have made and/or obtained the necessary filings, approvals, consents and acceptances of the appropriate regulatory authorities in the Offering Jurisdictions and the Exchange Approval, on terms which are acceptable to the Corporation and the Underwriter, each acting reasonably, it being understood that the Underwriter will do all that is reasonably required to assist the Corporation to fulfil this condition;
- (c) the Offered Shares will have been conditionally accepted for listing (subject only to the usual conditions of the Exchange);
- (d) the representations and warranties of the Corporation contained in this Agreement and the Ancillary Documents are true and correct in all material

respects (or, if qualified by materiality, in all respects) as at the Time of Closing, with the same force and effect as if made on and as at the Time of Closing, except for such representations and warranties which are in respect of a specific date in which case such representations and warranties will be true and correct, in all material respects (or, if qualified by materiality, in all respects), as of such date, after giving effect to the transactions contemplated by this Agreement, and the Corporation will have complied with all the covenants and satisfied all the terms and conditions of this Agreement to be complied with and satisfied by the Corporation at or prior to the Time of Closing;

- (e) the Corporation will have caused a favourable legal opinion to be delivered by its counsel addressed to the Underwriter and the Purchasers with respect to such matters as the Underwriter may reasonably request relating to this transaction, acceptable in all reasonable respects to the Underwriter, including substantially to the effect that:
 - (i) the Corporation has been incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite corporate power, authority and capacity to carry on its business as now conducted and to own, lease and operate its properties and assets and to perform its obligations hereunder;
 - (ii) the Corporation has the corporate capacity and power to execute and deliver this Agreement and the Subscription Agreements and to perform its obligations hereunder and thereunder;
 - (iii) this Agreement and the Subscription Agreements have been duly authorized, executed and delivered by the Corporation and are legally binding upon the Corporation and enforceable in accordance with their respective terms (subject to the Enforceability Qualifications and such other qualifications as are customary in such circumstances);
 - (iv) all necessary corporate action has been taken by the Corporation to authorize the execution and delivery of this Agreement and the Subscription Agreements, and the performance of its obligations hereunder and thereunder and this Agreement and the Subscription Agreements have been duly executed and delivered by the Corporation;
 - (v) as to the authorized and issued capital of the Corporation (which opinion shall be based solely on a certificate of the transfer agent of the Corporation);
 - (vi) the Offered Shares have been validly issued as fully paid and non-assessable;
 - (vii) the Exchange having accepted notice of the issuance of the Offered Shares and having conditionally approved the listing thereof subject to the usual post-closing filings (which opinion shall be based solely on the Exchange Approval letter);

- (viii) the execution and delivery of this Agreement and the Subscription Agreements, the fulfilment of the terms hereof and thereof, the issue, sale and delivery on the Closing Date of the Offered Shares do not constitute a default under, any applicable Laws or any term or provision of the Corporation's constating documents;
- (ix) the offering, sale, issuance and delivery by the Corporation of the Offered Shares to the Purchasers are exempt from the prospectus requirements of the Applicable Securities Laws of the Canadian Offering Jurisdictions and no documents are required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations obtained under the Applicable Securities Laws of the relevant Canadian Offering Jurisdictions to permit such offering, sale, issuance and delivery, noting, however, the filing of customary private placement reports, fees or undertakings required to be filed under such Laws will be necessary; and
- (x) as to the first trade rights and restrictions relating to the Offered Shares under Canadian Applicable Securities Laws.

In giving such opinions, the Corporation's Counsel will be entitled to arrange for and rely, to the extent appropriate in the circumstances, upon local counsel, it being understood that certain of the opinions which are not matters of British Columbia law may be opined upon directly by local counsel, and that the Corporation's Counsel will not be required to also give such opinions, and will be entitled as to matters of fact not within their knowledge to rely upon a certificate of fact from public officials and/or responsible persons in a position to have knowledge of such facts and their accuracy, and such opinion will be subject to customary qualifications, assumptions, exceptions and reliances. The Corporation agrees, and the aforesaid legal opinion will expressly provide, that the Underwriter may deliver copies of the opinion to each of the addressees thereof;

- (f) the Underwriter will have received favourable legal opinions, dated the Closing Date and addressed to the Underwriter and the Purchasers, from counsel to the Corporation, as to (i) the incorporation and existence of each Subsidiary, (ii) the Subsidiaries having the requisite corporate power and capacity to own and lease their properties and assets and to conduct their businesses as presently carried on, and (iii) the registered ownership of the issued and outstanding shares of the Subsidiaries, and as to such other legal matters which the Underwriter's Counsel may reasonably request;
- (g) the Underwriter will have received legal opinions, dated the Closing Date and addressed to the Underwriter, in form and substance acceptable to the Underwriter, acting reasonably, as to the title and ownership interests of the Corporation in the Metates Project (the "**MetatesTitle Opinion**");
- (h) if any Offered Shares are sold to Purchasers in the United States, the Underwriter will have received favourable legal opinions, dated the Closing Date and addressed to the Underwriter, in form and substance satisfactory to the Underwriter, acting reasonably, to the effect that registration of the Offered

Shares upon offer and sale pursuant to this Agreement will not be required under the U.S. Securities Act;

- (i) the Underwriter will have received a certificate dated the Closing Date signed by the Chief Executive Officer and the Chief Financial Officer of the Corporation or another officer acceptable to the Underwriter, in form and substance acceptable to Underwriter with respect to:
 - (i) the constating documents of the Corporation;
 - (ii) the resolutions of the directors of the Corporation relevant to the Offering, the Offered Shares, and the authorization of this Agreement and the Ancillary Documents; and
 - (iii) the incumbency and signatures of signing officers of the Corporation;
- (j) the Underwriter will have received certificates of status and/or compliance (or the equivalent), where issuable under applicable Law, for the Corporation and each of the Subsidiaries, each dated within two days of the Closing Date, or such other reasonable period as may be dictated by local requirements;
- (k) the Corporation will have delivered to the Underwriter a certificate dated the Closing Date and signed by the Chief Executive Officer and Chief Financial Officer of the Corporation, certifying for and on behalf of the Corporation, and not in their personal capacities, with respect to the following matters:
 - (i) the representations and warranties of the Corporation contained in this Agreement are true and correct in all material respects (or, if qualified by materiality, in all respects) as at the Time of Closing, with the same force and effect as if made on and as at the Time of Closing, except for such representations and warranties which are in respect of a specific date in which case such representations and warranties were true and correct, in all material respects (or, if qualified by materiality, in all respects), as of such date, after giving effect to the transactions contemplated by this Agreement;
 - (ii) the Corporation having complied with all the covenants and satisfied all the terms and conditions of this Agreement to be complied with and satisfied by the Corporation at or prior to the Time of Closing;
 - (iii) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Corporation or prohibiting the sale of the Offered Shares or any of the Corporation's issued securities having been issued or, to the knowledge of such officers, threatened; and
 - (iv) there having not occurred a Material Adverse Effect, or any change or development that would reasonably be expected to result in a Material Adverse Effect, or the coming into existence or discovery of a new material fact, other than as disclosed in the Corporation's Information Record;

- (l) the Corporation will have caused each of the directors and senior officers of the Corporation to enter into lock-up agreements in a form satisfactory to the Underwriter, acting reasonably, which will be negotiated in good faith and contain customary provisions, pursuant to which each such person agrees, for a period of 120 days after the Closing Date, not to directly or indirectly, offer, sell, contract to sell, grant any option to purchase, make any short sale, transfer, or otherwise dispose of or monetize the economic value of (or announce any intention to do any of the foregoing) any securities of the Corporation, whether now owned directly or indirectly, or under their control or direction, or with respect to which each has beneficial ownership, subject to the following exceptions: (i) if the Corporation receives an offer, which has not been withdrawn, to enter into a transaction or arrangement, or proposed transaction or arrangement, pursuant to which, if entered into or completed substantially in accordance with its terms, a party could, directly or indirectly acquire an interest (including an economic interest) in, or become the holder of, 100% of the total number of Common Shares in the Corporation, whether by way of takeover offer, scheme of arrangement, shareholder approved acquisition, capital reduction, share buyback, securities issue, reverse takeover, dual-listed company structure or other synthetic merger, transaction or arrangement; (ii) in respect of sales to affiliates of such shareholder; (iii) as a result of the death of any individual shareholder; or (iv) with the written consent of the Underwriter, such consent not to be unreasonably withheld or delayed;
- (m) at the Time of Closing, the Corporation will not be the subject of a cease trading order made by any Securities Commission which has not been rescinded;
- (n) prior to the Time of Closing, the Underwriter, Underwriter's Counsel and the Underwriter's technical consultants will have been provided with timely access to all information reasonably required to permit them to conduct a due diligence investigation of the Corporation and its consolidated business operations, properties, assets, affairs, prospects and financial condition, including access to management of the Corporation (including its qualified person for purposes of NI 43-101), the Corporation's auditors and the legal counsel of the Corporation in connection with one or more due diligence sessions to be held prior to the Time of Closing; and
- (o) the Underwriter not having exercised any rights of termination set out in Article 8.

ARTICLE 6 - CLOSING

- 6.1 The Closing will be held at the offices of the Corporation's Counsel in the City of Vancouver, British Columbia at the Time of Closing or such other place, date or time as may be mutually agreed to; provided that if the Corporation has not been able to comply with any of the covenants or conditions set out herein required to be complied with by the Time of Closing or such other date and time as may be mutually agreed to, the respective obligations of the parties will terminate without further liability or obligation

except for payment of expenses in accordance with Article 11, indemnity in accordance with Article 9 and contribution in accordance with Article 10.

6.2 At the Time of Closing, the Corporation will deliver to the Underwriter:

- (a) certificates representing the Offered Shares (or, if so requested by the Underwriter, electronic deposit of the Offered Shares in the manner so requested), duly registered as the Underwriter may direct; and
- (b) the requisite legal opinions and certificates as contemplated in Section 5.1.

against payment of the purchase price for the Offered Shares by wire transfer or by certified cheque or bank draft and delivery of the Subscription Agreements (including applicable schedules thereto, properly completed and executed) and other documentation required to be provided by or on behalf of the Purchasers or the Underwriter pursuant to this Agreement or as may be required by Applicable Securities Laws or the rules of the Exchange.

6.3 The Corporation will, at the Time of Closing, and upon such payment of the purchase price for the Offered Shares, pay the Underwriting Fee to the Underwriter. At the Time of Closing, the Corporation will reimburse the Underwriter for all of its expenses actually incurred up to the Closing Date, including the fees and disbursements of the Underwriter's Counsel, in accordance with Article 11 hereof.

6.4 It is understood that the Underwriter may waive, in whole or in part, or extend the time for compliance with, any of the terms and conditions of this Agreement on behalf of the Underwriter and the Purchasers without prejudice to their rights in respect of any such terms and conditions or any other subsequent breach or non-compliance; provided that to be binding on the Underwriter and the Purchasers, any such waiver or extension must be in writing.

ARTICLE 7 - COMPENSATION OF THE UNDERWRITER

7.1 The Corporation will pay to the Underwriter at the Time of Closing, a cash commission (the "**Underwriting Fee**") equal to (i) 6% of the aggregate gross proceeds of the Offered Shares sold pursuant to the Offering (other than the portion thereof attributable to purchases by Eric Sprott or his affiliates ("**Sprott Purchases**")) and (ii) 4% of the aggregate gross proceeds attributable to Sprott Purchases.

ARTICLE 8 - TERMINATION OF PURCHASE OBLIGATION

8.1 It is understood that the Underwriter may waive, in whole or in part, or extend the time for compliance with, any of the terms and conditions of this Agreement without prejudice to its rights in respect of any other of such terms and conditions or any other subsequent breach or non-compliance; provided, however, that to be binding on the Underwriter any such waiver or extension must be in writing and signed by the Underwriter. No act of the Underwriter in offering the Offered Shares will constitute a waiver or estoppel against the Underwriter.

8.2 Without limiting any of the foregoing provisions of this Agreement, and in addition to any other remedies which may be available to it, the Underwriter will be entitled, at its option,

to terminate and cancel, without any liability, its obligations under this Agreement to purchase Offered Shares, by giving written notice to the Corporation at any time through to the Time of Closing if:

- (a) any order or ruling is issued, any inquiry, investigation or other proceeding (whether formal or informal) in relation to the Corporation or any Subsidiary or any of their respective directors or officers is made, threatened or announced by any officer or official of any stock exchange, Securities Commission or other Governmental Authority (other than an order based solely upon the activities or alleged activities of the Underwriter) or any Law is promulgated or changed which operates to prevent or restrict trading in or distribution of the Offered Shares or any other securities of the Corporation;
- (b) there should develop, occur or come into effect any incident of national or international consequence, any Law or inquiry or any other event, action or occurrence of any nature whatsoever which, in the reasonable opinion of the Underwriter, materially and adversely affects or may materially and adversely affect the financial markets in Canada generally or the consolidated business, affairs or capital of the Corporation;
- (c) there should occur any material change or change in a material fact in respect of the Corporation (on a consolidated basis), or the Underwriter becomes aware of any undisclosed material fact relating to the Corporation of the nature contemplated in Section 4.1(i)(and for greater certainty, whether it arose before or after the date of this Agreement) which, in the reasonable opinion of the Underwriter, impacts materially and adversely on the market price or value of the Offered Shares; or
- (d) the Corporation is in breach of any material term, condition or covenant of this Agreement or any representation or warranty given by the Corporation in this Agreement becomes, is discovered to be or is materially false, and such material breach or such materially false representation (i) is in the reasonable opinion of the Underwriter not capable of being cured prior to the Time of Closing, (ii) would, at the Time of Closing, result in the failure of any condition precedent set out in Article 5 hereof, or (iii) has not been rectified to the satisfaction of the Underwriter (acting reasonably) within 48 hours of when the Underwriter provide written notice to the Corporation of the same.

the occurrence or non-occurrence of any of the foregoing events or circumstances to be determined in the sole discretion of the Underwriter, acting reasonably and in good faith.

8.3 The Underwriter will give prompt notice to the Corporation (in writing or by other means) of the occurrence of any of the events referred to in Section 8.2, provided that neither the giving nor the failure to give such notice will in any way affect the Underwriter's entitlement to exercise this right at any time through to the Time of Closing.

8.4 The Underwriter's rights of termination contained in this section are in addition to any other rights or remedies it may have in respect of any default, act or failure to act or non-

compliance by the Corporation in respect of any of the matters contemplated by this Agreement.

- 8.5 If the obligations of the Underwriter are terminated under this Agreement pursuant to the termination rights provided for in Section 8.2, the Corporation's liabilities to the Underwriter will be limited to the Corporation's obligations under the indemnity, contribution and expense provisions of Articles 9, 10 and 11, respectively, of this Agreement.

ARTICLE 9 - INDEMNITY

- 9.1 The Corporation covenants and agrees to indemnify and save harmless the Underwriter and each of its directors, officers, employees, agents and affiliates and each person, if any, who controls the Underwriter (individually, an "**Indemnified Party**" and collectively, the "**Indemnified Parties**"), against all losses (other than loss of profits), claims, damages, suits, liabilities, costs, or expenses of any third party (collectively, a "**Claim**") caused or incurred, whether directly or indirectly, by reason of:
- (a) any statement (including, for greater certainty, any of the representations and warranties) other than a statement relating solely to, and provided by, the Underwriter, contained in this Agreement, the Ancillary Documents or the Corporation's Information Record which, at the time and in the light of the circumstances under which it was made, contains or is alleged to contain a misrepresentation;
 - (b) the omission or alleged omission to state in any certificate of the Corporation delivered hereunder or pursuant hereto, in this Agreement or the Ancillary Documents or in the Corporation's Information Record any material fact (other than a material fact omitted in reliance upon information furnished to the Corporation by or on behalf of the Underwriter) required to be stated therein or necessary to make any statement therein not misleading in light of the circumstances under which it was made;
 - (c) any order made or inquiry, investigation or proceeding commenced or threatened by any Securities Commission or other competent authority based upon any misrepresentation or alleged misrepresentation in the Corporation's Information Record (other than a statement included in reliance upon information furnished to the Corporation by or on behalf of the Underwriter) which prevents or restricts the trading in the Offered Shares or the distribution of the Offered Shares, in any of the Canadian Offering Jurisdictions;
 - (d) the material non-compliance by the Corporation with any requirement of any Applicable Securities Laws or regulatory requirements (including any private placement filing or other requirement under any of the Applicable Securities Laws) in connection with the Offering; or
 - (e) any material breach of any representation or warranty of the Corporation contained herein or the failure of the Corporation to comply with any of its obligations hereunder.

- 9.2 The Corporation agrees that in case any legal proceeding is brought against the Corporation and the Underwriter by any Governmental Authority, or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Corporation and the Underwriter, and any personnel of the Underwriter are required to testify in connection therewith or to respond to procedures designed to discover information regarding, in connection with, or by reason of, the performance of professional services rendered to the Corporation by the Underwriter, the Underwriter will have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Underwriter for time spent by its personnel in connection therewith) and out-of-pocket expenses reasonably incurred by its personnel in connection therewith will be paid by the Corporation as they occur.
- 9.3 Promptly after receipt of notice of the commencement of any legal proceeding against any of the Indemnified Parties or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Corporation under this Agreement, the Underwriter will notify the Corporation in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Corporation, will keep the Corporation advised of the progress thereof and will discuss with the Corporation all significant actions proposed. The omission to so notify the Corporation will not relieve the Corporation of any liability which the Corporation may have to the Indemnified Parties except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defence of such action, suit, proceeding, claim or investigation or results in any material increase in the liability which the Corporation would otherwise have under this indemnity had the Underwriter not so delayed in giving or failed to give the notice required hereunder.
- 9.4 The Corporation will be entitled, at its own expense, to participate in and, to the extent it may wish to do so, assume the defence thereof, provided such defence is conducted by experienced and competent counsel. Upon the Corporation notifying the Underwriter in writing of its election to assume the defence and retaining counsel, the Corporation will not be liable to the Underwriter for any legal expenses subsequently incurred by it in connection with such defence. If such defence is assumed by the Corporation, the Corporation throughout the course thereof will provide copies of all relevant documentation to the Underwriter, will keep the Underwriter advised of the progress thereof and will discuss with the Underwriter all significant actions proposed.
- 9.5 Notwithstanding the foregoing paragraph, the Underwriter will have the right, at the Corporation's expense, to employ one counsel of the Underwriter's choice, in respect of the defence of any action, suit, proceeding, claim or investigation if: (i) the employment of such counsel has been authorized by the Corporation; or (ii) the Corporation has not assumed the defence and employed counsel therefor within 30 days after receiving notice of such action, suit, proceeding, claim or investigation; or (iii) counsel retained by the Corporation or the Underwriter has advised that representation of both parties by the same counsel would be inappropriate for any reason, including because there may be legal defences available to the Corporation which are different from or in addition to those available to the Indemnified Parties (in which event and to that extent, the Corporation will not have the right to assume or direct the defence on the Underwriter's behalf) or that there is a conflict of interest between the Corporation and the Underwriter or the subject matter of the action, suit, proceeding, claim or investigation may not fall

within the indemnity set forth herein (in either of which events the Underwriter will not have the right to assume or direct the defence on the Corporation's behalf).

- 9.6 No admission of liability and no settlement of any action, suit, proceeding, claim or investigation will be made without the consent of the Underwriter or other parties affected (such consent not to be unreasonably withheld or delayed). No admission of liability will be made and the Corporation will not be liable for any settlement of any action, suit, proceeding, claim or investigation made without its consent (such consent not to be unreasonably withheld or delayed).
- 9.7 The indemnity and contribution obligations of the Corporation will be in addition to any liability which the Corporation may otherwise have, will extend upon the same terms and conditions to all Indemnified Parties and will be binding upon and enure to the benefit of any of the respective successors, assigns, heirs and personal representatives of the Corporation and the Indemnified Parties. The foregoing provisions will survive the completion of professional services rendered under this agreement and the termination of this Agreement.
- 9.8 To the extent that any Indemnified Party is not a party to this Agreement, the Underwriter will obtain and hold the right and benefit of this section in trust for and on behalf of such Indemnified Party.
- 9.9 The foregoing indemnity will cease to apply in respect of a claim if and to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable will determine that such Claim to which the Indemnified Party may be subject was caused by the negligence, bad faith, fraud, fraudulent misrepresentation or wilful misconduct of the Indemnified Party or the Indemnified Party being in breach of this Agreement or the Ancillary Documents.

ARTICLE 10 - CONTRIBUTION

- 10.1 In the event that the indemnity provided for in Article 9 is declared by a court of competent jurisdiction to be illegal or unenforceable as being contrary to public policy or for any other reason, the Underwriter and the Corporation will contribute to the aggregate of all losses, claims, costs, damages, expenses or liabilities of the nature provided for above such that the Underwriter will be responsible for that portion represented by the percentage equal to the Underwriting Fee actually received by the Underwriter, and the Corporation will be responsible for the balance. In the event that the Corporation may be held to be entitled to contribution from the Underwriter under the provisions of any statute or law, the Corporation will be limited to contribution from the Underwriter in an amount not exceeding the lesser of: (a) the portion of the full amount of losses, claims, costs, damages, expenses or liabilities giving rise to such contribution for which the Underwriter is responsible; and (b) the amount of the Underwriting Fee actually received by the Underwriter. Notwithstanding the foregoing, a person guilty of negligence, bad faith, fraud, fraudulent misrepresentation or wilful misconduct will not be entitled to contribution from any other party. Any party entitled to contribution will, promptly after receiving notice of commencement of any Claim, action, suit or proceeding against such party in respect of which a claim for contribution may be made against another party or parties under this section, notify such party or parties from whom contribution may be sought, but the omission to so notify such party will not relieve the party from whom contribution may be sought from any obligation it may have

otherwise under this section, except to the extent that the party from whom contribution may be sought is prejudiced by such omission. The right to contribution provided herein will be in addition and not in derogation of any other right to contribution which the Underwriter may have by statute or otherwise by law.

ARTICLE 11 - EXPENSES

- 11.1 Whether or not the Offering is completed, the Corporation will be responsible for all expenses incurred from time to time in connection with the Offering, including the Underwriter's reasonable out-of-pocket expenses, all reasonable fees and disbursements of legal counsel to the Underwriter and other expenses incidental to the sale, issue or distribution of the Offered Shares and all matters in connection with the transactions herein. The Corporation will also be responsible for any exigible HST on the foregoing amounts. The Corporation covenants and agrees to fully reimburse the Underwriter for all such reasonable expenses at Closing or in the event that this Agreement is terminated before Closing.

ARTICLE 12 - SURVIVAL OF WARRANTIES AND REPRESENTATIONS

- 12.1 All warranties and representations of the Underwriter herein contained will survive the purchase by the Purchasers of the Offered Shares and will continue in full force and effect for the benefit of the Corporation until the Survival Limitation Date. All warranties and representations of the Corporation herein contained or contained in documents submitted or required to be submitted pursuant to this Agreement will survive the purchase by the Purchasers of the Offered Shares and will continue in full force and effect (with respect to representations and warranties, as to their truth and accuracy as at the Time of Closing) for the benefit of the Underwriter and the Purchasers until the Survival Limitation Date.

ARTICLE 13 - ADVERTISEMENTS AND PRESS RELEASES

- 13.1 The Corporation and the Underwriter each agree that the Corporation will provide to the Underwriter, in advance any press release concerning the Offering and the Corporation will give effect to any changes reasonably and timely requested by the Underwriter. The Corporation will also ensure that any press release concerning the Offering complies with Applicable Securities Law. At the request of the Underwriter, and to the extent permitted by Law, the Corporation will ensure the Underwriter is disclosed as the underwriter for the Offering in any press release relating to the Offering.
- 13.2 At the completion of the Offering, and to the extent permitted by Law, the Underwriter may, at its sole expense and upon consultation with the Corporation, place advertisements or announcements in any newspapers, periodicals or other publications, or otherwise disclose to third parties, that it acted as underwriter in connection with the Offering.
- 13.3 No press release will be issued in the United States by the Corporation concerning the Offering during the Offering, and any press release issued by the Corporation

concerning the Offering will include the following legends and will comply with Rule 135e under the U.S. Securities Act:

“Not for distribution to United States news wire services or dissemination in the United States;” and

“The securities offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements. This press release will not constitute an offer to sell or the solicitation of an offer to buy nor will there be any sale of the securities in any State in which such offer, solicitation or sale would be unlawful.”

ARTICLE 14 - CONFLICT OF INTEREST

- 14.1 The Corporation: (i) acknowledges and agrees that the Underwriter has certain statutory obligations as registrants under the Applicable Securities Laws and has fiduciary relationships with its clients; and (ii) consents to the Underwriter acting hereunder while continuing to act for its clients. To the extent that the Underwriter’s statutory obligations as registrant under the Applicable Securities Laws or fiduciary relationships with its clients conflict with its obligations hereunder, the Underwriter will be entitled to fulfill its statutory obligations as registrant under the Applicable Securities Laws and its fiduciary duties to its clients. Nothing in this Agreement will be interpreted to prevent the Underwriter from fulfilling its statutory obligations as registrant under the Applicable Securities Laws or to satisfy its fiduciary duties to its clients. For greater certainty, nothing in this section releases the Underwriter from its obligations under this Agreement except to the extent reasonably necessary to fulfill its statutory obligations as registrant under the Applicable Securities Laws or satisfy its fiduciary duties to its clients.

ARTICLE 15 - GENERAL CONTRACT PROVISIONS

- 15.1 Except as expressly provided for in this Agreement, the covenants and agreements of the Corporation contained herein and in the Subscription Agreements which by their nature are required to be completed after the Time of Closing will survive the purchase by the Purchasers of the Offered Shares and will continue in full force and effect, regardless of the closing of the sale of the Offered Shares and regardless of any investigation which may be carried on by the Underwriter, or on its behalf. Without limitation of the foregoing, the provisions contained in this Agreement in any way related to the indemnification or the contribution obligations will survive and continue in full force and effect, indefinitely, subject only to the limitation requirements of applicable law.
- 15.2 Any notice or other communication to be given hereunder will be in writing and will be given by delivery or by electronic transmission, as follows:
- (a) to the Corporation at:
- Chesapeake Gold Corp.
1512 Yew Street, Suite 201
Vancouver, British Columbia V6K 3E4
- Attention: P. Randy Reifel, Chairman and President

Email: [REDACTED]

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

Koffman Kalef LLP
19th Floor, 885 West George Street
Vancouver, British Columbia V6C 3H4

Attention: Bernard Poznanski
Email: [REDACTED]

(b) to the Underwriter:

Mackie Research Capital Corporation
199 Bay Street, Suite 4500
Commerce Court West
Toronto, Ontario, M5C 1G2

Attention: David Greifenberger
Email: [REDACTED]

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

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

Attention: Gary Litwack
Email: [REDACTED]

and if so given, any such notice, direction or other instrument, if delivered personally, will be deemed to have been given and received on the day on which it was delivered, provided that if such day is not a Business Day then the notice, direction or other instrument will be deemed to have been given and received on the first Business Day next following such day, and if transmitted by email, will be deemed to have been given and received on the day of its transmission, provided that if such day is not a Business Day or if it is transmitted after the end of normal business hours then the notice, direction or other instrument will be deemed to have been given and received on the first Business Day next following the day of such transmission. Any party may, at any time, give notice in writing to the others in the manner provided for above of any change of address.

- 15.3 This Agreement and the other documents herein referred to constitute the entire agreement between the Underwriter and the Corporation relating to the subject matter hereof and supersedes all prior agreements between the Underwriter and the Corporation with respect to their respective rights and obligations in respect of the

Offering, including the offer letter between the Underwriter and the Corporation dated July 29, 2019 in its entirety.

- 15.4 Time will be of the essence of this Agreement and of every part hereof and no extension or variation of this Agreement shall operate as a waiver of this provision.
- 15.5 The parties hereto covenant and agree to sign such other documents, do and perform and cause to be done and performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every provision of it.
- 15.6 No party to this Agreement may assign this Agreement, any part hereof or its rights hereunder without the prior written consent of the other parties. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.
- 15.7 In the event that any provision or part of this Agreement will be deemed void or invalid by a court of competent jurisdiction, the remaining provisions or parts shall be and remain in full force and effect. If, in any judicial proceeding, any provision of this Agreement is found to be so broad as to be unenforceable, it is hereby agreed that such provision shall be interpreted to be only so broad as to be enforceable.
- 15.8 The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. **Les parties reconnaissent avoir expressément demandé que la présente Convention ainsi que tout avis, tout état de compte et tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.**
- 15.9 This Agreement may be executed by any one or more of the parties in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. The transmission by facsimile or pdf of a copy of the execution page hereof reflecting the execution of this agreement by any party hereto shall be effective to evidence that party's intention to be bound by this agreement and that party's agreement to the terms, provisions and conditions hereof, all without the necessity of having to produce an original copy of such execution page.

[Execution Page Follows]

IN WITNESS WHEREOF the parties have executed this Agreement.

CHESAPEAKE GOLD CORP.

Per: *"P. Randy Reifel"*

Name: Randy Reifel
Title: President

MACKIE RESEARCH CAPITAL CORPORATION

Per: *"David Greifenberger"*

Name: David Greifenberger
Title: Managing Director, Investment Banking

SCHEDULE "A"

DETAILS OF THE METATES MINERAL CONCESSIONS

Concession	Hectares	Title No.
Metates	1,195.0000	214356
San Vicente	105.0000	170663
Ampl. No. 1A San Vicente	235.0000	170664
2A. Ampl. San Vicente	185.0000	170665
San Vicente 3	700.0000	204762
Metates Sur	98.0000	236913
Metates Sur I	5.9781	237017
Metates Sur II	100.0000	236876
Metates sur 3	6.5759	236875
Metates Sur 4	118.5660	237016
Metates Sur 5	520.0000	244103
San Miguel	3,026.5132	23274
TOTAL	6,295.6332	

SCHEDULE "B"

DETAILS AS TO OUTSTANDING CONVERTIBLE SECURITIES

CURRENT OUTSTANDING WARRANTS

None

CURRENT OUTSTANDING OPTIONS

Exercise Price	Expiry Date	Number
\$2.15	21-Mar-21	2,103,000
\$3.75	27-Sept-22	790,000
\$3.30	29-Aug-24	2,340,000
Total		5,233,000

SCHEDULE "C"
INTERESTS IN SUBSIDIARIES

