

## AGENCY AGREEMENT

October 23, 2017

Pacific Empire Minerals Corp.  
Suite 501-543 Granville Street  
Vancouver, B.C.  
V6C 1X8

**Attention: Brad Peters, President**

Dear Sirs:

**Re: Initial Public Offering of Pacific Empire Minerals Corp.**

We, Haywood Securities Inc. (the “**Agent**”), understand that Pacific Empire Minerals Corp. (the “**Company**”) would like to undertake an initial public offering (the “**Offering**”) of between 7,500,000 and 10,000,000 units (each a “**Unit**”) at a price of \$0.20 per Unit to raise gross proceeds of a minimum of \$1,500,000 and a maximum of \$2,000,000. Each Unit will consist of one common share of the Company (a “**Share**”) and one-half of one transferable common share purchase warrant (a “**Warrant**”). Each Warrant will entitle the holder thereof to purchase one additional common share of the Company (a “**Warrant Share**”) at a purchase price of \$0.30 per Warrant Share at any time prior to 4:30 p.m. (Vancouver time) on the date that is 24 months following the closing of the Offering.

We provide this letter to confirm the terms and conditions upon which we are prepared to act as your agent to use our commercially reasonable efforts to offer and sell the Units on your behalf. By signing a copy of this letter, you are confirming that we have entered into a binding agreement (the “**Agreement**”) pursuant to which you will have appointed us as your exclusive agent to use our commercially reasonable efforts to offer and sell the Units on the terms and conditions contained herein.

In consideration of the services to be rendered by us to you hereunder, you hereby agree with us as follows:

### 1. DEFINITIONS AND INTERPRETATION

1.1 In this Agreement, including any schedules forming a part of this Agreement:

- (a) “**Accredited Investor**” means an “accredited investor” as defined in Rule 501(a) of Regulation D;
- (b) “**Agent**” has the meaning ascribed thereto in the first paragraph of this Agreement;

- (c) “**Agent’s Fee**” has the meaning ascribed thereto in Section 8.1;
- (d) “**Agreement**” has the meaning ascribed thereto in the first paragraph of this Agreement;
- (e) “**Alternative Transaction**” means the issuance of securities of the Company or a business transaction, either of which involve a change in control of the Company, or any material subsidiary including a merger, amalgamation, arrangement, take-over bid supported by the board of directors of the Company, insider bid, reorganization, joint venture, sale of all or substantially all assets, exchange of assets or any similar transaction, excluding an issuance of securities pursuant to the exercise of securities of the Company outstanding on the date hereof or in connection with a bona fide acquisition by the Company (other than a direct or indirect acquisition, whether by way of one or more transactions, of an entity all or substantially all of the assets of which are cash, marketable securities or financial in nature or an acquisition that is structured primarily to defeat the intent of this provision)
- (f) “**Applicable Securities Laws**” means securities legislation of the Qualifying Jurisdictions and the regulations, rules, administrative policy statements, instruments, blanket orders, notices, directions and rulings issued or adopted by the applicable Regulatory Authorities, all as amended;
- (g) “**Audited Financial Statements**” has the meaning ascribed thereto in Section 4.1(m);
- (h) “**Closing**” has the meaning ascribed thereto in Section 7.1;
- (i) “**Closing Date**” has the meaning ascribed thereto in Section 7.1;
- (j) “**Closing Materials**” has the meaning ascribed thereto in Section 5.1(b)(vi);
- (k) “**Comfort Letter**” has the meaning ascribed thereto in Section 5.1(b)(i);
- (l) “**Commissions**” means the securities regulatory bodies (other than stock exchanges) of the Qualifying Jurisdictions and “**Commission**” means the securities regulatory body of a specified Qualifying Jurisdiction;
- (m) “**Company**” has the meaning ascribed thereto in the first paragraph of this Agreement;
- (n) “**Compensation Options**” means the options of the Company to be issued to the Agent pursuant to Section 8.2 hereof to acquire Compensation Units;
- (o) “**Compensation Share**” means previously unissued Shares which are issuable upon the exercise of the Compensation Options;

- (p) “**Compensation Units**” means the Units of the Company to be issued to the Agent on exercise of the Compensation Options, each comprised of one Compensation Share and one-half of one non-transferable Compensation Warrant;
- (q) “**Compensation Warrant**” means non-transferable share purchase warrants which are issuable upon the exercise of the Compensation Options;
- (r) “**Compensation Warrant Shares**” means previously unissued Shares which are issuable upon the exercise of the Compensation Warrants;
- (s) “**distribution**” (or “**distribute**” as derived therefrom), has the meaning ascribed thereto in the *Securities Act* (British Columbia);
- (t) “**Exchange**” means the TSX Venture Exchange;
- (u) “**Expenses**” has the meaning ascribed thereto in Section 9.1;
- (v) “**Final Listing Application**” means the final listing application filed with the Exchange to obtain a listing of the Shares (including the Warrant Shares, Compensation Shares and Compensation Warrant Shares);
- (w) “**Final Prospectus**” means the final prospectus of the Company filed with the Commissions for the purpose of qualifying the distribution of the Units, the Compensation Options, the Compensation Units, Compensation Shares, Compensation Warrants and the Compensation Warrant Shares;
- (x) “**Final Receipt**” means the receipt for the Final Prospectus from the British Columbia Securities Commission issued in accordance with Multilateral Instrument 11-102 and National Policy 11-202 together with such other receipts or decision documents necessary to evidence that a receipt for the Final Prospectus has been issued by each of the Commissions;
- (y) “**Final U.S. Wrap**” means the final private placement memorandum, containing the Prospectus, prepared for use in connection with the offer and sale of the Units to Accredited Investors that are, or are acting for the account or benefit of, persons in the United States or U.S. Persons;
- (z) “**Full Listing**” means the date on which the Company’s common shares are approved for listing on the Exchange;
- (aa) “**Hazardous Substances**” has the meaning ascribed thereto in Section 4.1(z);
- (bb) “**Indemnified Party**” has the meaning ascribed thereto in in Section 10.1;
- (cc) “**Indemnitor**” has the meaning ascribed thereto in in Section 10.1;
- (dd) “**Legal Opinions**” has the meaning ascribed thereto in Section 5.1(b)(iv);

- (ee) “**Listing Applications**” means the Preliminary Listing Application and the Final Listing Application;
- (ff) “**Material Change**” has the meaning ascribed thereto under Applicable Securities Laws;
- (gg) “**Material Contracts**” has the meaning ascribed thereto in Section 4.1(t);
- (hh) “**Material Fact**” has the meaning ascribed thereto under Applicable Securities Laws;
- (ii) “**misrepresentation**” has the meaning ascribed thereto in the *Securities Act* (British Columbia);
- (jj) “**Net Proceeds**” means the gross proceeds of the Offering plus any advance payments for expenses or on account of the Work Fee made by the Company and held by the Agent at Closing, less:
  - (i) the Agent’s Fee and the Work Fee;
  - (ii) the Expenses of the Agent in connection with the Offering for which the Agent has not been reimbursed by the Company; and
  - (iii) any amount attached by garnishing order or other form of attachment in accordance with Section 15.
- (kk) “**NI 41-101**” has the meaning ascribed thereto in Section 3.1(b);
- (ll) “**Offering**” has the meaning ascribed thereto in the first paragraph of this Agreement;
- (mm) “**Officer’s Certificate**” has the meaning ascribed thereto in Section 5.1(b)(v);
- (nn) “**Personnel**” has the meaning ascribed thereto in in Section 10.1;
- (oo) “**Preliminary Listing Application**” means the preliminary listing application filed with the Exchange to obtain comfort that a listing of the Shares (including the Warrant Shares, Compensation Shares and Compensation Warrant Shares), will be obtained;
- (pp) “**Preliminary Prospectus**” means the preliminary prospectus of the Company filed with the Commissions for the Offering;
- (qq) “**Preliminary U.S. Wrap**” means the preliminary private placement memorandum, containing the Preliminary Prospectus, prepared for use in connection with the offer and sale of the Units to Accredited Investors that are, or are acting for the account or benefit of, persons in the United States or U.S. Persons;

- (rr) “**Principals**” has the meaning ascribed thereto in Section 4.1(n)(i);
- (ss) “**Prospectus**” or “**Prospectuses**” means, collectively, the Preliminary Prospectus and the Final Prospectus;
- (tt) “**Purchaser**” means a person that subscribes for and purchases Units pursuant to the Offering;
- (uu) “**Qualifying Jurisdictions**” means British Columbia, Alberta and Ontario being those jurisdictions in which the Shares will be offered for sale pursuant to the Offering, and “**Qualifying Jurisdiction**” means any one of them;
- (vv) “**Regulation D**” means Regulation D adopted by the SEC pursuant to the U.S. Securities Act;
- (ww) “**Regulatory Authorities**” means the Commissions and the Exchange;
- (xx) “**SEC**” means United States Securities and Exchange Commission;
- (yy) “**Selling Group**” has the meaning ascribed thereto in Section 2.2;
- (zz) “**Selling Jurisdictions**” means: (i) the Qualifying Jurisdictions; (ii) the United States (with respect to such offers and sales made in compliance with Schedule A hereof); and (iii) such other foreign jurisdictions as the Agent and the Company may mutually agree;
- (aaa) “**Share**” or “**Shares**” has the meaning ascribed thereto in the first paragraph of this Agreement;
- (bbb) “**Supplementary Material**” has the meaning ascribed thereto in Section 3.1(e);
- (ccc) “**Time of Closing**” means 8:00 a.m. (Vancouver Time), or such other time as the parties may agree, on the Closing Date;
- (ddd) “**trade**” has the meaning ascribed thereto in the *Securities Act* (British Columbia);
- (eee) “**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;
- (fff) “**U.S. Affiliate**” means Haywood Securities (USA) Inc.;
- (ggg) “**U.S. Exchange Act**” means the United States Securities Exchange Act of 1934, as amended;
- (hhh) “**U.S. Person**” means a U.S. Person as that term is defined in Regulation S of the U.S. Securities Act;

- (iii) “**U.S. Purchaser Letter**” means the purchaser letter attached as Exhibit A to the Final U.S. Wrap;
- (jjj) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended;
- (kkk) “**U.S. Wrap**” means the Preliminary U.S. Wrap and the Final U.S. Wrap;
- (lll) “**Warrant**” or “**Warrants**” has the meaning ascribed thereto in the first paragraph of this Agreement;
- (mmm) “**Warrant Indenture**” means a warrant indenture to be dated as of the Closing Date between the Company and Computershare Trust Company of Canada, as warrant agent, establishing the terms of the Warrants;
- (nnn) “**Warrant Share**” or “**Warrant Shares**” has the meaning ascribed thereto in the first paragraph of this Agreement;
- (ooo) “**Wildcat Property**” means the mineral property known as the “Wildcat Property” located in British Columbia, Canada, as such property is further described in the Wildcat Technical Report;
- (ppp) “**Wildcat Property Technical Report**” means the technical report prepared by Kristian Whitehead, P.Geo, in respect of the Wildcat Property titled “43-101 Technical Report on the Wildcat Property” and dated as of June 12, 2017; and
- (qqq) “**Work Fee**” has the meaning ascribed thereto in Section 8.1.

1.2 In the event that the Offering is to be undertaken in only one Qualifying Jurisdiction, then the terms “**Commissions**”, “**Final Receipt**” and “**Qualifying Jurisdictions**” as they appear throughout the Agreement shall be read as if they were written in the singular form and the provisions of this Agreement relating thereto shall be interpreted in that context.

1.3 References to a particular “article”, “Section”, “subsection” or other subdivision is to the particular article, Section or other subdivision of this Agreement, unless otherwise specified.

1.4 The words “hereof”, “herein”, “hereunder” and similar expressions used in any clause, paragraph or Section of this Agreement shall relate to the whole of this Agreement and not to that clause, paragraph or Section only, unless otherwise expressly provided.

## 2. APPOINTMENT OF AGENT

2.1 The Company appoints the Agent as its exclusive agent in respect of the Offering, and the Agent hereby agrees to act as the exclusive Agent of the Company to

use its commercially reasonable efforts to offer and sell the Units in the Selling Jurisdictions.

2.2 If in the opinion of the Agent it is necessary, the Agent will form, manage and participate in a group of registered securities dealers (the “**Selling Group**”) to offer and sell the Units provided for hereunder. In the event that a Selling Group is formed, the Agent will manage the Selling Group to the extent customary in the securities industry in Canada and require each member of the Selling Group to conduct the Offering on the terms and conditions set forth in this Agreement. The Agent will determine the fee(s) payable to the members of the Selling Group, which fee(s) will be paid by the Agent out of the Agent’s Fee and the Compensation Options.

2.3 The Agent understands that the Units are not being registered under the U.S. Securities Act or any state securities laws and represents that it has not offered or sold and agrees that it will not offer, sell or deliver at any time, directly or indirectly, in the United States (which term, as used herein, includes its territories or possessions) or to or for the account of any person whom the Agent knows or has reason to believe is a United States Person, any of the Units, unless an exemption from registration under the U.S. Securities Act is available and in accordance with Schedule “A” hereto. The Agent further agrees that it will require any dealer who offers and sells any of the Units (whether as a member of the Selling Group or otherwise) to agree to comply with this requirement.

2.4 The Agent agrees to sell the Units only in the Selling Jurisdictions and in accordance with and in a manner permitted by the laws of each Selling Jurisdiction and to require each member of the Selling Group to agree with the Agent to sell the Units only in the same manner. The Agent further agrees, subject to receipt of the same from the Company, to send a copy of all amendments to the Prospectus to all persons to whom copies of the Final Prospectus are sent and further agrees to require each member of the Selling Group to agree with the Agent to distribute the same documents in the manner stipulated.

### **3. FILING OF PROSPECTUS AND CONDUCT OF THE OFFERING**

3.1 The Company covenants and agrees with the Agent that it will:

- (a) prepare and file a Preliminary Prospectus with the Regulatory Authorities, together with the required supporting documents;
- (b) as soon as possible after any regulatory deficiencies have been satisfied with respect to the Preliminary Prospectus on a basis acceptable to the Agent, acting reasonably, prepare and file a Final Prospectus with the Regulatory Authorities, together with the required supporting documents (including, without limitation, any marketing materials) and use its reasonable best efforts to obtain the Final Receipt and take all other steps and proceedings that may be necessary in order to qualify, under the Applicable Securities Laws, the distribution of the Units to the Purchasers in the Qualifying Jurisdictions, and, subject to the applicable

restrictions in National Instrument 41-101 *General Prospectus Requirements* (“**NI 41-101**”) the distribution of the Compensation Options to the Agent and to the extent within the control of the Company, to qualify the Units to be offered and sold in the United States, all in compliance with Schedule A to this Agreement, in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act in accordance with the terms and conditions of Schedule A to this Agreement;

- (c) as soon as practicable after the Final Receipt has been issued, prepare and file with the Exchange a Final Listing Application, together with the required supporting documents;
- (d) with respect to the filing of the Prospectuses as contemplated herein, fulfil all legal requirements required to be fulfilled by the Company in connection therewith, in each case in form and substance satisfactory to the Agent as evidenced by the Agent’s execution of the certificates attached thereto, and prior to the filing of each of the Prospectuses, allow the Agent to review and comment on each Prospectus and the U.S. Wrap and conduct all due diligence investigations into the principals, business and affairs of the Company which the Agent, in its sole discretion, considers necessary to enable it to execute, acting prudently and responsibly, the certificates required to be executed by the Agent in the Prospectuses;
- (e) during the period prior to the completion of the Offering, promptly notify the Agent in writing of any Material Change (actual or proposed) in the business, affairs, operations, assets or liabilities (contingent or otherwise) or capital of the Company, or of any change which is of such a nature as to result in a misrepresentation in either of the Prospectuses or any amendment thereto and the Company will, within any applicable time limitation, comply with all filing and other requirements under the Applicable Securities Laws, and with the rules of the Exchange, applicable to the Company as a result of any such change. Notwithstanding the foregoing, the Company will not file any amendment to the Prospectuses or any other material supplementary to the Prospectuses including the U.S. Wrap (all such amendments and material being the “**Supplementary Material**”) without first obtaining the approval of the Agent as to the form and content thereof, which approval will not be unreasonably withheld and which will be provided on a timely basis. In addition to the foregoing, the Company will, in good faith, discuss with the Agent any change in circumstances (actual or proposed) which is of such a nature that there is or ought to be consideration given by the Company as to whether notice in writing of such change need be given to the Agent pursuant to this subparagraph;
- (f) deliver to the Agent duly executed copies of any Supplementary Material required to be filed by the Company in accordance with subparagraph (e) above and if any financial or accounting information is contained in any of the Supplementary Material, an additional Comfort Letter to that required by Section 5.1 (b)(ii); and

- (g) from time to time and without charge to the Agent, deliver to the Agent as many copies of each of the Prospectuses and any amendments thereto, if any, as the Agent may reasonably request, and such delivery will constitute the Company's consent to the Agent's use of the documents in connection with the Offering.

3.2 All funds received by the Agent will be held in trust by the Agent until Closing. Notwithstanding any other term of this Agreement, all subscription funds received by the Agent will be returned to the Purchasers without interest or deduction if Closing has not occurred by 90<sup>th</sup> day following the date of the Final Receipt or such later date as the Agent and the Company may agree and the securities regulatory authorities may approve.

3.3 The distribution of the Shares will remain open for 90 days from the date of the Final Receipt, unless an amendment to the Prospectus is filed with the Regulatory Authorities and a receipt for such amendment is received, in which case, the distribution of the Shares will remain open for a maximum of 180 days from the date of the Final Receipt.

#### **4. REPRESENTATIONS AND WARRANTIES**

4.1 The Company represents, warrants and covenants to the Agent as follows, and acknowledges that the Agent will be relying upon such representations, warranties and covenants in entering into this Agreement:

- (a) the Company is a valid and subsisting corporation duly incorporated and in good standing under the jurisdiction in which it is incorporated, continued or amalgamated and has all requisite corporate power and authority to carry on its respective businesses, as now conducted and as presently proposed to be conducted, to own its respective assets and to execute and deliver this Agreement and the Warrant Indenture and to carry out all of the terms and provisions hereof and thereof;
- (b) the Company is duly registered and licensed to carry on business in the jurisdictions in which it carries on business or owns property where so required by the laws of that jurisdiction;
- (c) the authorized and issued share capital of the Company is, and, except as provided for herein, will be immediately prior to the Time of Closing, as set forth in the Prospectuses;
- (d) the Shares outstanding on the date hereof are validly issued and outstanding as fully paid and non-assessable common shares of the Company, and are free and clear of all voting restrictions and trade restrictions (other than such trade restrictions imposed by (i) the Company's articles, which provisions will cease to apply before Closing; and (ii) Applicable Securities Laws of any kind whatsoever (including, but not limited to, the policies of the Exchange));

- (e) except as described in the Prospectuses, the Company does not own any securities in any other entity;
- (f) except as disclosed in the Prospectuses, there are no, nor will there be immediately prior to the Time of Closing, any options, agreements or rights of any kind whatsoever to acquire all or any securities of the Company;
- (g) except as disclosed in the Prospectuses, there are no, nor will there be immediately prior to the Time of Closing, any “securities” (as that term is defined under Applicable Securities Laws) of the Company outstanding;
- (h) the Shares, at the Time of Closing, the Warrant Shares, upon exercise of the Warrants, the Compensation Shares, at the time of issuance and the Compensation Warrant Shares, upon exercise of the Compensation Warrants, shall be duly authorized, validly issued, and fully paid and non-assessable common shares of the Company, provided that in the case of the Warrant Shares, Compensation Shares and Compensation Warrant Shares, the Company has received the exercise price thereof;
- (i) all of the material transactions of the Company have been promptly and properly recorded or filed in its respective minute books and such minute books contain all records of the meetings and proceedings of its shareholders, board of directors and committees of its board of directors, if any, since its incorporation;
- (j) the Company holds all licences and permits that are required for carrying on its business in the manner in which such business has been carried on and the Company has the corporate power and capacity to own the assets owned by it and to carry on the business carried on by it and the Company is duly qualified to carry on business in all jurisdictions in which it carries on business;
- (k) the Company has good and marketable title to its assets free and clear of all material liens, charges and encumbrances of any kind whatsoever, except as disclosed in the Prospectuses;
- (l) the Company does not have any trademarks or patents except as disclosed in the Prospectuses, such disclosure to include all material particulars in respect of their registrations and status;
- (m) the audited balance sheet of the Company as at March 31, 2017 and statement of operations and deficit and of cash flows of the Company for the year ended March 31, 2017 (the “**Audited Financial Statements**”) are true and correct in every material respect and present fairly and accurately the financial position and results of the operations of the Company for the period then ended and the Audited Financial Statements have been prepared in accordance with International Financial Reporting Standards applicable to public enterprises in Canada applied on a consistent basis;

- (n) except as disclosed in the Audited Financial Statements or as will be disclosed in the Prospectuses:
  - (i) the Company is not indebted to any of its directors or officers (collectively the “**Principals**”), other than in respect of accrued but unpaid compensation;
  - (ii) none of the Principals or shareholders of the Company is indebted or under obligation to the Company on any account whatsoever; and
  - (iii) the Company has not guaranteed or agreed to guarantee any debt, liability or other obligation of any kind whatsoever of any person, firm or corporation of any kind whatsoever;
- (o) there are no material liabilities of the Company, whether direct, indirect, absolute, contingent or otherwise which are not disclosed in the Prospectuses or reflected in the Audited Financial Statements except those incurred in the ordinary course of its business since March 31, 2017;
- (p) since March 31, 2017, there has not been any adverse Material Change of any kind whatsoever in the financial position or condition of the Company or any damage, loss or other change of any kind whatsoever in circumstances materially affecting its business or assets or the right or capacity to carry on its business, such business having been carried on in the ordinary course;
- (q) there has not been any reportable event (within the meaning of Section 4.11 of National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators) or reportable disagreements with the auditors or former auditors of the Company;
- (r) the Company’s auditors have not provided any material comments or recommendations to the Company regarding its accounting policies, internal control systems or other accounting or financial practices;
- (s) the directors, officers and key employees of the Company and their compensation arrangements, whether as directors, officers or employees of, or as independent contractors or consultants to, the Company will, if material, be disclosed in the Prospectuses, and, except as disclosed therein, there are no pensions, profit sharing, group insurance or similar plans or other deferred compensation plans of any kind whatsoever affecting the Company;
- (t) all of the material contracts (the “**Material Contracts**”) of the Company will be disclosed in the Prospectuses, such disclosure to provide all material particulars thereof including the status of those Material Contracts;
- (u) all tax returns, reports, elections, remittances and payments of the Company required by law to have been filed or made, have been filed or made (as the case may be) and are, to the best of the Company’s knowledge, substantially true,

complete and correct and all taxes of the Company required by law to have been paid, have been paid or accrued in the Audited Financial Statements;

- (v) the Company:
  - (i) has been assessed for all applicable taxes and has received all appropriate refunds;
  - (ii) has made adequate provision for taxes payable for the current period for which tax returns are not yet required to be filed;
  - (iii) is not aware of any contingent tax liability of the Company or any of its subsidiaries;
- (w) to the best of its knowledge, the Company has not:
  - (i) made any election under Section 85 of the *Income Tax Act* (Canada) with respect to the acquisition or disposition of any property; or
  - (ii) acquired any property from a non-arm's length person with whom it was not dealing with at arm's length for proceeds greater than the fair market value thereof, or disposed of anything to a non-arm's length person for proceeds less than the fair market value thereof;
- (x) there are no material actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding, against or affecting the Company or its directors, officers or promoters, or to the best knowledge of the Company pending or threatened, at law or in equity or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau or agency of any kind whatsoever and, to the best of its knowledge, there is no basis therefor;
- (y) none of the Company, or, to the knowledge of the Company, any of its directors, officers and promoters are in breach of any applicable law, ordinance, statute, regulation, by-law, order or decree of any kind whatsoever;
- (z) to the best knowledge of the Company, the Company has not caused or permitted the release, in any manner whatsoever, of any pollutants, contaminants, chemicals or industrial toxic or hazardous waste or substances (collectively, "**Hazardous Substances**") on or from any of its properties or assets nor has it received any notice that it is potentially responsible for a clean-up site or corrective action under any applicable laws, statutes, ordinances, by-laws, regulations or any orders, directions or decisions rendered by any government, ministry, department or administrative regulatory agency relating to the protection of the environment, occupational health and safety or otherwise relating to dealing with Hazardous Substances;

- (aa) the Company has good and sufficient right and authority to enter into this Agreement and complete its transactions contemplated under this Agreement on the terms and conditions set forth herein;
- (bb) the execution and delivery of this Agreement, the Warrant Indenture, the Warrants, the Compensation Options and the Compensation Warrants, the performance of its obligations thereunder and the completion of the transactions contemplated thereunder will not conflict with, or result in the breach of or the acceleration of any indebtedness under, or constitute default under, applicable laws, the constating documents of the Company or any indenture, mortgage, agreement, lease, licence or other instrument of any kind whatsoever to which the Company is a party or by which it is bound, or any judgment or order of any kind whatsoever of any court or administrative body of any kind whatsoever by which it is bound;
- (cc) except as provided herein, there is no person, firm or corporation acting or purporting to act for the Company entitled to any brokerage or finder's fee in connection with this Agreement or any of the transactions contemplated hereunder, and in the event any person, firm or corporation acting or purporting to act for the Company becomes entitled at law to any fee from the Agent, the Company covenants to indemnify and hold harmless the Agent with respect thereto and with respect to all costs reasonably incurred in the defence thereof;
- (dd) to the extent described in the Final Prospectus the Company is the absolute legal and beneficial owner of and has good and marketable title to the interests in its material properties and assets, free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, other than those described in the Final Prospectus and no other property rights are necessary for the conduct of the business of the Company as currently conducted or contemplated to be conducted, the Company knows of no claim or basis for any claim that might or could materially adversely affect the right thereof to use, transfer or otherwise exploit such property rights and except as disclosed in the Final Prospectus the Company has no responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof;
- (ee) except as disclosed in the Final Prospectus, the Company currently has all necessary surface rights, access rights and other necessary rights and interests relating to the mineral properties in which the Company has an interest as described in the Final Prospectus granting the Company the right and ability to explore for minerals, ore and metals for development purposes as are appropriate in view of the rights and interests therein of the Company;
- (ff) all material and statements (except information and statements relating solely to the Agent) contained in the Prospectuses and Listing Applications, at the respective dates of initial delivery thereof, will comply with the Applicable Securities Laws and be true and correct in all material respects, and such

documents, at such dates, will contain no misrepresentation and together will constitute full, true and plain disclosure of all Material Facts relating to the Company as required by the Applicable Securities Laws;

- (gg) the Company will apply the Net Proceeds substantially in accordance with the description set forth in the Final Prospectus under the heading "Use of Proceeds"; and
- (hh) the Company will, prior to the Time of Closing, fulfil to the satisfaction of the Agent all legal requirements (including, without limitation, compliance with Applicable Securities Laws) to be fulfilled by the Company to enable the Shares, the Warrant Shares, the Compensation Shares and the Compensation Warrant Shares to be distributed free of trade restrictions in the Qualifying Jurisdictions, subject to restrictions imposed upon the Agent under NI 41-101 and on trades by a control person.

4.2 The representations and warranties of the Company contained in this Agreement shall be true at the Time of Closing as though they were made at the Time of Closing and they shall survive the completion of the transactions contemplated under this Agreement and remain in full force and effect thereafter for the benefit of the Agent for a period of two years from the Time of Closing.

4.3 The Agent represents, warrants and covenants to the Company, and acknowledges that the Company will be relying upon such representations, warranties and covenants in entering into this Agreement, that:

- (a) the Agent is a valid and subsisting corporation, duly incorporated and in good standing under the jurisdiction in which it is incorporated, continued or amalgamated;
- (b) the Agent holds all registrations, licences and permits that are required for carrying on its business in the manner in which such business has been carried on and the Agent has the corporate power and capacity to carry on the business carried on by it and the Agent is duly qualified to carry on business in the Qualifying Jurisdictions;
- (c) the Agent has all requisite power and authority to enter into this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein;
- (d) the Agent is, and will remain until the completion of the Offering, appropriately registered under Applicable Securities Laws so as to permit it to lawfully fulfil its obligations hereunder and the Agent is, and will remain until the completion of the Offering, a participating organization of the Exchange in good standing; and

- (e) the Agent will fulfil all legal requirements (including, without limitation, compliance with Applicable Securities Laws) to be fulfilled by it to act as the Company's agent in undertaking the Offering in the Qualifying Jurisdictions.

4.4 The representations and warranties of the Agent contained in this Agreement shall be true at the Time of Closing as though they were made at the Time of Closing and they shall survive the completion of the transactions contemplated under this Agreement and remain in full force and effect thereafter for the benefit of the Company for a period of two years from the Time of Closing.

## 5. ADDITIONAL COVENANTS

5.1 The Company covenants and agrees with the Agent that it will:

- (a) with respect to the filing of the Listing Applications as contemplated herein, fulfil all of the requirements of the Exchange required to be fulfilled by the Company in connection therewith;
- (b) deliver to the Agent:
  - (i) prior to the execution of the Final Prospectus by the Agent, a favourable legal opinion to be delivered by its legal counsel, addressed to the Agent, with respect to title to the Wildcat Property in form and substance satisfactory to the Agent and its counsel acting reasonably, including in respect of those matters that are usual and customary for transactions of this nature and subject to the usual and customary assumptions, limitations and qualifications;
  - (ii) prior to the execution of the Final Prospectus by the Agent, a comfort letter (the "**Comfort Letter**") of the Company's auditors addressed to the Agent, its legal counsel and to the directors of the Company and dated as of the date of the Final Prospectus, in form and content acceptable to the Agent, acting reasonably, relating to the verification of the financial information and accounting data contained in the Final Prospectus and to such other matters as the Agent may reasonably require;
  - (iii) at the Time of Closing, an updated Comfort Letter dated as of the Closing Date;
  - (iv) at the Time of Closing, such legal opinions (the "**Legal Opinions**") of the Company's various legal counsel, addressed to the Agent and its legal counsel and dated as of the Closing Date in form and content acceptable to the Agent, acting reasonably, relating to the Company, the Prospectuses, the trade and distribution of the Units, the Shares, the Warrants, the Warrant Shares, the Compensation Options, the Compensation Units, the Compensation Shares, the Compensation Warrants and the Compensation

Warrant Shares, without restriction, and to such other matters as the Agent may reasonably require;

- (v) at the Time of Closing, a certificate of an officer (the “**Officer’s Certificate**”) of the Company, addressed to the Agent and its legal counsel and dated as of the Closing Date in form and content acceptable to the Agent, acting reasonably, relating to the content of the Prospectuses, the Final Listing Application, and to the issuance of the Units, the Shares, the Warrants, the Warrant Shares, the Compensation Options, the Compensation Units, the Compensation Shares, the Compensation Warrants and the Compensation Warrant Shares and to such other matters as the Agent may reasonably require; and
- (vi) at the time of execution of the Final Prospectus and at the Time of Closing, such other materials (the “**Closing Materials**”) as the Agent may reasonably require and as are customary in a transaction of this nature, and the Closing Materials will be addressed to the Agent and to such parties as may be reasonably directed by the Agent and will be dated as of the date of execution of the Final Prospectus and the Closing Date, respectively, or such other date as the Agent may reasonably require;
- (c) ensure that its senior officers are available to participate in the marketing of the Offering, including attendance at road-shows, investor meetings and assisting in the preparation of marketing material;
- (d) not issue or enter into any agreements to issue any common shares of the Company or securities, convertible or exchangeable into common shares of the Company without the consent of the Agent, such consent not to be unreasonably withheld, other than in connection with the Offering, for purposes of stock option grants or to satisfy the terms of existing instruments already issued, until 90 days after the Closing Date; and
- (e) from and including the date of this Agreement through to and including the Time of Closing, do all such acts and things necessary to ensure that all of the representations and warranties of the Company contained in this Agreement or any certificates or documents delivered by it pursuant to this Agreement remain materially true and correct and not do any such act or thing that would render any representation or warranty of the Company contained in this Agreement or any certificates or documents delivered by it pursuant to this Agreement materially untrue or incorrect.

5.2 The Agent covenants and agrees with the Company that it will:

- (a) upon being satisfied, acting reasonably, that each of the Prospectuses and any amendments thereto is in a form satisfactory for filing with the Commissions, execute each of the Prospectuses and any amendments thereto, as the case may be, presented to the Agent for execution, and the Agent will use its reasonable

best efforts to assist the Company in obtaining the requisite approvals of the Regulatory Authorities in connection with the preparation and filing of such documents;

- (b) conduct the Offering and perform all of its obligations hereunder in accordance with Applicable Securities Laws;
- (c) not, directly or indirectly, solicit offers to purchase or sell the Units or deliver any materials or documents so as to require registration of the Units or filing of a prospectus or registration statement with respect to the Units under the laws of any jurisdiction other than the Selling Jurisdictions;
- (d) use its reasonable commercial efforts to complete the distribution of the Units as soon as practicable after the issuance of the Final Receipt;
- (e) prior to the Time of Closing, provide to the Company and to the Exchange a list of the Purchasers which list shall include the addresses of the Purchasers and the number of Units purchased by each of them; and
- (f) following the Closing Date, give prompt written notice to the Company when, in the Agent's opinion, the distribution of the Units has been completed.

## **6. CONDITIONS PRECEDENT**

6.1 The following are conditions to the obligations of the Agent to complete the transactions contemplated in this Agreement:

- (a) all actions required to be taken by or on behalf of the Company, including the passing of all requisite resolutions of directors and shareholders of the Company, will have been taken so as to approve the Prospectuses and Listing Applications and to validly distribute the Units, the Shares, the Warrants, the Warrant Shares, the Compensation Options, the Compensation Units, the Compensation Shares, the Compensation Warrants and the Compensation Warrant Shares and to such other matters as the Agent may reasonably require;
- (b) the Company will have made all filings with and obtained all receipts, approvals, consents and acceptances of the Regulatory Authorities for the Prospectuses and Listing Applications necessary to permit the Company to complete its obligations hereunder;
- (c) the Shares (including the Compensation Shares and the Compensation Warrant Shares) will have been conditionally listed for trading on the Exchange;
- (d) the Company will have, within the required time, delivered the required Comfort Letters, Legal Opinions, Officer's Certificates and other Closing Materials as the Agent may reasonably require;

- (e) no order ceasing or suspending trading in any securities of the Company, or ceasing or suspending trading by the directors, officers or promoters of the Company, or any one of them, or prohibiting the trade or distribution of any of the securities referred to herein will have been issued and no proceedings for such purpose, to the knowledge of the Company, will be pending or threatened;
- (f) no adverse Material Change will have occurred in the business of the Company prior to the Closing Date;
- (g) the Company will have, at the Time of Closing, complied with all of its covenants and obligations to be complied with prior to the Time of Closing contained in this Agreement; and
- (h) the representations and warranties of the Company contained in this Agreement will be materially true and correct as of the Time of Closing as if such representations and warranties had been made as of the Time of Closing.

## 7. CLOSING

7.1 The closing (“**Closing**”) of the transactions contemplated under this Agreement will be completed at the offices of the Company’s counsel on such date (the “**Closing Date**”) as may be agreed by the Company and the Agent in consultation with the Exchange, provided such date will be no later than:

- (a) 90 days after the date of the Final Receipt; and
- (b) unless a further amendment to the Final Prospectus is filed and a receipt is issued for the further amendment, if an amendment is filed and the Commissions have issued a receipt for the amendment in accordance with Multilateral Instrument 11-102 and National Policy 11-202, 90 days after the date of the receipt for the amendment,

subject to a maximum of 180 days from the date of the Final Receipt, and provided, however, that if the Company has not been able to comply with any of the covenants or conditions set out herein required to be complied with by the Closing Date 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 obligations of the Company with respect to the payment of Expenses and indemnity and contribution provided for in this Agreement.

7.2 At the Closing, the Agent will deliver or cause to be delivered to the Company, one or more certified cheques or bank drafts made payable on the Closing Date to the Company in a total amount equal to the Net Proceeds of the Offering, subject to any written direction given by the Company to the Agent and accepted by the Agent.

7.3 At the Closing, upon payment of the Net Proceeds to the Company, the Company will deliver or cause to be delivered to the Agent, the following:

- (a) certificates in definitive form (or confirmation of issuance on a non-certificated basis) representing the Shares and the Warrants comprising the Units registered in the name of CDS or in such other name or names as the Agent may notify the Company in writing not less than 48 hours prior to the Time of Closing;
- (b) the requisite Comfort Letters, Legal Opinions, Officers' Certificates and other Closing Materials provided for in this Agreement; and
- (c) a certificate or certificates representing the Compensation Options registered in the name of the Agent or in such name or names as directed by the Agent.

## 8. AGENT'S COMMISSION AND FEES

8.1 Upon Closing, the Company will pay the Agent:

- (a) a cash commission (the "**Agent's Fee**") equal to 7% of the gross proceeds realized from the Units sold pursuant to the Offering; and
- (b) a non-refundable work fee (the "**Work Fee**") of \$25,000 plus applicable taxes (which fee the Agent acknowledges has been paid as to the amount of \$10,000).

8.2 As further consideration for the Agent assisting the Company in connection with the Offering, the Company will issue to the Agent (or to members of the Selling Group in such amounts as the Agent directs):

- (a) Compensation Options, entitling the Agent to acquire such number of Compensation Units as is equal to 7% of the number of Units sold pursuant to the Offering at a price of \$0.20 per Compensation Unit for a period of 24 months following the Closing. Each Compensation Unit consists of one Compensation Share and one-half of one Compensation Warrant. Each whole Compensation Warrant is exercisable to purchase one Compensation Warrant Share at \$0.30 per Compensation Warrant Share for a period of 24 months following the Closing; and
- (b) The terms governing the Compensation Options will be set out in the certificates representing the Compensation Options, the form of which will be subject to the approval of the Company and the Agent, acting reasonably, and will include provisions for the appropriate adjustment in the class, number and price of shares issuable upon exercise of the Compensation Options upon the occurrence of certain events, including any subdivision, consolidation or reclassification of the shares, payment of stock dividends or amalgamation of the Company.

8.3 The issue of the Compensation Options will not restrict or prevent the Company from obtaining any other financing, nor from issuing additional securities or rights during the period within which the Compensation Options are exercisable.

8.4 To the extent permitted by the Regulatory Authorities, the Compensation Options will be qualified by the Prospectus.

8.5 The Agent hereby represents and warrants that (i) it is not a U.S. Person, (ii) it was not offered the Compensation Options within the United States, (iii) it did not execute this Agreement or otherwise place its order to acquire the Compensation Options from within the United States and (iv) the Compensation Options may not be exercised in the United States or by or on behalf of a U.S. Person, except in transactions exempt from the registration requirements of the U.S. Securities Act and applicable Securities Laws. The Company represents and warrants that the offer and sale of the Compensation Options has been and will be made in an “offshore transaction” within the meaning of Regulation S, and otherwise in compliance with Rule 903 of Regulation S.

## 9. AGENT’S EXPENSES

9.1 The Agent acknowledges receipt from the Company of a \$10,000 deposit which the Agent shall apply toward the expenses (the “**Expenses**”) reasonably incurred by the Agent in connection with the transactions contemplated herein including, without limitation, the reasonable fees of the Agent’s legal counsel up to a maximum of \$35,000 plus reasonable expenses and all applicable taxes (including expenses relating to searches conducted on behalf of the Agent). The Expenses will be paid by the Company even if the transactions contemplated herein are not completed or this Agreement is terminated, unless the failure of completion or the termination is the result of the breach of this Agreement by the Agent.

9.2 If the Agent determines in its sole judgement that particular experience or technical expertise is necessary for the Agent to carry out its obligations under this Agreement, then the Agent may engage third party experts, at the Company’s expense, to prepare assessment or technical reports relating to the Company and its business.

9.3 The Agent may, from time to time, render, or cause to be rendered, to the Company, accounts for its Expenses and the Company will pay those accounts promptly.

## 10. INDEMNITY

10.1 The Company or its affiliated companies, as the case may be, (collectively, the “**Indemnitor**”) hereby agree to indemnify and hold the Agent and each of its subsidiaries and affiliates, and each of its directors, officers, employees and agents (hereinafter referred to as the “**Personnel**”) harmless from and against any and all reasonable expenses, losses (other than loss of profits), fees, claims, actions (including shareholder actions, derivative actions or otherwise), damages, obligations, or liabilities, whether joint or several, and the reasonable fees and expenses of their counsel, that may be incurred in advising with respect to and/or defending any actual or threatened claims, actions, suits, investigations or proceedings to which the Agent

and/or its Personnel (collectively, the “**Indemnified Parties**” and, individually, an “**Indemnified Party**”) may become subject or otherwise involved in any capacity under any statute or common law, or otherwise insofar as such reasonable expenses (including, subject to Section 10.7, reasonable legal expenses), losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance or professional services rendered to the Indemnitor by the Agent and its Personnel hereunder (including the aggregate amount paid in reasonable settlement of any such actions, suits, investigations, proceedings or claims that may be made against the Agent and/or its Personnel, provided that the Indemnitor has agreed to such settlement) (“**Claims**”), provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

- (a) the Agent and/or its Personnel has breached this Agreement, has been negligent or has committed wilful misconduct or any fraudulent act in the course of such performance; and
- (b) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were caused by the breach, negligence, wilful misconduct or fraud referred to in (a).

10.2 In the event and to the extent that a court of competent jurisdiction in a final judgement that has become non-appealable determines that an Indemnified Party was negligent, fraudulent or guilty of wilful misconduct in connection with a Claim in respect of which the Indemnitor has advanced funds to the Indemnified Party pursuant to the indemnity hereunder, such Indemnified Party will reimburse such funds to the Indemnitor and thereafter such indemnity will not apply to such Indemnified Party in respect of such Claim. The Indemnitor agrees to waive any right the Indemnitor might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity.

10.3 Without limiting the generality of the foregoing, this indemnity shall apply to all Claims that the Agent may reasonably incur as a result of any action or litigation that may be threatened or brought against the Agent and/or its Personnel insofar as the Claims relate to, are caused by, result from, arise out of or are based upon, directly or indirectly, the performance or professional services rendered to the Indemnitor by the Agent and its Personnel hereunder.

10.4 If for any reason (other than the occurrence of any of the events itemized in 10.1(a) and 10.1(b) above), the foregoing indemnification is unavailable to the Agent or any Personnel or is insufficient to hold the Agent or any Personnel harmless as a result of such expense, loss, claim, damage or liability, the Indemnitor, the Agent and such Personnel will contribute to such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Agent or any Personnel on the other hand but also the relative fault of the Indemnitor and the Agent or any Personnel, as well as any

relevant equitable considerations; provided that, the Indemnitor shall in any event contribute to the amount paid or payable by the Agent or any Personnel as a result of such expense, loss, claim, damage or liability and any excess of such amount over the amount of the fees received by the Agent hereunder.

10.5 The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor, an Agent and/or any of its Personnel by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, or any such entity shall investigate the Indemnitor, the Agent and/or any of its Personnel shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Indemnitor, the Agent shall have the right to employ, at its own expense, its own counsel in connection therewith provided that the Agent acts reasonably in selecting such counsel, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agent for time spent by its Personnel in connection therewith at industry standard per diem rates) and out-of-pocket expenses incurred by its Personnel in connection therewith shall be paid by the Indemnitor as they occur.

10.6 Promptly after receipt of notice of the commencement of any legal proceeding against an Indemnified Party or after receipt of notice of the commencement or any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor pursuant to this Agreement, the Agent will notify the Indemnitor in writing of the commencement thereof, and throughout the course thereof, will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed. However, the failure by the Agent to notify the Indemnitor will not relieve the Indemnitor of its obligations to indemnify the Agent and/or any such Personnel unless (and only to the extent that) such failure results in forfeiture by the Company of substantive rights or defences.

10.7 No admission of liability and no settlement, compromise or termination of any Claim will be made without the Indemnitor's consent and the consent of the Indemnified Parties affected, such consents not to be unreasonably withheld; provided, however, that no consent of an Indemnified Party will be required if the Indemnitor has acknowledged in writing that the Indemnified Parties are entitled to be indemnified in respect of such Claim and such settlement, compromise or termination includes an unconditional release of each Indemnified Party from any liability arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by or on behalf of any Indemnified Party. Notwithstanding that the Indemnitor will undertake the investigation and defence of any Claim, an Indemnified Party will have the right to employ separate counsel with respect to any Claim and participate in the defence thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Party unless:

- (a) employment of such counsel has been authorized in writing by the Indemnitor;
- (b) the Indemnitor has not assumed the defence of the action within a reasonable period of time after receiving notice of the claim;
- (c) the named parties to any such claim include both the Indemnitor and the Indemnified Party and the Indemnified Party will have been advised by counsel to the Indemnified Party that there would be a conflict of interest between the Indemnitor and the Indemnified Party; or
- (d) there are one or more defences available to the Indemnified Party which are different from or in addition to those available to the Indemnitor;

in which case such fees and expenses of such counsel to the Indemnified Party will be for the Indemnitor's account, provided that the Indemnitor shall not be responsible for the fees or expenses of more than one legal firm in any single Jurisdiction for all of the Indemnified Parties. The rights accorded to the Indemnified Parties hereunder will be in addition to any rights an Indemnified Party may have at common law or otherwise.

10.8 The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability, which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Personnel of the Agent and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor, the Agent, and any of the Personnel of such Agent. The foregoing provisions shall survive the completion of professional service rendered under this Agreement.

## **11. ALTERNATIVE TRANSACTIONS**

11.1 In the event that:

- (a) the Offering is not completed;
- (b) an Alternative Transaction to the Offering contemplated hereunder is entered into within six months following a termination of this Agreement without completion of the Offering; and
- (c) the Agent was willing and able to complete the Offering on the terms and conditions contained this Agreement;

then the Company agrees to pay and issue to the Agent, at or prior to completion of any such Alternative Transaction, all expenses incurred by the Agent not previously reimbursed by the Company and 50% of the Work Fee.

## **12. RELATIONSHIP BETWEEN THE COMPANY AND THE AGENT**

12.1 The Company hereby acknowledges that (i) the purchase and sale of the Units pursuant to this Agreement is an arm's-length commercial transaction between the Company, on the one hand, and the Agent, on the other, (ii) the Agent is acting as principal and not as an agent or fiduciary of the Company and (iii) the Company's engagement of the Agent in connection with the Offering and the process leading up to the Offering is as an independent contractor and not in any other capacity. Furthermore, the Company agrees that it is solely responsible for making its own judgments in connection with the Offering (irrespective of whether the Agent has advised or is currently advising the Company on related or other matters).

## **13. AGENT AS SECURITIES DEALER**

13.1 The Company acknowledges that the Agent is a full service securities firm engaged in securities trading and brokerage activities as well as providing investment banking and financial advisory services and that in the ordinary course of its trading and brokerage activities, the Agent and its affiliates at any time may hold long or short positions, and may trade or otherwise effect transactions, for its own account or the accounts of customers, in debt or equity securities of the Company, or any other company that may be involved in a transaction or related derivative securities.

13.2 The Agent acknowledges its responsibility to comply with applicable securities laws as they relate to trading securities with knowledge of a material fact or a material change that has not been generally disclosed. Further, the Agent has strict internal procedures, which provide for the placing of relevant securities on a "grey list" or a "restricted list" and for restrictions on trading by the Agent and its investment banking personnel for their own account in accordance with such procedures.

## **14. TERMINATION OF AGREEMENT**

14.1 In addition to any other remedies which may be available to the Agent, this Agreement and any subscriptions for Units received by the Agent may be terminated by the Agent at any time up to Closing in the event that:

- (a) an adverse Material Change in the affairs of the Company occurs or is announced by the Company;
- (b) there should develop, occur, or come into effect any catastrophe of local, national or international consequence or accident, governmental law, or regulation or other occurrence of any nature which, in the opinion of the Agent, seriously affects or will seriously affect the financial markets or the business of the Company as a whole;

- (c) the state of financial markets, whether national or international, is such that in the opinion of the Agent, it would be impractical or unprofitable to offer or continue to offer the Units for sale;
- (d) any order to cease or suspend trading in the securities of the Company, including an order which would prohibit the trade or distribution of any of the securities referred to herein, or an order to cease or suspend trading by a director, officer or promoter of the Company, or any one of them, is issued by any competent regulatory authority and remains in effect for greater than 15 days;
- (e) the Company is in material breach of any term of this Agreement and fails to remedy such material breach within 10 calendar days of notice to do so from the Agent;
- (f) any of the material representations or warranties made by the Company in this Agreement are false or have become false;
- (g) there is an inquiry or investigation (whether formal or informal) by any securities regulatory authority, including, without limitation, the Exchange, in relation to the Company or any one of its officers or directors that could be reasonably expected to have a material adverse effect on the Company;
- (h) the Final Receipt for the Final Prospectus has not been obtained on or before October 25, 2017 or the Full Listing has not been obtained on or before the date 90 days (or, if applicable, 180 days in accordance with Section 3.3) following the date of the Final Receipt; or
- (i) the Agent and the Company agree in writing to terminate this Agreement.

14.2 The right of the Agent to terminate this Agreement is in addition to such other remedies any of the Purchasers may have in respect of any default, misrepresentation, act or failure to act of the Company in respect of any of the transactions contemplated by this Agreement.

14.3 Termination of this Agreement pursuant to this Section 14 shall be effected by notice in writing to the Company at any time prior to the release of the Net Proceeds from escrow to the Company. Upon such notice being delivered, the Net Proceeds will be returned to the Agent by the Company (if they have been delivered to the Company or to its solicitors or to any party on its behalf) without set-off or deduction. In the event that the Agent terminates this Agreement after having been paid the Agent's Fee by the Company, it will repay the Agent's Fee (but not the Expenses or that part of the Work Fee delivered to the Agent prior to the date hereof) to the Company forthwith.

**15. GARNISHING ORDERS**

15.1 If at any time, up to and including the Closing Time, the Agent receives a garnishing order or other form of attachment purporting to attach or garnish a part or all of the sale price or exercise price of any of the Units, the Agent will be free, and is hereby authorized by the Company, to pay the amount purportedly attached or garnished into court.

15.2 Any payment by the Agent into court contemplated in this Agreement will be deemed to have been received by the Company as payment by the Agent against the sale price of the Units to the extent of the amount paid, and the Company will be bound to issue and deliver the Units proportionately to the amount paid by the Agent.

15.3 The Agent will not be bound to ascertain the validity of any garnishing order or attachment, or whether in fact it attaches any monies held by the Agent, and the Agent will be free to act with impunity in replying to any garnishing order or attachment.

15.4 The Company will release, indemnify and save harmless the Agent in respect of all damages, costs, expenses or liability arising from any acts of the Agent under this Section 15.

**16. GENERAL**

16.1 Time and each of the terms and conditions of this Agreement shall be of the essence of this Agreement and any waiver by the parties of this Section 16.1 or any failure by them to exercise any of their rights under this Agreement shall be limited to the particular instance and shall not extend to any other instance or matter in this Agreement or otherwise affect any of their rights or remedies under this Agreement.

16.2 This Agreement constitutes the entire Agreement between the parties hereto in respect of the matters referred to herein and supersedes all previous negotiations, understandings and agreement between the parties and there are no representations, warranties, covenants or agreements, expressed or implied, collateral hereto other than as expressly set forth or referred to herein.

16.3 The headings in this Agreement are for reference only and do not constitute terms of the Agreement.

16.4 The provisions contained in this Agreement which, by their terms, require performance by a party to this Agreement subsequent to the Closing Date shall survive the Closing Date of this Agreement.

16.5 No alteration, amendment, modification or interpretation of this Agreement or any provision of this Agreement shall be valid and binding upon the parties hereto unless such alteration, amendment, modification or interpretation is in writing executed by the parties hereto.

16.6 Whenever the singular or masculine is used in this Agreement the same shall be deemed to include the plural or the feminine or the body corporate as the context may require.

16.7 The parties hereto shall execute and deliver all such further documents and instruments and do all such acts and things as any party may, either before or after the Closing Date, reasonably require in order to carry out the full intent and meaning of this Agreement.

16.8 This Agreement may not be assigned by any party hereto without the prior written consent of all of the parties hereto.

16.9 This Agreement shall be subject to, governed by, and construed in accordance with the laws of the Province of British Columbia.

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

16.11 All notices required to be given under this Agreement must be made in writing and either delivered or sent by electronic mail to the party to whom notice is to be given at the address below or at such other address designated by that party in writing:

Pacific Empire Minerals Corp.  
Suite 501 - 543 Granville Street  
Vancouver, BC V6C 1X8

Attention: Brad Peters  
Email: brad@pemcorp.ca

with a copy to:

DuMoulin Black LLP  
10<sup>th</sup> floor, 595 Howe Street  
Vancouver, BC V6C 2T5

Attention: Lucy Schilling  
Email: lschilling@dumoulinblack.com

and in the case of the Agent, be addressed and telecopied or delivered to:

Haywood Securities Inc.  
700 - 200 Burrard Street  
Vancouver, BC V6C 3L6

Attention: David Taylor  
Email: dtaylor@haywood.com

with a copy to:

McCullough O'Connor Irwin LLP  
Suite 2600 – 1066 West Hastings Street  
Vancouver, BC V6E 3X1

Attention: David Gunasekera  
Email: dgunasekera@moisolicitors.com

The Company and the Agent may change their respective addresses for notice by notice given in the manner referred to above.

*The remainder of this page left intentionally blank.*

If the foregoing is in accordance with your understanding and agreed to by you, please signify your acceptance on the accompanying counterparts of this letter and return same to the Agent whereupon this letter as so accepted will constitute an agreement between the Company and the Agent enforceable in accordance with its terms.

Yours truly,

**HAYWOOD SECURITIES INC.**

Per: “David Taylor”  
Authorized Signatory

The foregoing is accepted and agreed to on the 23<sup>rd</sup> day of October, 2017, effective as of the date appearing on the first page of this Agreement.

**PACIFIC EMPIRE MINERALS CORP.**

Per: “Brad Peters”  
Authorized Signatory

## SCHEDULE "A"

### COMPLIANCE WITH UNITED STATES SECURITIES LAWS

*This is Schedule "A" to the Agency Agreement dated as of October 23, 2017 between the Company and the Agent.*

As used in this Schedule "A", capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Agency Agreement to which this Schedule is annexed and the following terms shall have the meanings indicated:

- (a) **"Directed Selling Efforts"** means "directed selling efforts" as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Units or the Underlying Securities and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the Offering;
- (b) **"Foreign Issuer"** shall have the meaning ascribed thereto in Regulation S. Without limiting the foregoing, but for greater clarity, it means any issuer which is (a) the government of any country other than the United States, of any political subdivision thereof or a national of any country other than the United States; or (b) a Company or other organization incorporated under the laws of any country other than the United States, except an issuer meeting the following conditions as of the last day of the most recently completed second quarter: (1) more than 50 percent of the outstanding voting securities of such issuer are held of record either directly or indirectly by residents of the United States; and (2) any of the following: (i) the majority of the executive officers or directors are United States citizens or residents, (ii) more than 50 percent of the assets of the issuer are located in the United States, or (iii) the business of the issuer is administered principally in the United States;
- (c) **"General Solicitation"** and **"General Advertising"** means "**general solicitation**" and "**general advertising**", respectively, as used in Rule 502(c) of Regulation D, including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet or broadcast over radio or television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising or in any other manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;
- (d) **"Regulation S"** means Regulation S adopted by the SEC under the U.S. Securities Act; and
- (e) **"Substantial U.S. Market Interest"** means "substantial U.S. market interest" as that term is defined in Regulation S.

## **Representations, Warranties and Covenants of the Agent**

The Agent acknowledges that the Units and the Underlying Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and the Units may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and U.S. state securities laws. Accordingly, the Agent represents, warrants and covenants severally (and not jointly and severally) to the Company that:

1. It has not offered and sold, and will not offer and sell, any Units or Underlying Securities forming part of its allotment or otherwise as a part of the distribution except (a) to non-U.S. Persons in an “offshore transaction”, as such term is defined in Regulation S, in accordance with Rule 903 of Regulation S or (b) to, or for the account or benefit of, persons in the United States or U.S. Persons, except as provided in paragraphs 2 through 14 below. Accordingly, except as provided in paragraphs 2 through 14 below, none of the Agent, its U.S. Affiliates or any person acting on its behalf, has engaged or will engage in: (i) any offer to sell or any solicitation of an offer to buy, any Units to, or for the account or benefit of, any person in the United States or any U.S. Person, or (ii) any sale of Units to, any purchaser unless, at the time the buy order was or will have been originated, the purchaser was outside the United States and was not a U.S. Person, or such Agent, U.S. Affiliate or person acting on behalf of either reasonably believed that such purchaser was outside the United States and was not a U.S. Person, (iii) any Directed Selling Efforts, or (iv) any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Units or the Underlying Securities.
2. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Units, except with its U.S. Affiliate, any selling group members or with the prior written consent of the Company. It shall require each selling group member to agree in writing, for the benefit of the Company, to comply with, and shall use its best efforts to ensure that each selling group member complies with, the same provisions of this Schedule as apply to such Agent as if such provisions applied to such selling group member.
3. All offers and sales of Units to, or for the account or benefit of, persons in the United States or U.S. Persons have been and will be made through the U.S. Affiliate in compliance with all applicable U.S. federal and state broker-dealer requirements and all applicable state securities laws.
4. The U.S. Affiliate is, and as of the Closing Date shall be, registered as a broker or dealer under the U.S. Exchange Act and under the securities laws of each state where offers and sales of Units was or will be made (unless exempted from such state’s broker-dealer registration requirements), and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc.
5. Offers and sales of Units and the Underlying Securities to, or for the account or benefit of, persons in the United States or U.S. Persons have not been and will not be made by

any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the United States Securities Act.

6. Offers and sales of Units to, or for the account or benefit of, persons in the United States or U.S. Persons may only be made pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D and any applicable securities laws of any state of the United States to persons with respect to which the Agent and its U.S. Affiliate has a pre-existing relationship and reasonably believe to be Accredited Investors.
7. All U.S. Purchasers of the Units shall be informed that the Units and the Underlying Securities have not been and will not be registered under the U.S. Securities Act, and that the Units are being offered and sold to such purchasers in reliance on the exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.
8. The Agent acting through its U.S. Affiliate may offer the Units to, or for the account or benefit of, persons in the United States and U.S. Persons only to offerees that they had a pre-existing business relationship with and had reasonable grounds to believe were Accredited Investors and immediately prior to making any such offer had reasonable grounds to believe and did believe that each offeree was an Accredited Investor, and on the date hereof, they continue to believe that each purchaser in the United States or that is a U.S. Person is an Accredited Investor.
9. Prior to any sale of Units by the Company to, or for the account or benefit of, persons in the United States or U.S. Persons, it will cause each U.S. Purchaser thereof to execute and deliver a U.S. Purchaser Letter, including any schedules and exhibits attached thereto.
10. Prior to the Closing Date, it will provide the Company with a list of all purchasers of Units that are in the United States or purchased for the account or benefit of, a U.S. Person, and in each case indicate that such purchaser is an Accredited Investor purchasing pursuant to Rule 506(b) of Regulation D and the state or other jurisdiction in which the Units were offered or sold to such purchaser. Prior to the Closing Time, it will provide the Company with copies of all U.S. Purchaser's Letters.
11. The Agent covenants and agrees that it, its affiliates and any person acting on its or their behalf will not pay or give any commission or other remuneration, directly or indirectly, for soliciting the sale of the Units.
12. At the Closing Time, the Agent will together with its U.S. Affiliate provide to the Company a certificate in the form of Exhibit "A" to this Schedule "A" relating to the manner of the offer and sale of the Units to, or for the account or benefit of, persons in the United States and U.S. Persons or will be deemed to have represented and warranted that none of it, its U.S. Affiliate or any persons acting on its or their behalf offered or sold Units to, or for the account or benefit of, persons in the United States or U.S. Persons.

13. As of the Closing Date, with respect to Units to be offered and sold hereunder in reliance on Rule 506(b) of Regulation D, the Agent represents that none of (i) the Agent or its U.S. Affiliate, (ii) the Agent or its U.S. Affiliate's general partners or managing members, (iii) any of the Agent or its U.S. Affiliate's directors, executive officers or other officers participating in the offering of the Units, (iv) any of the Agent or its U.S. Affiliate's general partners' or managing members' directors, executive officers or other officers participating in the offering of the Units or (v) any other person associated with any of the above persons, including any selling group members and any such persons related to such selling group members, that have been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with sale of Units (each, a **"Dealer Covered Person"** and, collectively, the **"Dealer Covered Persons"**), is subject to any of the "Bad Actor" disqualifications described in Rule 506(d)(1) under Regulation D (a **"Disqualification Event"**).
14. As of the Closing Date, the Agent represents that it is not aware of any person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Units.

### **Representations, Warranties and Covenants of the Company**

The Company represents, warrants, covenants and agrees that:

1. The Company is a Foreign Issuer and reasonably believes (a) that as of the date hereof and on the Closing Date, there is no Substantial U.S. Market Interest in the Units, the Underlying Securities or the common shares of the Company (b) it is not now, and as a result of the sale of Units contemplated hereby will not be, registered or required to be registered as an "investment company" as such term is defined under the United States Investment Company Act of 1940, as amended under such Act; and (c) neither the Company nor any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.
2. During the period that the Units are, or were offered for sale, none of the Company, its subsidiaries nor any of their affiliates, nor any person acting on its or their behalf (other than the Agent, its U.S. Affiliates and any persons acting on any of their behalf, in respect of which no representation is made) (i) has made or will make any Directed Selling Efforts, (ii) has engaged in or will engage in any form of General Solicitation or General Advertising with respect to offers or sales of the any of the Units or Underlying Securities to, or for the account or benefit of persons in the United States or U.S. Persons, or (iii) has taken or will take any other action that would cause the exclusion from registration provided by Regulation S or the exemptions from registration provided by section 4(a)(2) and Regulation D to be unavailable with respect to offers and sales of the Units pursuant to this Schedule "A".
3. The Company has not and will not, during the period beginning six months prior to the start of the offering of Units and ending six months after the completion of the offering of Units sell, offer for sale or solicit any offer to buy any of its securities in the United

States or to, or for the account or benefit of, a U.S. Person in a manner that would be integrated with and would cause the exemption from registration provided by Regulation D to be unavailable with respect to offers and sales of the Units pursuant to this Schedule “A”.

4. The Company will, within prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or applicable blue sky laws in connection with the offer and sale of the Units.
5. Except with respect to offers and sales to Accredited Investors who are in the United States, who are U.S. Persons or who are acting for the account or benefit of persons in the United States or U.S. Persons, in reliance upon an exemption from registration under Rule 506(b) of Regulation D, none of the Company, its affiliates or any person acting on its or their behalf (other than the Agent, its U.S. Affiliates or any person acting on any of their behalf, in respect of which no representation is made) has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Units to, or for the account or benefit of, any person in the United States or any U.S. Person; or (B) any sale of Units unless, at the time the buy order was or will have been originated, the purchaser was outside the United States and was not a U.S. Person or the Company, its affiliates, and any person acting on its or their behalf reasonably believes that such purchaser was outside the United States and not a U.S. Person.
6. None of the Company, any of its affiliates or any person acting on any of their behalf (other than the Agent, its U.S. Affiliates, or any person acting on any of their behalf, in respect of which no representation is made) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Units or the Underlying Securities.
7. The Company covenants and agrees that it, its affiliates and any person acting on its or their behalf (other than the Agent, its U.S. Affiliates or any person acting on any of their behalf, in respect of which no representation is made) will not pay or give any commission or other remuneration, directly or indirectly, for soliciting the exchange of the Units and is not aware of any person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Units.
8. As of the Closing Date, with respect to the offer and sale of the Units, none of the Company, any of its predecessors, any “affiliated” (as such term is defined in Rule 501(b) of Regulation D) issuer, any director, executive officer or other officer of the Company participating in the offering of the Units, any beneficial owner of 20% or more of the Company’s outstanding voting equity securities, calculated on the basis of voting power, or any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Company in any capacity at the time of sale of the Units (other than any Dealer Covered Person, as to whom no representation is made) is subject to any Disqualification Event.

**EXHIBIT “A” TO SCHEDULE “A”  
AGENT’S CERTIFICATE**

In connection with the private placement to, or for the account or benefit of, persons in the United States and U.S. Persons of Units of Pacific Empire Minerals Corp. (the “**Company**”) pursuant to the Agency Agreement dated October 23, 2017 between the Company and the Agent named therein (the “**Agency Agreement**”), each of the undersigned does hereby certify as follows:

- (i) Haywood Securities (USA) Inc.(the “**U.S. Affiliate**”) is a duly registered broker or dealer under the U.S. Exchange Act and under the securities laws of all applicable states where the offers and sales of Units were made (unless otherwise exempted from such state’s broker-dealer registration requirements) and a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. on the date hereof;
- (ii) all offers and sales of Units to, or for the account or benefit of, persons in the United States or U.S. Persons have been effected in accordance with all applicable U.S. federal and state broker dealer requirements;
- (iii) we have provided each offeree of Units with a Final U.S. Wrap and no other written material was used in connection with the offer and sale of the Units to, or for the account or benefit of, persons in the United States or U.S. Persons.
- (iv) immediately prior to offering Units to an offeree that was in the United States, or U.S. Person or acting for the account or benefit of persons in the United States or U.S. Persons, we had a pre-existing business relationship with and had reasonable grounds to believe and did believe that each offeree was an Accredited Investor and, on the date hereof, we continue to believe that each such offeree in the United States, a U.S. Person purchasing the Units from the Company pursuant to Regulation D is an Accredited Investor;
- (v) no form of General Solicitation or General Advertising was used by us in connection with the offer or sale of the Units and the Underlying Securities to, or for the account or benefit of, persons in the United States or U.S. Persons;
- (vi) prior to any sale of Units by the Company to a purchaser in the United States or to, or for the account or benefit of, a U.S. Person, we caused each such purchaser to execute and deliver a U.S. Purchaser Letter, including any applicable schedules and exhibits attached thereto;
- (vii) none of us, any member of the selling group, or any of our or their affiliates, have taken or will take any action which would constitute a violation of Regulation M under the U.S. Exchange Act in connection with the offer or sale of the Units; and
- (viii) the offer and sale of the Units has been conducted by us in accordance with the terms of the Agency Agreement, including Schedule “A” thereto.

Capitalized terms used in this certificate have the meanings given to them in the Agency Agreement, including Schedule "A" thereto, unless otherwise defined herein.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, 2017.

**HAYWOOD SECURITIES INC.**

**HAYWOOD SECURITIES (USA) INC.**

By: \_\_\_\_\_  
Authorized Signatory  
*Name:*  
*Title:*

By: \_\_\_\_\_  
Authorized Signatory  
*Name:*  
*Title:*