

**UNDERWRITING AGREEMENT**

December 21, 2021

Rhyolite Resources Ltd.  
595 Burrard Street  
Three Bentall Centre, Suite 1703  
Vancouver, British Columbia  
Canada V7X 1J1

Attention: Fred Stanford  
Chief Executive Officer and Director

The undersigned, BMO Nesbitt Burns Inc. (the "**Underwriter**"), understands that Rhyolite Resources Ltd. (the "**Corporation**") proposes to issue and sell, on a private placement basis, 16,000,000 common shares of the Corporation (the "**Offered Shares**").

Upon and subject to the terms and conditions set forth herein, the Underwriter hereby agrees to purchase from the Corporation or to arrange, as agent for the Corporation, for substituted purchasers in the Selling Jurisdictions (as defined below) and in the United States (as defined below), and the Corporation agrees to issue and sell to the Underwriter or the substituted purchasers, the Offered Shares on an underwritten basis at a price of \$0.88 per Offered Share (the "**Offering Price**") for aggregate gross proceeds of \$14,080,000.

The Corporation shall grant to the Underwriter the option (the "**Underwriter's Option**"), which Underwriter's Option may be exercised in the Underwriter's sole discretion and without obligation, to purchase up to an additional 4,500,000 Offered Shares (the "**Additional Shares**"). The Underwriter's Option shall be exercisable by the Underwriter, at any time and from time to time, up to 48 hours prior to the Closing Date, all as more particularly described in Section 12 hereof.

Unless the context otherwise requires, references herein to the "**Offered Shares**" assumes the exercise of the Underwriter's Option and includes the Additional Shares issuable thereunder. The issuance and sale of the Offered Shares by the Corporation is referred to in this Agreement as the "**Offering**".

The Underwriter agrees to act as, and the Corporation appoints the Underwriter as the sole bookrunner in respect of the Offering. Additional terms and conditions relating to the purchase of the Offered Shares by substitute purchasers will be set forth in the Subscription Agreements (as defined below).

In connection with the Offering, the Corporation agrees to pay the Underwriter the fees set forth in Section 9 of this Agreement.

**Section 1 Definitions**

(1) In this Agreement:

"**ABCA**" means the *Business Corporations Act* (Alberta);

"**Additional Shares**" has the meaning given above;

"**affiliate**" and "**subsidiary**" have the respective meanings given to them in NI 45-106;

"**Agreement**" means this underwriting agreement, as it may be amended;

**“Applicable Securities Laws”** means all applicable securities laws in each of the Selling Jurisdictions;

**“Bob’s Pit Concession”** means the Bob’s Pit concession on the Guiana Shield in Suriname, for which the Corporation holds an option to acquire up to a 70% interest from Bob’s Resources N.V.;

**“Brothers Project”** means the 96-square-kilometre concession on the Guiana Shield in Suriname, for which the Corporation holds an option to acquire an 80% interest from Prosperous Gold Resources Limited;

**“Business Day”** means any day, other than: (a) a Saturday or a Sunday; or (b) a day on which Canadian chartered banks in Toronto, Ontario are not open for commercial banking business;

**“Claim”** has the meaning given in Section 16(a);

**“Closing”** means the completion of the purchase and sale of the Offered Shares pursuant to the Subscription Agreements and this Agreement;

**“Closing Date”** means December 21, 2021, or such other date as the Corporation and the Underwriter may agree upon in writing;

**“Closing Time”** means 10:00 a.m. (Toronto time) on the Closing Date;

**“Common Shares”** means the common shares of the Corporation;

**“Continuous Disclosure Documents”** has the meaning given in Section 5(f);

**“Corporation”** has the meaning given above;

**“Debt Instrument”** means any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability to which the Corporation or the Subsidiaries are a party or to which their property or assets are otherwise bound;

**“distribution”, “material change”, “material fact” and “misrepresentation”** have the respective meanings given to them in the *Securities Act* (Alberta), except where otherwise specified in this Agreement;

**“Employee Plans”** has the meaning given in Section 6(ppp);

**“Environmental Laws”** has the meaning given in Section 6(ddd);

**“Environmental Permits”** has the meaning given in Section 6(eee);

**“Financial Statements”** has the meaning given in Section 6(u);

**“Governmental Authorities”** means governments, regulatory authorities, governmental departments, agencies, commissions, bureaus, officials, ministers, Crown corporations, courts, bodies, boards, tribunals or dispute settlement panels or other law, rule or regulation-making organizations or entities;

- (a) having or purporting to have jurisdiction on behalf of any nation, province, territory or state or any other geographic or political subdivision of any of them; or
- (b) exercising, or entitled or purporting to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power;

**“Hazardous Substance”** means any material, substance (including, without limitation, pollutants, contaminants, hazardous or toxic substances or wastes) or condition that is regulated by or may give rise to liability under any Environmental Laws;

**“IFRS”** means International Financial Reporting Standards;

**“Indemnified Party”** has the meaning given in Section 16(a);

**“Joint Venture Agreements”** means: (a) the Joint Venture and Earn-In Agreement dated October 12, 2020 among, *inter alia*, 2777662 Ontario Ltd. and Prosperous Gold Resources Limited, as amended, in respect of the Brothers Project; (b) the Joint Venture and Earn-In Agreement dated March 21, 2021 among, *inter alia*, 2765798 Ontario Ltd. and Suku Passi N.V., as amended, in respect of the Suku Passi Concession; and (c) the Joint Venture and Earn-In Agreement dated March 21, 2021 among, *inter alia*, 2765798 Ontario Ltd. and Bob’s Resources N.V., as amended, in respect of the Bob’s Pit Concession;

**“Leased Premises”** means the premises which are material to the Corporation and which the Corporation occupies as a tenant;

**“Locked-Up Parties”** means each of the directors and senior officers of the Corporation;

**“Material Adverse Effect”** means any effect, change, event or occurrence that is, or is reasonably likely to be, materially adverse to the results of operations, financial condition, assets, properties, capital, liabilities (contingent or otherwise), cash flow, revenues, business operations or prospects of the Corporation and its Subsidiaries taken as a whole;

**“Material Agreements”** means the Muckahi IP Licence Agreement, the Joint Venture Agreements and any and all other notes, indentures, mortgages or Debt Instruments and any contracts, commitments, agreements (written or oral), instruments, leases or other documents, including joint venture agreements, licence or any other similar type agreement to which the Corporation or the Subsidiaries are a party or to which their property or assets are otherwise bound, and which is material to the Corporation and the Subsidiaries on a consolidated basis;

**“MD&A”** means the Corporation’s management’s discussion and analysis of financial condition and results of operations relating to the financial periods covered by the Financial Statements;

**“Money Laundering Laws”** has the meaning given in Section 6(kk);

**“Muckahi IP Licence Agreement”** means the Intellectual Property Licence Agreement dated effective as of March 1, 2018 between Torex Gold Resources Inc. and Muckahi Inc., as amended;

**“Muckahi Mining System”** means the proprietary automatable transportation system for use in underground hard rock mines owned by Torex Gold Resources Inc. and for which the Corporation holds a license and associated trademark pursuant to the terms of the Muckahi IP Licence Agreement.

“**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*;

“**NI 52-109**” means National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings*;

“**notice**” has the meaning given in Section 24;

“**OFAC**” means the Office of Foreign Assets Control of the U.S. Treasury Department;

“**Offered Shares**” has the meaning given above;

“**Offering**” has the meaning given above;

“**Offering Price**” has the meaning given above;

“**Paxson Gold Property**” means the property located in the eastern Alaska Range, southwest of Tok, Alaska, over which the Corporation holds mineral claims through an internal staking program;

“**person**” includes any individual, sole proprietorship, limited or general partnership or general partner acting on behalf thereof, firm, entity, unincorporated association or organization, trust or trustee acting on behalf thereof, body corporate, company, limited or unlimited liability company or Governmental Authority and, where the context requires, any of the foregoing when they are acting as trustee, executor, administrator or other legal representative;

“**Purchasers**” means, collectively, each of the purchasers of Offered Shares, as substitute purchasers or beneficial purchasers, arranged by the Underwriter pursuant to the Offering who acquire the Offered Shares by duly completing, executing and delivering the Subscription Agreements and any other required documentation, including, if applicable, the Underwriter;

“**Qualified Institutional Buyer**” means a “qualified institutional buyer” as such term is defined in Rule 144A(a)(1) under the U.S. Securities Act;

“**Securities Commissions**” means the securities commissions or similar securities regulatory authorities in the Selling Jurisdictions;

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

“**Selling Jurisdictions**” means all of the provinces and territories of Canada;

“**Services**” has the meaning given in Section 25;

“**Subscription Agreements**” means, collectively, the subscription and renunciation agreements for the Offered Shares, in the form agreed upon by the Underwriter and the Corporation, each acting reasonably, pursuant to which Purchasers agree to subscribe for and purchase the Offered Shares

pursuant to the Offering as herein contemplated and shall include, for greater certainty, all schedules thereto; and “**Subscription Agreement**” means any one of them, as the context requires;

“**Subject Subsidiaries**” means Paxson Resources Ltd., 2777662 Ontario Ltd., 2765798 Ontario Ltd. and Muckahi Inc.;

“**Subsidiaries**” means Paxson Resources Ltd., Paxson Resources (USA) Inc., 2777662 Ontario Ltd., 2765798 Ontario Ltd. and Muckahi Inc.;

“**Suku Passi Concession**” means the Suku Passi concession on the Guiana Shield in Suriname, for which the Corporation holds an option to acquire up to a 70% interest from Suku Passi N.V.;

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

“**TSXV**” means TSX Venture Exchange;

“**Underwriter**” has the meaning given above;

“**Underwriter’s Fees**” has the meaning given in Section 9;

“**Underwriter’s Option**” has the meaning given above; and

“**U.S. Securities Act**” means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

- (2) 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 “**Sections**”, “**paragraphs**” and “**clauses**” are to the appropriate section, paragraph or clause of this Agreement.
- (3) All references to dollars or “\$” are to Canadian dollars unless otherwise expressed.

## **Section 2      The Offering**

- (a) The Underwriter shall offer for sale the Offered Shares in the Selling Jurisdictions on a private placement basis in compliance with Applicable Securities Laws.
- (b) The Corporation and the Underwriter agree that the Offered Shares will be eligible for sale in the United States to Qualified Institutional Buyers under the U.S. Securities Act by way of private placement pursuant to available exemptions from the registration requirements of the U.S. Securities Act in compliance with Schedule B attached hereto, which is incorporated into and forms part of this Agreement.
- (c) The Corporation will make all necessary filings with, and take all necessary actions required by, Applicable Securities Laws with respect to the Offering, including, without limitation, the filing of any exempt trade reports and the payment of all fees in connection with the sale of the Offered Shares to Purchasers.
- (d) Neither the Corporation nor the Underwriter shall: (i) provide to prospective Purchasers any marketing document with respect to the Corporation or the Offering other than the term sheet dated as of December 7, 2021 setting out the terms of the Offering; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and

sale of the Offered Shares, including causing the sale of the Offered Shares to be advertised in any newspaper, magazine, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Offered Shares whose attendees have been invited by general solicitation or advertising.

### **Section 3      Restrictions on Sale**

- (1) The Underwriter covenants and agrees with the Corporation that it will:
  - (a) not solicit subscriptions for, offer or sell Offered Shares or otherwise do any act in furtherance of the foregoing outside of the Selling Jurisdictions and the United States;
  - (b) solicit subscriptions for, offer and sell Offered Shares only in those jurisdictions where they may be lawfully offered for sale or sold; and
  - (c) solicit subscriptions for, offer and sell the Offered Shares in a manner that complies with all applicable laws and regulations in each jurisdiction into and from which they may offer to sell the Offered Shares and will not, directly or indirectly, offer, sell or deliver any Offered Shares to any person, except in a manner which will not require the Corporation to comply with the registration, prospectus, filing (except for filing requirements relating to exempt trade reports) or other similar requirements under the Applicable Securities Laws of such jurisdictions.
- (2) The Corporation and the Underwriter hereby acknowledge that the Offered Shares have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws and may only be offered and sold in the United States in compliance with Schedule B attached hereto.

### **Section 4      Delivery of Subscription Agreements**

The Underwriter will obtain from each Purchaser an executed Subscription Agreement (including applicable schedules) and deliver such Subscription Agreements (including applicable schedules) to the Corporation at or prior to the Closing Time.

### **Section 5      Certain Covenants and Representations of the Corporation**

- (a) The Corporation shall cause management of the Corporation to make themselves available up to the Closing to provide assistance in marketing the Offering as the Underwriter may reasonably request.
- (b) The Underwriter and its counsel shall be permitted to conduct such due diligence up to the Closing as they reasonably require for the purposes of a private placement of securities.
- (c) The Corporation shall use commercially reasonable efforts to obtain any regulatory, listing and other consents and approvals, as applicable, which may be required to permit the Offering, including the conditional approval of the TSXV (as evidenced by a letter from the TSXV) in respect of the listing of the Offered Shares on the TSXV, subject to the customary conditions to listing of the TSXV.
- (d) The Corporation shall duly execute and deliver, on or before the Closing Time, the Subscription Agreements and the certificates evidencing the Offered Shares, if any, and

comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Corporation at or prior to the Closing Time, as applicable.

- (e) The Corporation shall use the net proceeds from the Offering to further engineering work on the Muckahi Mining System, to procure Muckahi-related equipment, to pursue further exploration of the Bob's Pit Concession, the Suku Passi Concession and the Brothers Project and for general corporate purposes.
- (f) The Corporation represents and warrants to the Underwriter that, as at their respective dates, the Corporation's: (i) Financial Statements; (ii) MD&A; and (iii) management information circular dated May 21, 2021 (collectively, the "**Continuous Disclosure Documents**"), in each case, were each true and correct and contained no misrepresentation, and complied fully with the requirements of Applicable Securities Laws, other than as to non-material matters of form or similar non-material matters.
- (g) The Corporation represents and warrants to the Underwriter that, as of the date hereof, there are no material facts or material changes relating to the Corporation or its Subsidiaries (taken as a whole) that have not been publicly disclosed as required by Applicable Securities Law.
- (h) The Corporation shall use its commercially reasonable efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of Applicable Securities Laws in each of the provinces and territories of Canada until the date that is at least two years following the Closing Date, provided that this covenant shall not prevent the Corporation from completing any transaction which would result in the Corporation ceasing to be a "reporting issuer" so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada or the holders of the Common Shares have approved the transaction (or, in the case of a take-over bid, a sufficient number of Common Shares have been deposited to the bid in order to enable the bidder to utilize the "compulsory acquisition" provisions of the ABCA) in accordance with the requirements of applicable corporate and securities laws and the policies of the TSXV.
- (i) The Corporation will use its best efforts to maintain the listing of the Common Shares for trading on the TSXV for a period of two years following the Closing Date, provided that this covenant shall not prevent the Corporation from completing any transaction which would result in the Common Shares ceasing to be listed so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada, or cash, or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate laws and the policies of the TSXV.

## **Section 6 Additional Representations and Warranties of the Corporation**

The Corporation represents and warrants to the Underwriter, and acknowledges that the Underwriter is relying upon such representations and warranties, that:

- (a) **Good Standing of the Corporation.** The Corporation: (i) has been duly incorporated under the ABCA and is, and will at the Closing Time, be up-to-date in all material corporate filings and in good standing under the ABCA; (ii) has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its properties and assets; and (iii) has all requisite corporate power and authority to create, issue and sell the Offered Shares, grant the Underwriter's Option and to enter into and carry out its obligations under this Agreement and the Subscription Agreements;

- (b) **Subsidiaries.** The Corporation has no subsidiaries other than as listed below and the Corporation beneficially owns, directly or indirectly, the percentage indicated below of the issued and outstanding shares in the capital of each of the Subsidiaries, free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands of any kind whatsoever, all of such shares having been duly authorized and validly issued and outstanding as fully paid and non-assessable shares, and no person has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a 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:

Name	Jurisdiction	Beneficial Equity/Voting Ownership
Paxson Resources Ltd.	Alberta, Canada	100%
Paxson Resources (USA) Inc.	Alaska, USA	100%
2777662 Ontario Ltd.	Ontario, Canada	100%
2765798 Ontario Ltd.	Ontario, Canada	100%
Muckahi Inc.	Canada	100%

- (c) **Good Standing of Subsidiaries.** The Subsidiaries: (i) have been duly incorporated in their respective jurisdiction of incorporation and are, and will at the Closing Time, be up-to-date in all material corporate filings and in good standing under the laws of such jurisdiction, as the case may be; and (ii) have all requisite corporate power and authority to carry on their respective businesses as now conducted and to own, lease and operate their properties and assets;
- (d) **No Proceedings for Dissolution.** Except in respect of Paxson Resources Ltd. and Paxson Resources (USA) Inc., no proceedings have been taken, instituted or, to the knowledge of the Corporation or any of the Subsidiaries, are pending for the dissolution or liquidation of the Corporation or any of the Subsidiaries;
- (e) **Carrying on Business.** The Corporation and each of the Subsidiaries are, in all material respects, conducting their respective businesses in compliance with all applicable laws, rules and regulations (including all material applicable federal, provincial, municipal, and local environmental anti-pollution and licensing laws, regulations and other lawful requirements of any governmental or regulatory body, including but not limited to relevant exploration, concessions and permits) of each jurisdiction in which their respective business is carried on and are licensed, registered or qualified in all jurisdictions in which they own, lease or operate their properties or carry on business to enable their businesses to be carried on as now conducted and their properties and assets to be owned, leased and operated and all such licences, registrations and qualifications are valid, subsisting and in good standing and they have not received a notice of non-compliance, nor do they know of, nor have reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits which could reasonably be expected to have a Material Adverse Effect on the Corporation or the Subsidiaries and will at the Closing Time be valid, subsisting and in good standing;
- (f) **Corporate Actions.** All necessary corporate action has been taken or will have been taken prior to the Closing Time by the Corporation so as to: (i) authorize the execution, delivery and performance of this Agreement and the Subscription Agreements; (ii) validly issue

and sell the Offered Shares as fully paid and non-assessable Common Shares; and (iii) grant the Underwriter's Option;

- (g) **Valid and Binding Agreements.** The execution and delivery of this Agreement and the Subscription Agreements and the performance by the Corporation of its obligations hereunder and thereunder and the transactions contemplated hereby and thereby have been duly authorized by all necessary corporate action of the Corporation and upon the execution and delivery hereof shall constitute a valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with their terms, provided that enforcement thereof may be limited by: (i) applicable bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium or similar laws from time to time in effect affecting creditors' rights and remedies generally; and (ii) general principles of equity (regardless of whether such principles are considered in a proceeding in equity or at law);
- (h) **All Consents and Approvals.** At the Closing Time, all consents, approvals, permits, authorizations or filings as may be required of the Corporation under Applicable Securities Laws necessary for the execution and delivery of this Agreement, the Subscription Agreements, the issuance and sale of the Offered Shares, the grant of the Underwriter's Option and the consummation of the transactions contemplated hereby have been made or obtained, as applicable, other than customary post-closing filings required to be submitted within the applicable time frame pursuant to Applicable Securities Laws and the rules of the TSXV;
- (i) **Absence of Defaults and Conflicts.** Neither the Corporation nor any of the Subsidiaries are in default or breach of, and the execution and delivery of this Agreement and the Subscription Agreements and the performance by the Corporation of its obligations hereunder and thereunder, the issue and sale of the Offered Shares (including the grant of the Underwriter's Option), and the consummation of the transactions contemplated hereby and thereby do not and will not conflict with or result in a breach or violation of any of the terms of or provisions of, or constitute a default under, (whether after notice or lapse of time or both): (A) any statute, rule or regulation applicable to the Corporation or any of the Subsidiaries, including Applicable Securities Laws; (B) the constating documents, articles or resolutions of the Corporation or any of the Subsidiaries which are in effect at the date hereof; (C) any Debt Instrument or Material Agreement; or (D) any judgment, decree or order binding the Corporation or any of the Subsidiaries or the property or assets of the Corporation or any of the Subsidiaries;
- (j) **No Legislative Changes.** Neither the Corporation nor any of the Subsidiaries are aware of any legislation, or proposed legislation published by a legislative body, which they anticipate will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of the Corporation and the Subsidiaries, on a consolidated basis;
- (k) **Offered Shares Validly Issued.** The Offered Shares to be issued and sold as contemplated in this Agreement and the Subscription Agreements have been, or prior to the Closing Time will be, authorized and reserved for issuance and when issued, delivered and paid for, the Offered Shares will be validly issued and all statements made in this Agreement describing the Offered Shares (including their attributes) are, and will be, as applicable, accurate in all material respects;
- (l) **Authorized and Issued Share Capital.** The authorized capital of the Corporation consists of: (i) an unlimited number of Common Shares, of which, as of the close of business on

December 20, 2021, 96,043,766 Common Shares were outstanding as fully paid and non-assessable shares of the Corporation; and (ii) an unlimited number of preferred shares, of which, as of the close of business on December 20, 2021, none were issued and outstanding;

- (m) **Stock Exchange Listing.** The issued and outstanding Common Shares are listed and posted for trading on the TSXV, and the listing of the Offered Shares on the TSXV has been conditionally approved by the TSXV, subject to satisfaction of the customary conditions of the TSXV;
- (n) **Action to Manipulate Price.** Neither the Corporation nor any of the Subsidiaries, nor to the knowledge of the Corporation, any of the Corporation's affiliates, has taken, nor will the Corporation, any Subsidiary or any such affiliate take, directly or indirectly, any action which is designed to or which has constituted, or which might reasonably be expected to cause or result in, the stabilization or manipulation of the price of any security of the Corporation in connection with the Offering;
- (o) **No Cease Trade Orders.** Except as disclosed in the Corporation's filings on SEDAR, no order ceasing or suspending trading in any securities of the Corporation or prohibiting the issue or sale of the Offered Shares or the trading of any of the Corporation's issued securities has been issued and no proceedings for such purpose have been threatened or, to the knowledge of the Corporation, are pending;
- (p) **Stock Exchange Compliance.** The Corporation is currently in material compliance with the rules and regulations of the TSXV;
- (q) **Absence of Rights.** Except as publicly disclosed in the Corporation's filings on SEDAR (including, for greater certainty, the Joint Venture Agreements), no person has any agreement or option or right or privilege (whether at law, pre-emptive or contractual) capable of becoming an agreement for the purchase, subscription or issuance of, or conversion into, any unissued shares, securities, warrants or convertible obligations of any nature of the Corporation. The Offered Shares, upon issuance, will not be issued in violation of or subject to any pre-emptive rights or contractual rights to purchase securities issued by the Corporation;
- (r) **No Material Changes.** Since September 30, 2021, except as publicly disclosed in the Corporation's filings on SEDAR:
  - (i) there has not been any material change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise), business, condition (financial or otherwise), prospects or results of operations of the Corporation or the Subsidiaries on a consolidated basis;
  - (ii) there has not been any material change in the capital stock or long-term debt of the Corporation or the Subsidiaries on a consolidated basis; and
  - (iii) the Corporation and each of the Subsidiaries have carried on their business in the ordinary course;
- (s) **Financial Statements.** The audited comparative consolidated financial statements as at and for the financial years ended December 31, 2020 and 2019 and the unaudited comparative consolidated financial statements for the three and nine month periods ended September 30, 2021 and 2020 (collectively, the "**Financial Statements**"): (i) have been

prepared in accordance with IFRS applied on a basis consistent with prior periods; (ii) are, in all material respects, consistent with the books and records of the Corporation; (iii) contain and reflect all material adjustments for the fair presentation of the results of operations and the financial condition of the business of the Corporation for the periods covered thereby; (iv) present fairly, in all material respects, the financial position of the Corporation as at the dates thereof and the results of its operations and the changes in its financial position for the periods then ended; (v) contain and reflect adequate provision or allowance for all reasonably anticipated liabilities, expenses and losses of the Corporation; and (vi) do not omit to state any material fact that is required by generally accepted accounting principles, financial reporting standards, or by applicable law to be stated or reflected therein or which is necessary to make the statements contained therein not misleading, respectively;

- (t) **Off-Balance Sheet Arrangements.** There are no material off-balance sheet transactions, arrangements or obligations (including contingent obligations) of the Corporation or the Subsidiaries with unconsolidated entities or other persons that could reasonably be expected to have a Material Adverse Effect on the Corporation and the Subsidiaries, on a consolidated basis;
- (u) **Accounting Policies.** Other than as required by IFRS and as disclosed in the Financial Statements, there has been no change in the accounting policies or practices of the Corporation or the Subsidiaries since December 31, 2020;
- (v) **Internal Accounting Controls.** The Corporation maintains a system of internal control over financial reporting and has been designed by the Corporation's principal executive officer and principal financial officer, or under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles, including IFRS, as applicable, in Canada, and further 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. Since December 31, 2020, the Corporation is not aware of any material weakness in the Corporation's internal control over financial reporting (whether or not remediated) or change in the Corporation's internal control over financial reporting that has materially affected or is reasonably likely to materially affect the Corporation's internal control over financial reporting;
- (w) **System of Disclosure Control.** The Corporation maintains disclosure controls and procedures on a consolidated basis (as such terms are defined in NI 52-109) that comply with the requirements of NI 52-109; such disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Corporation in the reports that it files or submits pursuant to NI 52-109 is recorded, processed, summarized and reported within the time periods specified in the Securities Commissions rules and forms; such disclosure controls and procedures were effective as at December 31, 2020 and September 30, 2021;
- (x) **Liabilities.** Neither the Corporation nor any of the Subsidiaries has any liabilities, direct or indirect, contingent or otherwise, not disclosed in the Corporation's filings on SEDAR

which materially adversely affects the Corporation or the Subsidiaries, on a consolidated basis, or would reasonably be expected to have a Material Adverse Effect on the Corporation or the Subsidiaries, on a consolidated basis. Without limiting the generality of the foregoing, neither the Corporation nor any of the Subsidiaries has any material obligation or liability except as disclosed in the Corporation's filings on SEDAR or those arising in the ordinary course of business none of which is materially adverse to the Corporation and the Subsidiaries on a consolidated basis;

- (y) **No Actions or Proceedings.** Except as publicly disclosed in the Corporation's filings on SEDAR, there are no material actions, suits, proceedings, inquiries or investigations (whether or not purportedly by or on behalf of the Corporation or any of the Subsidiaries) pending against or affecting the Corporation or any of the Subsidiaries or property or assets of the Corporation or any of the Subsidiaries or to the knowledge of the Corporation threatened against the Corporation or any of the Subsidiaries at law or in equity (whether in any court, arbitration or similar tribunal) or before or by any federal, provincial, state, municipal or other governmental department, commission, board or agency, domestic or foreign;
- (z) **No Judgements or Orders.** There are no judgments or orders against the Corporation or any of the Subsidiaries, which are unsatisfied, nor are there any consent decrees or injunctions to which the Corporation or any of the Subsidiaries are subject;
- (aa) **Reporting Issuer Status.** The Corporation is and will at the Closing Time be a "reporting issuer", not included in a list of defaulting reporting issuers maintained by the Securities Commissions in each of the provinces and territories of Canada, and, without limiting the foregoing, the Corporation is in compliance with, and has at all times complied with its timely and continuous disclosure obligations under Applicable Securities Laws, including but not limited to disclosing all material changes relating to it and there is no material change relating to the Corporation or the Subsidiaries which has occurred and with respect to which the requisite material change report has not been filed with the applicable Securities Commissions and the Corporation has not filed any confidential material change report with any Securities Commission;
- (bb) **Filings, Fees.** All filings and fees required to be made and paid by the Corporation pursuant to Applicable Securities Laws and general corporate law have been made and paid;
- (cc) **Independent Auditors.** The Corporation's auditors who audited the comparative consolidated financial statements as at and for the financial years ended December 31, 2020 and 2019 and delivered their auditors' report thereon are independent public accountants as required by the Applicable Securities Laws, and there has never been a "reportable event" (within the meaning of NI 51-102) with the present or any former auditor of the Corporation;
- (dd) **Dividend Restrictions.** There is not, in the constating documents, by-laws or in any Debt Instrument, Material Agreement or other instrument or document to which the Corporation or the Subsidiaries are 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;
- (ee) **Restrictions on Business.** Neither the Corporation nor the Subsidiaries are party to or bound or affected by any commitment, agreement or document containing any covenant

which expressly limits the freedom of the Corporation or the Subsidiaries to compete in any line of business, transfer or move any of their assets or operations or which materially or adversely affects the business practices, operations or condition of the Corporation or the Subsidiaries;

- (ff) **No Voting Agreements.** Neither the Corporation nor the Subsidiaries are 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 the Subsidiaries;
- (gg) **Purchases and Sales.** Neither the Corporation nor the Subsidiaries have approved or entered into any binding agreement in respect of the purchase of any property or assets or any interest therein, that is material to the Corporation or the Subsidiaries, or the sale, transfer or other disposition of any property or assets or any interest therein, that is material to the Corporation or the Subsidiaries, currently owned, directly or indirectly, by the Corporation or the Subsidiaries whether by asset sale, transfer of shares or otherwise. The Corporation has no knowledge of a change of control (by sale or transfer of shares or sale of all or substantially all the property and assets of the Corporation or any of the Subsidiaries or otherwise) of the Corporation or any of the Subsidiaries and the Corporation has no knowledge of, a proposed or planned disposition of Common Shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares or shares of the Subsidiaries;
- (hh) **Shareholder Approvals.** There is no requirement under any agreement or applicable laws (including Applicable Securities Laws) or otherwise for the Corporation to obtain the approval of its shareholders to complete the Offering;
- (ii) **Taxes.** All taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto due and payable by the Corporation and the Subsidiaries have been paid, except where the failure to pay such taxes could reasonably be expected to have a Material Adverse Effect. All tax returns, declarations, remittances and filings required to be filed by the Corporation and the Subsidiaries have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings are complete and accurate and no material fact or facts have been omitted therefrom which would make any of them misleading except where the failure to file such documents would not constitute an adverse material fact of the Corporation and of the Subsidiaries on a consolidated basis or result in an adverse material change to the Corporation and the Subsidiaries. To the best of the knowledge of the Corporation, after due enquiry, no examination of any tax return of the Corporation or the Subsidiaries is currently in progress and there are no issues or disputes outstanding with any Governmental Authority respecting any taxes that have been paid, or may be payable, by the Corporation or the Subsidiaries, in any case, except where such examinations, issues or disputes would not constitute an adverse material fact of the Corporation or of the Subsidiaries or result in an adverse material change to the Corporation and the Subsidiaries on a consolidated basis;
- (jj) **Anti-Bribery Laws.** Neither the Corporation nor the Subsidiaries nor to the knowledge of the Corporation, any director, officer, employee, consultant, representative or agent of the foregoing, has: (i) violated any anti-bribery or anti-corruption laws applicable to the Corporation and the Subsidiaries, including but not limited to the U.S. Foreign Corrupt Practices Act of 1977, as amended, and the *Corruption of Foreign Public Officials Act*

(Canada); or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (X) to any government official, whether directly or through any other person, for the purpose of influencing any act or decision of a government official in his or her official capacity; inducing a government official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a government official to influence or affect any act or decision of any Governmental Authority; or assisting any representative of the Corporation or the Subsidiaries in obtaining or retaining business for or with, or directing business to, any person; or (Y) to any person in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither the Corporation nor the Subsidiaries nor to the knowledge of the Corporation, any director, officer, employee, consultant, representative or agent of foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded the Corporation, a Subsidiary or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing; or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing anti-bribery or anti-corruption laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such laws, or received any notice, request, or citation from any person alleging non-compliance with any such laws;

- (kk) **Anti-Money Laundering.** The operations of the Corporation and each of its Subsidiaries are and have been conducted at all times in compliance with applicable financial record-keeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) and the U.S. Currency and Foreign Transactions Reporting Act of 1970, as amended, the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any Governmental Authority (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any Governmental Authority or any arbitrator involving the Corporation or any Subsidiary with respect to the Money Laundering Laws is pending or, to the best knowledge of the Corporation, threatened;
- (ll) **U.S. Sanctions.** Neither the Corporation, any Subsidiary nor, to the knowledge of the Corporation, any director, officer, agent, employee, affiliate or person acting on behalf of the Corporation is currently subject to any U.S. sanctions administered by OFAC; and the Corporation will not directly or indirectly use the proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, for the purpose of financing the activities of any person currently subject to any U.S. sanctions administered by OFAC;
- (mm) **Material Agreements and Debt Instruments.** Neither the Corporation nor the Subsidiaries, nor to the best of the Corporation’s knowledge, information and belief, after due enquiry, any other party thereto, is in default in any material respect in the observance or performance of any term, covenant or obligation to be performed by the Corporation or the Subsidiaries or such other person under any Debt Instrument, Material Agreement or other instrument, document or arrangement (including all Joint Venture Agreements) to which the Corporation or the Subsidiaries are a party or otherwise bound and all such contracts, agreements or arrangements (including all Joint Venture Agreements) are in good standing, and no event has occurred which with notice or lapse of time or both would

constitute such a default by the Corporation, the Subsidiaries or any other party with respect to any such agreement, instrument, document or arrangement;

- (nn) **Property Agreements.** All mineral property option agreements, licenses, leases and claims to which the Corporation or the Subsidiaries are a party or have an interest or are otherwise bound, are in good standing and there are no liens or encumbrances registered or outstanding against the interests therein or the property related thereto, all payment obligations thereunder have been met, and to the best of the knowledge of the Corporation after due inquiry, the title to the mineral property interests held by the Corporation or the Subsidiaries or which are otherwise held by the Corporation or the Subsidiaries are valid, subsisting and enforceable titles held by the titleholder who are party to the respective option agreements;
- (oo) **Transfer Agent.** Computershare Trust Company of Canada, at its principal transfer office in the City of Vancouver, British Columbia, has been duly appointed as the registrar and transfer agent in Canada in respect of the Offered Shares and the Common Shares;
- (pp) **Related Parties.** Except as disclosed in the Corporation's filings on SEDAR, and in connection with this Offering, none of the directors, officers or employees of the Corporation, 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 or companies, has had any material interest, direct or indirect, in any material transaction within the previous two years or any proposed material transaction with the Corporation which, as the case may be, materially affected, is material to or will materially affect the Corporation or the Subsidiaries on a consolidated basis;
- (qq) **Fees and Commissions.** Other than the Underwriter pursuant to this Agreement, there is no person acting at the request of the Corporation or, to the knowledge of the Corporation, purporting to act who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the Offering or transactions contemplated herein;
- (rr) **Use of Proceeds.** The net proceeds from the Offering will be used: (i) to further engineering work on the Muckahi Mining System; (ii) for the procurement of Muckahi-related equipment; (iii) to pursue further exploration of the Bob's Pit Concession, the Suku Passi Concession and the Brothers Project; and (iv) for general corporate purposes;
- (ss) **No Loans or Non-Arm's Length Transactions.** Neither the Corporation nor the Subsidiaries are a party to any Debt Instrument or has made any material loans to or guaranteed the material obligations of any person or has any other indebtedness outstanding; and none of the foregoing have been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at "arm's length" (as such term is defined in the Tax Act) with the Corporation or the Subsidiaries;
- (tt) **Insurance.** The assets of the Corporation and the Subsidiaries and their respective businesses and operations 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. Neither the Corporation nor the Subsidiaries have breached the terms of any policies in respect thereof and there are no material claims by the Corporation or the Subsidiaries under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause. The Corporation has no reason to believe that it will not be able to renew such existing insurance coverage as and when such coverage expires

or to obtain similar coverage from similar insurers as may be necessary to continue its business at a cost that would not have a Material Adverse Effect and neither the Corporation nor any of the Subsidiaries have failed to promptly give any notice or present any material claim thereunder;

- (uu) **Leased Premises.** With respect to each of the Leased Premises, the Corporation occupies the Leased Premises and has the exclusive right to occupy and use the Leased Premises and each of the leases pursuant to which the Corporation occupies the Leased Premises is in good standing and in full force and effect. The performance of obligations pursuant to and in compliance with the terms of this Agreement and the completion of transactions described herein by the Corporation, will not afford any of the parties to such leases or any other person the right to terminate such lease or result in any additional or more onerous obligations under such leases;
- (vv) **Intellectual Property.** The Corporation owns or possesses the right to use all material patents, trademarks, trademark registrations, service marks, service mark registrations, trade names, copyrights, licenses, inventions, trade secrets and rights described in the Corporation's filings on SEDAR (including, for greater certainty, in regards to the Muckahi Mining System) as being owned by it or necessary for the conduct of its business, and the Corporation is not aware of any claim to the contrary or any challenge by any other person to the rights of the Corporation or the Subsidiaries with respect to the foregoing. To the best of the Corporation's knowledge, after due enquiry, the business of the Corporation and the Subsidiaries as now conducted does not, and as currently proposed to be conducted will not, infringe or conflict with, in any material respect, patents, trademarks, service marks, trade names, copyrights, trade secrets, licenses or other intellectual property or franchise right of any person. No claim has been made against the Corporation or the Subsidiaries alleging the infringement by the Corporation or the Subsidiaries of any patent, trademark, service mark, trade name, copyright, trade secret, license in or other intellectual property right or franchise right of any person;
- (ww) **Continuous Disclosure.** All information which has been prepared by the Corporation relating to the Corporation or the Subsidiaries and their respective businesses, properties and liabilities and either publicly disclosed or provided to the Underwriter, including all financial, marketing, sales and operational information provided to the Underwriter and all of the Corporation's filings on SEDAR are, as of the date of such information, except to the extent superseded by subsequently filed information, true and correct in all material respects and do not contain a misrepresentation, and no material fact or facts have been omitted therefrom which would make such information materially misleading and the Corporation is not aware of any circumstances presently existing under which liability is or would reasonably be expected to be incurred under Part 17.01 - Civil Liability for Secondary Market Disclosure of the *Securities Act* (Alberta) and analogous secondary market liability disclosure provisions under Applicable Securities Laws in the other Selling Jurisdictions;
- (xx) **Forward-Looking Information.** With respect to the forward-looking information contained in the Corporation's filings on SEDAR:
  - (i) the Corporation had a reasonable basis for the forward-looking information at the time the disclosure was made;
  - (ii) all forward-looking information is identified as such, and all such documents caution users of forward-looking information that actual results may vary from

- the forward-looking information and identifies material risk factors that could cause actual results to differ materially from the forward-looking information; and states the material factors or assumptions used to develop forward-looking information;
- (iii) all future-oriented financial information and each financial outlook: (A) presents fairly and correctly in all material respects the information contained therein; and (B) is based on assumptions that are reasonable in the circumstances, reflect the Corporation's intended course of action, and reflect management's expectations concerning the most probable set of economic conditions during the periods covered thereby; and
  - (iv) is limited to a period for which the information in the future-oriented financial information or financial outlook can be reasonably estimated;
- (yy) **Significant Acquisitions or Dispositions.** The Corporation has not completed any "significant acquisition" or significant disposition, nor is it proposing any "probable acquisitions" (as such terms are defined in Part 8 of NI 51-102) that would require the filing of a business acquisition report pursuant to Applicable Securities Laws, and has not entered into any agreement or arrangement in respect of a transaction that would be a significant acquisition or significant disposition.
- (zz) **Minute Books.** The minute books and records of the Corporation and the Subsidiaries which the Corporation has made available to the Underwriter and their counsel in connection with their due diligence investigation of the Corporation and the Subsidiaries for the period from inception to the date of examination thereof are all of the minute books and substantially all of the records of the Corporation and the Subsidiaries for such period and contain copies of all constating documents and all proceedings of securityholders and directors (and committees thereof) (or drafts pending the approval thereof) and are complete in all material respects. There have been no other material meetings, resolutions or proceedings of the shareholders, board of directors or any committees of the board of directors of the Corporation or the Subsidiaries during such period not reflected in such minute books and other records.
- (aaa) **Legal and Beneficial Ownership.** The Corporation and the Subsidiaries are the absolute legal and beneficial owners of, and have good and marketable title to, or leasehold interests in, all of the material property or assets, including mining claims, concessions, licenses, leases or other instruments or agreements granting legal rights to act as owners conferring the mineral rights in respect of the mineral properties thereof as described in the Corporation's filings on SEDAR, free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever (and for avoidance of doubt, except as otherwise publicly disclosed on SEDAR), as necessary for the conduct of the business of the Corporation and the Subsidiaries as currently conducted or contemplated to be conducted; the Corporation knows of no claim or basis for any claim that might or could adversely affect the right of the Corporation or the Subsidiaries to use, transfer or otherwise exploit such property rights; and, except as disclosed in the Corporation's filings on SEDAR, the Corporation and the Subsidiaries have no responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof;
- (bbb) **Mineral and Mining Rights.** The Corporation and the Subsidiaries hold either freehold title, mining leases, mining licenses, mining claims (patented or unpatented), option

agreements, exploration and exploitation permits or licences or other conventional property, proprietary or contractual interests or rights, recognized in the jurisdiction in which a particular material property is located in respect of the ore bodies and minerals located in properties in which the Corporation and the Subsidiaries have an interest as described in the Corporation's filings on SEDAR under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit the Corporation and the Subsidiaries to access the property and explore for and develop the minerals relating thereto; all such property, licenses, leases or claims and all property, licenses, leases or claims in which the Corporation and the Subsidiaries have any interests or right have been validly located and recorded in accordance with all applicable laws and are valid and subsisting; the Corporation and the Subsidiaries have all necessary surface rights, access rights and other necessary rights and interests relating to the properties in which the Corporation and the Subsidiaries have an interest as described in the Corporation's filings on SEDAR granting the Corporation or the Subsidiaries the right and ability to access the property and explore for and develop the minerals and the property as are appropriate in view of their respective rights and interests therein, with only such exceptions as do not materially interfere with the access and use by the Corporation and the Subsidiaries of the rights or interests so held and each of the proprietary interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to above are currently in good standing in the name of the Corporation and the Subsidiaries; no other property rights are necessary for the conduct of the Corporation or the Subsidiaries' business, as currently conducted, in respect of the material properties and there are no restrictions on the ability of the Corporation or the Subsidiaries to use, transfer or otherwise exploit such property rights and the Corporation does not know of any claim or basis for a claim that may adversely affect such rights;

- (ccc) **Valid Title Documents.** Any and all of the agreements and other documents and instruments pursuant to which the Corporation or the Subsidiaries hold their material properties and assets (including any license, lease, option agreement or any interest in, or right to earn an interest in, any material property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, the Corporation and the Subsidiaries are, and to the best of the knowledge of the Corporation, after due enquiry, any other party to such agreement, document or instrument is, not in default of any of the material provisions of any such agreements, documents or instruments (including failure to fulfil any payment or work obligations thereunder), nor has any such default been alleged. None of the material properties (or any option agreement or any interest in, or right to earn an interest in, any material property) of the Corporation or the Subsidiaries are subject to any right of first refusal or purchase or acquisition rights;
- (ddd) **Compliance with Environmental Laws.** The Corporation and each of the Subsidiaries are in material compliance with all Environmental Permits (as defined herein), all applicable federal, provincial, state, municipal and local laws, statutes, ordinances, by-laws and regulations and orders, directives and decisions rendered by any ministry, department or administrative or regulatory agency, domestic or foreign, including laws, ordinances, regulations or orders, relating to the protection of the environment, occupational health and safety or the processing, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or Hazardous Substances (the "**Environmental Laws**");

- (eee) **Possession of Environmental Permits.** The Corporation and each of the Subsidiaries have obtained or are in the process of obtaining all material licences, permits, approvals, consents, certificates, registrations and other authorizations under all applicable Environmental Laws (the “**Environmental Permits**”) necessary as at the date hereof for the operation of the business carried on or proposed to be commenced by the Corporation and the Subsidiaries, and each Environmental Permit is valid, subsisting and in good standing and neither the Corporation nor the Subsidiaries are in material default or breach of any Environmental Permit and no proceeding is pending, or to the best of the knowledge of the Corporation, after due enquiry, threatened to revoke or limit any Environmental Permit;
- (fff) **Operation of Properties/Facilities.** Neither the Corporation nor any of the Subsidiaries have used, except in material compliance with all Environmental Laws and Environmental Permits, any property or facility which it owns or leases or previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Substance;
- (ggg) **Absence of Prosecutions or Notices of Non-Compliance.** Neither the Corporation nor any of the Subsidiaries nor to the knowledge of the Corporation, after due enquiry, if applicable, any predecessor companies, have received any notice of, or been prosecuted for an offence alleging, non-compliance in any material respect with any laws, ordinances, regulations and orders, including Environmental Laws, and neither the Corporation nor the Subsidiaries nor to the knowledge of the Corporation, if applicable, any predecessor companies have settled any allegation of non-compliance short of prosecution. There are no orders or directions relating to environmental matters requiring any material work, repairs, construction or capital expenditures to be made with respect to any of the assets of the Corporation or the Subsidiaries, nor has the Corporation or any of the Subsidiaries received notice of any of the same;
- (hhh) **Absence of Environmental Liabilities.** There have been no past unresolved, pending and to the best of the Corporation’s knowledge, after due enquiry, there are no threatened claims, complaints, notices or requests for information received by the Corporation or the Subsidiaries with respect to any alleged material violation of any law, statute, order, regulation, ordinance or decree; and no material conditions exist at, on or under any property now or previously owned, operated or leased by the Corporation or the Subsidiaries which, with the passage of time, or the giving of notice or both, would give rise to liability under any law, statute, order, regulation, ordinance or decree that, individually or in the aggregate, has or may reasonably be expected to have any adverse effect with respect to the Corporation or the Subsidiaries;
- (iii) **Absence of Notices of Clean Up or Corrective Action.** Except as ordinarily or customarily required by applicable permit, neither the Corporation nor any of the Subsidiaries have received any notice wherein it is alleged or stated that it is potentially responsible for a federal, provincial, state, municipal or local clean-up site or corrective action under any law including any Environmental Laws. The Corporation has not received any request for information in connection with any federal, state, municipal or local inquiries as to disposal sites;
- (jjj) **Aboriginal Claims.** Except as disclosed in the Corporation’s filings on SEDAR: (i) there are no claims with respect to aboriginal rights currently threatened or, to the best knowledge of the Corporation, after due enquiry, pending with respect to the Corporation or the Subsidiaries or any of the property interests of the Corporation or the Subsidiaries

which could have a negative adverse effect on the operations of the Corporation or the Subsidiaries or their property interests; (ii) the Corporation is not aware of any material land entitlement claims or aboriginal land claims having been asserted or any legal actions relating to aboriginal or community issues having been instituted with respect to the Brothers Project, the Suku Passi Concession or the Bob's Pit Concession; and (iii) no material disputes between the Corporation or any Subsidiary and any local or aboriginal group exist or, to the knowledge of the Corporation, are threatened or imminent with respect to any of the Corporation's properties or activities;

- (kkk) **Industry Standard Practices.** All mining, exploration and development activities on the properties of the Corporation have been conducted in all respects in accordance with good mining and engineering practices and all applicable material workers' compensation and health and safety and workplace laws, regulations and policies have been complied with;
- (lll) **Revocations or Modifications.** Neither the Corporation nor any of the Subsidiaries has received any notice of proceedings relating to the revocation or modification of any material certificate, authority, permit or license necessary to conduct the business now owned or operated by it which, if the subject of an unfavourable decision, ruling or finding could reasonably be expected to have a Material Adverse Effect. In particular, without limiting the generality of the foregoing, neither the Corporation nor any of the Subsidiaries has received any notice of proceedings relating to the revocation or modifications of any material mining or exploration authorizations, permits or licenses, nor have any of them received notice of the revocations or cancellation of, or any intention to revoke or cancel, any mining claims, groups of claims, exploration rights, concessions or leases where such proceedings, revocations, modifications, or cancellations, could reasonably be expected to have a Material Adverse Effect;
- (mmm) **No Environmental Audits.** There are no environmental audits, evaluations, assessments, studies or tests relating to the Corporation or the Subsidiaries except for ongoing assessments conducted by or on behalf of the Corporation in the ordinary course;
- (nnn) **Compliance with NI 43-101.** The Corporation is currently in compliance in all material respects with the provisions of NI 43-101 and has filed all technical reports required thereby and all such reports comply with the requirements of NI 43-101 and, except to the extent superseded by subsequently filed technical reports, remain current as at the date hereof; all scientific and technical information regarding the Brothers Project, the Suku Passi Concession or the Bob's Pit Concession disclosed in the Corporation's filings on SEDAR: (i) is based upon information prepared, reviewed and verified by or under the supervision of a "qualified person" as such term is defined in NI 43-101; (ii) has been prepared in accordance with Canadian industry standards set forth in NI 43-101; (iii) are in accordance with accepted mineral reserve and mineral resource estimation practices; and (iv) remains true, complete and accurate in all material respects as at the date hereof. Other than the Paxson Gold Property, the Brothers Project, the Suku Passi Concession and the Bob's Pit Concession, the Corporation does not, directly or indirectly, hold any interest in a project on a mineral property that is material to the Corporation for the purpose of NI 43-101;
- (ooo) **Mineral Property Disclosure.** The Corporation has disclosed all material information relating to its mineral properties in the Corporation's filings on SEDAR in compliance in all material respects with Applicable Securities Laws. All information contained in the Corporation's filings on SEDAR relating to the Subsidiaries and the properties held by the Subsidiaries (including any ownership rights and proprietary interests relating to the

properties in which they have an interest) is, true and correct in all material respects and does not contain a misrepresentation, and each of the proprietary interests or rights and each of the documents, agreements and instruments relating to the proprietary interests or rights held by the Subsidiaries are currently in good standing and no other material property rights are necessary for the conduct of the Subsidiaries' businesses, as currently conducted, in respect of the properties held by the Subsidiaries;

- (ppp) **COVID-19.** Except as mandated by an applicable Governmental Authority, which mandates have not materially affected the Corporation, as at the date hereof, and except as disclosed in the Corporation's filings on SEDAR, there has been no Material Adverse Effect on the operations of the Corporation as a result of the COVID-19 pandemic.
- (qqq) **Employee Plans.** Each material plan 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 for the benefit of any current or former director, officer, employee or consultant of the Corporation (the "**Employee Plans**") has been maintained in compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans, in each case in all material respects and has been publicly disclosed to the extent required by Applicable Securities Laws;
- (rrr) **Record-Keeping.** All material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or state pension plan premiums, accrued wages, salaries and commissions and employee benefit plan payments have been reflected in the books and records of the Corporation;
- (sss) **Employment Standards.** The Corporation and the Subsidiaries are in compliance in all material respects with all laws respecting employment and employment practices, terms and conditions of employment, occupational health and safety, pay equity and wages and there are no material claims, complaints, outstanding decisions, orders or settlements or pending claims, complaints, decisions, orders or settlements under any human rights legislation, employment standards legislation, workers' compensation legislation, occupational health and safety legislation or similar legislation nor has any event occurred which may give rise to any of the foregoing;
- (ttt) **Labour Matters.** There has not been in the last two years and there is not currently, or to the knowledge of the Corporation, any imminent or pending labour disruption, work stoppage, strike, lock-out, dispute, grievance, proceeding or other conflict with the employees of the Corporation or the Subsidiaries which did have or would have a Material Adverse Effect. The Corporation's employment contracts with all senior employees are in good standing and in full force and effect; and
- (uuu) **Collective Bargaining Agreements.** There are no collective bargaining agreements in place with any employees of the Corporation or its Subsidiaries and to the knowledge of the Corporation, no action has been taken or is being contemplated to organize or unionize any employees of the Corporation or the Subsidiaries.

**Section 7 Matters Occurring During Distribution**

- (a) The Corporation covenants with the Underwriter that, during the period from the date of this Agreement to the later of the Closing Date and the date of completion of distribution of the Offered Shares, it will advise the Underwriter, promptly after receiving notice or obtaining knowledge, of: (i) the issuance by any Securities Commission of any cease trade order with respect to the Corporation, or order ceasing or suspending the trading of the Offered Shares or any other securities of the Corporation; (ii) the institution or threatening of any proceeding for any of those purposes; or (iii) any requests made by any Securities Commission for additional information, and will use its best efforts to prevent the issuance of any such order and, if any such order is issued, to obtain the withdrawal of the order promptly.
- (b) During the period from the date of this Agreement to the later of the Closing Date and the date of completion of distribution of the Offered Shares, the Corporation shall promptly notify the Underwriter in writing of:
  - (i) any of the representations or warranties made by the Corporation in this Agreement being no longer true and correct;
  - (ii) any filing made by the Corporation of information relating to the Offering with any securities exchange or Governmental Authority in Canada;
  - (iii) any material change (actual, anticipated, contemplated or threatened, financial or otherwise) with respect to the Corporation; and
  - (iv) any change in a material fact (which for the purposes of this Agreement shall be deemed to include the disclosure of any previously undisclosed material fact) contained in the Continuous Disclosure Documents which fact or change is, or may be, of such a nature as to render any statement in the Continuous Disclosure Documents misleading or untrue in any material respect or which would result in a misrepresentation in the Continuous Disclosure Documents or which would result in any of the Continuous Disclosure Documents not complying (to the extent that such compliance is required) with Applicable Securities Laws, in each case, as at any time up to and including the later of the Closing Date and the date of completion of the distribution of the Offered Shares.
- (c) The Corporation shall in good faith discuss with the Underwriter any fact or change in circumstances (actual, anticipated, contemplated or threatened, financial or otherwise) which is of such a nature that there is reasonable doubt whether written notice need be given under this Section 7.

**Section 8 Change in Applicable Securities Laws**

If, during the period of distribution of the Offered Shares, there shall be any change in Applicable Securities Laws which requires the filing by the Corporation of any document in connection with the Offering, the Corporation shall, to the satisfaction of the Underwriter, acting reasonably, promptly prepare and file such document with the appropriate Securities Commission in each of the Selling Jurisdictions where such filing is required.

## **Section 9 Underwriter's Fees**

In consideration for the Underwriter's services to be rendered in connection with the Offering, the Corporation agrees to pay the Underwriter a fee equal to 6.0% of the aggregate gross proceeds of the issue and sale of the Offered Shares, including, for greater certainty, in respect of any Additional Shares issued on exercise of the Underwriter's Option (the "Underwriter's Fees"). The obligation of the Corporation to pay the Underwriter's Fees shall arise at the Closing Time.

## **Section 10 Delivery of Offering Price, Underwriter's Fees and Offered Shares**

- (1) The purchase and sale of the Offered Shares shall be completed at the Closing Time at the offices of Cassels Brock & Blackwell LLP, Suite 2100, Scotia Plaza, 40 King Street West, Toronto, Ontario, or at such other place as the Underwriter and the Corporation may agree upon. On or prior to Closing, all documents and certificates necessary to complete the sale of the Offered Shares to the Purchasers shall be deposited into escrow. The terms of the escrow will provide that the documents and certificates deposited into escrow will be released in accordance with the steps set out in the closing agenda for the Offering, which steps will be satisfactory to the Underwriter, the Corporation and their respective counsel, acting reasonably.
- (2) At the Closing, the Corporation will deliver a certificate or certificates evidencing the Offered Shares registered in the name of "CDS & CO." or in such other name or names as the Underwriter may direct the Corporation in writing at least 24 hours prior to the Closing Time, or, at the option of the Underwriter, deliver the Offered Shares electronically through CDS Clearing and Depository Services Inc., to an account of the Underwriter designated by the Underwriter at least 24 hours prior to the Closing Time, against payment of the Offering Price by wire transfer to an account designated by the Corporation at least 24 hours prior to the Closing Time. The Underwriter and the Corporation acknowledge that the Offered Shares will have a restricted CUSIP and ISIN number containing the required four month hold restriction contemplated by applicable Canadian securities laws.
- (3) Delivery by the Corporation of the Offered Shares shall be against payment by the Underwriter to the Corporation of the Offering Price for the Offered Shares, net of the Underwriter's Fees, by wire transfer of immediately available funds, together with a receipt signed by the Underwriter for such Offered Shares and acknowledging receipt of payment of the Underwriter's Fees.

## **Section 11 Delivery of Offered Shares**

- (1) The Corporation shall deliver all such notices and take all such actions as are required under the terms and conditions of the articles of the Corporation in order for the Offered Shares to be delivered to the Purchasers pursuant to the Subscription Agreements as contemplated in this Agreement.
- (2) The Corporation shall, prior to the Closing Date, make all necessary arrangements for the preparation and delivery (and, in the case of certificate(s), execution of such certificate(s) representing the Offered Shares) of the Offered Shares on the Closing Date in the City of Toronto.

## **Section 12 Underwriter's Option**

In the event the Underwriter's Option is exercised in whole or in part:

- (a) the Additional Shares shall be deemed to form part of the Offering and all provisions relating to Closing shall apply to the Underwriter's Option;

- (b) the Underwriter shall notify the Corporation in writing of their election to exercise the Underwriter's Option, not later than 48 hours prior to the Closing Date, which notice shall specify the number of Additional Shares to be sold by the Corporation on the Closing Date; and
- (c) the Underwriter agrees to purchase the percentage of such Additional Shares (subject to such adjustments to eliminate fractional Additional Shares as the Underwriter may determine).

### **Section 13      Conditions to Closing**

- (1) The obligations of the Underwriter hereunder to purchase the Offered Shares at the Closing Time shall be subject to the representations and warranties of the Corporation contained in this Agreement being accurate in all material respects (or if qualified by materiality, in all respects) as of the date of this Agreement and as of the Closing Date (except for representations and warranties that are made as of a specified date), to the Corporation having performed in all material respects all of its obligations under this Agreement and to the following additional conditions, and the Underwriter shall have the right on the Closing Date on behalf of Purchasers to withdraw all Subscription Agreements delivered and not previously withdrawn by Purchasers unless such conditions have been satisfied:

- (a) **Delivery of Opinions**

- (i) The Underwriter shall have received at the Closing Time a legal opinion dated the Closing Date, in form and substance satisfactory to the Underwriter, acting reasonably, addressed to the Underwriter (and, if required for opinion purposes, counsel to the Underwriter) from Cassels Brock & Blackwell LLP, counsel to the Corporation, as to the laws of Canada and the Selling Jurisdictions where the Offered Shares will be sold, which counsel in turn may rely upon the opinions of local counsel where it deems such reliance proper as to the laws of provinces or territories other than Ontario, Alberta and British Columbia (or alternatively make arrangements to have such opinions directly addressed to the Underwriter) and as to matters of fact, on certificates of Governmental Authorities and officers of the Corporation and letters from stock exchange representatives and transfer agents, with respect to the following matters:
  - (A) as to the existence of the Corporation and each of the Subject Subsidiaries under the laws of its jurisdiction of incorporation and as to the corporate power and capacity of the Corporation and each of the Subject Subsidiaries and to own and lease its property and assets and carry on its activities and of the Corporation to execute, deliver and perform its obligations under this Agreement and the Subscription Agreements;
  - (B) as to the authorized and outstanding capital of the Corporation and each of the Subject Subsidiaries (and the holder of the issued and outstanding share capital of the Subject Subsidiaries);
  - (C) that 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;

- (D) that each of this Agreement and the Subscription Agreements has been duly executed and delivered by the Corporation and constitutes a legal, valid and binding obligation of the Corporation and is enforceable against the Corporation in accordance with its terms, subject to customary qualifications for enforceability opinions;
- (E) that the Offered Shares (and for certainty, the Additional Shares, if applicable) have been validly authorized and issued by the Corporation and upon payment therefor being made to the Corporation in accordance with this Agreement, will be fully-paid and non-assessable securities of the Corporation;
- (F) that no approval, authorization, consent or other order of, and no filing, registration or recording with, any Governmental Authority is required of the Corporation under the laws of the Province of Alberta and the federal laws of Canada applicable therein in connection with the execution and delivery of each of this Agreement and the Subscription Agreements and the performance of its obligations hereunder and thereunder, except as have been obtained or made and are in full force and effect, or as required by Applicable Securities Laws with regard to the distribution of the Offered Shares in the Selling Jurisdictions;
- (G) that the execution and delivery of each of this Agreement and the Subscription Agreements and the performance of the Corporation's obligations hereunder and thereunder do not and will not result in a breach (whether after notice or lapse of time or both) of any of the terms, conditions or provisions of the articles or by-laws of the Corporation or any laws of the Province of Alberta or the federal laws of Canada applicable therein;
- (H) the Offered Shares (and for certainty, the Additional Shares) have been conditionally approved for listing by the TSXV, subject to the customary conditions to listing of the TSXV;
- (I) that the form and terms of the certificate(s) representing the Common Shares and the Offered Shares, if any, have been duly approved by the Corporation and comply with the provisions of the articles and by-laws of the Corporation, the requirements of the ABCA and the applicable requirements of the TSXV, as applicable;
- (J) that Computershare Trust Company of Canada, at its principal offices in the City of Vancouver, British Columbia, has been duly appointed as the transfer agent and registrar for the Common Shares and the Offered Shares;
- (K) that the issuance, sale and delivery of the Offered Shares in the Selling Jurisdictions pursuant to the terms of the Subscription Agreements is exempt from the prospectus requirements of the Applicable Securities Laws and no prospectus is required nor are other documents required to be filed, proceedings taken or approvals, permits, consents, orders or authorizations of regulatory authorities under such Applicable Securities Laws required to be obtained under the Applicable Securities Laws to

permit such issuance, sale and delivery, subject to the completion of filings and deliveries required to be made after the completion of the Offering;

(L) that the first trade in the Offered Shares is exempt from or is not subject to, the prospectus requirements of the Applicable Securities Laws, and no prospectus is required nor are other documents required to be filed, proceedings taken, or approvals, permits, consents, orders or authorizations of regulatory authorities under Applicable Securities Laws required to be obtained under Applicable Securities Laws (other than such as have been filed or obtained) to permit such trade through registrants registered under Applicable Securities Laws who have complied with such Applicable Securities Laws or in circumstances in which there is an exemption from the registration requirements of such Applicable Securities Laws, provided that:

(I) the Corporation is, and has been, a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade;

(II) at the time of the trade, at least four months have elapsed from the Closing Date;

(III) the certificates representing the Offered Shares, if any, carried a legend in the form prescribed by section 2.5(2)3.(i) of NI 45-102 stating that, unless permitted under securities legislation, the holder of this security must not trade the security before the date which is four months and one day from the Closing Date;

(IV) if the Offered Shares are entered into a direct registration or other electronic book-entry system, or if the purchaser did not directly receive a certificate representing the security, the purchaser received written notice containing the legend restriction notation set out in clause (3) above;

(V) the trade is not a "control distribution" as such term is defined in NI 45-102;

(VI) the trade is not a transaction or series of transactions involving a purchase and sale or a repurchase and resale in the course of or incidental to a distribution;

(VII) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of the trade;

(VIII) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and

(IX) if the holder is an insider or officer of the Corporation, the holder has no reasonable grounds to believe that the Corporation is in default of securities legislation; and

(M) as to any other legal matters reasonably requested by the Underwriter.

- (ii) If there are purchasers in the United States, a favourable legal opinion, dated the Closing Date in form and substance and subject to customary qualifications and assumptions satisfactory to the Underwriter, acting reasonably, from Nauth LPC, in its capacity as the Corporation's U.S. counsel, addressed to the Underwriter, and such legal opinion shall be to the effect that no registration of the Offered Shares will be required under the U.S. Securities Act in connection with such offer and sales that actually take place in the United States in accordance with and reliance upon this Agreement, it being understood that such counsel shall not be required to provide any legal opinion with regard to the subsequent transfer, resale, pledge, exchange or other disposition of any of the Offered Shares.

(b) **Delivery of Certificates**

- (i) The Underwriter shall have received at the Closing Time a certificate dated the Closing Date, addressed to the Underwriter (and, if necessary for opinion purposes, counsel to the Underwriter) and signed by officers of the Corporation acceptable to the Underwriter, acting reasonably, with respect to the constating documents of the Corporation, the absence of proceedings taken regarding dissolution, all resolutions of the board of directors of the Corporation relating to this Agreement and the Subscription Agreements, the incumbency and specimen signatures of signing officers of the Corporation and such other matters as the Underwriter may reasonably request.
- (ii) The Underwriter shall have received at the Closing Time a certificate dated the Closing Date, addressed to the Underwriter and counsel to the Underwriter and signed on behalf of the Corporation by the Chief Executive Officer and the Chief Financial Officer or other officers of the Corporation acceptable to the Underwriter, acting reasonably, certifying for and on behalf of the Corporation and without personal liability, after having made due enquiry:
  - (A) that since December 31, 2020: (1) there has been no material change (as defined in the *Securities Act* (Alberta)) (actual, anticipated, contemplated or threatened, whether financial or otherwise) with respect to the Corporation, and (2) no transaction has been entered into by any of the Corporation or its Subsidiaries which is material to the Corporation and its Subsidiaries taken as a whole, other than as publicly disclosed in the Corporation's filings on SEDAR;
  - (B) that no order, ruling or determination having the effect of suspending the sale or ceasing the trading of the Common Shares, the Offered Shares or any other securities of the Corporation has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened under any Applicable Securities Laws or by any Governmental Authority;
  - (C) that the Corporation has complied in all material respects with the terms and conditions of this Agreement on its part to be complied with up to the Closing Time; and
  - (D) that the representations and warranties of the Corporation contained in this Agreement are true and correct in all material respects as of the

Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement and the Subscription Agreements, except in respect of: (x) those representations and warranties contained in Sections 6(a), 6(l) and 6(t) of this Agreement, which shall be true and correct, (y) any representations and warranties that are to be true and correct as of a specified date, in which case they will be true and correct as of that date only, and (z) any representations and warranties (other than those listed in clause (x) above) that are subject to a materiality qualification, in which case they shall be true and correct in all respects.

(c) **Lock-Up Agreements**

The Underwriter shall have received, prior to the Closing Time, an executed lock-up agreement, substantially in the form of Schedule A, from each of the Locked-Up Parties.

(d) **TSXV Approval**

The Corporation shall have obtained the conditional approval of the TSXV (as evidenced by a letter from the TSXV) in respect of the listing of the Offered Shares on the TSXV, subject to the customary conditions to listing of the TSXV.

(e) **Receipt of Additional Documents**

The Underwriter shall have received such other customary closing certificates, opinions, receipts, agreements or documents as the Underwriter may reasonably request.

**Section 14 Rights of Termination**

(a) **Regulatory Proceedings Out**

If, after the date hereof and prior to the Closing Time, any enquiry, action, suit, investigation or other proceeding, whether formal or informal, is instituted or announced or any order is made by any federal, provincial or other Governmental Authority in relation to the Corporation which, in the opinion of the Underwriter, acting reasonably, operates to prevent or restrict the distribution or trading of the Offered Shares or the Common Shares, then such Underwriter shall be entitled, at its option and in accordance with Section 14(e), to terminate its obligations under this Agreement by notice to that effect given to the Corporation any time at or prior to the Closing Time.

(b) **Disaster Out**

If, after the date hereof and prior to the Closing Time, there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including the COVID-19 pandemic, to the extent that there is any material adverse development related thereto after December 7, 2021, or similar event or the escalation thereof) or any law or regulation which, in the reasonable opinion of the Underwriter, seriously adversely affects, or involves, or will seriously adversely affect, or involve, the financial markets or the business, operations or affairs of the Underwriter and its Subsidiaries taken as a whole, then such Underwriter shall be entitled, at its option and in accordance with Section 14(e), to terminate its obligations under this Agreement by written notice to that effect given to the Corporation at any time at or prior to the Closing Time.

(c) **Material Change or Change in Material Fact Out**

If, after the date hereof and prior to the Closing Time, there shall occur, be discovered by the Underwriter or be announced by the Corporation any material change or change in a material fact or a new material fact arises or is discovered that, in the reasonable opinion of the Underwriter, would be expected to have a significant adverse effect on the market price or value of the Offered Shares or the Common Shares, then such Underwriter shall be entitled, at its option, in accordance with Section 14(e), to terminate its obligations under this Agreement by written notice to that effect given to the Corporation any time at or prior to the Closing Time.

**(d) Non-Compliance with Conditions**

The Corporation agrees that all terms and conditions in Section 13 shall be construed as conditions and complied with so far as they relate to acts to be performed or caused to be performed by it, that it will use its best efforts to cause such conditions to be complied with, and that any breach or failure by the Corporation to comply with any such conditions in any material respect shall entitle the Underwriter to terminate its obligations under this Agreement by notice to that effect given to the Corporation at any time at or prior to the Closing Time, unless otherwise expressly provided in this Agreement. Each Underwriter may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to its rights in respect of any other terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon an Underwriter only if such waiver or extension is in writing and signed by the Underwriter.

**(e) Exercise of Termination Rights**

The rights of termination contained in Sections 14(a), (b), (c) and (d) may be exercised by the Underwriter and are in addition to any other rights or remedies the Underwriter 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 or otherwise. In the event of any such termination, the Underwriter shall have the right on the Closing Date on behalf of Purchasers to withdraw all Subscription Agreements delivered and not previously withdrawn by Purchasers. In addition, in the event of any such termination, there shall be no further liability on the part of the Underwriter to the Corporation or on the part of the Corporation to the Underwriter except in respect of any liability which may have arisen prior to or arise after such termination under Sections 15, 16, 17 and 19. A notice of termination given by an Underwriter under Section 14(a), (b), (c) or (d) shall not be binding upon any other Underwriter who has not also executed such notice.

**Section 15 Indemnification of the Underwriter**

**(a) Rights of Indemnity**

The Corporation agrees to indemnify and hold harmless the Underwriter and its affiliates, current and former directors, officers, employees and agents from and against all liabilities, claims, losses, costs, damages and expenses resulting from claims by third parties (including without limitation any legal fees or other expenses reasonably incurred by such persons in connection with defending or investigating any of the above, which legal fees and other expenses the Corporation shall reimburse such persons for forthwith upon demand), but excluding any losses resulting from the acquisition, holding or disposition of Offered Shares by such persons as principal and any loss of profits and other consequential damages, in any way caused by, or arising directly or indirectly from, or in consequence of:

- (i) any information or statement contained in any certificate of the Corporation delivered pursuant to this Agreement or in the Continuous Disclosure Documents, which at the time and in the light of the circumstances under which it was made

contains or is alleged to contain a misrepresentation or an untrue statement of a material fact or which omits to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they were made, not misleading;

- (ii) any order made or enquiry, investigation or proceedings commenced or threatened by any securities commission or other competent authority based upon any untrue statement or omission or alleged untrue statement or alleged omission or any misrepresentation or alleged misrepresentation contained in the Continuous Disclosure Documents, or based upon any failure to comply with Applicable Securities Laws (other than any failure or alleged failure to comply by the Underwriter), preventing or restricting the trading in or the sale or distribution of the Offered Shares or the trading in the Common Shares in any of the Selling Jurisdictions;
- (iii) the non-compliance or alleged non-compliance by the Corporation with Applicable Securities Laws, including the Corporation's non-compliance with any statutory requirement to make any document available for inspection; or
- (iv) any material breach by the Corporation of its representations, warranties, covenants or obligations to be complied with under this Agreement.

## **Section 16 Indemnification Process**

### **(a) Notification of Claims**

If any matter or thing contemplated by Section 15 (any such matter or thing being referred to as a "Claim") is asserted against any person or company in respect of which indemnification is or might reasonably be considered to be provided, such person or company (the "Indemnified Party") will notify the Corporation in writing, in the event of an asserted Claim in respect of which indemnification may be sought under Section 15(a), as soon as possible of the particulars of such Claim (but the omission so to notify the Corporation of any Claim shall not affect the Corporation's liability except to the extent that the Corporation is materially prejudiced by that failure, and then only to such extent). The Corporation shall assume the defence of any suit brought to enforce any Claim in respect of which indemnification may be sought under Section 15(a), provided, however, that

- (i) the defence shall be conducted through legal counsel acceptable to the Indemnified Party, acting reasonably, and
- (ii) no settlement of any such Claim or admission of liability may be made by the Corporation without the prior written consent of the Indemnified Party, acting reasonably, unless such settlement includes an unconditional release of the Indemnified Party from all liability arising out of such action or claim and does not include a statement as to or an admission of negligence, fault, culpability or failure to act, by or on behalf of any Indemnified Party.

### **(b) Right of Indemnity in Favour of Others**

With respect to any Indemnified Party who is not a party to this Agreement, the Underwriter and the Corporation, as applicable, shall obtain and hold the rights and benefits of this Section 16 in trust for and on behalf of such Indemnified Party.

(c) **Retaining Counsel**

In any such Claim, the Indemnified Party shall have the right to retain other counsel to act on his, her or its behalf, provided that the fees and disbursements of such counsel shall be paid by the Indemnified Party unless:

- (i) the Corporation and the Indemnified Party shall have mutually agreed to the retention of the other counsel;
- (ii) the named parties to any such Claim (including any added third or impleaded party) include both the Indemnified Party and the Corporation and the Indemnified Party shall have been advised in writing by legal counsel that the representation of both parties by the same counsel would be inappropriate due to the actual or potential differing interests between them; or
- (iii) the Corporation shall not have retained counsel within 10 Business Days following receipt by the Corporation of notice of any such Claim from the Indemnified Party;

provided that no settlement of such Claim or admission of liability may be made by the Indemnified Party without the prior written consent of the Corporation, acting reasonably. Notwithstanding any other provision of this Agreement, the Corporation shall only be liable for the reasonable fees and expenses of one separate law firm (in addition to any local counsel) at any time for all Indemnified Parties not having actual or potential differing interests in respect of a particular Claim.

**Section 17 Contribution**

(a) **Rights of Contribution**

In order to provide for a just and equitable contribution in circumstances in which an indemnity provided in Section 15 would otherwise be available in accordance with its terms but is, for any reason, held to be unavailable to or unenforceable by the Indemnified Parties or enforceable otherwise than in accordance with its terms, the Corporation and the Underwriter shall severally contribute to the aggregate of all claims, expenses, costs and liabilities and all losses (other than loss of profits or consequential damages) of a nature contemplated by Section 15 in such proportions to reflect the relative benefits received by the Corporation on the one hand and the Underwriter on the other hand from the Offering as contemplated by this Agreement as well as the relative fault of the Corporation and the Underwriter with respect to such Claim and any other equitable consideration, whether or not the Corporation has been sued together with the Underwriter or sued separately from the Underwriter, provided, however, that:

- (i) the Underwriter shall not in any event be liable to contribute, in the aggregate, any amounts in excess of the aggregate Underwriter's Fees actually received by the Underwriter from the Corporation under this Agreement;

- (ii) the Underwriter shall not in any event be liable to contribute any amount in excess of such Underwriter's portion of the aggregate Underwriter's Fees actually received from the Corporation under this Agreement; and
- (iii) no party who has been determined by a court of competent jurisdiction in a final judgement (which is not appealable) to have engaged in any fraud, fraudulent misrepresentation or gross negligence shall be entitled to claim contribution from any person who has not been so determined to have engaged in such fraud, fraudulent misrepresentation or gross negligence.

(b) **Rights of Contribution in Addition to Other Rights**

The rights to contribution provided in this Section 17 shall be in addition to and not in derogation of any other right to contribution which the Underwriter may have by statute or otherwise at law.

(c) **Calculation of Contribution**

In the event that the Corporation may be held to be entitled to contribution from the Underwriter under the provisions of any statute or at law, the Corporation shall be limited to contribution in an amount not exceeding the lesser of:

- (i) the portion of the full amount of the loss or liability giving rise to such contribution for which the Underwriter is responsible, as determined in Section 17(a); and
- (ii) the amount of the Underwriter's Fees actually received by the Underwriter from the Corporation under this Agreement, and an Underwriter shall in no event be liable to contribute, individually, any amount in excess of such Underwriter's portion of the aggregate Underwriter's Fees actually received from the Corporation under this Agreement.

(d) **Notice**

If the Underwriter has reason to believe that a claim for contribution may arise, they shall give the Corporation notice of such claim in writing, as soon as reasonably possible, but failure to notify the Corporation shall not relieve the Corporation of any obligation which it may have to the Underwriter under this Section 17.

(e) **Right of Contribution in Favour of Others**

With respect to this Section 17, the Corporation acknowledges and agrees that the Underwriter is contracting on its own behalf and as agents for its affiliates, directors, officers, employees and agents.

The Underwriter's respective obligations to contribute pursuant to this Section 17 are several, and not joint, in proportion to the percentages of Underwriter's Fees set forth opposite their respective names in Section 9 hereof.

(f) **Remedy Not Exclusive**

The remedies provided for in this Section 17 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any party at law or in equity.

## **Section 18 Severability**

If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severable from this Agreement.

## **Section 19 19. Expenses**

The Corporation will pay all expenses and fees in connection with the Offering, including, without limitation: (i) all transfer agent's fees; (ii) all fees and expenses associated with the creation and issuance of the Offered Shares and the delivery of the Offered Shares; (iii) all fees and expenses of legal counsel to the Corporation; (iv) all filing and stock exchange listing fees; (v) all reasonable "out of pocket" fees and expenses of the Underwriter; and (vi) all costs of the Corporation's legal, accounting and other advisors in connection with the Offering, including the fees and expenses of the Underwriter's legal counsel up to a maximum of \$100,000 (plus HST and disbursements). If the Offering is not completed in accordance with the terms and conditions of this Agreement, the Corporation shall assume and pay all of the Underwriter's reasonable fees and expenses, inclusive of the reasonable fees and expenses of the Underwriter's legal counsel, incurred in connection with the Offering, except if the Offering is not completed by reason of default of the Underwriter and the Corporation has complied with this Agreement and is prepared to complete the purchase and sale of the Offered Shares at the Closing Time.

## **Section 20 Corporation Lock-Up**

During the period beginning on the date hereof and ending on the date that is 120 days after the Closing Date, the Corporation shall not, directly or indirectly, without the prior written consent of the Underwriter, not to be unreasonably withheld, sell, offer to sell, issue, grant any option, warrant or other right for the sale or issuance of, or otherwise lend, transfer, assign or dispose of (including without limitation by making any short sale, engaging in any hedging, monetization or derivative transaction or entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of Common Shares or other equity securities of the Corporation or securities convertible into, exchangeable for, or otherwise exercisable into Common Shares or other equity securities of the Corporation, whether or not cash settled), in a public offering or by way of private placement or otherwise, any Common Shares or other equity securities of the Corporation or any securities convertible into, exchangeable for, or otherwise exercisable into Common Shares or other equity securities of the Corporation, or agree to do any of the foregoing or publicly announce any intention to do any of the foregoing, other than:

- (a) the issuance of the Offered Shares (including the Additional Shares) in connection with the Offering and the concurrent non-brokered private placement being conducted by the Corporation on the same terms as the Offering;
- (b) the grant or exercise of stock options and other similar issuances pursuant to the stock option plan of the Corporation and other share compensation arrangements including, for greater certainty, the sale of any shares issued pursuant thereto;
- (c) obligations in respect of existing convertible securities or agreements as at the date hereof;
- (d) a public or private offering of convertible debt securities or a public or private offering of debt securities (including warrants); and
- (e) a bone fide acquisition of non-cash assets involving arms-length parties.

## **Section 21 Survival of Representations and Warranties**

The representations, warranties, obligations and agreements of the Corporation contained in this Agreement and in any certificate delivered pursuant to this Agreement or in connection with the purchase and sale of the Offered Shares as contemplated in this Agreement shall survive the purchase of the Offered Shares, with such representations, warranties, obligations and agreements of the Corporation to survive and continue in full force and effect for a period ending on the latest date under applicable Canadian laws that a holder of Offered Shares or Common Shares may be entitled to commence an action with respect to the Offering or the purchase of Offered Shares pursuant to the Offering; provided that the representations, warranties, obligations and agreements of the Corporation shall survive during the pendency of any action(s) commenced prior to the expiration of such period(s), including all appeals of such action(s), and shall survive and continue in full force and effect unaffected by any subsequent disposition of the Offered Shares by the Purchasers or the termination of the Underwriter's obligations and shall not be limited or prejudiced by any investigation made by or on behalf of the Underwriter in connection with the distribution of the Offered Shares.

## **Section 22 Time**

Time is of the essence in the performance of the parties' respective obligations under this Agreement.

## **Section 23 Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in the Province of Ontario.

## **Section 24 Notice**

Unless otherwise expressly provided in this Agreement, any notice or other communication to be given under this Agreement (a "**notice**") shall be in writing addressed as follows:

If to the Corporation, addressed and sent to:

Rhyolite Resources Ltd.  
595 Burrard Street  
Three Bentall Centre, Suite 1703  
Vancouver, British Columbia  
Canada V7X 1J1

Attention: Fred Stanford  
E-mail: [fstanford@rhyoliteresources.com](mailto:fstanford@rhyoliteresources.com)

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

Cassels Brock & Blackwell LLP  
Suite 2100, Scotia Plaza  
40 King Street West Toronto, ON M5H 3C2

Attention: Jay Goldman / Sam Cole  
Email: [jgoldman@cassels.com](mailto:jgoldman@cassels.com) / [scole@cassels.com](mailto:scole@cassels.com)

If to BMO Nesbitt Burns Inc., addressed and sent to:

BMO Nesbitt Burns Inc.  
100 King Street West  
Toronto, ON M5X 1H3

Attention: Josh Goldfarb  
E-mail: [joshua.goldfarb@bmo.com](mailto:joshua.goldfarb@bmo.com)

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

Stikeman Elliott LLP  
5300 Commerce Court West  
199 Bay Street  
Toronto, Ontario M5L 1B9  
Canada

Attention: Amanda Linett  
Email: [alinett@stikeman.com](mailto:alinett@stikeman.com)

or to such other address as any of the parties may designate by giving notice to the others in accordance with this Section 24. Each notice shall be personally delivered to the addressee or sent by e-mail to the addressee. A notice which is personally delivered or delivered by e-mail shall, if delivered prior to 5:00 p.m. (Toronto time) on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered.

## **Section 25 Underwriter's Activities**

- (1) In the ordinary course of its business activities, the Underwriter engages in a broad array of trading, foreign exchange and other brokerage activities, and principal investing, as well as providing investment, corporate and private banking, asset and investment management, financing and financial advisory services and other commercial services and products to a wide range of corporations, governments and individuals from which conflicting interests or duties, or a perception thereof, may arise (collectively, "**Services**"). The Corporation expressly acknowledges and agrees that, in the ordinary course of business, the Underwriter and its affiliates may at any time (i) invest on a principal basis or on behalf of customers or manage funds that invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions, for their own accounts or the accounts of customers, in equity, debt or other securities or financial instruments of the Corporation or any other company that may be involved in any proposed transaction, and (ii) may provide or arrange financing and other financial services to one or more other companies that may be involved in any proposed transaction as contemplated herein or a competing transaction, in each case whose interests may conflict with those of the Corporation.
- (2) Although information may be acquired by an Underwriter in the course of (i) providing Services to parties other than the Corporation, (ii) engaging in any transaction (on its own account or otherwise) or (iii) otherwise carrying out its business, no Underwriter shall have any obligation to disclose such information, or the fact that it is in possession of such information, to the Corporation or to use such information for the benefit of the Corporation. In addition, any Underwriter or its affiliates may have (i) other relationships whereby such party may exercise voting power over securities of various persons, which securities may from time to time include securities of the Corporation and (ii) commercial relationships (including acting as a vendor or customer) with the Corporation. The Corporation acknowledges that the Underwriter and its affiliates may exercise such powers and otherwise perform their functions in connection with such commercial or other

relationships without regard to the Underwriter's relationship to the Corporation hereunder. In addition, the Corporation acknowledges that neither the offering of the Offered Shares nor any other matter shall restrict or prevent the Underwriter from undertaking any business activity, acting for its own account, or acting on behalf of, or providing any Services to, other customers and such Underwriter may undertake any business activity or provide any Services without further notification to the Corporation.

**Section 26      No Advisory or Fiduciary Responsibility**

The Corporation acknowledges and agrees that: (i) the Underwriter is acting solely as underwriters and agents in connection with the purchase and sale of the Offered Shares; (ii) the Underwriter is acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis; (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favour of the Corporation with respect to the Offering or any other obligation to the Corporation except the obligations expressly set forth in this Agreement; and (iv) the Corporation has consulted its own legal and other advisors to the extent it deemed appropriate. The Corporation agrees that it will not claim that the Underwriter has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Corporation in connection with the Offering.

**Section 27      Confidentiality**

The Underwriter agrees to keep confidential all information obtained by it from the Corporation in connection with the Offering. This confidentiality obligation shall not apply or extend to information now in the public domain, information which may subsequently become public, other than through breach by the Underwriter of its obligations hereunder, information disclosed to the Underwriter by third parties in respect of which such third parties are not under an obligation of confidentiality to the Corporation, or information which is required by law, rule, regulation or order or requirement of a court, regulatory body, administrative agency or other governmental body (including for greater certainty, any policy, rule, or regulation of any securities exchange to which the Underwriter is subject) to be disclosed. Notwithstanding anything to the contrary herein, no prior notice or other action shall be required in respect of any disclosure made to any banking, financial, accounting, securities or similar supervisory authority exercising its routine supervisory or audit functions. The confidentiality obligations contained herein will expire on the date that is one year from the Closing Date.

**Section 28      Counterparts**

This Agreement may be executed by the parties to this Agreement in counterpart and may be executed and delivered by facsimile or by email in portable document or other similar format and all such counterparts and electronic copies shall together constitute one and the same agreement.

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

If the foregoing is in accordance with your understanding and is agreed to by you, please signify your acceptance by executing the enclosed copies of this Agreement where indicated below and returning the same to the Lead Underwriter upon which this Agreement as so accepted shall constitute an agreement among us.

Yours very truly,

**BMO NESBITT BURNS INC.**

By: (signed) "Josh Goldfarb"  
Name: Josh Goldfarb  
Title: Managing Director, Global Metals & Mining

The foregoing offer is accepted and agreed to as of the date first above written.

**RHYOLITE RESOURCES LTD.**

By: (signed) "Fred Stanford"  
Name: Fred Stanford  
Title: Chief Executive Officer

*[Signature page re Underwriting Agreement]*

**SCHEDULE A  
FORM OF LOCK-UP AGREEMENT**

December 21, 2021

BMO Nesbitt Burns Inc.  
100 King Street West  
Toronto, Ontario  
M5X 1H3  
(the “**Underwriter**”)

Attention: Josh Goldfarb, Managing Director, Global Metals & Mining

Ladies and Gentlemen:

**Rhyolite Resources Ltd. (the “Corporation”)**

The undersigned understands that the Underwriter have entered into an underwriting agreement (the “**Underwriting Agreement**”) with the Corporation contemplating a private placement of common shares of the Corporation (the “**Offering**”). The undersigned understands that it is a condition of the completion of the Offering pursuant to the Underwriting Agreement that certain persons enter into an agreement in the form of this letter. The undersigned acknowledges that the Underwriter is relying on the covenants of the undersigned contained in this letter in having decided to participate in the Offering and to enter into the Underwriting Agreement with the Corporation with respect to the Offering.

In consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees that, during the period beginning upon closing of the Offering and ending on the day that is the 120<sup>th</sup> calendar day following the closing date of the Offering, the undersigned will not, directly or indirectly, without the prior written consent of BMO Nesbitt Burns Inc. (the “**Underwriter**”), not to be unreasonably withheld:

- (a) sell, offer to sell, grant any option, right or warrant for the sale of, or otherwise lend, transfer, assign or dispose of (including, without limitation, by making any short sale, engaging in any hedging, monetization or derivative transaction or entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of common shares of the Corporation (“**Common Shares**”) or securities convertible or exchangeable into Common Shares, whether or not cash settled), in a public offering or by way of private placement or otherwise, any Common Shares or any securities convertible, exchangeable or exercisable into Common Shares;
- (b) secure or pledge any Common Shares or any securities convertible or exchangeable into Common Shares; or
- (c) agree to or announce any intention to do any of the foregoing things.

The foregoing paragraph shall not apply to: (A) *bona fide* gifts to the immediate family of the undersigned, provided the recipient thereof agrees in writing with the Underwriter to be bound by the terms of this agreement; (B) dispositions to any trust for the direct or indirect benefit of the undersigned and/or the immediate family of the undersigned, provided that such trust agrees in writing with the Underwriter to be bound by the terms of this agreement; (C) the tender of any securities as a result of a *bona fide* third party take-over bid made to all shareholders of the Corporation, or any arrangement, amalgamation or similar acquisition transaction of the Corporation, provided that in the event that such transaction is not

completed, any Common Shares held by the undersigned shall remain subject to the restrictions contained in this agreement; or (D) for greater certainty, any exercise of options where there is no other transaction involving the underlying Common Shares, and the sale of a portion of such Common Shares to satisfy tax withholding obligations. For purposes of this paragraph, "immediate family" shall mean the undersigned and the spouse, any lineal descendent, father, mother, brother or sister of the undersigned.

The obligations of the undersigned under this letter may be waived in writing in whole or part by the Underwriter in its sole discretion.

This agreement is governed by the laws of the Province of Ontario and the laws of Canada applicable therein. The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this agreement. This agreement is irrevocable and will be binding on the undersigned and its successors, heirs, personal representatives and assigns, and will enure to the benefit of the Underwriter and its legal representatives, successors and assigns.

**DATED** December 21, 2021.

---

**Name**  
(Please Print)

---

**Signature**

**SCHEDULE B**  
**UNITED STATES OFFERS AND SALES**

*This is Schedule B to the Underwriting Agreement dated as of December 21, 2021 between Rhyolite Resources Ltd. and the Underwriter referenced therein.*

As used in this Schedule B and related appendices, capitalized terms used but not defined herein will have the meanings ascribed to them in the Underwriting Agreement to which this Schedule B is annexed and the following terms will have the meanings indicated:

**“Affiliate”** means “affiliate” as that term is defined in Rule 405 under the U.S. Securities Act;

**“Directed Selling Efforts”** means “directed selling efforts” as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity, 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 Offered Shares and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of any of the Offered Shares;

**“Foreign Issuer”** means a “foreign issuer” as that term is defined in Rule 902(e) of Regulation S;

**“General Solicitation”** and **“General Advertising”** mean “general solicitation” and “general advertising”, respectively, as those terms are used under Rule 502(c) of Regulation D promulgated under the U.S. Securities Act, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over television, radio or the Internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

**“Offshore Transaction”** means “offshore transaction” as that term is defined in Rule 902(h) of Regulation S;

**“QIB Letter”** means the Qualified Institutional Buyer Letter in the form attached as Schedule F to the Subscription Agreement;

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

**“Substantial U.S. Market Interest”** means “substantial U.S. market interest” as that term is defined in Rule 902 of Regulation S;

**“U.S. Affiliate”** means the duly registered United States broker-dealer affiliate of an Underwriter;

**“U.S. Exchange Act”** means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

**“U.S. Securities Laws”** means all applicable securities legislation in the United States, including without limitation, the U.S. Securities Act, the U.S. Exchange Act, including the rules and policies of the United States Securities and Exchange Commission and any applicable state securities laws;

**“U.S. Person”** means a “U.S. person” as that term is defined in Rule 902(k) of Regulation S.

**Representations, Warranties and Covenants of the Underwriter**

The Underwriter (on its own behalf and on behalf of its U.S. Affiliate) acknowledges that the Offered Shares have not been and will not be registered under the U.S. Securities Act or applicable state securities laws and may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Underwriter

(on its own behalf and on behalf of its U.S. Affiliate) represents, warrants, covenants and agrees to and with the Corporation that:

1. Neither the Underwriter nor its U.S. Affiliate has offered or sold nor will any of them offer or sell any Offered Shares except (a) in an Offshore Transaction, in accordance with Rule 903 of Regulation S or (b) in the United States to a Subscriber that is a Qualified Institutional Buyer in reliance upon the exemption from registration available under Rule 144A and in transactions that are exempt from the registration requirements of applicable state securities laws, as provided in this Schedule B. Accordingly, none of the Underwriter, the U.S. Affiliate or any of their respective affiliates or any persons acting on their behalf (including any selling firms) (i) have engaged or will engage in any Directed Selling Efforts in the United States with respect to the Offered Shares; or (ii) except as permitted by this Schedule B, have made or will make (x) any offers to sell Offered Shares in the United States or (y) any sale of Offered Shares unless at the time the purchaser made its buy order therefor, the Underwriter, the U.S. Affiliate or other person acting on any of their behalf reasonably believed that such purchaser was outside the United States and not a U.S. Person or acting for the account or benefit of a U.S. Person.
2. Neither the Underwriter nor its U.S. Affiliate has entered nor will any of them enter into any contractual arrangement with respect to the offer, sale or any distribution of the Offered Shares, except with the prior written consent of the Corporation, such consent not to be unreasonably withheld.
3. All offers and sales of Offered Shares in the United States have been and will be made through the Underwriter's U.S. Affiliate which in each case is and at all relevant times was and will be a broker-dealer registered pursuant to Section 15(b) of the U.S. Exchange Act and in good standing with the Financial Industry Regulatory Authority Inc., and otherwise in compliance with all applicable U.S. broker-dealer requirements (including those of self-regulatory authorities) and U.S. Securities Laws, and all such offers and sales of Offered Shares have been and will be made only in states of the United States where such U.S. Affiliate is registered or otherwise exempt from registration.
4. In connection with offers and sales of Offered Shares in the United States no form of General Solicitation or General Advertising has been or will be used. Neither the Underwriter, its U.S. Affiliate, their respective affiliates or any persons acting on their behalf (including any selling firms) have engaged or will engage in any conduct involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in connection with the offer or sale of the Offered Shares in the United States.
5. Any offer or solicitation of an offer to buy Offered Shares that has been made or will be made in the United States was or will be made only to Qualified Institutional Buyers.
6. The Underwriter, through its U.S. Affiliate, will inform all purchasers of the Offered Shares in the United States, and all purchasers of Offered Shares that were offered Offered Shares in the United States, that the Offered Shares have not been and will not be registered under the U.S. Securities Act and the Offered Shares are being offered and sold to such persons in reliance on Rule 144A and similar exemptions under applicable state securities laws.
7. Each person purchasing Offered Shares in the United States and each purchaser of Offered Shares who was offered Offered Shares in the United States will be, prior to the sale of Offered Shares to such persons, required to execute a QIB Letter in the form of Schedule F attached to the Subscription Agreement. Prior to any offer or sale of Offered Shares to each offeree in the United States, such Underwriter and its U.S. Affiliate each had reasonable grounds to believe and did believe that each such offeree was a Qualified Institutional Buyer, and at the Closing will continue

to have reasonable grounds to believe and will continue to believe that each person purchasing Offered Shares in the United States and each purchaser of Offered Shares who was offered Offered Shares in the United States is a Qualified Institutional Buyer.

8. All offers and sales of Offered Shares made outside the United States by the Underwriter, its U.S. Affiliate, their respective affiliates or any persons acting on their behalf (including any selling firms) have been and will be made in Offshore Transactions within the meaning of Regulation S.
9. If the Underwriter authorizes any selling firm to offer and sell Offered Shares in the United States, the Underwriter will cause each such selling firm to acknowledge in writing, for the benefit of the Corporation, its agreement to be bound by the provisions of this Schedule B in connection with all offers and sales of the Offered Shares in the United States. The Underwriter will cause its U.S. Affiliate to comply with, and will use its best efforts to ensure compliance by the selling firms, with the provisions of this Schedule B as though such parties are directly party hereto.
10. Offers to sell and solicitations of offers to buy the Offered Shares in the United States have been and will be made pursuant to and in accordance with exemptions from the registration or qualification requirements of all applicable state securities ("Blue Sky") laws.
11. It acknowledges that until 40 days after the Closing of the offering of the Offered Shares, an offer or sale of the Offered Shares within the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, by any dealer (whether or not participating in this offering) may violate the registration requirement of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirement of the U.S. Securities Act.
12. Neither the Underwriter nor the U.S. Affiliate has taken or will take any action that would constitute a violation of Regulation M of the U.S. Exchange Act in connection with the offer or sale of the Offered Shares.
13. At least one Business Day prior to the Closing, the Underwriter and its U.S. Affiliate will provide the Corporation with (a) a list of all purchasers of the Offered Shares in the United States and all purchasers of Offered Shares who were offered Offered Shares in the United States, and (b) all executed QIB Letters in the form attached as Schedule "F" to the Subscription Agreement.
14. At the Closing, the Underwriter and its U.S. Affiliate will provide a certificate, substantially in the form of Appendix I attached hereto, relating to the manner of the offer of the Offered Shares in the United States, or such persons will be deemed to have represented to the Corporation that they did not offer or sell any Offered Shares in the United States.

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

The Corporation represents, warrants and covenants to the Underwriter and the U.S. Affiliate that:

1. The Corporation is a Foreign Issuer and reasonably believes that there is no Substantial U.S. Market Interest in the Offered Shares.
2. Except with respect to offers and sales in accordance with this Schedule B to Qualified Institutional Buyers in reliance upon the exemption from registration available under Rule 144A, neither the Corporation nor any of its affiliates, nor any person acting on its or their behalf (other than the Underwriter, the U.S. Affiliate, selling firms, their respective affiliates or any person acting on 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 Offered Shares in the United States, or (B) any sale of Offered Shares unless, at the time the buy order was or will, have been originated, the purchaser is (i) outside the United States or (ii) the Corporation, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States and not a U.S. Person.

3. All offers and sales of Offered Shares made outside the United States by the Corporation, any of its affiliates or any person acting on its or their behalf (other than the Underwriter, the U.S. Affiliate, selling firms, their respective affiliates or any person acting on their behalf, in respect of which no representation is made), have been and will be made in Offshore Transactions within the meaning of Regulation S. None of the Corporation, its affiliates, or any person acting on its or their behalf (other than the Underwriter, the U.S. Affiliate, selling firms, their respective affiliates or any person acting on their behalf, in respect of which no representation is made), has made or will make any Directed Selling Efforts in the United States with respect to the Offered Shares.
4. None of the Corporation, its affiliates, or any person acting on its or their behalf, has taken or will take any action that would cause the exemption from the registration requirements of the U.S. Securities Act afforded by Rule 144A or the exclusion from registration provided by Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Shares pursuant to this Agreement.
5. None of the Corporation, any of its affiliates or any person acting on its or their behalf (other than the Underwriter, the U.S. Affiliate, selling firms, their respective affiliates or any person acting on their behalf, in respect of which no representation is made) has offered or will offer to sell, or has solicited or will solicit offers to buy, Offered Shares in the United States by means of 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 U.S. Securities Act.
6. For so long as any of the Offered Shares which have been sold to, or for the account or benefit of, persons in the United States or U.S. Persons in reliance upon Rule 144A are outstanding and "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act and not eligible for resale pursuant to Rule 144(b)(1) under the U.S. Securities Act, at any time when the Corporation is neither subject to and in compliance with the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act, nor exempt from such reporting requirements pursuant to Rule 12g3-2(b) thereunder, the Corporation will provide holders and prospective purchasers of Offered Shares designated by such holders, upon request, with the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act, for so long as the provision of such information is required to permit resales of the Offered Shares pursuant to Rule 144A.
7. The Offered Shares are not, and as of the Closing will not be, and no securities of the same class as the Offered Shares are or will be: (i) listed on a national securities exchange in the United States registered under Section 6 of the U.S. Exchange Act; (ii) quoted in a "U.S. automated inter-dealer quotation system", as such term is used for purposes of Rule 144A; or (iii) convertible or exchangeable into, or exercisable for, securities so listed or quoted at an effective conversion or exercise premium (calculated as specified in paragraph (a)(6) and (a)(7) of Rule 144A) of less than ten percent for securities so listed or quoted.
8. None of the Corporation or any of its predecessors or subsidiaries has had the registration of a class of securities under the U.S. Exchange Act revoked by the SEC pursuant to Section 12(j) of the U.S. Exchange Act and any rules or regulations promulgated under the U.S. Securities Act.

**APPENDIX I**  
**UNDERWRITER'S CERTIFICATE**

In connection with the private placement in the United States of Offered Shares of Rhyolite Resources Ltd. (the "**Corporation**"), pursuant to an underwriting agreement (the "**Underwriting Agreement**") dated as of December 21, 2021, between the Underwriter named therein and the Corporation, the undersigned hereby certify as follows:

1.     ● (the "**U.S. Affiliate**") is a duly registered broker or dealer pursuant to Section 15(b) of the U.S. Securities Exchange Act of 1934, as amended, and under the laws of each applicable state of the United States (unless exempted from the respective state's broker-dealer registration requirements), and was and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. on the date hereof and on the date of each offer and sale made by it in the United States and all offers and sales of Offered Shares in the United States have been effected by the U.S. Affiliate in accordance with all U.S. federal and state broker-dealer requirements;
2.     all offers of Offered Shares in the United States were made only through the U.S. Affiliate and to Qualified Institutional Buyers and have been effected in accordance with all applicable U.S. broker-dealer requirements and U.S. securities laws;
3.     immediately prior to offering or soliciting offers for the Offered Shares in the United we had reasonable grounds to believe and did believe that each offeree was a Qualified Institutional Buyer, and, on the date hereof, we continue to believe that each such person purchasing Offered Shares is either a Qualified Institutional Buyer;
4.     we obtained from each person in the United States that is purchased Offered Shares, an executed QIB Letter in the form of Schedule "F" attached to the Subscription Agreement, and we have delivered copies of the same to the Corporation;
5.     no form of General Solicitation or General Advertising was used by us, in connection with the offer of the Offered Shares in the United States;
6.     neither we nor any of our U.S. Affiliates have taken or will take any action which would constitute a violation of Regulation M of the U.S. Exchange Act in connection with the offer or sale of the Offered Shares; and
7.     all offers of the Offered Shares in the United States have been conducted by us in accordance with the terms of the Underwriting Agreement, including Schedule "B" thereto.

*[Signature Page Follows]*

Dated this \_\_\_\_ day of \_\_\_\_\_, 2021.

[INSERT NAME OF UNDERWRITER]

[INSERT NAME OF U.S. AFFILIATE]

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

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