

## AGENCY AGREEMENT

November 17, 2021

ValOre Metals Corp.  
800 West Pender Street, Suite 1020  
Vancouver, BC V6C 2V6

**Attention: James Paterson, Chairman & Chief Executive Officer**

Dear Sir:

The undersigned, Red Cloud Securities Inc. (the “**Agent**”) understands that ValOre Metals Corp. (the “**Company**”) proposes to issue and sell up to 15,000,000 “flow-through” units of the Company (the “**Offered FT Units**”) at a price of \$0.60 per Offered FT Unit for aggregate gross proceeds of up to approximately \$9,000,000 by way of private placement on a “best efforts agency” basis upon and subject to the terms and conditions contained herein. In addition, the Company hereby grants the Agent an option (“**Over-Allotment Option**”) to increase the size of the Offering by up to an additional 3,333,333 Offered FT Units (the “**Additional FT Units**”) for additional gross proceeds of up to approximately \$2,000,000. The Over-Allotment Option is exercisable at any time up to 48 hours prior to the Closing Date (as hereinafter defined). The Offered FT Units and the Additional FT Units are collectively referred to herein as the “**FT Units**” and each, individually, a “**FT Unit**”. The offer and sale of the Offered FT Units and the Additional FT Units, if any, are collectively referred to as the “**Offering**”.

Each FT Unit will consist of one common share in the capital of the Company (a “**Common Share**” and each Common Share comprising part of a FT Unit, a “**FT Share**”) and one half of one Common Share purchase warrant (each whole Common Share purchase warrant, a “**Warrant**”) each of which qualifies as a “flow-through share” as defined in subsection 66(15) of the Tax Act (as hereinafter defined). Each Warrant will entitle the holder thereof to acquire one Common Share (a “**Warrant Share**”), which will not qualify as a “flow-through share”, at an exercise price of \$0.65 at any time prior to 4:00 p.m. (Toronto time) on the date that is 24 months following the Closing Date, subject to adjustments in certain events. The specific attributes of the Warrants shall be set forth in the Warrant Indenture (as hereinafter defined).

The Agent shall be entitled to appoint a soliciting dealer group consisting of other registered dealers subject to acceptance by the Company (each, a “**Selling Firm**”) as its agents to assist in the Offering. Any fee payable to such dealer(s) shall be for the account of the Agent and shall be negotiated between the Agent and the Selling Firm(s).

In consideration of the services to be rendered by the Agent (or any Selling Firm(s) engaged by the Agent in amounts as determined by the Agent) in connection with the Offering, the Company shall pay to the Agent at the Closing Time (as hereinafter defined) the Commission (as hereinafter defined) and deliver the Compensation Warrants (as hereinafter defined) in such amounts and with such terms as set out in Section 6.5. The obligation of the Company to pay the Commission and issue the Compensation Warrants shall arise at the Closing Time and the Commission shall be fully earned by the Agent upon the completion of the Offering.

Upon and subject to the terms and conditions set forth herein, the Agent hereby agrees to act, and upon acceptance hereof, the Company hereby appoints the Agent, as the Company’s exclusive agent, to offer for sale by way of private placement on a “best efforts agency” basis, without underwriter liability, the FT Units to be issued and sold pursuant to the Offering and the Agent agrees to arrange for purchasers

of the FT Units in the Selling Jurisdictions (as hereinafter defined) or such other jurisdictions as the Agent and the Company may agree to.

The parties acknowledge that the Offered Securities (as hereinafter defined) and the Compensation Warrants have not been and will not be registered under the U.S. Securities Act (as hereinafter defined) or any state securities laws and may not be offered or sold to, or for the account or benefit of, persons in the United States (as hereinafter defined) or U.S. Persons (as hereinafter defined), nor may the Warrants or the Compensation Warrants be exercised by or on behalf of a person in the United States or a U.S. Person, except pursuant to exemptions from the registration requirements of the U.S. Securities Act and the applicable laws of any state of the United States.

## **ARTICLE 1 DEFINITIONS**

In this Agreement, in addition to the terms defined above, the following terms shall have the following meanings:

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

“**affiliate**”, “**associate**”, “**distribution**”, “**material change**”, “**material fact**” and “**misrepresentation**” shall have the respective meanings ascribed thereto in the *Securities Act* (British Columbia);

“**Agent**” has the meaning ascribed to such term on the face page of this Agreement;

“**Aggregate Subscription Price**” means the aggregate subscription proceeds from the sale and issue of the FT Units;

“**Agreement**” means this agency agreement, being the agreement resulting from the acceptance by the Company of the offer made by the Agent hereby;

“**Allocated Amount**” means \$0.60, being the amount allocated to each FT Unit multiplied by the number of FT Units subscribed and paid for pursuant to the Subscription Agreements;

“**Angilak Property**” means the mineral claims owned by the Company on federal crown lands in Nunavut;

“**Applicable Laws**” means any statute, bylaw, rule or regulation or any judgment, order, writ, injunction or decree of any Governmental Entity to which a specified person, property, transaction or event is subject;

“**Baffin Gold Property**” means the mineral tenures for the land package on central Baffin Island in Nunavut, acquired by the Company;

“**Business Day**” means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in the city of Toronto, Ontario or Vancouver, British Columbia are not open for business;

“**Canadian Exploration Expense**” or “**CEE**” means an expense referred to in paragraph (f) of the definition of “Canadian exploration expense” in subsection 66.1(6) of the Tax Act or which would be included in paragraph (h) of such definition if the reference therein to “paragraph (a) to (d) and

(f) to (g.4)” were read as “paragraph (f)”, other than amounts which are prescribed to be Canadian exploration and development overhead expenses for the purposes of paragraph 66(12.6)(b) of the Tax Act or the cost of acquiring or obtaining the use of seismic data described in paragraph 66(12.6)(b.1) of the Tax Act or any expense for prepaid services or rent that do not qualify as outlays and expenses for the period as described in the definition “expense” in subsection 66(15) of the Tax Act;

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

“**Claims**” has the meaning ascribed to such term in Section 6.3(1);

“**Closing**” means the completion of the purchase and sale of the FT Units as contemplated by this Agreement and the Subscription Agreements;

“**Closing Date**” means the day on which the Closing shall occur, being on or about November 17, 2021 or such other date as the Agent and the Company may determine;

“**Closing Time**” means 8:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Company and the Agent may determine;

“**Commission**” has the meaning ascribed to such term in Section 6.5 hereof;

“**Commitment Amount**” means in respect of the FT Units, the Allocated Amount;

“**Common Shares**” has the meaning ascribed to such term on the face page of this Agreement;

“**Compensation Warrant Certificate**” means the certificate evidencing a Compensation Warrant and containing the terms thereof;

“**Compensation Warrants**” has the meaning ascribed to such term in Section 6.5;

“**Compensation Warrant Shares**” has the meaning ascribed to such term in Section 6.5;

“**CRA**” means the Canada Revenue Agency;

“**Debt Instrument**” means any note, loan, bond, debenture, indenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability to which the Company is a party or otherwise bound and which is material to the Company;

“**Employee Plan**” shall have the meaning ascribed in Section 3.1(1)(d)(ii);

“**Encumbrances**” means any security interest, lien, claim, charge, hypothec, reservation of ownership, pledge, encumbrance, mortgage, adverse claim or right of a third party of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing (including any conditional sale or title retention agreement, or any capital or financing lease);

“**Environmental Laws**” has the meaning ascribed to such term in Section 3.1(1)(c)(vi);

“**Environmental Permits**” has the meaning ascribed to such term in Section 3.1(1)(c)(vii);

“**Financial Statements**” has the meaning ascribed to such term in Section 3.1(1)(a)(xiv);

**“Flow-Through Mining Expenditures”** means an expense that will, once renounced by the Company, qualify as a “flow-through mining expenditure” of a FT Unit Purchaser as defined in subsection 127(9) of the Tax Act or, where a Purchaser is a partnership, of the members of such Purchaser to the extent of their respective shares of the expense so renounced;

**“Follow-On Transaction”** has the meaning ascribed to such term in Section 2.4(1);

**“FT Share”** has the meaning ascribed to such term on the face page of this Agreement;

**“FT Unit Purchasers”** means the persons who, as purchasers or beneficial purchasers, acquire FT Units by duly completing, executing and delivering the Subscription Agreements and any other required documentation;

**“FT Units”** has the meaning ascribed to such term on the face page of this Agreement;

**“Governmental Entity”** means any court or tribunal in any jurisdiction or any federal, provincial, municipal, local or other governmental or regulatory body, agency, authority, department, commission, board, instrumentality, official or tribunal thereof;

**“including”** means including without limitation;

**“Indemnified Person”** has the meaning ascribed to such term in Section 2.2(1)(p)(xiii);

**“knowledge”** means, as it pertains to the Company and where such reference to knowledge is not qualified, the actual knowledge of James Paterson, Chief Executive Officer and Chairman of the Company and Robert Scott, Chief Financial Officer of the Company, as at the date of this Agreement, together with the knowledge which they would have had if they had conducted due and applicable inquiry into the relevant subject matter (which for greater certainty shall exclude any due diligence reports or materials prepared by the Agent or its counsel);

**“Leased Premises”** means the premises which are material to the Company or any Subsidiary and which the Company or any Subsidiary occupies as a tenant;

**“Material Adverse Effect”** means any event, fact, circumstance, development, occurrence or state of affairs that is materially adverse to the business, assets (including intangible assets), affairs, operations, prospects, liabilities (contingent or otherwise), capital, properties, condition (financial or otherwise) or results of operations of the Company, taken as a whole, whether or not arising in the ordinary course of business;

**“Material Agreement”** means any material contract, commitment, agreement (written or oral), instrument, lease or other document (including option agreements), to which the Company or any Subsidiary is a party or otherwise bound and which is material to the Company or any Subsidiary;

**“Money Laundering Laws”** has the meaning ascribed to such term in Section 3.1(1)(a)(xli);

**“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*;

**“Offering”** has the meaning ascribed to such term on the face page of this Agreement;

“**Offered Securities**” has the FT Units, the FT Shares, the Warrants and the Warrant Shares;

“**Permit**” means any material regulatory approval, licence, permit, approval, consent, certificates, registration, filing or other authorization of or issued by any Governmental Entity under applicable laws, including Environmental Laws;

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

“**Personnel**” has the meaning ascribed to such term in Section 6.3(1);

“**Prescribed Forms**” means the forms prescribed from time to time under subsection 66(12.7) of the Tax Act filed or to be filed by the Company within the prescribed times renouncing to the FT Unit Purchaser the Resource Expenses incurred pursuant to the Subscription Agreement and all parts or copies of such forms required by CRA to be delivered to such Purchaser;

“**Prescribed Relationship**” means a relationship between the Company and the Purchaser where the Purchaser and the Company are related or otherwise do not deal at arm’s length for purposes of the Tax Act;

“**President’s List**” means Purchasers introduced to the Agent by the Company and identified as being included as part of the president’s list to be agreed upon by the Agent and the Company, up to a maximum of \$2,000,000 of FT Units;

“**Principal Business Corporation**” means a principal business corporation as defined in subsection 66(15) of the Tax Act;

“**Properties**” means the mineral properties and projects of the Company and its Subsidiaries, as of the date hereof, including the Angilak Property, the Baffin Gold Property, the Baker Basin property located in Nunavut, the Hatchet Lake property located adjacent to the north-eastern margin of the Athabasca Basin in Saskatchewan, the Genesis property located in Saskatchewan and Manitoba and the Pedra Branca Platinum Group Elements Project in north-eastern Brazil;

“**Public Disclosure Documents**” means, collectively, all of the documents which have been filed by or on behalf of the Company with the relevant Securities Regulators pursuant to the requirements of Securities Laws in Canada and filed on SEDAR at [www.sedar.com](http://www.sedar.com);

“**Purchasers**” means the persons who, as purchasers or beneficial purchasers, acquire FT Units by duly completing, executing and delivering the Subscription Agreements and any other required documentation;

“**Resource Expense**” means an expense which is CEE which qualifies (i) as a Flow-Through Mining Expenditure and which is incurred on or after the Closing Date and on or before the Termination Date that may be renounced by the Company pursuant to subsection 66(12.6) or 66(12.66) of the Tax Act with an effective date no later than December 31, 2021 and in respect of which, but for the renunciation, the Company would be entitled to a deduction from income for income tax purposes;

“**Securities Laws**” means all applicable securities laws in each of the Selling Jurisdictions and the respective regulations made thereunder, together with applicable published fee schedules, prescribed forms, policy statements, notices, orders, blanket rulings and other regulatory instruments of the securities regulatory authorities in such provinces and all rules and policies of the TSX-V;

“**Securities Regulators**” means, collectively, the securities regulators or other securities regulatory authorities in the Selling Jurisdictions;

“**Selling Jurisdictions**” means: (i) each of the Provinces of Canada; (ii) the United States; and (iii) such jurisdictions outside Canada and the United States as the Company and the Agent may mutually agree;

“**Subscription Agreements**” means the subscription and renunciation agreement, in the form agreed upon by the Agent and the Company pursuant to which Purchasers agree to subscribe for and purchase FT Units pursuant to the Offering as herein contemplated and shall include, for greater certainty, all schedules thereto;

“**Subsidiaries**” means collectively, PBBM Holdings Ltd. and Pedra Branca do Brasil Mineracao Ltda and “**Subsidiary**” means any one of them;

“**subsidiary**” shall have the meaning ascribed thereto in the *Business Corporations Act* (British Columbia);

“**Taxes**” shall have the meaning ascribed in Section 3.1(1)(e)(i);

“**Tax Act**” means the *Income Tax Act* (Canada) and all rules and regulations made pursuant thereto, all as may be amended, re-enacted or replaced from time to time;

“**Technical Reports**” shall have the meaning ascribed in Section 3.1(1)(c)(xiv);

“**Termination Date**” means December 31, 2022;

“**Transfer Agent**” means Computershare Trust Company of Canada in its capacity as transfer agent and registrar of the Company at its principal office in the City of Vancouver, British Columbia;

“**TSX-V**” means the TSX Venture Exchange;

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

“**U.S. Person**” means a U.S. person as that term is defined in Regulation S under the U.S. Securities Act;

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

“**Warrant**” has the meaning ascribed to such term on the face page of this Agreement;

“**Warrant Agent**” means Computershare Trust Company of Canada in its capacity as warrant agent of the Company at its principal office in the City of Vancouver, British Columbia;

“**Warrant Certificate**” means the certificate evidencing a Warrant and containing the terms thereof;

“**Warrant Indenture**” means the warrant indenture dated the date hereof between the Warrant Agent and the Company; and

“**Warrant Share**” has the meaning ascribed to such term on the face page of this Agreement.

## **ARTICLE 2 TERMS AND CONDITIONS**

### **Section 2.1 Offering**

- (1) **Sale on Exempt Basis.** The Agent shall offer for sale and sell the FT Units pursuant to the Offering in (i) the Selling Jurisdictions on a private placement basis in compliance with all applicable Securities Laws such that the offer and sale of the FT Units does not obligate the Company to file a prospectus, a registration statement or other offering document or deliver an offering memorandum or other offering document under applicable Securities Laws.
- (2) **Filings.** The Company undertakes to file, or cause to be filed, all forms or undertakings required to be filed by the Company in connection with the issue and sale of the FT Units so that the distribution of the FT Units may lawfully occur without the necessity of filing a prospectus, a registration statement or an offering memorandum under applicable Securities Laws, and the Agent undertakes to use commercially reasonable efforts to cause Purchasers to complete any forms required by Securities Laws. All fees payable in connection with such filings shall be at the expense of the Company.
- (3) **No Offering Memorandum.** Neither the Company nor the Agent shall (i) provide to prospective purchasers of the FT Units any document or other material that would constitute an offering memorandum; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the FT Units, including but not limited to, causing the sale of the FT Units to be advertised in any newspaper, magazine, printed public media, 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 FT Units whose attendees have been invited by general solicitation or advertising.

### **Section 2.2 Covenants**

- (1) The Company hereby covenants to the Agent and to the Purchasers, and acknowledges that each of them is relying on such covenants in connection with the purchase of the FT Units, that the Company will:
  - (a) use commercially reasonable efforts to maintain its status as a “reporting issuer” (or the equivalent thereof) not in default of the requirements of the Securities Laws in the Provinces of British Columbia and Alberta until the date that is two years following the Closing Date, provided that this covenant shall not prevent the Company from completing any transaction which would result in the Company ceasing to be a “reporting issuer” if doing so is determined by the Company’s board of directors as being in the best interests of the Company and any approvals for the transaction required in accordance with the

requirements of applicable corporate laws, Securities Laws and the policies of the TSX-V have been duly obtained;

- (b) use commercially reasonable efforts to maintain its listing on the TSX-V, or such other Canadian recognized stock exchange, until the date that is two years following the Closing Date, provided the covenant shall not prevent the Company from completing any transaction that would result in the Company ceasing to be listed so long as the holders of Common Shares receive securities of a company that is listed in Canada or cash or the holders of Common Shares have approved the transaction in accordance with applicable corporate laws, Securities Laws and the policies of the TSX-V;
- (c) use commercially reasonable efforts to remain, for a period of a least two years following the Closing Date, a corporation validly subsisting under the laws of its jurisdiction of incorporation, licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and shall carry on its business in the ordinary course and in compliance in all material respects with all applicable laws, rules and regulations of each such jurisdiction;
- (d) allow the Agent and its representatives the opportunity to conduct all due diligence which the Agent may reasonably require to be conducted prior to the Closing Date;
- (e) duly execute and deliver, the Subscription Agreements, the Warrant Indenture, the Warrant Certificates, the Compensation Warrant Certificates and any other material documents in connection with the Offering at the Closing Time, and comply with and satisfy all terms, conditions and covenants herein or therein contained to be complied with or satisfied by the Company;
- (f) use commercially reasonable efforts to fulfill or cause to be fulfilled, at or prior to the Closing Date, each of the conditions set out in Section 4.2, unless otherwise waived by the Agent;
- (g) ensure that the FT Shares, upon issuance, shall be duly issued as fully paid and non-assessable shares in the capital of the Company, and shall have the attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Subscription Agreements;
- (h) ensure that the Warrants, upon issuance, shall be duly and validly created, authorized and issued and shall have the attributes corresponding in all material respects to the description thereof set forth in this Agreement and the Warrant Indenture or Warrant Certificates, as applicable;
- (i) ensure that at all times prior to the expiry of the Warrants, a sufficient number of Warrant Shares are allotted and reserved for issuance upon the due and proper exercise of the Warrants and the Warrant Shares, upon issuance in accordance with the terms of the Warrant Indenture or Warrant Certificates, as applicable, shall be issued as fully paid and non-assessable shares in the capital of the Company;
- (j) ensure that the Compensation Warrants, upon issuance, shall be duly and validly created, authorized and issued and shall have the attributes corresponding in all material respects to

the description thereof set forth in this Agreement and the Compensation Warrant Certificates;

- (k) ensure that at all times prior to the expiry of the Compensation Warrants, a sufficient number of Compensation Warrant Shares are allotted and reserved for issuance upon exercise of the Compensation Warrants and the Compensation Warrant Shares, upon issuance in accordance with the terms of the Compensation Warrant Certificates, shall be issued as fully paid and non-assessable shares in the capital of the Company;
- (l) ensure that the FT Shares, Warrant Shares and Compensation Warrant Shares are conditionally approved for listing and trading on the TSX-V on or prior to the Closing Date;
- (m) execute and file with the Securities Regulators and the TSX-V all forms, notices and certificates required to be filed by the Company pursuant to the Securities Laws and the policies of the TSX-V in the time required by the applicable Securities Laws and the policies of the TSX-V;
- (n) not directly or indirectly issue or sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to or announce any intention to do any of the foregoing, in respect of any Common Shares or any securities convertible or exchangeable into Common Shares, for a period of 120 days from the Closing Date, without the prior written consent of the Agent, such consent not to be unreasonably withheld or delayed, except in respect of (A) an equity offering of the Company for the sale of up to \$2,000,000 equity securities of the Company at an offering price of no less than \$0.43 per offered security under such offering; (B) under existing director or employee stock options or similar share compensation arrangements as detailed in the Company's most recently-filed management discussion and analysis; (C) upon the exercise of convertible securities, warrants or options outstanding prior to the Closing Date; (D) previously scheduled property payments and/or other corporate acquisitions; (E) obligations in respect of existing mineral property agreements; or (F) the issuance of securities in connection with property or share acquisitions in the normal course of business;
- (o) use its best efforts to cause each of the directors and officers of the Company to execute a lock-up agreement in a form acceptable to the Agent, acting reasonably, providing that such individuals shall not sell or agree to sell any Common Shares or securities exchangeable or convertible into Common Shares held as of the Closing Date, for a period of 120 days following the Closing Date, without the prior consent of the Agent;
- (p) with respect to the FT Shares and Warrants:
  - (i) except as a result of any Follow-On Transaction or any agreement, arrangement, undertaking, obligation or understanding to which the Company is not a party and has no knowledge, upon issue, each FT Share and Warrant will be a "flow-through share" as defined in subsection 66(15) of the Tax Act and is not and will not be a "prescribed share" or a "prescribed right", respectively, within the meaning of section 6202.1 of the regulations to the Tax Act. To the best knowledge of the Company, the Company does not have and will not have, prior to the Termination Date, a Prescribed Relationship with any FT Unit Purchaser and, if the Purchaser is a partnership, any partner or limited partner of such Purchaser;

- (ii) the Company is and shall maintain its status as a Principal Business Corporation until such time as all of the Resource Expenses required to be renounced under the Subscription Agreements have been incurred (or deemed to be incurred) and validly renounced pursuant to the Tax Act;
- (iii) the Company will file with the CRA in the time prescribed by Applicable Law, any return required to be filed under Part XII.6 of the Tax Act in respect of the particular year, and will pay any tax or other amount owing in respect of that return on a timely basis;
- (iv) the Company hereby agrees to incur (or be deemed to incur) Resource Expenses in an aggregate amount equal to the Commitment Amount on or before the Termination Date in accordance with the Subscription Agreements and agrees to renounce to the FT Unit Purchasers with an effective date no later than December 31, 2021, pursuant to subsections 66(12.6) and 66(12.66) of the Tax Act, Resource Expenses in an aggregate amount equal to the Commitment Amount;
- (v) the Company shall deliver to the FT Unit Purchasers on or before March 1, 2022, the relevant Prescribed Forms, fully completed and executed, renouncing to the FT Unit Purchasers, the Resource Expenses in an aggregate amount equal to the Commitment Amount with an effective date of no later than December 31, 2021, such delivery constituting the authorization of the Company to the FT Unit Purchasers to file such Prescribed Forms with the relevant taxation authorities;
- (vi) the expenses to be renounced by the Company to the FT Unit Purchasers:
  - A. will constitute Resource Expenses on the effective date of the renunciation;
  - B. will not include expenses that are subject to any reduction under subsection 66(12.73) of the Tax Act; and
  - C. will not include any amount that has previously been renounced by the Company to the FT Unit Purchasers or to any other person;
- (vii) unless required to do so pursuant to subsection 66(12.73) of the Tax Act, the Company shall not reduce the amount renounced to the FT Unit Purchasers pursuant to subsection 66(12.6) or 66(12.66) of the Tax Act;
- (viii) except as required under the Tax Act, the Company shall not be subject to the provisions of subsection 66(12.67) of the Tax Act in a manner which impairs its ability to renounce Resource Expenses to the FT Unit Purchasers in an amount equal to the Commitment Amount and shall notify the FT Unit Purchasers in the event that it becomes aware of or is informed of an issue in relation to its ability to claim such Resource Expenses;
- (ix) if the Company receives, becomes entitled to receive, or may reasonably be expected to receive, any assistance which is described in the definition of “assistance” in subsection 66(15) of the Tax Act and the receipt or entitlement to receive such assistance has or will have the effect of reducing the amount of Resource Expenses validly renounced to the FT Unit Purchasers to less than the

Commitment Amount, the Company shall incur additional Resource Expenses using funds from sources other than the Commitment Amount in an amount equal to such assistance, so that it will be able to renounce Resource Expenses equal to the Commitment Amount to the FT Unit Purchasers;

- (x) the Company shall file with CRA within the time prescribed by subsection 66(12.68) of the Tax Act, the forms prescribed for the purposes of such legislation necessary to effectively renounce Resource Expenses equal to the Commitment Amount to the FT Unit Purchasers effective on or before December 31, 2021, together with a copy of the Subscription Agreements or any selling instrument contemplated by that subsection and shall forthwith following such filing provide to the FT Unit Purchasers a copy of such form certified by an officer of the Company, all on a timely basis;
- (xi) if the Company amalgamates or otherwise combines or merges with any one or more companies, any share issued to the FT Unit Purchasers as a replacement for any FT Share will qualify, by virtue of subsection 87(4.4) of the Tax Act, as a “flow-through share” as defined in subsection 66(15) of the Tax Act and in particular will not be a “prescribed share” as defined in section 6202.1 of the regulations to the Tax Act;
- (xii) the Company will incur and renounce Resource Expenses pursuant to the Subscription Agreements *pro rata* by number of FT Units issued or to be issued pursuant thereto before incurring and renouncing Resource Expenses pursuant to any other agreement which the Company shall enter into after the Closing Date with any person with respect to the issue of any shares which are “flow-through shares” as defined in subsection 66(15) of the Tax Act. The Company will not enter into any other agreement which would prevent or restrict its ability to renounce Resource Expenses to the FT Unit Purchasers in the amount of the Commitment Amount. Unless a FT Unit Purchaser otherwise agrees or is not adversely affected, if the Company is required under the Tax Act to reduce Resource Expenses previously renounced to the FT Unit Purchasers, the reduction shall be made *pro rata* by the number of FT Units issued or to be issued pursuant to the Subscription Agreements but the Company shall not reduce Resource Expenses renounced to the FT Unit Purchasers until it has first reduced to the extent possible all CEE renounced to persons (other than the FT Unit Purchasers) under any agreements relating to shares which are “flow-through shares” as defined in subsection 66(15) of the Tax Act entered into after the Closing Date;
- (xiii) if the Company does not renounce to the FT Unit Purchasers, effective on or before December 31, 2021, and incur on or before the Termination Date, Resource Expenses in an amount equal to the Commitment Amount, the Company shall indemnify and hold harmless the FT Unit Purchasers and each of the partners thereof if such Purchaser is a partnership or a limited partnership (for the purposes of this paragraph, each an “**Indemnified Person**”) as to, and pay in settlement thereof to the Indemnified Person on or before the 90th Business Day following the date the amount is determined, an amount equal to the amount of any tax (as referenced in paragraph (c) of the definition of an “excluded obligation” in subparagraph 6202.1(5) of the regulations to the Tax Act) payable under the Tax Act (and under any corresponding provincial legislation) by any Indemnified Person as a consequence of such failure. In the event that CRA (or any similar

provincial tax authority) reduces the amount renounced by the Company to the FT Units Purchasers pursuant to subsection 66(12.73) of the Tax Act (or any corresponding provincial legislation), the Company shall indemnify and hold harmless each Indemnified Person as to, and pay in settlement thereof to the Indemnified Person, on or before the 20th Business Day following the date the amount is determined, an amount equal to the amount of any tax payable (within the meaning of subparagraph (c) of the definition of “excluded obligation” at subsection 6202.1(5) of the regulations to the Tax Act) under the Tax Act (and under any corresponding provincial legislation) by the Indemnified Person as a consequence of such reduction; provided that nothing in this paragraph shall derogate from any rights or remedies that any FT Unit Purchaser may have at common law with respect to liabilities other than those payable under the Tax Act and any corresponding provincial legislation;

- (xiv) the Company will not knowingly renounce any of the Resource Expenses to a trust, corporation or partnership with which the Company has a prohibited relationship as defined in subsection 66(12.671) of the Tax Act;
  - (xv) the Company will maintain proper, complete and accurate accounting books and records relating to the Resource Expenses. The Company will retain all such books and records as may be required to support the renunciation of Resource Expenses contemplated by the Subscription Agreements and shall make such books and records available for inspection and audit by or on behalf of the FT Unit Purchasers (at such Purchaser’s sole expense);
  - (xvi) the Company shall not enter into any other agreement or take deductions which would prevent or restrict its ability to renounce Resource Expenses to the FT Unit Purchasers in the amount of the Commitment Amount payable by the FT Unit Purchaser;
  - (xvii) the Company shall perform and carry out all acts and things to be completed by it as provided in Subscription Agreements; and
  - (xviii) the Company shall use the majority of the Commitment Amount to fund, directly or indirectly, Resource Expenses on the Angilak Property.
- (2) The Agent hereby covenants and agrees to conduct all activities in connection with the Offering in compliance with Securities Laws and all other laws applicable to the Agent and obtain from each Purchaser a completed and executed Subscription Agreement (including all certifications, forms and other documentation contemplated thereby or as may be required by applicable Securities Regulators) in a form acceptable to the Company and the Agent.

### **Section 2.3 Material Changes During Distribution and Press Releases**

- (1) During the period from the date hereof to the Closing Date, the Company shall promptly notify the Agent (and, if requested by the Agent, confirm such notification in writing) of any material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Company.
- (2) During the period from the date hereof to the Closing Date, the Company shall promptly, and in any event, within any applicable time limitation, comply with all applicable filing and other

requirements under Securities Laws as a result of such change. During such period the Company shall in good faith discuss with the Agent 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 as to whether notice in writing need be given to the Agent pursuant to subsection Section 2.3(1).

- (3) The Company agrees that it shall obtain prior approval of the Agent as to the content and form of any press release relating to the Offering, such approval not to be unreasonably withheld or delayed, and that such press releases will include a reference to the Agent acting as agent. In addition, if required by the relevant securities laws, any press release announcing or otherwise referring to the Offering shall include an appropriate notation as follows: “Not for distribution to U.S. news wire services, or dissemination in the United States.” and a disclaimer to the following effect “The securities offered have not been registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any U.S. state securities law, and may not be offered or sold in the “United States” or to “U.S. persons” (as such terms are defined in Regulation S under the U.S. Securities Act) absent registration under the U.S. Securities Act and all applicable U.S. state securities laws or compliance with an exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities in the United States or to U.S. persons nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful.”

#### **Section 2.4 Follow-On Transaction**

- (1) The Company understands that following the Closing, some or all of the FT Shares and Warrants comprising the FT Units may be: (i) donated by the Purchasers to a “qualified donee”, as defined in the Tax Act, as part of a charitable donation arrangement promoted by a third party; or (ii) immediately sold to a third party (each, a “**Follow-On Transactions**”).
- (2) The Agent acknowledges that the Company has no knowledge of the Follow-On Transactions other than that they may or may not occur and that the Company will have no involvement or participation in any Follow-On Transactions, other than to register any transfer of securities required as a result.
- (3) The Agent does not act, and will not purport to act, as agent or representative of the Company in connection with any Follow-On Transaction and services or activities, if any, performed by the Agent in connection with any Follow-On Transaction are excluded from this Agreement. The consideration payable to the Agent hereunder is for the Agent’s services in respect of the Offering only. The parties further acknowledge that the Company is not entitled, and will not become entitled, to receive any consideration in respect of any Follow-On Transaction that might occur.
- (4) The Company shall not be liable or responsible for any breach of any covenant or representation given in this Agreement if the FT Shares or Warrants are “prescribed shares” or “prescribed rights”, respectively, under subsection 6202.1(1) of the regulations to the Tax Act as a result of the Follow-On Transactions. The indemnity provided by the Company in Section 2.2(1)(p)(xiii) shall not apply to extend to any claim related to the reduction or denial by the CRA or any provincial tax authority of any tax deductions or credits which result from the FT Shares or Warrants being “prescribed shares” or “prescribed rights”, respectively, for the purposes of subsection 6202.1(1) of the regulations to the Tax Act and not “flow-through shares” as defined in subsection 66(15) of the Tax Act as a consequence of a FT Unit Purchaser participating in a Follow-On Transaction.

**ARTICLE 3**  
**REPRESENTATIONS AND WARRANTIES**

**Section 3.1 Representations and Warranties of the Company**

- (1) The Company represents and warrants to the Agent and to the Purchasers, and acknowledges that each of them is relying upon such representations and warranties in purchasing the FT Units, that:
- (a) **General Matters.**
- (i) the Company (A) has been incorporated under the Act and is up-to-date in all material corporate filings and in good standing under the Act, (B) 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 (B) has all requisite corporate power and authority to create, issue and sell the FT Units and to enter into and carry out its obligations under this Agreement, the Subscription Agreements, the Warrant Indenture, the Warrant Certificates and the Compensation Warrant Certificates;
  - (ii) each of the Subsidiaries is a corporation duly incorporated, continued or amalgamated and validly existing under the laws of the jurisdiction in which it was incorporated, continued or amalgamated, as the case may be, is up-to-date in all material corporate filings and in good standing under the laws of the jurisdiction in which it was incorporated, and 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;
  - (iii) the Company has no subsidiaries other than the Subsidiaries, of which it is the sole shareholder of each Subsidiary;
  - (iv) no proceedings have been taken, instituted or, to the knowledge of the Company, are pending for the dissolution or liquidation of the Company or any of the Subsidiaries;
  - (v) each of the Company and the Subsidiaries is, in all material respects, conducting its business in compliance with all Applicable Laws (including but not limited to all relevant exploration, concessions and Permits) of each jurisdiction in which its business is carried on and is licensed, registered or qualified in all jurisdictions in which it owns, leases or operates its property or carries on business and all such licences, registrations and qualifications are valid, subsisting and in good standing and it has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such Applicable Laws;
  - (vi) all necessary corporate action has been taken by the Company so as to (A) validly authorize and issue the FT Shares and when certificates (whether in electronic or definitive form) representing the FT Shares have been issued, delivered and paid for, the FT Shares will be validly issued as fully paid and non-assessable Common Shares; (B) validly create, authorize and issue the Warrants; (C) allot, reserve and authorize the issuance of Warrant Shares, as fully paid and non-assessable Common Shares upon the due exercise of the Warrants, in accordance with the

terms of the Warrant Indenture or Warrant Certificates, as applicable; (D) validly create, authorize and issue the Compensation Warrants; and (E) allot, reserve and authorize the issuance of the Compensation Warrant Shares as fully paid and non-assessable Common Shares upon the due exercise of the Compensation Warrants in accordance with the terms of the Compensation Warrant Certificates;

- (vii) the execution and delivery of this Agreement, the Subscription Agreements, the Warrant Indenture, the Warrant Certificates and the Compensation Warrant Certificates and the performance of the transactions contemplated hereby and thereby have been authorized by all necessary corporate action of the Company and upon the execution and delivery thereof shall constitute valid and binding obligations of the Company, enforceable against the Company in accordance with the terms hereof and thereof, provided that enforcement hereof and thereof may be limited by laws affecting creditors' rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, that the provisions relating to indemnity, contribution and waiver of contribution may be unenforceable;
- (viii) the execution and delivery of this Agreement, the Subscription Agreements, the Warrant Indenture, the Warrant Certificates and Compensation Warrant Certificates and the performance by the Company of its obligations hereunder or thereunder (including the issue, sale and delivery of the Warrants, the FT Shares, and the Compensation Warrants and the issue and delivery of the Warrant Shares and the Compensation Warrant Shares upon the exercise of the Warrants and the Compensation Warrants, as applicable) and the consummation of the transactions contemplated hereby and thereby, do not and will not:
  - (A) require the consent, approval, authorization, registration or qualification of or with any Governmental Authority, stock exchange, Securities Regulator or other third party, except such as have been obtained or will be obtained under applicable Securities Laws or stock exchange regulations; or
  - (B) 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), (i) any statute, rule or regulation applicable to the Company including Securities Laws; (ii) the constating documents, articles or resolutions of the Company which are in effect at the date of hereof; (iii) any Debt Instrument or Material Agreement; or (iv) any judgment, decree or order binding the Company or the property or assets of the Company;
- (ix) the authorized capital of the Company consists of an unlimited number of Common Shares, of which, as at the date hereof, 121,871,846 Common Shares are issued and outstanding as fully paid and non-assessable shares in the capital of the Company, and other than (A) pursuant to the Offering, (B) stock options to purchase an aggregate of 6,880,000 Common Shares outstanding as of the date hereof and (C) 16,327,315 common share purchase warrants exercisable into Common Shares outstanding as of the date hereof, no person, or firm or corporation has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option or

privilege (whether pre-emptive or contractual), for the issue or allotment of any unissued shares in the capital of the Company or any other security convertible into or exchangeable for any such shares, or to require the Company to purchase, redeem or otherwise acquire any of the outstanding securities in the capital of the Company;

- (x) the Company is not aware of any legislation, or proposed legislation published by a legislative body, which it anticipates will have a Material Adverse Effect on the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of the Company or any Subsidiary;
- (xi) the currently issued and outstanding Common Shares are listed and posted for trading on the TSX-V and no order ceasing or suspending trading in any securities of the Company or prohibiting the sale of the Offered Securities or the issuance of the Compensation Warrants or the trading of any of the Company's issued securities has been issued to the Company or its directors, officers or promoters and no proceedings for such purpose has been threatened or, to the best knowledge of the Company, are pending;
- (xii) the Company has not taken any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the TSX-V and the Company is currently in compliance with the policies of the TSX-V;
- (xiii) since September 30, 2020:
  - (A) there has not been any material change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise), business, condition (financial or otherwise) or results of operations of the Company on a consolidated basis;
  - (B) there has not been any material change in the capital stock or long-term debt of the Company on a consolidated basis;
  - (C) the Company has carried on its business in the ordinary course; and
  - (D) there has been no material change in accounting policies or practices of the Company;
- (xiv) the audited consolidated financial statements of the Company for the fiscal year ended September 30, 2020 (the "**Financial Statements**"), present fairly, in all material respects, the financial condition of the Company, on a consolidated basis, for the periods then ended and have been prepared in accordance with International Financial Reporting Standards;
- (xv) there are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) or liabilities of the Company which are required to be disclosed in accordance with Securities Laws and are not disclosed or reflected in the Financial Statements;
- (xvi) the Company maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (A) transactions are executed in accordance

with management's general or specific authorizations; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with International Financial Reporting Standards and to maintain asset accountability; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences;

- (xvii) there are no material actions, proceedings or investigations (whether or not purportedly by or on behalf of the Company) threatened against or affecting or to the best knowledge of the Company pending against the Company or any Subsidiary 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;
- (xviii) the Company is a "reporting issuer", not included in a list of defaulting reporting issuers maintained by the Securities Regulators in the Provinces of British Columbia and Alberta and in particular, without limiting the foregoing, the Company has at all times complied with its obligations to make timely disclosure of all material changes relating to it and there is no material change relating to the Company which has occurred and with respect to which the requisite news release has not been disseminated or material change report has not been filed with the Securities Regulators;
- (xix) all filings and fees required to be made and paid by the Company pursuant to Securities Laws and general corporate law have been made and paid and the information and statements set forth in the Public Disclosure Documents were accurate in all material respects and did not contain any misrepresentation as of the date of such information or statement, and the Company has not filed any confidential material change report with any Securities Regulators that is still maintained on a confidential basis;
- (xx) the auditors of the Company, are independent public accountants as required by the Securities Laws;
- (xxi) there has not been any "reportable event" (within the meaning of National Instrument 51-102 of the Canadian Securities Administrators) with the present auditors or any former auditors of the Company;
- (xxii) neither the Company nor any of its Subsidiaries is party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Company or its Subsidiaries to compete in any line of business, transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of the Company or its Subsidiaries;
- (xxiii) other than the Company there is no person that is or will be entitled to the proceeds of this Offering under the terms of any Debt Instrument, agreement, or other instrument or document (written or unwritten);

- (xxiv) the Company is not party to any agreement, nor is the Company aware of any agreement, which in any manner affects the voting control of any of the securities of the Company;
- (xxv) neither the Company nor its Subsidiaries, nor to the best of the Company's knowledge, any other person, is in default in any material respect in the observance or performance of any term, covenant or obligation to be performed by the Company or its Subsidiaries or such other person under any Debt Instrument or Material Agreement and all such contracts 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 Company or its Subsidiaries or, to the best of the Company's knowledge, any other party;
- (xxvi) all joint venture agreements concerning mining interests to which the Company or any Subsidiary is a party or 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 except in accordance with such agreements, all payment obligations thereunder have been met, and title to the property to which each joint venture agreement relates is a valid, subsisting and enforceable title held by the titleholder who is a party to such joint venture agreement;
- (xxvii) the attributes of the FT Units (and the underlying FT Shares and Warrants), will conform in all material respects with the description thereof in the Subscription Agreements;
- (xxviii) other than customary post-closing filings required by applicable Securities Laws, the Company has obtained all requisite approvals, consents and acceptances of the appropriate regulatory authorities, including the TSX-V, for the issue of the FT Shares, the Warrants and the Compensation Warrants and the reservation and issuance of the Warrant Shares and the Compensation Warrant Shares upon the due exercise of the Warrants and the Compensation Warrants and the completion of the transactions contemplated hereby and thereby, as applicable;
- (xxix) the Transfer Agent, at its principal transfer office in the City of Vancouver, British Columbia, has been duly appointed as the registrar and transfer agent for the Common Shares;
- (xxx) the Warrant Agent, at its principal office in the City of Vancouver, British Columbia, has been duly appointed as the Warrant Agent in respect of the Warrants;
- (xxxi) none of the directors, officers or employees of the Company or its Subsidiaries, any known holder of more than 10% of any class of securities of the Company, or any known associate or affiliate of any of the foregoing persons or companies (as such terms are defined in the *Securities Act* (Ontario)), has had any material interest, direct or indirect, in any material transaction within the previous two years or any proposed material transaction with the Company or its Subsidiaries which, as the case may be, materially affected, is material to or will materially affect the Company or its Subsidiaries;

- (xxxii) other than the Agent pursuant to this Agreement, there is no person acting or purporting to act at the request of the Company who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the Offering or transactions contemplated herein;
- (xxxiii) neither the Company nor any of its Subsidiaries is a party to any Debt Instrument or has any material loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any person not dealing at arm's length with them other than for the reimbursement of ordinary course business expenses;
- (xxxiv) the assets of the Company and its Subsidiaries and their respective business 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, and neither the Company nor any of its Subsidiaries has failed to promptly give any notice or present any material claim thereunder;
- (xxxv) with respect to each of the Leased Premises, the Company or any of its Subsidiaries 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 Company or any of its Subsidiaries occupies the Leased Premises is in good standing and in full force and effect;
- (xxxvi) all information which has been prepared by the Company relating to the Company, its Subsidiaries and their respective business and operations and provided to the Agent is, as of the date of such information, true and correct in all material respects, and no fact or facts have been omitted therefrom which would make such information materially misleading;
- (xxxvii) all previous acquisitions and dispositions, amalgamations and reorganizations completed by the Company, of any securities, business or assets of any other entity have been fully and properly disclosed in the Public Disclosure Documents, were completed in material compliance with all Applicable Laws and all necessary corporate and regulatory approvals, consents, authorizations, registrations, and filings required in connection therewith were obtained and complied with;
- (xxxviii) the Company has not approved, nor entered into any agreement in respect of, nor has knowledge of:
  - (A) the purchase of any material property or any interest therein, or the sale, transfer or other disposition of any material property or any interest therein currently owned, directly or indirectly, by the Company whether by asset sale, transfer of shares, or otherwise;
  - (B) the change of control (by sale or transfer of Common Shares or sale of all or substantially all of the assets of the Company or otherwise) of the Company; or

- (C) a proposed or planned disposition of Common Shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding Common Shares;
- (xxxix) there is not, in the constating documents, articles of incorporation or equivalent organizational or governing documents or in any Debt Instrument, Material Agreement, or other instrument or document to which the Company is a party, any restriction upon or impediment to, the declaration of dividends by the directors of the Company or the payment of dividends by the Company to the holders of the Common Shares;
- (xl) the Company has not, and to the knowledge of the Company, any director, officer, employee, consultant, representative or agent of the foregoing has not, (A) violated any anti-bribery or anti-corruption laws applicable to the Company, including but not limited to the *Foreign Corrupt Practices Act of 1977* (United States) and the *Corruption of Foreign Public Officials Act* (Canada), or (B) 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 Entity; or assisting any representative of the Company in obtaining or retaining business for or with, or directing business to, any person; or (Y) to any person in a manner which would acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. The Company has not, nor, to the knowledge of the Company, has any director, officer, employee, consultant, representative or agent of foregoing, (A) conducted or initiated any review, audit, or internal investigation that concluded the Company, or any director, officer, employee, consultant, representative or agent of the foregoing violated such laws or committed any material wrongdoing, or (B) made a voluntary, directed, or involuntary disclosure to any Governmental Entity 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 noncompliance with any such laws; and
- (xli) the operations of the Company 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 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 Entity (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any court or Governmental Entity or any arbitrator involving the Company with respect to the Money Laundering Laws is pending or, to the best knowledge of the Company, threatened.

(b) **Due Diligence Matters**

- (i) The minute books and records of the Company and its Subsidiaries made available to the Agent and its counsel in connection with their due diligence investigation of the Company for the period from inception to the date of examination thereof are all of the minute books of the Company and its Subsidiaries for such period and contain copies of all constating documents, including all amendments thereto, and all meetings and proceedings of securityholders and directors (and committees thereof) and are complete in all material respects.

(c) **Mining and Environmental Matters**

- (i) Except as disclosed in the Public Disclosure Documents, the Company or its Subsidiaries are the absolute legal and beneficial owner of and have good and marketable title to, all of the material property or assets thereof as described in the Public Disclosure Documents, including but not limited to the Properties, such material properties and assets are free of all mortgages, liens, charges, pledges, security interests, Encumbrances, claims or demands whatsoever, and no other property rights (including access rights) are necessary for the conduct of the business of the Company and its Subsidiaries as currently conducted; the Company knows of no claim or basis for any claim that might or could adversely affect the right of the Company or its Subsidiaries to use, transfer or otherwise exploit such property rights; and, except as disclosed in the Public Disclosure Documents, neither the Company nor its Subsidiaries has any responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof;
- (ii) the Company or its Subsidiaries hold either freehold title, mining leases, mining claims, mining concessions or other conventional property, proprietary or contractual interests or rights, recognized in the jurisdiction in which a particular property is located in respect of the ore bodies and minerals located in properties in which the Company or its Subsidiaries have an interest as described in the Public Disclosure Documents under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit the Company or its Subsidiaries to access the property and explore the minerals relating thereto; all such property, leases, concessions or claims and all property, leases or claims in which the Company or its Subsidiaries have any interests or right have been validly located and recorded in accordance with all Applicable Laws, and are valid, subsisting and in good standing;
- (iii) the Company or its Subsidiaries have all necessary surface rights, access rights and other necessary rights and interests relating to its properties, including the Properties, in which the Company or its Subsidiaries have an interest as described in the Public Disclosure Documents granting the Company or its Subsidiaries the right and ability to access the property and explore for minerals for development purposes 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 Company or its 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 Company or its Subsidiaries;

- (iv) any and all of the agreements and other documents and instruments pursuant to which the Company or its Subsidiaries holds its property and assets (including any option agreement or any interest in, or right to earn an interest in, any properties) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, neither the Company nor its Subsidiaries are in default of any of the material provisions of any such agreements, documents or instruments, nor has any such default been alleged. None of the Properties of the Company or its Subsidiaries are subject to any right of first refusal or purchase or acquisition rights;
- (v) there are no claims with respect to native rights currently threatened or, to the best knowledge of the Company, pending with respect to any of the properties of the Company or its Subsidiaries, including the Properties;
- (vi) each of the Company and its Subsidiaries are in compliance in all material respects with 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 wastes or substances (the “**Environmental Laws**”);
- (vii) the Company or its Subsidiaries have obtained 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 by the Company and its Subsidiaries, and each Environmental Permit is valid, subsisting and in good standing and neither the Company nor its Subsidiaries are in default or breach of any Environmental Permit in any material respect and no proceeding has been threatened, or to the best knowledge of the Company, is pending to revoke or limit any Environmental Permit;
- (viii) neither the Company nor its Subsidiaries have used, except in compliance in all material respects 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;
- (ix) neither the Company nor any of its Subsidiaries have received any notice of, or been prosecuted for an offence alleging, non-compliance with any laws, ordinances, regulations and orders, including Environmental Laws, and the Company has not 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 Company or its Subsidiaries, nor has the Company or its Subsidiaries received notice of any of the same;
- (x) there have been no past unresolved or threatened, and to the best of the Company’s knowledge, there are no pending claims, complaints, notices or requests for

information received by the Company or its Subsidiaries with respect to any alleged material violation of any law, statute, order, regulation, ordinance or decree; and to the best of the Company's knowledge, no conditions exist at, on or under any property now or previously owned, operated or leased by the Company or its 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 materially adverse effect with respect to the Company and its Subsidiaries, taken as a whole;

- (xi) except as ordinarily or customarily required by applicable Permit, neither the Company nor any of its Subsidiaries has 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 Company has not received any request for information in connection with any federal, state, municipal or local inquiries as to disposal sites;
- (xii) all exploration and mining operations on the Properties of the Company and its Subsidiaries 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;
- (xiii) there are no environmental audits, evaluations, assessments, studies or tests relating to the Company or its Subsidiaries except for ongoing assessments conducted by or on behalf of the Company or its Subsidiaries in the ordinary course;
- (xiv) the Company is in material compliance with the provisions of NI 43-101 and has filed all technical reports ("**Technical Reports**") required thereby, which remain current as at the date hereof. The Technical Reports comply in all material respects with the requirements of NI 43-101 and there is no new material scientific or technical information concerning the Properties since the date thereof that would require a new technical report in respect of such property to be issued under NI 43-101. The Company, or to the knowledge of the Company, any predecessor thereof, made available to the authors of the Technical Reports, prior to the issuance thereof, for the purpose of preparing such report, all information requested by such authors and none of such information contained any misrepresentation at the time such information was provided. The information set forth in the Public Disclosure Documents relating to scientific and technical information, including the estimates of the mineral resources of the Properties, have been prepared in accordance with Canadian industry standards set forth in NI 43-101 and in compliance with Securities Laws in Canada. The method of estimating the mineral resources has been verified by mining experts who are "qualified persons" (within the meaning of NI 43-101), all material assumptions underlying the mineral resource estimates are reasonable and appropriate, the information upon which the estimates of mineral resources were based, was, at the time of delivery thereof, complete and accurate in all material respects and there have been no material changes to such information since the date of delivery or preparation thereof;

- (xv) the title opinion to be delivered by the Company pursuant to the terms hereof covers all of the material claims and mining leases that comprise the Angilak Property;
- (xvi) the Company or its Subsidiaries have obtained all Permits necessary to carry on the business of the Company and the Subsidiaries as it is currently conducted. The Company and its Subsidiaries are in compliance with the terms and conditions of all Permits except where noncompliance would not reasonably be expected to have a Material Adverse Effect. All of the Permits issued to date are valid, subsisting, in good standing and in full force and effect and neither the Company or any of its Subsidiaries has received any notice of proceedings relating to the revocation or modification of any such Permit nor any notice advising of the refusal to grant any Permit that has been applied for or is in process of being granted; and
- (xvii) no part of the Properties or the mining rights or Permits of the Company or its Subsidiaries have been taken, revoked, condemned, or expropriated by any Governmental Entity nor has any written notice or proceedings in respect thereof been given, or to the knowledge of the Company, been commenced, threatened, or is pending, nor does the Company have any knowledge of the intent or proposal to give such notice or commence any such proceedings.

(d) **Employment Matters**

- (i) The Company is in material compliance with all federal, national, regional, provincial and local laws and regulations respecting employment and employment practices, terms and conditions of employment, workers' compensation, occupational health and safety and pay equity and wages. 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;
- (ii) 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 Company for the benefit of any current or former director, officer, employee or consultant of the Company or its Subsidiaries (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 Securities Laws in Canada;
- (iii) 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 Company; and

- (iv) there is not currently any labour disruption which is adversely affecting or could adversely affect, in a material manner, the carrying on of the business of the Company or its Subsidiaries.

(e) **Tax Matters**

- (i) 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 (collectively, "Taxes") due and payable by the Company or its Subsidiaries have been paid. All tax returns, declarations, remittances and filings required to be filed by the Company or its 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. To the best of the knowledge of the Company, no examination of any tax return of the Company or its 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 Company or its Subsidiaries;
- (ii) the Company has the full corporate right, power and authority to incur and renounce the Resource Expenses to the FT Unit Purchasers in an amount equal to the Commitment Amount with an effective date on or before December 31, 2021;
- (iii) the Company has no reason to believe that it will be unable to incur, on or after the Closing Date and on or before the Termination Date or that it will be unable to renounce to the FT Unit Purchasers effective on or before December 31, 2021, Resource Expenses in an aggregate amount equal to the Commitment Amount and the Company has no reason to expect any reduction of such amount by virtue of subsection 66(12.73) of the Tax Act (provided the FT Unit Purchasers do not have a Prescribed Relationship at all relevant times);
- (iv) the expenses to be renounced by the Company to the FT Unit Purchasers will constitute Resource Expenses on the effective date of the renunciation and on the date incurred. The expenses to be renounced by the Company to the FT Unit Purchasers (i) will not include any amount that has previously been renounced by the Company to any of the FT Unit Purchasers or to any other person; and (ii) would be deductible by the Company in computing its income for the purposes of Part I of the Tax Act but for the renunciation to the FT Unit Purchasers;
- (v) except as a result of any Follow-On Transaction or any agreement, arrangement, undertaking or understanding to which the Company is not a party and of which it has no knowledge, upon issue pursuant to the terms of the Subscription Agreements and FT Shares and Warrants will be "flow-through shares" as defined in subsection 66(15) of the Tax Act and will not be "prescribed shares" or "prescribed rights", respectively, within the meaning of section 6202.1 of the regulations to the Tax Act;
- (vi) if the Company amalgamates with any one or more companies, any shares issued to the FT Unit Purchasers as a replacement for the FT Shares as a result of such

amalgamation will qualify, by virtue of subsection 87(4.4) of the Tax Act or otherwise, as “flow-through shares” as defined in subsection 66(15) of the Tax Act and in particular will not be “prescribed shares” as defined in section 6202.1 of the regulations to the Tax Act;

- (vii) the Company is and will continue to be a Principal Business Corporation until such time as all of the Resource Expenses required to be renounced under this Agreement and the Subscription Agreements have been incurred or have been deemed to be incurred and validly renounced pursuant to the Tax Act; and
- (viii) the Company is not, and has never been, in default of any of its legal obligations in respect of any “flow-through share” financings previously undertaken by the Company.

### **Section 3.2 Representations and Warranties of the Agent**

- (1) The Agent hereby represents and warrants to the Company and acknowledge that the Company is relying upon such representations and warranties, that:
  - (a) in respect of the offer and sale of the Offered Securities, it will offer and sell the Offered Securities in compliance with applicable Securities Laws and this Agreement;
  - (b) it is duly incorporated or created and is in good standing in its jurisdiction of incorporation or formation and has all requisite corporate power, if applicable, and legal capacity and authority to carry on its business or operations as currently conducted;
  - (c) it has all required corporate powers, if applicable, and legal capacity and authority to enter into and carry out its obligations under this Agreement and complete the transactions contemplated under this Agreement on the terms and conditions set forth herein;
  - (d) it and its representatives have not engaged in or authorized, and will not engage in or authorize, any form of general solicitation or general advertising in connection with or in respect of the Offered Securities in any newspaper, magazine, printed media of general and regular paid circulation or any similar medium, or broadcast over radio or television or otherwise or conducted any seminar or meeting concerning the offer or sale of the Offered Securities whose attendees have been invited by any general solicitation or general advertising;
  - (e) it and its representatives have not and will not solicit offers to purchase or sell the Offered Securities so as to require the filing of a prospectus, registration statement or offering memorandum or subject the Company to any reporting, continuous disclosure or other requirement or to the provision of any contractual right of action under the laws of any jurisdiction;
  - (f) it will use its commercially reasonable efforts to obtain from each Purchaser an executed Subscription Agreement and all other applicable forms, reports, undertakings and documentation required under the Securities Laws or required by the Company, acting reasonably;
  - (g) its, and each person appointed by it as its agent to assist in the Offering, is duly registered pursuant to the provisions of the Securities Laws, and is a member in good standing of the

Investment Industry Regulatory Organization of Canada, and is duly registered or licensed as an investment dealer in those jurisdictions in which it is required to be so registered in order to perform the services contemplated by this Agreement, or if or where not so registered or licensed, the Agent will act only through members of a selling group who are so registered or licensed; and

- (h) it is acquiring the Compensation Warrants as principal for its own account and not for the benefit of any other person and it is an “accredited investor” within the meaning of NI 45-106.

## **ARTICLE 4 CLOSING**

### **Section 4.1 Closing Deliveries**

The purchase and sale of the FT Units shall be completed electronically at the Closing Time or at such place as the Agent and the Company may agree upon in writing. At the Closing Time, the Company shall, subject to the provisions of Section 4.2, deliver to the Agent, or as the Agent may direct, (a) by way of electronic deposit or represented by one or more certificates in definitive form, in each case registered in the name of “CDS & Co.” or in such other name or names as the Agent may notify the Company in writing not less than 24 hours prior to the Closing Time for deposit into the electronic book based system for clearing, depository and entitlement services operated by CDS, or will be made and settled in CDS under the non-certificated inventory system, and (b) all further documentation as may be contemplated in this Agreement or as counsel to the Agent may reasonably request; against payment by the Agent to the Company (in accordance with their respective entitlements) of the Aggregate Subscription Price for the FT Units issued under the Offering, less (i) the Commission; and (ii) the reasonable out-of-pocket costs and expenses of the Agent, including fees and disbursements of counsel to the Agent as set out in Section 6.1 herein, which amount for clarity will be deducted from the proceeds of the sale of the FT Units.

### **Section 4.2 Closing Conditions**

Each Purchaser’s obligation to purchase the FT Units shall be conditional upon the fulfilment at or before the Closing Time of the following conditions:

- (a) the Agent shall have received, at the Closing Time, a certificate, dated the Closing Date, signed by the Chief Executive Officer and the Chief Financial Officer of the Company, or such other officers of the Company as the Agent may agree, certifying for and on behalf of the Company and without personal liability, in such person’s capacities as officers of the Company and not in their personal capacities, to the best of their knowledge, information and belief, that:
  - (i) no order, ruling or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company (including the Common Shares) 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 by any regulatory authority;
  - (ii) the Company has duly complied with all material terms, covenants and conditions of this Agreement on its part to be complied with up to the Closing Time; and

- (iii) the representations and warranties of the Company contained in this Agreement are true and correct 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;
- (b) the Agent shall have received, at the Closing Time, a certificate, dated the Closing Date, signed by appropriate officers of the Company addressed to the Agent and its counsel, with respect to the articles and by-laws of the Company, all resolutions of the Company's board of directors relating to the Offering, the incumbency and specimen signatures of signing officers in the form of a certificate of incumbency and such other matters as the Agent may reasonably request;
- (c) the Agent shall have received, at the Closing Time, evidence that all requisite approvals, consents and acceptances of the appropriate regulatory authorities and the TSX-V, required to be made or obtained by the Company in order to complete the Offering, have been made or obtained;
- (d) the Agent shall have received, at the Closing Time, legal opinions addressed to the Agent and the Purchasers, in form and substance satisfactory to the Agent's counsel acting reasonably, dated the Closing Date, from Bennett Jones LLP, counsel to the Company and where appropriate, counsel in the other Selling Jurisdictions, which counsel in turn may rely, as to matters of fact, on certificates of auditors, public officials, the Transfer Agent and officers of the Company, with respect to the following matters:
  - (i) the Company exists and is in good standing under the laws of the British Columbia;
  - (ii) the Company has the requisite corporate power and capacity to execute and deliver the Subscription Agreements, this Agreement, the Warrant Indenture, the Warrant Certificates and the Compensation Warrant Certificates (for the purposes of the opinion, the "**Agreements**") and to perform its obligations thereunder and to own and lease its property and assets and conduct its business;
  - (iii) the authorized and issued capital of the Company;
  - (iv) all necessary corporate action has been taken by the Company to authorize the execution and delivery by the Company of the Agreements, and the performance by the Company of its obligations hereunder and thereunder;
  - (v) each of the Agreements has been duly executed and delivered by the Company and constitutes a legal, valid and binding obligation of the Company, enforceable against the Company by the other respective parties thereto in accordance with the terms thereof;
  - (vi) the FT Shares have been validly created, authorized and issued as fully paid and non-assessable shares in the capital of the Company;
  - (vii) the Warrants have been duly and validly created and issued and the Warrant Shares have been authorized and reserved for issuance to the holders of the Warrants and, upon the due exercise of the Warrants in accordance with the terms of the Warrants, the Warrant Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company;

- (viii) the Compensation Warrants have been duly and validly created and issued and the Compensation Shares have been authorized and reserved for issuance to the Agent and, upon the due exercise of the Compensation Warrants in accordance with the provisions of the Compensation Warrant Certificates, the Compensation Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company;
- (ix) neither the execution and delivery by the Company of the Agreements nor the performance of the transactions contemplated thereby, nor the sale or issuance of the FT Shares, the Warrants, the Warrant Shares, the Compensation Warrants and the Compensation Warrant Shares will result in a breach of, and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of, and will not conflict with, any of the terms, conditions or provisions of the articles or by-laws of the Company, any resolutions of shareholders or directors of the Company or any Applicable Laws or Securities Laws;
- (x) the issue and sale by the Company of the FT Shares and the Warrants to the Purchasers in the Selling Jurisdictions in accordance with the terms of the Subscription Agreements is exempt from the prospectus requirements of the applicable Securities Laws and no filing, proceeding, approval, Permit, consent or authorization is required to be made, taken or obtained by the Company under the applicable Securities Laws in connection with such issue and sale, other than the filing with the Securities Regulators, within 10 days from the date hereof of a report prepared on Form 45-106F1 (as prescribed by NI 45-106) together with payment of the prescribed fees, if any, in connection therewith;
- (xi) the issuance of the Warrant Shares upon the exercise of the Warrants, in accordance with the terms of Warrant Indenture will be exempt from the prospectus requirements of the applicable Securities Laws and no filing, proceeding, approval, Permit, consent or authorization is required to be made, taken or obtained by the Company under the applicable Securities Laws in connection with such issuance and sale;
- (xii) the issue and delivery by the Company of the Compensation Warrants to the Agent in accordance with the terms of this Agreement is exempt from the prospectus requirements of the applicable Securities Laws and no filing, proceeding, approval, Permit, consent or authorization is required to be made, taken or obtained by the Company under the applicable Securities Laws in connection with such issue, other than the filing with the Securities Regulators, within 10 days from the date hereof of a report prepared on Form 45-106F1 (as prescribed by NI 45-106) together with payment of the prescribed fees, if any, in connection therewith;
- (xiii) the issuance of the Compensation Warrant Shares upon the exercise of the Compensation Warrants, in accordance with the terms of the Compensation Warrant Certificates, will be exempt from the prospectus requirements of the applicable Securities Laws and no filing, proceeding, approval, Permit, consent or authorization is required to be made, taken or obtained by the Company under the applicable Securities Laws in connection with such issuance and sale;

- (xiv) the first trade of the FT Shares, the Warrants and the Warrant Shares will be a distribution subject to the prospectus requirements of the applicable Securities Laws, unless:
- (A) the Company is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade;
  - (B) at the time of such trade, at least four months have elapsed from the “distribution date” (as defined under NI 45-102) of the FT Shares and the Warrants, as the case may be;
  - (C) the certificates representing the FT Shares, the Warrants and the Warrant Shares, as the case may be, carry the legend stating the prescribed restricted period for a reporting issuer in accordance with Section 2.5(2)3(i) of NI 45-102 or an ownership statement issued in connection with such securities under a direct registration system or other electronic book-entry system acceptable to the regulator bears a legend restriction notification for a reporting issuer in accordance with Section 2.5(2)3(i) of NI 45-102;
  - (D) such trade is not a “control distribution” (as defined in NI 45-102);
  - (E) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of such trade;
  - (F) no extraordinary commission or consideration is paid to a person or company in respect of such trade; and
  - (G) if the selling securityholder is an insider or officer of the Company, the selling securityholder has no reasonable grounds to believe that the Company is in default of “securities legislation” (as defined in National Instrument 14-101 – *Definitions*);
- (xv) the first trade by a holder of the Compensation Warrant Shares issued upon the exercise of the Compensation Warrants will be a distribution subject to the prospectus requirements of the applicable Securities Laws, unless:
- (A) the Company is and has been a reporting issuer in a jurisdiction of Canada for the four months immediately preceding the trade;
  - (B) at the time of such trade, at least four months have elapsed from the “distribution date” (as defined under NI 45-102) of the Compensation Warrants;
  - (C) the certificates representing the Compensation Warrant Shares issued upon the exercise of the Compensation Warrants, carry the legend stating the prescribed restricted period for a reporting issuer in accordance with Section 2.5(2)3(i) of NI 45-102 or an ownership statement issued in connection with such securities under a direct registration system or other electronic book-entry system acceptable to the regulator bears a legend

restriction notification for a reporting issuer in accordance with Section 2.5(2)3(i) of NI 45-102;

- (D) such trade is not a “control distribution” (as defined in NI 45-102);
  - (E) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of such trade;
  - (F) no extraordinary commission or consideration is paid to a person or company in respect of such trade; and
  - (G) if the selling securityholder is an insider or officer of the Company, the selling securityholder has no reasonable grounds to believe that the Company is in default of “securities legislation” (as defined in National Instrument 14-101 – *Definitions*);
- (xvi) the Company is a “reporting issuer” in the Provinces of British Columbia and Alberta and is not included in the list of defaulting issuers maintained by the applicable Securities Regulator pursuant to applicable Securities Laws;
  - (xvii) the TSX-V has conditionally accepted notice of the Offering (including the listing and posting for trading on the TSX-V of the FT Shares, the Warrant Shares and the Compensation Shares);
  - (xviii) except as a result of an agreement, arrangement, obligation or understanding to which the Company is not a party and of which it has no knowledge, upon issue pursuant to the terms of the Subscription Agreements, the FT Shares and Warrants will be “flow-through shares” as defined in subsection 66(15) of the Tax Act and will not be “prescribed shares” within the meaning of section 6202.1 of the regulations to the Tax Act, and the FT Shares and Warrants are “Ontario focused flow-through shares” as defined in subsection 103(7) of the Tax Act; and
  - (xix) provided they are fully incurred in the manner and otherwise as covenanted and referenced in the Subscription Agreements and in the relevant officer’s certificate, the expenditures to be renounced in respect of the FT Shares and Warrants pursuant to this Agreement and the Subscription Agreements will be Resource Expenses;
- (e) the Agent shall have received a certificate of status or the equivalent with respect to the Company;
  - (f) the Agent shall have received a title opinion addressed to the Agent and the Purchasers, in form and substance satisfactory to the Agent’s counsel, acting reasonably, dated as of the Closing Date as to the title and ownership interest in the Angilak Property;
  - (g) the Company shall have accepted the duly and fully completed Subscription Agreements with the Purchasers and, unless the Company reasonably believes it would be unlawful or contrary to applicable Securities Laws to do so, have accepted each duly executed Subscription Agreement accompanied by the required subscription funds submitted to the Company as contemplated by the Offering;

- (h) the Company shall cause the Transfer Agent to deliver a certificate as to the issued and outstanding Common Shares as at the close of business on the day prior to the Closing Date;
- (i) the Agent shall have received from the officers and directors of the Company, the lock-up agreements pursuant to Section 2.2(1)(o) of this Agreement; and
- (j) the Warrant Indenture shall have been accepted, executed and delivered by the Company and the Warrant Agent.

## **ARTICLE 5 TERMINATION**

### **Section 5.1 Rights of Termination**

The Agent shall be entitled to terminate its obligations hereunder and the obligations of the Purchasers in relation to the Offering by written notice to that effect given to the Company at or prior to any Closing Time if:

- (a) the due diligence investigations performed by the Agent or its representatives reveal any material information or fact which, in the sole opinion of the Agent, acting reasonably, is materially adverse to the Company or its business, or materially adversely affects the price or value of the securities underlying the Offered Securities;
- (b) there shall be any material change or a change in any material fact or a new material fact shall arise or there should be discovered any previously undisclosed material fact required to be disclosed or any amendment thereto, in each case, that has or would be expected to have, in the sole opinion of the Agent, a significant adverse change or effect on the business or affairs of the Company or on the market price or the value of the securities of the Company;
- (c) (i) there should develop, occur or come into effect or existence any event, action, state, condition (including terrorism or accident) or major financial occurrence of national or international consequence or a new or change in any law or regulation which in the sole opinion of the Agent, acting reasonably, seriously adversely affects or involves or may seriously adversely affect or involve the financial markets or the business, operations or affairs of the Company and the Subsidiaries taken as a whole or the market price or value of the securities of the Company, (ii) any inquiry, action, suit, proceeding or investigation (whether formal or informal) is commenced, announced or threatened in relation to the Company or any one of the officers or directors of the Company or any of its principal shareholders where wrongdoing is alleged or any order is made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including any Securities Regulator which involves a finding of wrongdoing; or (ii) any order, action or proceeding which cease trades or otherwise operates to prevent or restrict the trading of the Common Shares or any other securities of the Company is made or threatened by any Securities Regulator;
- (d) the Company is in breach of a material term, condition or covenant of this Agreement or any representation or warranty given by the Company in this Agreement is or becomes false in any material respect; or

- (e) the state of the financial markets in Canada or elsewhere where it is planned to market the securities is such that in the reasonable opinion of the Agent the Offered Securities cannot be profitably marketed.

## **ARTICLE 6 GENERAL**

### **Section 6.1 Expenses**

Whether or not the sale of the FT Units shall be completed, the Company will pay all reasonable expenses and fees and all applicable taxes in connection with the Offering, including, without limitation, all expenses of or incidental to the issue, sale or distribution of the FT Units, including the fees and disbursements of the Agent's legal counsel (up to such amount as agreed to in the engagement letter with respect to the Offering) and all reasonable out-of-pocket expenses of the Agent incurred in connection with the Offering. All such expenses, plus any taxes thereon, shall be reimbursed by the Company on the Closing Date, if any, or at any time forthwith upon presentation by the Agent of a statement of account to the Company.

### **Section 6.2 Survival of Representations and Warranties**

All representations, warranties and agreements of the Company herein contained or contained in any documents submitted pursuant to this Agreement, including for greater certainty the Subscription Agreements, and in connection with the transactions herein contemplated shall survive the purchase by the Agent and the Purchasers of the FT Units and shall continue in full force and effect for the benefit of the Agent and the Purchasers regardless of any subsequent disposition of the Offered Securities by the Agent or the Purchasers or the termination of the Agent's obligations under this Agreement for a period ending on the second anniversary of the Closing Date; provided that notwithstanding the foregoing, the provisions contained in this Agreement in any way related to indemnification or contribution obligations, and the representations, warranties and covenants of the Company contained in this Agreement and in the Subscription Agreements that relate to tax matters including in connection with the FT Shares and Warrants shall survive such purchase and sale, subsequent disposition or termination and shall remain in full force and effect indefinitely, subject to the limitation requirements of applicable law.

The representations, warranties and agreements of the Agent herein contained and in connection with the transactions herein contemplated shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Company with respect thereto, shall continue in full force and effect for the benefit of the Company for a period of two years following the Closing Date.

### **Section 6.3 Indemnity**

- (1) The Company, its Subsidiaries and affiliated companies agree to indemnify and hold harmless the Agent and each member of the soliciting dealer group and their respective subsidiaries, affiliates and the respective directors, officers, employees securityholders and agents (hereinafter referred to as the "**Personnel**") harmless, to the full extent permitted by law, from and against any and all expenses, fees, losses (other than loss of profits), claims, actions, damages, obligations or liabilities, whether joint or several, of any nature (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims), and the reasonable fees and expenses of its counsel that may be incurred in advising with respect to and/or investigating, defending and/or settling any action, suit, proceeding, investigation or claim that may be made or threatened against

the Agent and/or the Personnel (collectively, the “**Claims**”) by any third parties other than the Company, to which the Agent and/or its Personnel may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as the Claims arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Company by the Agent and/or the Personnel hereunder (including as related to sales of the Offered Securities to Purchasers introduced to the Agent by the Company and identified as being included as part of the President’s List) together with any expenses, losses, claims, damages or liabilities that are incurred in enforcing this indemnity.

- (2) Notwithstanding anything to the contrary contained herein, the indemnity contemplated in this Section 6.3 shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:
  - (a) the Agent or the Personnel have been negligent or dishonest, engaged in willful misconduct or have committed any fraudulent act in the course of the performance of professional services rendered to the Company by the Agent and/or the Personnel or otherwise in connection with the matters referred to in this Agreement; and
  - (b) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were caused by the negligence, dishonesty, fraud or wilful misconduct referred to in Section 6.3(2)(a).
- (3) If for any reason (other than the occurrence of any of the events itemized in Sections 6.3(2)(a) and (b) above), the indemnification contemplated in this Section 6.3 is unavailable to the Agent or insufficient to hold them harmless, then the Company shall contribute to the amount paid or payable by the Agent as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one hand and the Agent on the other hand but also the relative fault of the Company and the Agent, as well as any relevant equitable considerations; provided that the Company shall, in any event, contribute to the amount paid or payable by the Agent as a result of such Claim, any excess of such amount over the amount of the Commission received by the Agent hereunder pursuant to this Agreement.
- (4) The Company agrees to waive any right it may have of first requiring the Agent or the Personnel to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity. The Company also agrees that neither the Agent nor the Personnel shall have any liability (whether direct or indirect, in contract or tort or otherwise) to the Company or any person asserting Claims on behalf of or in right of the Company for or in connection with the Offering except to the extent of the amount of any losses suffered by the Company are determined by a court of competent jurisdiction in a final judgment that has become non-appealable to have resulted solely from fraud, the gross negligence or wilful misconduct of the Agent or any of the Personnel.
- (5) The Company agrees that in case any legal proceeding shall be brought against, or an investigation is commenced in respect of, the Company and/or the Agent or the Personnel and the Agent or any Personnel of the Agent shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Company by the Agent, the Agent shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable and documented costs (including an amount to reimburse the Agent for time spent by the Personnel in connection therewith at their normal per diem rates together with such disbursements) and out-of-pocket expenses incurred by the Personnel

in connection therewith shall, subject to the right of indemnity, be paid by the Company as they occur.

- (6) Promptly after receiving notice of the commencement of any Claim against the Agent or any of the Personnel or after receipt of notice of the commencement of any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Company, the Agent will promptly notify the Company in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Company and, unless the Company assumes defense thereof, will keep the Company advised of the progress thereof and will discuss with the Company all significant actions proposed. The omission to so notify the Company shall not relieve the Company of any liability which the Company may have to the Agent except only to the extent that any such delay in giving or failure to give notice as herein required materially prejudices the defence of Claim or results in any material increase in the liability which the Company would otherwise have under this indemnity had the Agent not so delayed in giving or failed to give the notice required hereunder.
- (7) The Company shall be entitled, at its own expense, to participate in and, to the extent it or its insurers may wish to do so, assume the defence thereof, provided such defence is conducted by counsel of good standing acceptable to the Agent. Upon the Company notifying the Agent in writing of its election to assume the defence and retaining counsel, the Company shall not be liable to the Agent for any legal expenses subsequently incurred by them in connection with such defence. If such defence is not assumed by the Company, the Agent, throughout the course thereof, shall provide copies of all relevant documentation to the Company, will keep the Company advised of the progress thereof and will discuss with the Company all significant actions proposed. If such defense is assumed by the Company, the Company throughout the course thereof will provide copies of all relevant documentation to the Agent, will keep the Agent advised of the progress thereof and will discuss with the Agent all significant actions proposed.
- (8) Notwithstanding Section 6.3(6), the Agent shall have the right, at the Company's expense, to separately retain of the Agent's choice, in respect of the defence of any Claim if: (i) the employment of such counsel has been authorized by the Company; or (ii) the Company has not assumed the defence and employed counsel therefor promptly after receiving notice of such Claim; or (iii) counsel retained by the Company or the Agent has advised the Agent that representation of both parties by the same counsel would be inappropriate for any reason, including the reason that there may be legal defences available to the Agent which are different from or in addition to those available to the Company (in which event and to that extent, the Company shall not have the right to assume or direct the defence on the Agent's behalf) or that there is a conflict of interest between the Company and the Agent or the subject matter of the Claim may not fall within the indemnity set forth herein (in any of which events the Company shall not have the right to assume or direct the defence on the Agent's behalf). Notwithstanding the prior sentence, the Company shall only be liable for the fees and expenses of one separate law firm in any single jurisdiction for the Agent and the Personnel in connection with any one action, suit, proceeding, claim or investigation or substantially similar related actions, suits, proceedings, claims or investigations.
- (9) No admission of liability, no settlement of any Claim, no compromise nor any consent to the entry of any judgement shall be made by the Company without the consent of the Agent affected. The Company hereby acknowledges that the Agent acts as trustee for the other indemnified parties of the Company's covenants under this Section 6.3 and the Agent agrees to accept such trust and to hold and enforce such covenants on behalf of such persons.

- (10) The indemnity and contribution obligations of the Company shall be in addition to any liability which the Company may otherwise have, shall extend upon the same terms and conditions to the Personnel of the Agent and shall be binding upon and enure to the benefit of any permitted successors, assigns, heirs and personal representatives of the Company, the Agent and any of the Personnel of the Agent. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of this Agreement.

#### **Section 6.4 Advertisements**

The Company acknowledges that the Agent shall have the right, subject always to clauses Section 2.1(1) and Section 2.1(2) and Section 3.2(1)(b) and Section 3.2(1)(e) of this Agreement, at its own expense, to place such advertisement or advertisements relating to the sale of the FT Units contemplated herein as the Agent may consider desirable or appropriate and as may be permitted by Applicable Law, including Securities Laws. The Company and the Agent each agree that they will not make or publish any advertisement in any media whatsoever relating to, or otherwise publicize, the transaction provided for herein so as to result in any exemption from the prospectus and registration requirements of applicable securities legislation in any of the provinces of Canada in which the FT Units shall be offered or sold not being available.

#### **Section 6.5 Agent's Compensation**

In consideration of the services to be rendered by the Agent in connection with the Offering, the Company shall pay the Agent a cash commission equal to 6.0% of the gross proceeds realized by the Company in respect of the sale of the FT Units sold pursuant to the Offering for Purchasers not on the President's List (the "**Commission**"). As additional consideration, the Company shall also issue to the Agent that number of Common Share purchase warrants (the "**Compensation Warrants**") to be issued as directed by the Agent, in the amount equal to 6.0% of the aggregate number of FT Units issued pursuant to the Offering issued to purchasers not on the President's List. Each Compensation Warrant shall entitle the holder to acquire one Common Share of the Company (a "**Compensation Warrant Share**") at an exercise price of \$0.60 per Compensation Warrant Share for a period of 24 months following the Closing Date. The obligation of the Company to pay the Commission and execute and deliver the Compensation Warrant Certificates shall arise at the Closing Time. There will be no Commission paid or Compensation Warrants issued in respect of the sale of any FT Units sold pursuant to the Offering to Purchasers on the President's List.

#### **Section 6.6 Notices**

- (1) 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:

- (a) If to the Company:

ValOre Metals Corp.  
800 West Pender Street, Suite 1020  
Vancouver, BC V6C 2V6

Attention: James Paterson  
Email: [jpaterson@valoremets.com](mailto:jpaterson@valoremets.com)

with a copy of any such notice (which shall not constitute notice to the Company) to:

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

Attention: Jonathan McCullough  
Email: mcculloughj@bennettjones.com

(b) if to the Agent:

Red Cloud Securities Inc.  
105 King Street East, 2nd Floor  
Toronto, Ontario M5C 1G6

Attention: Bruce Tatters  
Email: btatters@redcloudsecurities.com

with a copy of any such notice (which shall not constitute notice to the Agent) to:

Wildeboer Dellelce LLP  
Wildeboer Dellelce Place  
365 Bay Street, Suite 800  
Toronto, Ontario, M5H 2V1

Attention: Al Wiens  
Email: awiens@wildlaw.ca

or to such other address as any of the parties may designate by notice given to the others.

- (2) Each notice shall be personally delivered to the addressee or sent by electronic mail transmission to the addressee and (i) a notice which is personally delivered shall, if delivered 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; and (ii) a notice which is sent by electronic mail transmission, if delivered during business hours on a Business Day, shall 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 sent.

#### **Section 6.7 Absence of Fiduciary Relationship**

The Company acknowledges and agrees that: (a) the Agent has not assumed and will not assume a fiduciary responsibility in favour of the Company with respect to the Offering contemplated hereby or the process leading thereto and the Agent does not have any obligation to the Company with respect to the Offering contemplated hereby except the obligations expressly set forth in this Agreement; (b) the Agent and its affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company; and (c) the Agent has not provided any legal, accounting, regulatory or tax advice with respect to the Offering contemplated hereby and the Company has consulted its own legal, accounting, regulatory and tax advisors to the extent it deemed appropriate.

#### **Section 6.8 Time of the Essence**

Time shall, in all respects, be of the essence hereof.

**Section 6.9 Canadian Dollars**

All references herein to dollar amounts are to lawful money of Canada.

**Section 6.10 Headings**

The headings contained herein are for convenience only and shall not affect the meaning or interpretation hereof.

**Section 6.11 Singular and Plural, etc.**

Where the context so requires, words importing the singular number include the plural and vice versa, and words importing gender shall include the masculine, feminine and neuter genders.

**Section 6.12 Entire Agreement**

This Agreement constitutes the only agreement between the parties with respect to the subject matter hereof and shall supersede any and all prior negotiations and understandings including the engagement agreement between the Company and the Agent dated October 25, 2021. This Agreement may be amended or modified in any respect by written instrument only.

**Section 6.13 Severability**

The invalidity or unenforceability of any particular provision of this Agreement shall not affect or limit the validity or enforceability of the remaining provisions of this Agreement.

**Section 6.14 Governing Law**

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

**Section 6.15 Successors and Assigns**

The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Company, the Agent and the Purchasers and their respective executors, heirs, successors and permitted assigns; provided that, except as provided herein or in the Subscription Agreements, this Agreement shall not be assignable by any party without the written consent of the others.

**Section 6.16 Further Assurances**

Each of the parties hereto shall do or cause to be done all such acts and things and shall execute or cause to be executed all such documents, agreements and other instruments as may reasonably be necessary or desirable for the purpose of carrying out the provisions and intent of this Agreement.

**Section 6.17 Effective Date**

This Agreement is intended to and shall take effect as of the date first set forth above, notwithstanding its actual date of execution or delivery.

**Section 6.18 Counterparts and Facsimile**

This Agreement may be executed in any number of counterparts and by email or pdf, each of which so executed shall constitute an original and all of which taken together shall form one and the same agreement.

**[Remainder of Page Intentionally Left Blank]**

If the Company is in agreement with the foregoing terms and conditions, please so indicate by executing a copy of this Agreement where indicated below and delivering the same to the Agent.

Yours very truly,

**RED CLOUD SECURITIES INC.**

By: "Bruce Tatters"

Authorized Signing Officer

The foregoing is hereby accepted on the terms and conditions therein set forth.

DATED as of this 17th day of November, 2021.

**VALORE METALS CORP.**

By: "James Paterson"

Authorized Signing Officer