

ASSET PURCHASE AGREEMENT made as of November 22, 2020

BETWEEN: **PISTOL BAY MINING INC.**, a corporation duly constituted having its principal place of business at 700 - 838 Hastings Street, Vancouver, BC, V6C 0A6, Canada (hereinafter the “**Vendor**”);

AND: **TRILLIUM GOLD MINES INC.**, a corporation duly constituted having its principal place of business at 2250 - 1055 West Hasting St., Vancouver, BC, V6E 2E9, Canada (hereinafter the “**Purchaser**”);

(the Vendor and the Purchaser hereinafter collectively referred to as the “**Parties**”)

WHEREAS the Vendor is the sole legal and beneficial owner of all of those unpatented mining claims set forth in Schedule A to this Agreement, for which the Vendor is identified as the “Holder” which unpatented mining claims are registered in the name of the Vendor (collectively the “**Direct Unpatented Claims**”);

AND WHEREAS the Vendor is the sole beneficial owner of all of those unpatented mining claims set forth in Schedule A to this Agreement, for which any of Perry English, Sergio Cattalani, Mike Magrum or Precambrian Ventures (each a “**Nominee**” and collectively the “**Nominees**”) is identified as the “Holder” (collectively the “**Trustee Unpatented Claims**”), which Trustee Unpatented Claims are registered in the names of the Nominees and held in trust by the Nominees for and on behalf of the Vendor as the sole beneficial owner thereof;

AND WHEREAS the Vendor has agreed to sell all of the rights, title and interests of the Vendor in and to all of the unpatented mining claims set forth in Schedule A to this Agreement (the “**Purchased Assets**”);

NOW THEREFORE in consideration of the foregoing and of the mutual agreements contained herein (the receipt and adequacy of which are acknowledged), the Parties agree as follows:

ARTICLE 1
INTERPRETATIONS AND DEFINITIONS

- 1.1 **Definitions.** The capitalized terms used in this document have the following meanings:
- 1.1.1 “**Agreement**” means this asset purchase agreement;
 - 1.1.2 “**Applicable Share Consideration**” has the meaning ascribed to that term in Article 3.1.5;

- 1.1.3 “**Business Day**” means a day other than a Saturday, a Sunday or a statutory holiday in the Province of Ontario or in the Province of British Columbia;
- 1.1.4 “**Cash Amount**” has the meaning attributed thereto in Article 4.1.1 hereof;
- 1.1.5 “**Charges**” means, without limitation, all security interests, mortgages, hypothecs, priorities, charges, pledges, liens, leases, licences, reservations, encumbrances, title retention agreement, claims, option, earn-in, licence or licence fee, royalty, production or streaming payment, back-in right, claw-back right, restrictive covenant or other restrictions thereon, of any nature or any agreement to give or create any of the foregoing, whether registered, registerable or recordable or not;
- 1.1.6 “**Claim**” means any claim, demand, lawsuit, proceeding, arbitration, judgment, actions, administrative proceedings or governmental investigation, in each case, whether asserted, threatened or pending;
- 1.1.7 “**Closing**” means the closing of the purchase and sale herein provided for;
- 1.1.8 “**Closing Asset**” has the meaning attributed thereto in Article 3.1.4 hereof;
- 1.1.9 “**Closing Date**” means (i) in relation to any Purchased Asset, that is not an Exclusion Order Property, 10 Business Days after the date of receipt of the TSXV Approval; and (ii) in relation to any Exclusion Order Property means the date that is 10 Business after the later of (X) the date of receipt of the TSXV Approval and (Y) the date of receipt of the Exclusion Order in respect of the applicable Purchased Asset, or in each case such other date as mutually agreed by the Parties;
- 1.1.10 “**Completion Formula**” means $X*(Y/Z)$ where:
- X = 50% of the aggregate number of Common Shares issuable pursuant to the Share Consideration
- Y = the area (expressed in hectares) of all Closing Assets; and
- Z = the area (expressed in hectares) of all Exclusion Order Properties.
- For illustrative purposes, if X = 500,000, Y = 9,000 ha and Z = 10,000 ha, the number of Common Shares issuable for the applicable Exclusion Order Property would be 450,000.
- For greater certainty, in no instance shall the Completion Formula result in the issuance of Common Shares on account of all Exclusion Properties that is in excess of 50% of the aggregate Share Consideration;
- 1.1.11 “**Contingent Right**” means a right issued by the Purchaser to the Seller on the Closing Date to acquire, subject to the satisfaction of the conditions specified in this Agreement, the Common Shares that are included as part of the Share Consideration;

- 1.1.12 “**Common Shares**” means common shares in the capital of the Purchaser;
- 1.1.13 “**Consent**” means, as to any Person, any consent, waiver, approval, ruling, authorization, permit, acknowledgement, waiver, exemption, registration, declaration, expiration of waiting period, or filing;
- 1.1.14 “**Direct Unpatented Claims**” has the meaning ascribed to such term in the recitals;
- 1.1.15 “**Effective Date**” means the date of final execution of this Agreement by all Parties;
- 1.1.16 “**Environmental Laws**” means Law in respect of the natural environment, public or occupational health or safety, and the manufacture, importation, handling, transportation, storage, disposal and treatment of Hazardous Substances;
- 1.1.17 “**Excluded Assets**” means those Purchased Assets which are not ultimately acquired by the Purchaser as a result of the application of Article 3 , but only if the Purchaser has advised the Vendor that such Purchased Asset is an Excluded Asset at any time and from time to time at the Purchaser’s sole discretion;
- 1.1.18 “**Exclusion Order**” means an extension order or an exclusion order from the Ministry, extending the expiry date to complete and file assessment work, and/or to extend the expiry date of an unpatented claim, for a twelve (12) month period beyond the current expiry date for such unpatented claim as set out in Schedule A;
- 1.1.19 “**Exclusion Order Property**” and “**Exclusion Order Properties**” have the meaning attributed thereto in Article 3.1.1 hereof;
- 1.1.20 “**Formula**” means $X*(Y/Z)$ where:
- X = 50% of the aggregate number of Common Shares issuable pursuant to the Share Consideration
- Y = the area (expressed in hectares) of the applicable Exclusion Order Property;
and
- Z = the area (expressed in hectares) of all Exclusion Order Properties.
- For illustrative purposes, if X = 500,000, Y = 1,000 ha and Z = 10,000 ha, the number of Common Shares issuable for the applicable Exclusion Order Property would be 25,000.
- For greater certainty, in no instance shall the Formula result in the issuance of Common Shares on account of all Exclusion Properties that is in excess of 50% of the aggregate Share Consideration;
- 1.1.21 “**Governmental Authority**” means any government, regulatory authority, governmental department, agency, commission, bureau, court, judicial body, arbitral body or other law, rule or regulation making entity that, (a) has jurisdiction over the Parties or the Purchased Assets on behalf of Canada, Ontario, a locality or

other geographical or political subdivision thereof; or (b) exercises or is entitled to exercise any administrative, judicial, legislative, regulatory or taxing authority or power;

- 1.1.22 “**Hazardous Substance**” means any solid, liquid, gas, odour, heat, sound, vibration, radiation or combination of them that may impair the natural environment, injure or damage property or plant or animal life or harm or impair the health of any individual and includes any contaminant, waste, or substance or material defined, prohibited, regulated or reportable pursuant to any Environmental Law;
- 1.1.23 “**HST**” means the tax payable under Part IX of the *Excise Tax Act* (Canada);
- 1.1.24 “**HST Declaration and Indemnity**” has the meaning attributed thereto in Article 4.5 hereof;
- 1.1.25 “**Laws**” means all statutes, laws, by-laws, rules, regulations, ordinances and orders of any Governmental Authority or other public authorities having jurisdiction over the Purchased Assets;
- 1.1.26 “**Losses**” means all losses, costs, expenses, interest, charges, assessments damages, liabilities, obligations, fines and penalties, including all reasonable costs incurred in investigating, defending or negotiating the settlement or resolution of any Claim or threatened Claim, and specifically including reasonable legal and other professional fees and expenses on a ‘solicitor and his own client’ or comparable basis and other professional fees and disbursements on a full indemnity basis;
- 1.1.27 “**Ministry**” means the Ministry of Energy, Northern Development and Mines;
- 1.1.28 “**Nominee**” has the meaning ascribed to such term in the recitals;
- 1.1.29 “**Outside Date**” means March 31, 2022;
- 1.1.30 “**Parties**” has the meaning ascribed to such term in the preamble;
- 1.1.31 “**Person**” means a natural person, partnership, limited partnership, limited liability partnership, syndicate, sole proprietorship, corporation or company (with or without share capital), limited liability company, stock company, trust, unincorporated association, joint venture or other entity or Governmental Authority;
- 1.1.32 “**Purchased Assets**” has the meaning ascribed to such term in the recitals;
- 1.1.33 “**Purchase Price**” means the purchase price for the Purchased Assets as set out in Article 4.1 hereof;
- 1.1.34 “**Purchaser**” has the meaning ascribed to such term in the preamble;

- 1.1.35 “**Representatives**” means a Party’s respective officers, directors, employees and agents or any other Person acting on a Party’s behalf;
- 1.1.36 “**Share Consideration**” means that number of Common Shares (rounded down to the nearest whole number) equal to \$1,250,000 divided by the VWAP as at the date that is two Business Days prior to the Closing Date referred to in (i) of the definition of Closing Date;
- 1.1.37 “**Trading Day**” means a day on which the TSXV is open for trading and the Common Shares are traded on the TSXV;
- 1.1.38 “**Transaction**” means the transaction of purchase and sale contemplated by this Agreement;
- 1.1.39 “**Trustee Unpatented Claims**” has the meaning ascribed to such term in the recitals;
- 1.1.40 “**TSXV**” means the TSX Venture Exchange;
- 1.1.41 “**TSXV Approval**” means the acceptance of the Transaction by the TSXV, if required, as determined by the Purchaser;
- 1.1.42 “**Vendor**” has the meaning ascribed to such term in the preamble;
- 1.1.43 “**VWAP**” of the Common Shares at any date means the weighted average of the trading price per Common Share for such Common Shares for each day there was a closing price for the five (5) consecutive Trading Days ending prior to the applicable date on the TSXV; and
- 1.1.44 “**Work Deposit**” means \$100,000.
- 1.2 **Recitals.** The above recitals shall form part of this Agreement and Parties confirm that the recitals are true and correct.
- 1.3 **Computation of Time.** When calculating the period of time “within” which or “following” which any act or event is required or permitted to be done, notice given or steps taken, the date which is the reference date in calculating such period is to be excluded from the calculation. If the last day of any such period is not a Business Day, such period will end on the next Business Day.

ARTICLE 2 **PURCHASE AND SALE**

- 2.1 **Purchased Assets.** Subject to the terms of this Agreement, including the conditions precedent provided in Article 7, the Vendor hereby agrees to sell, assign and transfer to the Purchaser, and the Purchaser hereby agrees to purchase from the Vendor, on the Closing Date, all of the rights, title and interests of the Vendor in and to the Purchased Assets, free and clear of all Charges, and the Vendor shall: (i) transfer the Purchased Assets to the Purchaser or as the Purchaser may direct, on the Closing Date; and (ii)

cause the Nominees to transfer legal title to Trustee Unpatented Claims to the Purchaser or as the Purchaser may direct, on the Closing Date.

- 2.2 **Excluded Liabilities.** The Purchaser shall not assume and shall have no obligation to pay, satisfy, discharge, perform or fulfill any liabilities or obligations relating to or arising in respect of: the Purchased Assets prior to the Closing Date; or the Excluded Assets.
- 2.3 **Conditions of the Purchaser.** If, on the Closing Date, the Vendor is in breach or default of any of the terms or conditions hereof, including any representations or warranties made by it, then the Purchaser, at its sole option, shall be entitled to terminate this Agreement without prejudice to its right to recover damages for any such breach or default. The aforesaid conditions are for the sole benefit of the Purchaser and may be waived unilaterally by the Purchaser in whole or in part at any time on or before the Closing Date.

ARTICLE 3 **EXCLUSION ORDERS**

3.1 Exclusion Orders.

- 3.1.1 The Vendor hereby represents and warrants to the Purchaser as at the Effective Date, and acknowledges that the Purchaser is relying on such representation and warranty in connection with the Transaction, that the Vendor has applied for Exclusion Orders for certain of the Purchased Assets (each an “**Exclusion Order Property**” and together the “**Exclusion Order Properties**”), as identified in Schedule A as “Pending Extension” or “Pending Exclusion”, and has met all required time lines for filing and provided all required information and documentation to the Ministry required to obtain such an Exclusion Order for each of the Exclusion Order Properties.
- 3.1.2 Each Exclusion Order Property shall be allocated a value as determined by the Formula. The Vendor represents and warrants that the Exclusion Order Properties are free and clear of all Charges. The total purchase price payable by the Purchaser to the Vendor for all Exclusion Order Properties shall not exceed the Share Consideration.
- 3.1.3 Closing on any Purchased Asset that is not subject to an Exclusion Order shall not be delayed as a result of other Purchased Assets being subject to outstanding Exclusion Orders.
- 3.1.4 Prior to the Outside Date, the Vendor shall promptly notify the Purchaser upon a Purchased Asset ceasing to be subject to an Exclusion Order. Upon a Purchased Asset ceasing to be subject to an Exclusion Order the Purchaser shall notify the Vendor whether the Purchaser wishes to acquire the Purchased Asset. If the Purchaser notifies the Vendor it wishes to acquire the Purchased Asset that is no longer subject to an Exclusion Order (such Purchased Asset the Vendor wishes to acquire a “**Closing Asset**”) the provision of Article 3.1.5 shall apply (in addition to

any other provisions of this Agreement, including Article 4 and Article 5 which are applicable to the Closing Asset and which provisions shall, for greater certainty, apply *mutatis mutandis* to the closing of the purchase and sale of the Closing Asset).

- 3.1.5 In the event that any Purchased Asset becomes a Closing Asset the following procedures shall apply:
- (a) the Parties shall proceed to Closing for the Closing Asset and the Vendor shall pay the Share Consideration applicable to such Closing Asset as determined by the Formula (the “**Applicable Share Consideration**”) in accordance with Article 4.2; and
 - (b) the Vendor will promptly deliver copies of the closing documentation in relation to such Closing Asset to the Purchaser, such documentation shall be effective and the sale of such Closing Asset to the Purchaser pursuant to this Agreement shall become effective on the Closing Date.

3.2 **Covenants in Favour of the Purchaser.**

The Vendor covenants and agrees that during the period from the Effective Date until the earlier of the Closing Date for the final Purchased Asset to be transferred to the Purchaser pursuant to this Agreement, the Outside Date and the time that this Agreement is terminated in accordance with its terms, unless otherwise agreed to in writing by the Vendor:

- 3.2.1 the Vendor shall use its commercially reasonable efforts to complete and file all assessment work required to be taken in respect of an Exclusion Order Property and to diligently pursue the outstanding Exclusion Orders on terms and conditions acceptable to the Purchaser (in the sole discretion of the Purchaser) and shall keep the Purchaser regularly informed as to the progress in obtaining the outstanding Exclusion Orders and shall forthwith provide to the Purchaser any material correspondence in respect of same;
- 3.2.2 the Vendor shall provide the Purchaser with such assistance as may be reasonably required in connection with the processing and obtaining of each of the outstanding Exclusion Orders and acknowledges that the Purchaser shall have the right to contact any Governmental Authority directly;
- 3.2.3 the Vendor shall provide the Purchaser true copies of all documents within the control or possession of the Vendor relating to the condition of the Purchased Assets including the contracts and agreements pertaining thereto and all rights under or relating to such contracts and agreements, all data and information (whether in written or electronic form), including accounting records, production records, engineering and technical studies, environmental records, land and title records and other data, seismic data, including surveyors’ ground elevation records, shot point maps, drillers’ logs, shooters’ records, seismograph records, seismograph magnetic tapes, monitor records, field records and record sections, whether processed or not, and maps and interpretations made therefrom, geological

maps, engineering forecasts, evaluations, reserve estimates and interpretations, income tax and financial records, and any title opinions;

- 3.2.4 the Vendor shall perform and comply with, in all material respects, all covenants and conditions to maintain its interest in the Purchased Assets and any other agreements and documents to which the Purchased Assets are subject and maintain its interests in the Purchased Assets in a proper and prudent manner in accordance with generally accepted mining industry practices, in the ordinary course of business consistent with past practices and in material compliance with applicable Laws;
- 3.2.5 the Vendor shall maintain its interest in and shall keep each Purchased Asset in good standing and free of all Charges, until the earlier of: (a) the Closing Date on which such Purchased Asset is transferred to the Purchaser; or the Closing Date for the final Purchased Asset to be transferred to the Purchaser; and
- 3.2.6 the Vendor shall provide the Purchaser all correspondence with Third Parties in respect of the Purchased Assets and promptly notify the Purchaser of any breach or alleged breach affecting the Vendor's or the Purchaser's interest in the Purchased Assets.

ARTICLE 4 **PURCHASE PRICE**

4.1 Aggregate Purchase Price.

- 4.1.1 The purchase price of the Purchased Assets, other than the Exclusion Order Properties, shall be a cash amount of \$500,000 (the "**Cash Amount**").
- 4.1.2 The purchase price of the Purchased Assets that are Exclusion Order Properties and become a Closing Asset shall be satisfied by the issuance of the Share Consideration to the Vendor.

4.2 Satisfaction of the Purchase Price. The Purchase Price will be satisfied as follows:

- 4.2.1 on the Closing Date (as defined in (i) of the definition of "Closing Date") for the Purchased Assets, other than the Exclusion Order Properties, the Purchaser shall (i) pay an amount equal to the Cash Amount less the Work Deposit by wire transfer, certified cheque or bank draft to the Vendor and (ii) issue the Contingent Right (which shall be non-transferable) in the name of the Vendor;
- 4.2.2 on the date that is four months following the Closing Date of the applicable Closing Asset, the Purchaser shall issue and deliver a share certificate representing one third of the Applicable Share Consideration in respect of such Closing Asset in the name of the Vendor and the amount of Common Shares underlying the Contingent Right shall be reduced accordingly;

- 4.2.3 on the date that is seven months following the Closing Date of the applicable Closing Asset, the Purchaser shall issue and deliver a share certificate representing one third of the Applicable Share Consideration in respect of such Closing Asset in the name of the Vendor and the amount of Common Shares underlying the Contingent Right shall be reduced accordingly; and
- 4.2.4 on the date that is ten months following the Closing Date of the applicable Closing Asset, the Purchaser shall issue and deliver a share certificate representing one third of the Applicable Share Consideration in respect of such Closing Asset in the name of the Vendor and the amount of Common Shares underlying the Contingent Right shall be reduced accordingly.
- 4.3 **Completion Payment.** If 90% of the Exclusionary Properties (as determined by size in hectares) become Closing Assets prior to the Outside Date, the Purchaser shall within 5 Business Days of the date that 90% of the Exclusionary Properties become Closing Assets (the “**Satisfaction Date**”) issue to the Vendor that number of Common Shares as determined by the Completion Formula (the “**Completion Shares**”), with such shares to be issued as to one third on the date that is four months following the Satisfaction Date, as to one third on the date that is seven months following the Satisfaction Date and as to one third on the date that is ten months following the Satisfaction Date.
- 4.4 **Common Shares.** The Common Shares will be subject to a four month and one day hold period from the date of the issuance of the Contingent Right pursuant to applicable securities laws. The certificates representing the Common Shares shall bear the legends required by applicable laws and stock exchange rules.
- 4.5 **Taxes.** The Purchaser shall be liable for and shall pay, in addition to the Purchase Price, all applicable land transfer taxes, if any, in connection with the conveyance and transfer of the Purchased Assets. The Purchaser agrees to self-assess, be liable for and remit to the appropriate Governmental Authority all HST payable in connection with its purchase of the Purchased Assets, if any, and to indemnify the Vendor for any amounts for which the Vendor may become liable as a result of any failure by the Purchaser to pay any such HST payable under subsection 228(4) of Part IX of the *Excise Tax Act* (Canada), whether arising from a reassessment or otherwise, or to file any returns, certificates, filings, elections, notices or other documents required to be filed by the Purchaser with any federal, provincial or other taxing authorities in connection with the transfer to it of the Purchased Assets. On the Closing Date the Purchaser shall deliver to the Vendor a declaration and indemnity (the “**HST Declaration and Indemnity**”) in which the Purchaser (i) declares that the Purchased Assets are being purchased by the Purchaser as principal for its own account and is not being purchased by the Purchaser as an agent, trustee, or otherwise on behalf of or for another person, (ii) agrees to self-assess, be liable for and remit to the appropriate Governmental Authority all HST payable in connection with its purchase of the Purchased Assets, and (iii) agrees to indemnify the Vendor for any amounts for which the Vendor may become liable as a result of any failure by the Purchaser to pay the HST payable in respect of the sale of the Purchased assets under Part IX of the *Excise Tax Act* (Canada). If the Purchaser does not deliver the HST Declaration and Indemnity on the Closing Date, then without

limiting the generality of the foregoing in this paragraph the Purchaser shall pay to the Vendor an amount equal to the HST payable on the Purchase Price on Closing.

- 4.6 **Adjustments.** Adjustments shall be made as of the Closing Date for any applicable property taxes, mining lease rentals or mining land taxes. From and after the Closing Date, the Purchaser shall be responsible for all property taxes, mining lease rentals or mining land taxes applicable to the Purchased Assets relating to the time period beginning on the Closing Date. The Vendor shall be responsible for all property taxes, mining lease rentals or mining land taxes applicable to the Purchased Assets for that period ending on the Closing Date. The Closing Date shall be for the account of the Purchaser.
- 4.7 **Adjustment to Share Issuances.** In the event of a subdivision, consolidation or reclassification of outstanding Common Shares or other capital adjustment, the number of Common Shares issuable under this Agreement shall be increased or reduced proportionately and such other adjustments shall be made as may be deemed necessary or equitable by the board of directors of the Purchaser in its sole discretion and such adjustment shall be binding and final. If the Purchaser amalgamates, consolidates or combines with or merges with or into another body corporate, whether by way of amalgamation, statutory arrangement or otherwise (the right to do so being hereby expressly reserved), any Common Shares receivable under this Agreement shall be converted into the securities, property or cash which the Vendor would have received upon such amalgamation, consolidation, combination or merger if the Vendor had received Common Shares immediately prior to the effective date of such amalgamation, consolidation, combination or merger. In the event of any other change affecting the Common Shares, such adjustment, if any, shall be made as may be deemed necessary or equitable by the board of directors of the Purchaser in its sole discretion to properly reflect such event and such adjustment be binding and final.
- 4.8 **Withholding.** If the Vendor is a non-resident of Canada within the meaning of the *Income Tax Act* (Canada) and fails to deliver to the Purchaser at or before the Closing Date a certificate issued pursuant to Section 116 of the *Income Tax Act* (Canada) in respect of the transactions contemplated hereby containing a certificate limit for the Vendor at least equal to the Purchase Price, the Purchaser shall be entitled to withhold the amount required by the *Income Tax Act* (Canada) of the Purchase Price payable to the Vendor with the amount withheld to be applied first to the cash amount payable and if such amount is insufficient the Purchaser shall be entitled to sell the Common Share portion of the Purchase Price and the Purchaser shall remit such withheld amount (or in the case of the Common Shares the net proceeds from the sale of such Common Shares) to the Receiver General (Canada) if no such certificate is provided by the time the Purchaser is required by law to remit such funds.

ARTICLE 5 **CLOSING DATE**

- 5.1 **Completion of the Transaction.** On the Closing Date for any Purchased Asset, the Parties shall execute such agreements, documents and instruments, and do such things as may be reasonably required in order to convey the applicable Purchased Assets, free

and clear of all Charges, to the Purchaser including, but not limited to, consents, assignments and any transfer forms required for filing with any applicable Governmental Authority, and take such further action as may be reasonably required to legally and more effectively complete the Transaction as provided for herein, including a beneficial transfer and direction to the Nominees directing them to transfer legal title in the Trustee Unpatented Claims to the Purchaser or as it may direct.

5.2 **Post-Closing Cooperation.** The Parties shall, from and after the Closing Date, cooperate so that the applicable Purchased Assets are conveniently transferred to the Purchaser without delay. Without limiting the generality of the foregoing, the Parties shall facilitate the orderly transfer and remittal to the Purchaser of the applicable Purchased Assets and shall do all things and execute all agreements, documents and instruments pertaining thereto, including without limitation obtaining the Consent of any third party as may be required to transfer the applicable Purchased Assets to the Purchaser.

5.3 **Interim Right of Access to Explore.** On the Effective Date the Purchaser shall pay to the Vendor the Work Deposit. Provided the Work Deposit has been paid, the Vendor hereby provides the Purchaser with the right from and after the Effective Date until the earlier of (i) the Closing Date, and (ii) the termination of this Agreement in accordance with its terms, to access and occupy the properties which comprise the Purchased Assets for purposes of conducting exploration work. If permits or licences are required from the Ministry in order to carry out such work, the Vendor will cooperate with the Purchaser in order to obtain such approvals. From the date hereof until the Closing Date, the Purchaser shall within 4 weeks of each month end provide the Vendor with a summary of exploration work undertaken by the Purchaser on the properties comprising the Purchased Assets.

5.4 **Indemnification by the Purchaser.** The Parties agree, that during the interim access period referred to in Article 5.3 above, the Purchaser shall indemnify and save harmless the Vendor for:

- (a) any damage to the Purchased Assets; and
- (b) any liability, loss, damage, cost or expense which the Vendor shall incur by reason of any successful claim of any third party to the extent that such liability, loss, damage, cost or expense is based on the actions of the Purchaser,

in either case which arises directly out of the activities of the Purchaser during the interim period.

ARTICLE 6 **REPRESENTATIONS AND WARRANTIES**

6.1 **Representations and Warranties of the Purchaser.** The Purchaser hereby represents and warrants to the Vendor as follows and acknowledges that the Vendor is relying on such representations and warranties in connection with the Transaction:

- 6.1.1 Incorporation and Organization. The Purchaser is a corporation duly incorporated and organized and validly subsisting under the laws of its jurisdiction of incorporation and has all necessary power and capacity and is duly qualified to own its property and to enter into this Agreement and each of the agreements, documents and instruments to be entered into by it in connection with this Agreement and to perform its obligations hereunder and thereunder and is, or will be on or before the Closing Date, duly qualified to do business in the jurisdiction in which the Purchased Assets makes such qualification necessary;
- 6.1.2 Authorization. This Agreement and each of the agreements, documents and instruments contemplated hereby shall have been, or will be by the Closing Date, duly authorized, executed and delivered by it and shall constitute a legal, valid and binding obligation enforceable against it in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except for equitable recourses which may be granted only in the discretion of a court of competent jurisdiction and no other corporate proceedings or approvals shall be necessary to authorize this Agreement and each of the agreements, documents and instruments contemplated hereby;
- 6.1.3 Consents. No Consent of any Governmental Authority, or other Person or Persons, is required for the Purchaser to enter into this Agreement or to complete the Transaction, other than:
- (a) such regulatory or other approvals as have been obtained as at the date hereof;
 - (b) or are sought to be obtained prior to the Closing Date, including without limitation the approval of the TSX Venture Exchange and the Exclusion Orders; and
- 6.1.4 HST. The Purchaser is registered for HST under Part IX of the *Excise Tax Act* (Canada).
- 6.2 **Representations and Warranties of the Vendor.** The Vendor hereby represents and warrants to the Purchaser as follows, now and on the Closing Date, and acknowledges that the Purchaser is relying on such representations and warranties in connection with the Transaction:
- 6.2.1 Incorporation and Organization. The Vendor is a corporation duly incorporated and organized and validly subsisting under the laws of its jurisdiction of incorporation and has all necessary power and capacity and is duly qualified to own its property and to enter into this Agreement and each of the agreements, documents and instruments to be entered into by it in connection with this Agreement and to perform its obligations hereunder and thereunder and is duly qualified to do business in the jurisdiction in which the Purchased Assets makes such qualification necessary;

- 6.2.2 Authorization. This Agreement and each of the agreements, documents and instruments contemplated hereby shall have been, or will be by the Closing Date, duly authorized, executed and delivered by the Vendor and shall constitute a legal, valid and binding obligation enforceable against the Vendor in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency and other laws affecting the rights of creditors generally and except for equitable recourses which may be granted only in the discretion of a court of competent jurisdiction and no other corporate proceedings or approvals shall be necessary to authorize this Agreement and each of the agreements, documents and instruments contemplated hereby;
- 6.2.3 Section 116. It is not a non-resident of Canada for purposes of Section 116 of the *Income Tax Act* (Canada) and will not be on the Closing Date, a non-resident of Canada within the meaning of Section 116 of the *Income Tax Act* (Canada);
- 6.2.4 Litigation. To the Vendor's knowledge, there is no pending or threatened litigation, claim or governmental action relating to the Purchased Assets which would affect the right of the Purchaser to acquire, use or exploit the Purchased Assets;
- 6.2.5 Ownership. The Purchased Assets are properly and accurately described in Schedule A and forms all of the assets owned, leased or used in connection with Confederation Lake Greenstone Belt Projects by the Vendor and which are wholly-owned or controlled and not subject to earn-in agreements or option agreements or similar encumbrances. The Purchased Assets include all rights necessary to access, exploit and have quiet enjoyment of the Purchased Assets. The Vendor has fully paid all amounts owing to third parties in respect of any of the Purchased Assets acquired by the Vendor from third parties. The Vendor is the 100% beneficial owner of all right, title and interest in and to the Purchased Assets, free and clear of all Charges. The Vendor is the sole legal and beneficial owner of all of the Direct Unpatented Claims. The Vendor is the sole beneficial owner of all of the Trustee Unpatented Claims, which Trustee Unpatented Claims are registered in the names of the Nominees and held in trust by the Nominees for and on behalf of the Vendor as the sole beneficial owner thereof. The Nominees have no right, title or interest in the Trustee Unpatented Claims.
- 6.2.6 Status. To the Vendor's knowledge, it has not received written notice of any work orders, deficiency notices or other notices of non-compliance from any Governmental Authorities relating to the Purchased Assets that remains outstanding. There are no arrears of applicable property taxes, mining lease rentals or mining land taxes. The Purchased Assets are validly located and are in good standing until the expiry dates set forth in Schedule A and there are no disputes, now existing or, to the best of the knowledge of the Vendor, threatened as to title to or the recording of same. The Purchased Assets will all be active on the Closing Date with expiry dates dated subsequent to the Closing Date;
- 6.2.7 Work. All work or expenditure obligations applicable to the Purchased Assets, and all reports of the work or expenditure and other requirements to be satisfied or filed

in order to keep the Purchased Assets in good standing have been satisfied or filed in accordance with applicable Laws;

- 6.2.8 Books and Records. All books and records concerning the work and expenditures on the Purchased Assets maintained by the Vendor and provided to the Purchaser are complete and accurate in all material respects;
 - 6.2.9 Exploration and Other Rights. Other than the Vendor, no Person has any form of right to acquire, explore, develop, mine or otherwise exploit the Purchased Assets;
 - 6.2.10 Indigenous Claims. To the Vendor's knowledge, there is no pending or ongoing claims or actions taken by or on behalf of any indigenous Persons or groups or local communities with respect to any lands included in the Purchased Assets;
 - 6.2.11 No Leases/Other Agreements. The Vendor has not leased or licenced or granted any other rights or interests in the Purchased Assets or any portion thereof to any Person and has not entered into any agreements, rights or options, written or oral, to sell the Purchased Assets or any portion thereof or any interest therein, other than to the Purchaser under this Agreement. There are no contracts or agreements, whether service, maintenance or other similar contracts relating to the Purchased Assets;
 - 6.2.12 Environmental. To the best of the Vendor's knowledge, the Purchased Assets have not been used at any time as a landfill or waste disposal site. The Vendor has not received any written order, written notice or other written communication from any Governmental Authority in respect of the Purchased Assets of any actual or threatened non-compliance with any Environmental Law. The Vendor has not used or permitted to be used and to the knowledge of the Vendor no other Person under the direction or control of the Vendor has used or permitted to be used, except in material compliance with all Environmental Laws, any part of the Purchased Assets for any release or to dispose, recycle, generate, manufacture, process, distribute, use, treat, store, transport or handle any Hazardous Substance;
 - 6.2.13 Consents. No Consent is required to be obtained by the Vendor from any Person, including under applicable Law, in connection with the execution and delivery of this Agreement, the completion of the transactions contemplated by this Agreement or to sell the Purchased Assets to the Purchaser; and
 - 6.2.14 Securities Laws. The Vendor is acquiring Common Shares subject to a private placement exemption and such Common Shares are not being issued pursuant to a prospectus.
- 6.3 **General.** In this Agreement, all representations and warranties provided by the Parties shall have a limitation period of 24 months following the Closing Date.

ARTICLE 7
CONDITIONS TO THE TRANSACTION

- 7.1 **Reciprocal Conditions to the Transaction.** The obligations of the Purchaser and the Vendor with respect to the Transaction are subject to the following conditions precedent:
- 7.1.1 the Vendor and the Purchaser shall each have executed and delivered the documents contemplated in Article 5.1 hereof in respect of the applicable Purchased Asset; and
 - 7.1.2 receipt of the Exclusion Order in respect of the applicable Purchased Asset.
- 7.2 **Conditions to the Transaction for the Exclusive Benefit of the Vendor.** The obligations of the Vendor with respect to the Transaction are subject to the following conditions precedent:
- 7.2.1 the Purchaser having satisfied all of its obligations under this Agreement required to be satisfied on or prior to the Closing Date;
 - 7.2.2 receipt of all necessary approvals by the board of directors and shareholders of the Vendor in respect of the applicable Purchased Asset; and
 - 7.2.3 the representations and warranties of the Purchaser, contained in Article 6.1, hereto, shall be true, correct and complete in all material respects on the Closing Date, with the same force and effect as if such representation and warranties were made at and as of such date.
- 7.3 **Conditions to the Transaction for the Exclusive Benefit of the Purchaser.** The obligations of the Purchaser with respect to the Transaction are subject to the following conditions precedent:
- 7.3.1 the Vendor shall have entered into a lock-up agreement, in a form acceptable to the Purchaser (acting reasonably), whereby the Vendor will agree, subject to certain exceptions, not to directly or indirectly, sell, offer, assign, transfer, grant or sell an option or warrant to purchase, or otherwise enter into any arrangement which has the effect of transferring any or all of the economic benefits of ownership of any of the Share Consideration, or announce publicly its intention to do so, unless it is in accordance with the lock-up agreement;
 - 7.3.2 the Vendor shall have satisfied all of its obligations under this Agreement required to be satisfied on or prior to the Closing Date;
 - 7.3.3 in the opinion of the Purchaser, in its sole discretion, there will have been no material adverse change to the Purchased Asset prior to the Closing Date in respect of such Purchased Asset;
 - 7.3.4 all operations with respect to the Purchased Assets shall continue in the normal course and consistent with past practice until the Closing Date;

- 7.3.5 the representations and warranties of the Vendor, contained in Article 6.2 hereto, shall be true, correct and complete in all material respects on the Closing Date, with the same force and effect as if such representations and warranties were made at and as of such date;
 - 7.3.6 receipt of all necessary approvals by the board of directors and shareholders of the Purchaser; and
 - 7.3.7 receipt of the TSXV Approval and all other Consents and approvals (including regulatory and contractual Consents) necessary in connection with the Transaction as it relates to the applicable Purchased Asset.
- 7.4 **Termination by the Purchaser.** If the TSXV Approval is not obtained on or prior to the Outside Date the Purchaser shall, unless such delay is solely related to an administrative delay related to COVID-19, have the right to terminate this Agreement by providing written notice to the Vendor in which event this Agreement shall be null and void and of no further force or effect whatsoever, and the Purchaser and the Vendor shall be released from all liabilities and obligations under this Agreement.

ARTICLE 8 **CONFIDENTIALITY**

- 8.1 **Public Statements.** Save as required by law, the Parties and any of their respective affiliates, employees, agents or other representatives shall not issue any press release or make any other public statement or announcement relating to or connected with or arising out of this Agreement or the matters contained herein, without obtaining the prior written approval of the other, to the contents and the manner of presentation and publication thereof. If disclosure is required by law, the disclosing party shall consult in advance with the other and attempt in good faith to reflect such other party's concerns in the required disclosure. Notwithstanding the above, the Purchaser shall be allowed to make a press release after the Effective Date announcing the signing of this Agreement and after the Closing Date announcing the completion of this Transaction.

ARTICLE 9 **INDEMNITIES**

- 9.1 **Vendor's Indemnities.** Provided Closing occurs, Vendor shall:
- 9.1.1 be liable to Purchaser for; and
 - 9.1.2 in addition, indemnify Purchaser and its Representatives from and against,

all Claims that may be brought against Purchaser or Losses that Purchaser suffers, sustains, pays or incurs as a result of:
 - 9.1.3 a breach of a representation or warranty made by Vendor in Article 6.2 or a breach by Vendor of a covenant or agreement contained in this Agreement,

provided, however, that Vendor shall not be liable to nor be required to indemnify Purchaser in respect of any Claims brought against Purchaser or Losses that Purchaser suffers, sustains, pays or incurs which are caused by gross negligence or wilful misconduct of Purchaser or its Representatives.

9.2 **Purchaser's Indemnities.** Provided Closing occurs, Purchaser shall:

9.2.1 be liable to Vendor for; and

9.2.2 in addition, indemnify Vendor and its Representatives from and against,

all Claims that may be brought against Vendor or Losses that Vendor suffers, sustains, pays or incurs as a result of:

9.2.3 a breach of a representation or warranty made by Purchaser in Article 6.1 or a breach by Purchaser of a covenant or agreement contained in this Agreement; and

9.2.4 any matter or thing occurring or arising from and after Closing and which relates to the Purchased Assets,

provided, however, that Purchaser shall not be liable to nor be required to indemnify Vendor in respect of any Claims brought against Vendor or Losses that Vendor suffers, sustains, pays or incurs which are caused by gross negligence or wilful misconduct of Vendor or its Representatives.

ARTICLE 10 **NOTICES**

10.1 **Notices.** All communications (including, without limitation, all notices, acceptances, consents and approvals) provided for or permitted hereunder shall be in writing, personally delivered or sent by facsimile or electronic transmission at:

to the Purchaser at:

Trillium Gold Mines Inc.
2250 - 1055 West Hasting St.
Vancouver, BC
V6E 2E9

Attention: Russell Starr, Chief Executive Officer
Telephone: **[Redacted]**
Email: **[Redacted]**

with a courtesy copy to:

Fasken Martineau DuMoulin LLP
Suite 2400 - 333 Bay St.
Toronto, ON
M5H 2T6

Attention: Krisztian Toth
Telephone: **[Redacted]**
Email: **[Redacted]**

to the Vendor at:

Pistol Bay Mining Inc.
700-838 Hastings Street
Vancouver, BC
V6C 0A6

Attention: Charles Desjardins
Telephone: **[Redacted]**
Email: **[Redacted]**

- 10.2 **Change of Address.** The Parties may change their respective address for service from time to time by notice in the manner herein provided.

ARTICLE 11 **GENERAL PROVISIONS**

- 11.1 **Severability.** Any article, section, subsection or other subdivision of this Agreement or any other provision of this Agreement which is, or becomes, illegal, invalid or unenforceable shall be severed from this Agreement and be ineffective to the extent of such illegality, invalidity or unenforceability and shall not affect or impair the remaining provisions hereof or thereof.
- 11.2 **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties pertaining to the subject matter hereof and supersedes all prior and intermediate agreements, understandings, negotiations and discussions, whether oral or written, of the said Parties. There are no representations, warranties, conditions or other agreements, legal, contractual or otherwise express or implied, or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth herein.
- 11.3 **Amendments.** This Agreement may only be amended, modified or supplemented by a written agreement signed by all the Parties.
- 11.4 **Waiver.** No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision (whether or not similar), nor shall such waiver

constitute a waiver or continuing waiver unless otherwise expressly provided in writing duly executed by the party to be bound thereby.

- 11.5 **Governing Law and Exclusive Jurisdiction.** This Agreement shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the laws of Canada, and the Parties attorn to the exclusive jurisdiction of the courts of the Province of Ontario with respect to any legal proceedings or remedies related directly or indirectly to this Agreement.
- 11.6 **Expenses.** Except as otherwise expressly provided herein, all costs and expenses (including the fees and disbursements of legal counsel, investment advisers and auditors) incurred in connection with this Agreement and the Transaction shall be paid by the Party incurring such costs and expenses.
- 11.7 **Currency.** All references to “\$” in this Agreement are references to Canadian Dollars.
- 11.8 **Commission.** Any fees or commission payable to any agent or broker retained by, or on behalf of a Party with respect to the Transaction shall be paid by such Party and such Party indemnifies and holds harmless the other Parties from any claim made by such agents or brokers in respect of the Transaction, or such fees or commissions.
- 11.9 **Third Party Beneficiaries.** Each Party hereto intends that this Agreement shall not benefit or create any right or cause of action in or on behalf of any person other than the Parties and their successors and permitted assigns, and no person, other than the Parties and their successors and their permitted assigns shall be entitled to rely on the provisions hereof in any action, suit, proceeding, hearing or other forum.
- 11.10 **Assignment.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.
- 11.11 **Time of the Essence.** Time shall be of the essence of this Agreement.
- 11.12 **Independent Legal Advice.** The Vendor acknowledges that it has been given the opportunity to obtain independent legal advice with respect to entering into this Agreement, and has either chosen to obtain such independent legal advice or has knowingly and willingly chosen not to do so, and that it is entering into this Agreement with full knowledge of the contents hereof, of its own free will and with full capacity and authority to do so. To the extent that the Vendor declines to receive independent legal counsel in respect of the Agreement, the Vendor hereby waives the right, should a dispute later develop, to rely on its lack of independent legal counsel to avoid its obligations, to seek indulgences from the other Parties, or to otherwise attack the integrity of the Agreement and the provisions thereof, in whole or in part.
- 11.13 **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which, taken together, shall constitute one and the same instrument. In addition, execution of this Agreement by each Party may be evidenced by way of faxed or electronic transmission of such Party’s signature (which signature may be by separate counterpart) or a photocopy of such faxed or

electronic signature, and such faxed or electronic signature, or photocopy of such faxed or electronic signature, shall be deemed to constitute valid and effective execution and delivery by such party of this Agreement.

[Signature Page Follows]

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

TRILLIUM GOLD MINES INC.

Per: Signed "*Russell Starr*"
Name: Russell Starr
Title: Chief Executive Officer

PISTOL BAY MINING INC.

Per: Signed "*Charles Desjardins*"
Name: Charles Desjardins
Title: President, Chief Executive
Officer and Chief Financial
Officer

SCHEDULE A

Purchased Assets

[Redacted]