

AGENCY AGREEMENT

December 14, 2021

District Metals Corp.
Suite 907 – 1030 West Georgia Street
Vancouver, BC V6E 2Y3

Attention: Garrett Ainsworth – President, CEO & Director

Dear Sirs:

Haywood Securities Inc. (“**Haywood**” or the “**Agent**”) hereby agrees to act as agent for District Metals Corp. (the “**Company**”) to sell on a commercially reasonable efforts agency basis, without underwriting liability, and by its acceptance hereof, the Company agrees to appoint the Agent to sell at the Closing Time (as defined below) up to 12,000,000 units (each a “**Unit**” and collectively, the “**Units**”) of the Company at a price of \$0.25 per Unit (the “**Unit Issue Price**”) for aggregate gross proceeds of up to \$3,000,000.

The Company also grants the Agent an option (the “**Agent’s Option**”), exercisable, in whole or in part, by Haywood giving notice to the Company at any time up to 48 hours prior to the Closing Time (as defined below) to sell up to an additional 15% of the maximum number of Units issuable pursuant to the Offering (the “**Additional Units**”) at the Unit Issue Price.

All references herein to “**Offering**” will be deemed to include the Units issued pursuant to the Agent’s Option and all references herein to Units will be deemed to include the Additional Units. The Units and the Additional Units are collectively referred to as the “**Offered Securities**”. It is understood and agreed that the Agent is under no obligation to purchase or arrange for the purchase of any of the Offered Securities.

Each Unit will consist of: (i) one common share in the capital of the Company (a “**Unit Share**”), and (ii) one-half of one transferrable common share purchase warrant (each whole common share purchase warrant, a “**Warrant**”, and collectively, the “**Warrants**”). The Warrants shall be issued pursuant to, and the exercise of the Warrants shall be governed by, the provisions of a warrant indenture (the “**Warrant Indenture**”), to be entered into between the Company and Odyssey Trust Company, as warrant agent, in the form and on terms satisfactory to the Company and the Agent, acting reasonably. Each Warrant will entitle the holder thereof to purchase one common share of the Company (a “**Warrant Share**”) at a price of \$0.35 per Warrant Share at any time prior to 5:00 p.m. Vancouver time on the date that is 24 months from the Closing Date (the “**Expiry Date**”).

In consideration for its services hereunder, the Agent will be entitled to the Cash Fee (as defined below) and the Compensation Options (as defined below) provided for in Section 9. The Cash Fee will be payable and the Compensation Options will be issuable at the Closing Time.

The Offering is conditional upon and subject to the additional terms and conditions set forth below.

1. Interpretation.

1.1 In this Agreement and the Schedules hereto, in addition to the terms defined above, unless otherwise indicated or unless the context otherwise requires, the following terms will have the following meanings:

- (a) “**Action**” has the meaning set out in Section 11;
- (b) “**Additional Units**” has the meaning ascribed thereto in the second paragraph of this Agreement;
- (c) “**affiliate**” has the meaning ascribed thereto in the *Business Corporations Act* (British Columbia);
- (d) “**Agent**” or “**Haywood**” means Haywood Securities Inc.;
- (e) “**Agent’s Option**” has the meaning ascribed thereto in the second paragraph of this Agreement;
- (f) “**Agreement**” means this agency agreement and includes the schedules hereto, as modified, amended and/or supplemented from time to time;
- (g) “**Ancillary Documents**” means all agreements (including the Subscription Agreements and the Warrant Indenture), certificates (including the certificates representing the Compensation Options), officer’s certificates of the Company and of the Subsidiary, notices and other documents executed and delivered, or to be executed and delivered, by the Company in connection with the Offering;
- (h) “**Annual Financial Statements**” means the audited consolidated financial statements of the Company with respect to the years ended June 30, 2021 and 2020, together with the notes to such financial statements, the report of the auditors of the Company on such financial statements and management’s discussion and analysis in respect of such financial statements;
- (i) “**Anti-Money Laundering Laws**” has the meaning ascribed to that term in Section 5(bb)(i);
- (j) “**Applicable Laws**” means all laws, statutes, codes, ordinances, decrees, rules, regulations, by-laws, written policies, judicial or arbitral or administrative or ministerial or departmental or regulatory judgements, orders, decisions, rulings or awards, including general principles of common and civil law, and conditions of any grant of approval, permission, authority or license of any court, governmental entity or statutory body or regulatory body (including the TSX-V) applicable to the Offering and includes without limitation Applicable Securities Laws;
- (k) “**Applicable Securities Laws**” means the securities laws, regulations, instruments, policies, companion policies, notices, recognitions, designating assignments and rules, and the blanket orders, rulings and policies and written interpretations of, multilateral or national instruments, published policy statements, instruments,

orders and rulings of securities regulatory authorities applicable to the Company if used in reference to the Company or applicable to the Agent if used in reference to the Agent of each of the Qualifying Jurisdictions or, as the context may require, any one or more of the Qualifying Jurisdictions;

- (l) “**Auditors**” means Smythe LLP;
- (m) “**Business Day**” means a day which is not a Saturday, a Sunday or a statutory or civic holiday, or a day on which commercial banks are not open for business, in the City of Vancouver, British Columbia;
- (n) “**Cash Fee**” has the meaning ascribed to that term in Section 9(a);
- (o) “**Closing**” means the completion of an issue and sale by the Company, and the purchase by the Purchasers, of the Offered Securities on the Closing Date;
- (p) “**Closing Date**” means December 14, 2021;
- (q) “**Closing Time**” means 9:30 a.m. (Vancouver time) on the Closing Date or such other time as the Company and the Agent may agree upon;
- (r) “**Commissions**” means the securities commission or equivalent regulatory authority in the Qualifying Jurisdictions;
- (s) “**Common Share**” means a common share in the capital of the Company;
- (t) “**Company**” has the meaning ascribed thereto in the first paragraph of this Agreement;
- (u) “**Compensation Options**” has the meaning ascribed to that term in Section 9(a);
- (v) “**Compensation Option Share**” has the meaning ascribed to that term in Section 9(a);
- (w) “**Compensation Securities**” has the meaning ascribed to that term in Section 2.11;
- (x) “**Compensation Option Unit**” has the meaning ascribed to that term in Section 9(a);
- (y) “**Compensation Option Warrant**” has the meaning ascribed to that term in Section 9(a);
- (z) “**Compensation Option Warrant Share**” has the meaning ascribed to that term in Section 9(a);
- (aa) “**Contaminant**” has the meaning ascribed to that term in Section 5(jj)(i);
- (bb) “**Disclosure Documents**” means all information regarding the Company that is, or becomes, publicly available on SEDAR or otherwise available to the public, including the Financial Statements, press releases, material change reports,

prospectuses, information circulars, and the Technical Report together with all information prepared by the Company and provided to the Agent or potential Purchasers of the Offered Securities;

- (cc) “**distribution**”, “**material change**”, “**material fact**”, “**misrepresentation**” and “**subsidiary**” have the meaning ascribed thereto in the *Securities Act* (British Columbia);
- (dd) “**Due Diligence Session**” has the meaning ascribed to that term in Section 2.9(d);
- (ee) “**Due Diligence Session Responses**” means the written or oral responses of the Company, as given by any director or officer of the Company, at the Due Diligence Session;
- (ff) “**Environmental Activity**” has the meaning ascribed to that term in Section 5(jj)(i);
- (gg) “**Environmental Laws**” has the meaning ascribed to that term in Section 5(jj)(i);
- (hh) “**Expiry Date**” has the meaning ascribed thereto in the fourth paragraph of this Agreement;
- (ii) “**Financial Statements**” means the audited consolidated financial statements of the Company with respect to the years ended June 30, 2021 and 2020 and the unaudited condensed interim consolidated financial statements of the Company for the three month period ended September 30, 2021 prepared in accordance with International Financial Reporting Standards;
- (jj) “**Governmental Authority**” has the meaning ascribed to that term in Section 5(jj)(ii);
- (kk) “**Hold Period**” means the hold period consisting of four months and a day after the Closing Date imposed under National Instrument 45-102 – *Resale of Securities* under Applicable Securities Laws;
- (ll) “**including**” means “**including without limitation**”;
- (mm) “**Indemnified Persons**” or “**Indemnified Person**” has the meaning set out in Section 11;
- (nn) “**ITA**” means the *Income Tax Act* (Canada), together with any and all regulations promulgated thereunder, as amended from time to time;
- (oo) “**Material Adverse Effect**” means any change, effect, fact, event, circumstance or state of being which could reasonably be expected to have a material and adverse effect (actual or anticipated, whether financial or otherwise) on the business, affairs, operations, the Material Project, Permits, assets, liabilities (contingent or otherwise), capital, prospects, results of operations or condition (financial or otherwise) of the Company and the Subsidiary (taken as a whole);

- (pp) “**Material Project**” means the Tomtebo Project;
- (qq) “**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators;
- (rr) “**Offered Securities**” has the meaning ascribed thereto in the third paragraph of this Agreement;
- (ss) “**Offered Shares**” means the Unit Shares, the Warrant Shares, and the Compensation Option Shares and the Compensation Option Warrant Shares;
- (tt) “**Offering**” has the meaning ascribed thereto in the third paragraph of this Agreement;
- (uu) “**Permits**” means the permits and licenses as applicable in respect of the Material Project;
- (vv) “**Person**” means an individual, a firm, a corporation, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency or political subdivision thereof and every other form of legal or business entity of any nature or kind whatsoever;
- (ww) “**Personnel**” has the meaning set out in Section 11;
- (xx) “**President’s List**” means a list of certain purchasers introduced by the Company, as agreed to by the Agent (in writing), who may participate in the Offering to purchase an aggregate of up to \$1,000,000 worth of Units at the Unit Issue Price;
- (yy) “**Purchasers**” means, collectively, the purchasers of the Offered Securities under the Offering;
- (zz) “**Qualifying Jurisdictions**” means all of the provinces of Canada and/or such other jurisdictions as mutually agreed by the Company and the Agent;
- (aaa) “**Regulation S**” means Regulation S adopted by the United States Securities and Exchange Commission under the U.S. Securities Act;
- (bbb) “**SEDAR**” means the System for Electronic Document Analysis and Retrieval established by National Instrument 13-101 - *System For Electronic Document Analysis And Retrieval (SEDAR)* of the Canadian Securities Administrators;
- (ccc) “**Shareholder Rights Agreement**” means the shareholder rights agreement between the Company and EMX Royalty Corp. dated June 29, 2020;
- (ddd) “**Subscription Agreements**” means, collectively, the subscription agreements for the Units, in the forms agreed upon by the Agent and the Company pursuant to which Purchasers agree to subscribe for and purchase the Units pursuant to the Offering as herein contemplated and any other forms or documents required in connection with the Subscription Agreements under Applicable Laws and shall

include, for certainty, all schedules thereto, and “**Subscription Agreement**” means any one of them, as the context requires;

- (eee) “**Subsidiary**” means District Metals, AB;
- (fff) “**Technical Report**” means the technical report on the Tomtebo Project with an effective date of October 15, 2020 and an amended dated of February 26, 2021 prepared in accordance with NI 43-101 and filed on SEDAR on March 1, 2021;
- (ggg) “**Tomtebo Project**” means the Company’s 100% owned Tomtebo Project located in the Bergslagen Mining District of south-central Sweden, as further described in Schedule “A” hereto;
- (hhh) “**Transfer Agent**” means Odyssey Trust Company;
- (iii) “**TSX-V**” means the TSX Venture Exchange;
- (jjj) “**U.S. Person**” means a “U.S. person” as that term is defined in Rule 902(k) of Regulation S;
- (kkk) “**U.S. Securities Act**” means the United States Securities Act of 1933, as amended;
- (lll) “**Unit**” has the meaning ascribed thereto in the first paragraph of this Agreement;
- (mmm) “**Unit Issue Price**” has the meaning ascribed thereto in the first paragraph of this Agreement;
- (nnn) “**Unit Share**” has the meaning ascribed thereto in the fourth paragraph of this Agreement;
- (ooo) “**United States**” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;
- (ppp) “**Warrant**” has the meaning ascribed thereto in the fourth paragraph of this Agreement;
- (qqq) “**Warrant Indenture**” has the meaning ascribed thereto in the fourth paragraph of this Agreement; and
- (rrr) “**Warrant Share**” has the meaning ascribed thereto in the fourth paragraph of this Agreement.

1.2 Knowledge. Where any representation or warranty contained in this Agreement or any Ancillary Document is expressly qualified by reference to the “knowledge” of the Company, or where any other reference is made herein or in any Ancillary Document to the knowledge of the Company, it will be deemed to refer to the actual knowledge of the officers and the directors of the Company after due enquiry of appropriate and relevant Persons.

- 1.3 Business Days.** Where any action or step is to be taken or completed on or by a specified date, and such date is not a Business Day in the applicable jurisdiction, then such action or step may be taken or completed on the next following Business Day.
- 1.4 Plural and Gender.** Whenever used in this Agreement, words importing the singular number only will include the plural and vice versa and words importing the masculine gender will include the feminine gender and neuter.
- 1.5 Currency.** All references to monetary amounts in this Agreement to “\$” refer to lawful money of Canada unless otherwise specified.
- 1.6 Schedules.** The following schedules are attached to this Agreement and are deemed to be a part of and incorporated into this Agreement:

Schedule	Title
“A”	Material Project
“B”	Form of Opinion

2. Terms and Conditions.

- 2.1** The Offered Securities will be offered for sale by the Agent to Purchasers resident in the Qualifying Jurisdictions on a private placement basis as contemplated herein and only at the Unit Issue Price.
- 2.2** The Agent will comply with Applicable Laws in connection with the offer to sell, or distribution of, the Offered Securities. The Agent represents and warrants that it is, and each member of any buying, selling, or other group formed by the Agent for the distribution of the Offered Securities will be qualified to so act in the Qualifying Jurisdictions in which such Person solicits or procures subscriptions for the Offered Securities and is registered in a category permitted to participate in the distribution of the Offered Securities as contemplated in this Agreement and has and will comply with all Applicable Laws in connection with its involvement in the Offering. The Agent will not, directly or indirectly, solicit offers to purchase or sell the Offered Securities so as to: (a) require registration of any of the Offered Securities or a filing of a prospectus, registration statement, offering memorandum or similar disclosure document with respect to the Offered Securities under the laws of any Qualifying Jurisdiction; or (b) subject the Company to any reporting or other requirement in such jurisdiction except for reports that may be required to be filed in connection with the Offering.
- 2.3** The Company undertakes to file or cause to be filed, within the time periods stipulated by Applicable Laws, all forms, undertakings and other documents required to be filed by the Company under Applicable Laws in connection with the offer and sale of the Offered Securities, in order that the distribution of the Offered Securities may lawfully occur without the necessity of filing a prospectus or similar document in Canada or any of the other Qualifying Jurisdictions. All fees payable in connection with such filings will be at the sole expense of the Company. The Company further agrees to comply with all Applicable Laws (including Applicable Securities Laws and applicable stock exchange requirements (including those of the TSX-V)) in connection with the distribution of the

Offered Securities. The Agent will provide the Company with all information in respect of the Agent, and the Agent will use its commercially reasonable efforts to provide the Company with all information in respect of the Purchasers and the members of the Agent's selling group, necessary for the Company to complete the foregoing filings.

- 2.4** The sale of the Offered Securities is to be effected by the Agent in a manner exempt from any prospectus, registration statement, offering memorandum or similar disclosure document filing or delivery requirements of the Applicable Securities Laws. The Agent will notify the Company as soon as practicable prior to Closing with respect to the identity, purchased amount, location and jurisdiction of residence of each Purchaser with a view to affording sufficient time to allow the Company to secure compliance with all Applicable Securities Laws in connection with the sale of the Offered Securities to the Purchasers.
- 2.5** The Agent will obtain from each Purchaser and provide to the Company prior to Closing a properly completed and duly executed Subscription Agreement, together with any additional documentation or information as may be requested by the TSX-V or any of the Commissions. The Company may not reject any properly completed Subscription Agreement unless the number of Offered Securities subscribed for pursuant to the Subscription Agreements and tendered by the Agent exceeds the maximum number of Offered Securities to be sold under this Agreement or unless the distribution cannot be completed in accordance with Applicable Securities Laws.
- 2.6** Neither the Company nor the Agent will: (a) provide to prospective Purchasers any document or other material that would constitute an offering memorandum or future oriented financial information within the meaning of the Applicable Securities Laws; or (b) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Offered Securities, including causing the sale of the Offered Securities 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 Offered Securities whose attendees have been invited by general solicitation or advertising.
- 2.7** The obligation of the Agent to complete the transactions contemplated herein will be conditional upon the TSX-V conditionally approving the Offering on the terms and conditions contemplated herein, and the TSX-V conditionally agreeing to list the Offered Shares. The Company agrees to use its commercially reasonable efforts to obtain, prior to the Closing Date, the necessary approvals of the TSX-V in respect thereof on such conditions as are acceptable to the Agent, acting reasonably.
- 2.8** Other than as set out in this Section 2.8, the Company agrees that, for a period ending on the day that is 120 days from the Closing Date, it will not, without the prior written consent of the Agent, which consent will not be unreasonably withheld or delayed, directly or indirectly, issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, or agree to or announce any intention to issue, sell, offer, grant an option or right in respect of, or otherwise dispose of, any additional Common Shares or any securities convertible into or exchangeable for Common Shares, other than issuances: (i) pursuant to the Offering or the exercise of convertible securities issued pursuant to the Offering; (ii) under the

Company's existing stock option plans, bonus plans, purchase plans or similar share compensation arrangements as detailed in the Company's most recently-filed management information circular; (iii) upon the exercise of convertible securities, warrants or options outstanding prior to the Closing Date; or (iv) existing commitments to issue or sell securities including in connection with previously scheduled property payments, payments to service providers or other corporate acquisitions.

2.9 Due Diligence.

- (a) Until the Closing Date, the Company will at all times allow the Agent and their representatives to conduct all due diligence investigations, examinations and oral due diligence sessions which the Agent may reasonably require in order to fulfill their obligations as Agent. The Company agrees to use its commercially reasonable efforts to assist the Agent with their due diligence investigations. The Company will provide such information as to its financial condition, business, properties, title, assets and affairs (including any material contracts) as may reasonably be requested by the Agent, which information, if not in the public domain, will be kept confidential by the Agent, provided that the Agent will have the right to disclose such confidential information to their professional advisers for legal, accounting and tax advice purposes and except as otherwise required by law. Such persons will also keep the information, if not in the public domain, confidential.
- (b) The Company will provide access to its senior management, facilities, employees, Auditors, legal counsel, independent engineers and consultants, which are reasonably necessary and sufficient to allow the Agent to perform their services hereunder. Without restricting any of the foregoing, the Company will provide the Agent with copies of any forecasts and projections prepared by, or on behalf of the Company and will make its senior management personnel available to meet with potential investors if requested by the Agent.
- (c) The Agent undertakes to use all information it receives from the Company in connection with the Offering only for the purposes of the transactions contemplated herein and for no other purpose.
- (d) The Company will make available its senior management, directors, technical report writer(s) and legal counsel to participate in a due diligence session (the "**Due Diligence Session**") to answer in person any questions that the Agent may have. The Due Diligence Session shall be held prior to the Closing Date, and the Agent shall distribute a list of written questions to be answered in advance of such Due Diligence Session.
- (e) If any of the facts or information underlying or supporting the statement provided in the Due Diligence Session Responses have changed, the Company will provide the Agent with prompt notice of the particulars of any such changes.

2.10 The Agent agrees not to offer or sell the Units to Purchasers in the United States or to, or for the account or benefit of, persons in the United States or U.S. Persons, whether through its U.S. broker-dealer affiliate or otherwise. Any press release disseminated by any party

hereto, or any party to this Agreement, announcing or otherwise referring to the Offering shall contain the following legend: “NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES”.

2.11 The Compensation Options, Compensation Option Units, Compensation Option Shares, Compensation Option Warrants and the Compensation Option Warrant Shares (collectively, the “**Compensation Securities**”) have not been and will not be registered under the U.S. Securities Act, and neither the Compensation Options nor the Compensation Option Warrants may be exercised in the United States or by, or for the account or benefit of, any U.S. Person or person in the United States. In connection with the issuance of the Compensation Securities, as the case may be, the Agent, represents and warrants that (a) it is acquiring the Compensation Securities, as principal for its own account and not for the benefit of any other person; (b) it is not a U.S. Person and it is not acquiring the Compensation Securities in the United States, or on behalf of a U.S. Person or a person located in the United States, and (c) this Agreement was executed and delivered outside the United States. The Agent agrees that it will not engage in any “directed selling efforts” with respect to any Compensation Securities, as that term is defined in Rule 902(c) of Regulation S, which, without limiting the foregoing, but for greater clarity in this Section 2.11, includes, subject to the exclusions from the definition of “directed selling efforts” contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Offered Securities, and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of the Offered Securities.

3. Covenants of the Company.

In addition to the covenants of the Company set out in the other paragraphs of this Agreement, the Company hereby covenants to and for the benefit of the Agent that:

- (a) the Company will use commercially reasonable efforts to comply with its obligations under Applicable Securities Laws and under other Applicable Laws;
- (b) prior to the Closing, the Company will obtain all necessary approvals of the TSX-V and any other applicable regulatory authority in connection with the Offering, including the immediate listing of the Unit Shares, Warrant Shares, Compensation Option Shares and Compensation Option Warrant Shares;
- (c) the Company will use the net proceeds from the Offering for exploration at the Tomtebo Project in Sweden, and for working capital and general corporate purposes;
- (d) the Company will deliver to the Agent copies of all correspondence and other written communications between the Company, the Commissions and the TSX-V relating to the Offering, and will generally keep the Agent and Agent’s counsel apprised of the progress and status of, including all favourable and adverse developments relating to, the Offering;

- (e) during the period commencing on the date of this Agreement and ending on the Closing Time, it will promptly provide to the Agent, for review by the Agent and Agent's counsel, prior to filing or issuance of the same, any proposed public disclosure document, including without limitation, any financial statements of the Company, report to shareholders, information circular, press release or material change report issued by the Company concerning the Offered Securities;
- (f) the Company will fulfil all legal requirements to permit: (i) the creation, issue, offering and sale of the Units and the Warrants (ii) the creation and issue of the Compensation Options, and (iii) the allotment, reservation and issue of the Warrant Shares, the Compensation Option Shares, the Compensation Option Warrants and the Compensation Option Warrant Shares, as contemplated in this Agreement including in compliance with the Applicable Laws to enable the Offered Securities to be offered for sale and sold under this Agreement and the Subscription Agreements and to enable the Warrant Shares and the Compensation Option Shares, Compensation Option Warrants, and the Compensation Option Warrant Shares to be issued, in each case, without the necessity of filing a prospectus;
- (g) ensure that at all times a sufficient number of Compensation Option Shares and Compensation Option Warrants, Compensation Option Warrant Shares and Warrant Shares are allotted and reserved for issuance upon the due and proper exercise of the Compensation Options, Compensation Option Warrants and the Warrants, as applicable;
- (h) at all times prior to the completion of the distribution of the Offered Securities the Company will continue to operate its business and the businesses of the Subsidiary in the ordinary course, in material compliance with all Applicable Laws and will notify the Agent of any material changes or changes of material fact in the respective businesses, affairs, operations, assets, the Material Projects, Permits, prospects, condition (financial or otherwise), capital or liabilities (contingent or otherwise) of the Company or the Subsidiary;
- (i) the Company will use its commercially reasonable efforts to maintain its status as a "reporting issuer" (or the equivalent thereof) not in default of the requirements of the Applicable Securities Laws in each of British Columbia and Alberta provided that the foregoing requirement is subject to the obligations of the directors to comply with their fiduciary duties to the Company and this covenant shall not prevent the Company from completing any transaction which would result in the Company ceasing to be a "reporting issuer" (or the equivalent thereof) so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada or cash, and the holders of the Common Shares have approved the transaction in accordance with the requirements of Applicable Laws and the policies of the TSX-V (or such other applicable stock exchange upon which its Common Shares are listed or quoted); and
- (j) prior to the Closing Time, the Company will cause its directors and officers to enter into and deliver lock-up agreements to be executed as of the Closing Date, in form and substance satisfactory to the Agent, pursuant to which, for a period ending 120

days from the Closing Date, such individuals agree not to directly or indirectly, offer, sell, contract to sell, lend, swap or enter into any other agreement to transfer the economic consequences of or otherwise dispose of or deal with, or publicly announce any intention to do the foregoing, any Common Shares, securities exchangeable or convertible into Common Shares or other securities of the Company held by them, directly or indirectly, unless the prior written consent of the Agent has been obtained, such consent not to be unreasonably withheld.

4. Material Changes During Distribution.

During the period from the date hereof to the completion of the distribution and issuance of all of the Offered Securities, the Company will, upon becoming aware of the same, promptly notify the Agent (and, if requested by the Agent, confirm such notification in writing) and provide full particulars to the Agent of any material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise), condition (financial or otherwise), the Material Project, Permits, prospects or capital of the Company and/or the Subsidiary. The Company will promptly, and in any event, within any applicable time limitation periods prescribed by Applicable Securities Laws, comply with all applicable filing and other requirements under Applicable Securities Laws as a result of any such change, provided however that the Company will not file or publicly issue any document in respect of any such change without first providing the Agent with a copy of such document and an opportunity to review and comment thereon. The Company will 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 this Section 4. The Parties agree that this Section 4 will not operate to prohibit the Company from complying with its timely disclosure obligations under Applicable Laws and policies of the TSX-V.

5. Representations and Warranties.

The Company represents and warrants to the Agent and the Purchasers, and acknowledges that each of them is relying upon such representations and warranties in completing the Closing, as of the Closing Time, except for such representations or warranties which are in respect of a specific date in which case, such representations and warranties will be true and correct, in all material respects (or, if qualified by materiality, in all respects), as of such date:

- (a) the Company has been duly incorporated and is validly existing under the laws of the Province of British Columbia and has all requisite corporate power, capacity and authority to: (i) own, lease and operate its assets and conduct its business as currently conducted or proposed to be conducted and to execute, deliver and carry out its obligations under this Agreement and all Ancillary Documents, and to do all acts and things and execute and deliver all documents as are required hereunder and thereunder in accordance with the terms hereof and thereof, (ii) create and issue the Compensation Options, (iii) create, offer, issue and sell the Unit Shares and Warrants in accordance with this Agreement, (iv) to allot, reserve, issue and deliver the Warrant Shares, the Compensation Option Shares, the Compensation Option

Warrants and the Compensation Option Warrant Shares in accordance with this Agreement; and (v) to execute and deliver this Agreement, Warrant Indenture the Compensation Options and to perform its obligations thereunder;

- (b) the Company is: (i) current with all material corporate filings required to be made under its jurisdiction of incorporation and all other jurisdictions in which it exists or carries on any material business, and (ii) has, and will upon completion of the Offering have, all necessary licences, leases, permits, authorizations and other approvals necessary to permit it to conduct its business as currently conducted;
- (c) the Company has taken all necessary corporate action to authorize the execution, delivery and performance of this Agreement and the Ancillary Documents and to observe and perform the provisions of this Agreement and the Ancillary Documents in accordance with the provisions hereof and thereunder including, the creation, issue, sale and delivery of the Unit Shares and the Warrants, the creation and issuance of the Compensation Options, the issue and delivery of the Compensation Option Shares and Compensation Option Warrants issuable upon the exercise of the Compensation Options, the issue and delivery of the Compensation Option Warrant Shares issuable upon exercise of the Compensation Option Warrants, and the issue and delivery of the Warrant Shares issuable upon the exercise of the Warrants;
- (d) none of its current directors or officers are currently, or have been in the past, subject to any order or ruling of any securities regulatory authority or stock exchange that currently prohibits, or has prohibited, such individual from acting as a director or officer of a public company or any company listed on a stock exchange;
- (e) neither the Company nor the Subsidiary has committed an act of bankruptcy or is insolvent, has proposed a compromise or arrangement to its creditors generally, has had a petition or a receiving order in bankruptcy filed against it, has made a voluntary assignment in bankruptcy, has taken any proceedings with respect to a compromise or arrangement, has taken any proceedings to have itself declared bankrupt or wound-up, has taken any proceedings to have a receiver appointed for any of its property or has had any execution or distress become enforceable or become levied upon any of its property or assets;
- (f) the authorized capital of the Company consists of an unlimited number of Common Shares, of which as of the date hereof, 79,780,707 Common Shares are issued and outstanding as fully paid and non-assessable shares. As of the date hereof, other than:
 - (i) an aggregate of 6,880,000 options to acquire an aggregate of up to 6,880,000 Common Shares issued under the Company's stock option plan;
 - (ii) an aggregate of 7,917,866 warrants to acquire an aggregate of up to 7,917,866 Common Shares until December 30, 2022;

- (iii) an aggregate of 847,600 compensation options exercisable for an aggregate of up to 847,600 Common Shares and 423,800 warrants until December 30, 2022;
- (iv) pursuant to the Offered Securities and the Compensation Options; and
- (v) pursuant to the Shareholder Rights Agreement or as disclosed in the Disclosure Documents,

no Person will have any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase, acquisition or subscription for or issue of any of the unissued shares or other securities of the Company;

- (g) other than pursuant to the Shareholder Rights Agreement, the issue of the Offered Securities will not be subject to any pre-emptive right or other contractual right to purchase securities granted by the Company or to which the Company is subject;
- (h) the Transfer Agent has been appointed by the Company as the registrar and transfer agent for the Common Shares;
- (i) The Subsidiary is the only subsidiary of the Company;
- (j) the Material Project is the only material mineral property of the Company and the Subsidiary. No Person has, or will at the Closing Time have, any agreement, option, right or privilege (whether pre-emptive, contractual or otherwise) capable of becoming an agreement for the purchase or acquisition of an interest in the Material Project;
- (k) other than the Shareholder Rights Agreement, the directors of the Company have not adopted a shareholder rights plan or a similar plan and the Company is not party to any agreement in the nature of what is commonly referred to as a shareholder rights plan agreement;
- (l) there are no, and at the Closing Time, there will be no shareholders' agreements to which the Company or the Subsidiary is a party, and to the knowledge of the Company there are no, and at the Closing Time there will be no, pooling agreements, voting trusts or other similar agreements with respect to the ownership or voting of any of the securities of the Company or the Subsidiary;
- (m) upon payment of the requisite consideration therefor the Unit Shares will be validly issued as fully paid and non-assessable shares in the capital of the Company, and the Warrants will be validly issued; the Compensation Options will be validly issued; upon the exercise of the Warrants and payment of the requisite consideration therefor, the Warrant Shares will be validly issued as fully paid and non-assessable Common Shares; upon exercise of the Compensation Options and payment of the requisite consideration therefor, the Compensation Option Shares will be validly issued as fully paid and non-assessable Common Shares and the Compensation Option Warrants will be validly issued; upon the exercise of the

Compensation Option Warrants and payment of the requisite consideration therefor, the Compensation Option Warrant Shares will be validly issued as fully paid and non-assessable Common Shares;

- (n) none of the: (i) authorization, issuance, sale and delivery of the Unit Shares and the Warrants; (ii) creation, issuance and delivery of the Warrant Shares or Compensation Option Warrant Shares; (iii) creation and issuance of the Compensation Options; (iv) creation authorization and issuance of the Compensation Option Units, Compensation Option Shares, Compensation Option Warrants; (v) execution and delivery of this Agreement and the Ancillary Documents; (vi) compliance by the Company with the provisions of this Agreement and the Ancillary Documents; or (vii) consummation of the transactions contemplated herein and therein, do or will (X) require the consent, approval, or authorization, order or agreement of, or registration or qualification with, any governmental agency, body or authority, court, stock exchange, securities regulatory authority or other Person, except (A) such as have been obtained, or (B) such as may be required under Applicable Laws including the Applicable Securities Laws and will be obtained in compliance with the requirements of Applicable Laws, including Applicable Securities Laws and the policies of the TSX-V; or (Y) conflict with or result in any breach or violation of any of the provisions of, or constitute a default under (whether after notice or lapse of time or both), any indenture, mortgage, deed of trust, secured note, lease or other material agreement or instrument to which the Company or the Subsidiary is a party or by which any of them or the Material Project, Permits or assets thereof are bound, or the articles or by-laws or any other constating document of the Company or the Subsidiary or any resolution passed by the directors (or any committee thereof) or shareholders of the Company or the Subsidiary;
- (o) at the Closing Time: (i) all necessary action will have been taken by the Company to create and duly issue (as the case may be) the Unit Shares, Warrants, and the Compensation Options, and (ii) all necessary action will have been taken by the Company to duly allot and reserve for issuance the Warrant Shares, the Compensation Option Units, Compensation Option Shares, the Compensation Option Warrants and the Compensation Option Warrant Shares, and such securities will be duly allotted and reserved for issuance;
- (p) this Agreement has been duly authorized, executed and delivered by the Company and constitutes a valid and legally binding obligation of the Company enforceable against the Company in accordance with the terms hereof and each of the Ancillary Documents has been duly authorized and, upon execution and delivery by the Company, will constitute valid and legally binding obligations of the Company enforceable against the Company in accordance with the terms thereof, except, in each case, as enforcement thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws relating to or affecting the rights of creditors generally and except as limited by the application of equitable principles when equitable remedies are sought, and by the fact that rights to indemnity, contribution and waiver, and the ability to sever unenforceable terms, may be limited by Applicable Laws;

- (q) the Company has filed with all applicable regulatory authorities all documents, including the Disclosure Documents, required under Applicable Laws, except for the material change report to be filed in connection with the Closing of the Offering, the National Instrument Form 45-106F1 – *Report of Exempt Distribution* and other applicable filings required by Applicable Securities Laws to be filed pursuant to this Offering and all required filings and document submissions to the TSX-V. The Disclosure Documents complied with Applicable Securities Laws at the time they were filed. There is no material fact known to the Company which the Company has not disclosed to, or which the Company has withheld from, the Agent or which is not publicly disclosed in the Disclosure Documents and which results or may reasonably be expected to result in a Material Adverse Effect or which materially adversely affects or which may reasonably be expected to materially adversely affect the ability of the Company to perform its obligations under this Agreement or the Ancillary Documents and no confidential material change report has been filed by the Company that remains confidential as of the date hereof;
- (r) since June 30, 2021, there has not occurred any material adverse change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the assets, liabilities (contingent or otherwise), the Material Project, Permits, capital, affairs, prospects, business, operations or condition (financial or otherwise) of the Company and the Subsidiary (on a consolidated basis) which has not been publicly disclosed in a Disclosure Document;
- (s) no order preventing, ceasing or suspending trading in any securities of the Company or prohibiting the issue and sale of securities by the Company any Qualifying Jurisdiction has been issued and no proceedings for either of such purposes have been instituted or, to the knowledge of the Company, are pending, contemplated or threatened any Qualifying Jurisdiction;
- (t) the Financial Statements and the notes thereto, present fairly, in all material respects, the financial position of the Company and the statements of operations, retained earnings, cash flow from operations and changes in financial information of the Company for the periods specified in such Financial Statements, and have been prepared in conformity in all material respects with International Financial Reporting Standards, applied on a consistent basis throughout the periods involved, and there has been no material change in accounting policies or practices of the Company since June 30, 2021;
- (u) the Auditors who audited the Annual Financial Statements and who provided their audit report thereon are independent public accountants as required under Applicable Securities Laws and there has not, during the last three financial years, been a reportable disagreement (within the meaning of NI 51-102) between the Company and the Auditor;
- (v) the audit committee of the Company is comprised and operates in accordance with the requirements of Multilateral Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators in all material respects;

- (w) other than the Offering and other than as disclosed in the Disclosure Documents, since June 30, 2021, neither the Company nor the Subsidiary:
 - (i) has paid or declared any dividend or incurred any material capital expenditure or made any commitment therefor;
 - (ii) has incurred any obligation or liability, direct or indirect, contingent or otherwise, except in the ordinary course of business and which is not, and which in the aggregate are not, material; and
 - (iii) has entered into any material transaction.
- (x) other than as disclosed in the Disclosure Documents, since June 30, 2021, neither the Company nor the Subsidiary has approved, is contemplating, or has entered into any agreement in respect of, or has any knowledge of:
 - (i) the purchase of any new material property, permit or material assets;
 - (ii) the sale, transfer or other disposition of the Material Project, any Permits or any material assets or any interest therein currently owned, directly or indirectly, by the Company or the Subsidiary whether by asset sale, transfer of shares or otherwise;
 - (iii) any material financings other than the Offering;
 - (iv) a change of control (by sale or transfer of shares or sale of all or substantially all of the Material Project, any Permits or assets of the Company or the Subsidiary or otherwise) of the Company or the Subsidiary; or
 - (v) a proposed or planned disposition of securities by any shareholder of the Company who owns, directly or indirectly, 10% or more of the outstanding shares of the Company or the Subsidiary;
- (y) the assets of the Company and the business and operations thereof are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in a comparable business in comparable circumstances, such coverage is in full force and effect and the Company has not failed to promptly give any notice or present any material claim thereunder;
- (z) the Company and the Subsidiary have filed in a timely manner all necessary tax returns and notices and have paid all applicable taxes of whatsoever nature for all tax years prior to the date hereof to the extent that such taxes have become due or have been alleged to be due and neither the Company nor the Subsidiary is aware of any tax deficiencies or interest or penalties accrued or accruing, or alleged to be accrued or accruing, thereon where, in any of the above cases, it might reasonably be expected to result in a Material Adverse Effect and there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing of any tax return by any of them or the payment of any material tax,

governmental charge, penalty, interest or fine against any of them. There are no material actions, suits, proceedings, investigations or claims now threatened or pending against the Company or the Subsidiary which could reasonably be expected to result in a material liability in respect of taxes, charges or levies of any governmental authority, penalties, interest, fines, assessments or reassessments or any matters under discussion with any governmental authority relating to taxes, governmental charges, penalties, interest, fines, assessments or reassessments asserted by any such authority and, except as would not have a Material Adverse Effect, the Company and the Subsidiary have withheld (where applicable) from each payment to a non-resident of Canada for the purposes of the ITA and each of the present and former officers, directors, employees and consultants thereof the amount of all taxes and other amounts, including, but not limited to, income tax and other deductions, required to be withheld therefrom, and has paid the same or will pay the same when due to the proper tax or other receiving authority within the time required under applicable tax legislation;

- (aa) the Company and the Subsidiary have conducted and are conducting the business thereof in compliance in all material respects with all Applicable Laws, tariffs, orders and directives of each jurisdiction in which it carries on a material portion of its business and possesses all material approvals, consents, certificates, registrations, authorizations, permits (including the Permits) and licenses issued by the appropriate provincial, territorial, state, municipal, federal, national or other regulatory agency or body necessary to carry on the business currently carried on and has no reason to believe that it will not receive any such approvals, consents, certificates, registrations, authorizations, permits (including the Permits) and licenses necessary to carry on the business as contemplated to be carried on by it or as contemplated to be conducted, and, the Company and the Subsidiary are in compliance in all material respects with the terms and conditions of all such approvals, consents, certificates, authorizations, permits (including the Permits) and licenses and with all laws, regulations, tariffs, rules, orders and directives material to the operations thereof, and neither the Company nor the Subsidiary has received any notice of the modification, revocation or cancellation of, or any intention to modify, revoke or cancel or any proceeding relating to the modification, revocation or cancellation of any such approval, consent, certificate, authorization, permit (including any Permit) or license which, singly or in the aggregate, if the subject of an unfavourable decision, order, ruling or finding, could reasonably be expected to result in a Material Adverse Effect. All such material approvals, consents, certificates, registrations, authorizations, permits (including the Permits) and licenses are and will at the Closing Time be valid, subsisting and in good standing;
- (bb) The Company:
 - (i) is now and has in past been in material compliance with all applicable financial recordkeeping and reporting requirements of applicable anti-money laundering statutes of the jurisdictions in which the Company conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by

any governmental agency (collectively, the “**Anti-Money Laundering Laws**”), and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company with respect to the Anti-Money Laundering Laws is pending or, to the best knowledge of the Company, threatened; and

- (ii) has not, directly or indirectly: (A) made or authorized any contribution, payment or gift of funds or property to any official, employee or agent of any governmental agency, authority or instrumentality of any jurisdiction; or (B) made any contribution to any candidate for public office, in either case where either the payment or the purpose of such contribution, payment or gift was, is or would be prohibited under the *Corruption of Foreign Public Officials Act (Canada)* or the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada)* or the rules and regulations promulgated thereunder or under any other legislation of any relevant jurisdiction covering a similar subject matter applicable to the Company and its operations, and will not use any portion of the proceeds of the Offering, in contravention of such legislation;
- (cc) neither the Company nor the Subsidiary is: (i) in violation of any term of the articles or by-laws or any constating document thereof, (ii) in violation of any term or provision of any material agreement, indenture, debt, security agreement or other instrument applicable to it, or (iii) in default in the payment of any obligation owed which is now due, which in the case of (ii) or (iii) would reasonably be expected to have a Material Adverse Effect and there are no actions, suits, proceedings or investigations commenced, pending or, to the knowledge of the Company, threatened which, either in any case or in the aggregate, would reasonably be expected to result in any Material Adverse Effect or which would prevent completion of the Offering, or the validity or enforceability of this Agreement, the Ancillary Documents or any document or instrument delivered, or to be delivered, by the Company pursuant hereto or thereto;
- (dd) the Company holds either freehold title, mining leases, mining concessions, mining claims, exploration permits, prospecting permits or participating interests or other conventional property or proprietary or contractual interests or rights, recognized in the jurisdiction in which the Material Project is located, in respect of the prospective targets and mineralization located in or on the Material Project in which the Company has an interest under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit the Company or the Subsidiary to explore for the minerals relating thereto, except as would not have a Material Adverse Effect, all claims and Permits in which the Company has an interest and are valid and subsisting, the Company will acquire all necessary surface rights, access rights and other necessary rights and interests relating to the Material Project in which the Company has an interest granting the Company and/or the Subsidiary the right and ability to explore for minerals and other metals for development purposes as are appropriate in view of the rights and interest therein of the Company, with only such exceptions as do not have a Material Adverse Effect, and, except as would not have a Material Adverse Effect,

each of the property interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to above is currently in good standing in the name of the Company or the Subsidiary;

- (ee) any and all of the Permits, agreements and other documents and instruments pursuant to which the Company holds or will hold an interest in the Material Project and assets thereof (including any right to earn an interest in) are valid and subsisting Permits, agreements, documents or instruments in full force and effect, enforceable in accordance with terms thereof, the Company is not in default of any of the material provisions of any such agreements, documents or instruments in any manner that would have a Material Adverse Effect, nor has any such default been alleged, and, except as would not have a Material Adverse Effect, such Material Project, Permits and assets are in good standing under the Applicable Laws of the jurisdictions in which they are situated, all leases, licences, Permits and claims pursuant to which the Company derives the interests thereof in such Material Project and assets are in good standing and there has been no material default under any such lease, licence, Permit or claim and all fees and other amounts required to be paid with respect to such Permits, Material Project and assets to the date hereof have been paid, other than defaults which could not result in a Material Adverse Effect. Other than as disclosed in the Disclosure Documents, the Material Project is not subject to any right of first refusal, back-in, purchase or acquisition right;
- (ff) neither the Company nor the Subsidiary is in default of any material term, covenant or condition under or in respect of any judgement, order, agreement or instrument to which it is a party or to which it or the Material Project or assets thereof are or may be subject, and to the knowledge of the Company, no event has occurred and is continuing, and no circumstance exists which has not been waived, which constitutes a default in respect of any commitment, agreement, document or other instrument to which the Company or the Subsidiary is a party or by which it is otherwise bound entitling any other party thereto to accelerate the maturity of any material amount owing thereunder or which could result in a Material Adverse Effect;
- (gg) the Company and the Subsidiary are in compliance with all Applicable Laws respecting employment and employment practices, terms and conditions of employment, pay equity and wages, and there is no labour strike, dispute, slowdown, stoppage, complaint or grievance pending or threatened against the Company or the Subsidiary, no union representation question exists respecting the employees of the Company and no collective bargaining agreement is in place or currently being negotiated by the Company, the Company has not received any notice of any unresolved matter and there are no outstanding orders under any employment or human rights legislation in any jurisdiction in which the Company carries on business or has employees, except as set out in the Disclosure Documents no employee has any agreement as to the length of notice required to terminate his or her employment with the Company in excess of twelve months or equivalent compensation and all benefit and pension plans of the Company are funded in accordance with Applicable Laws and no past service funding liability exists thereunder;

- (hh) 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, pension, incentive or otherwise contributed to, or required to be contributed to, as applicable, by the Company or the Subsidiary for the benefit of any current or former officer, director, employee or consultant of the Company or the Subsidiary has been maintained in material compliance with the terms thereof and with the requirements prescribed by any and all statutes, orders, rules, policies and regulations that are applicable to any such plan;
- (ii) all material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or provincial pension plan premiums, accrued wages, salaries and commissions and payments for any plan for any officer, director, employee or consultant of the Company or the Subsidiary have been accurately reflected in the books and records of the Company;
- (jj) the Company and the Subsidiary:
 - (i) and the Material Project, assets and operations thereof comply with all applicable “**Environmental Laws**” (which term means and includes, without limitation, any and all applicable international, federal, provincial, territorial, state, municipal, national or local laws, statutes, regulations, treaties, orders, judgments, decrees, ordinances, official directives and all authorizations relating to the environment, occupational health and safety, or any “**Environmental Activity**” (which term means and includes, without limitation, any past, present or future activity, event or circumstance in respect of a “**Contaminant**” (which term means and includes, without limitation, any pollutants, dangerous substances, liquid wastes, hazardous wastes, hazardous materials, hazardous substances or contaminants or any other matter including any of the foregoing, as defined or prescribed as such pursuant to any Environmental Law), including, without limitation, the storage, use, holding, collection, purchase, accumulation, assessment, generation, manufacture, construction, processing, treatment, stabilization, disposition, handling or transportation thereof, or the release, escape, leaching, dispersal or migration thereof into the natural environment, including the movement through or in the air, soil, surface water or groundwater));
 - (ii) do not have any knowledge of, and have not received any notice of, any claim, judicial or administrative proceeding, pending or threatened against, or which may affect, either the Company or the Subsidiary or the Material Project, or the assets or operations thereof, relating to, or alleging any violation of any Environmental Laws, and the Company has no knowledge of any facts which could reasonably be expected to give rise to any such claim or judicial or administrative proceeding and, to the knowledge of the Company, none of the Company, the Subsidiary, the Material Project, or assets or operations thereof, is the subject of any investigation, evaluation,

audit or review by any “**Governmental Authority**” (which term means and includes, without limitation, any national, federal government, province, state, municipality or other political subdivision of any of the foregoing, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government and any corporation or other entity owned or controlled (through stock or capital ownership or otherwise) by any of the foregoing) to determine whether any violation of any Environmental Laws has occurred or is occurring or whether any remedial action is needed in connection with a release of any Contaminant into the environment, except for compliance investigations conducted in the normal course by any Governmental Authority;

- (iii) have not given or filed any notice under any federal, state, provincial or local law with respect to any Environmental Activity, neither of the Company or nor Subsidiary has any liability (whether contingent or otherwise) in connection with any Environmental Activity and the Company is not aware of any notice being given under any federal, state, provincial or local law or of any liability (whether contingent or otherwise) with respect to any Environmental Activity relating to or affecting the Company or the Subsidiary or the property, assets, business or operations thereof;
 - (iv) do not store any hazardous or toxic waste or substance on the Material Project and have not disposed of any hazardous or toxic waste, in each case in a manner contrary to any Environmental Laws, and to the knowledge of the Company after due inquiry, there are no Contaminants on any of the premises at which the Company or the Subsidiary carries on business or the Material Project, in each case other than in compliance with Environmental Laws; and
 - (v) are not subject to any contingent or other liability relating to the restoration or rehabilitation of land, water or any other part of the environment as a result of non-compliance with any Environmental Law;
- (kk) with respect to the Technical Report:
- (i) the Technical Report was prepared in accordance in all material respects with the requirements of NI 43-101 at the time of filing thereof;
 - (ii) the Company and the Subsidiary made available to the authors of the Technical Report, prior to the issuance thereof, for the purpose of preparing such report, all material information requested by them, and none of such information contained any misrepresentation at the time such information was so provided;
 - (iii) to the knowledge of the Company, none of the material assumptions underlying the conclusions in the Technical Report are unreasonable or inaccurate as at the date of the Technical Report; and

- (iv) the Company has filed all technical reports required to be filed pursuant to NI 43-101 and there has been no change in respect thereof that would require the filing by the Company of a new technical report under NI 43-101;
- (ll) there are no actions, suits, proceedings, inquiries or investigations existing, pending or, to the knowledge of the Company, threatened against the Company or the Subsidiary, or to which any of its properties or assets are subject, at law or equity, or before or by any court, federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which could reasonably be expected to have a Material Adverse Effect (financial or otherwise) on the capital, property, assets, operations or business of the Company and the Subsidiary, taken in aggregate, or the ability of the Company or the Subsidiary to perform the obligations thereof in connection with the Offering and neither of the Company nor the Subsidiary is subject to any judgment, order, writ, injunction, decree, award, rule, policy or regulation of any Governmental Authority, which, either separately or in the aggregate, may result in a Material Adverse Effect or prevent the Company from performing its obligations under this Agreement;
- (mm) the Company owns or possesses adequate enforceable rights to use all trademarks, copyrights and trade secrets used or proposed to be used in the conduct of the business thereof and, to the knowledge of the Company, the Company is not infringing upon the rights of any other Person with respect to any such trademarks, copyrights or trade secrets and no other Person has infringed any such trademarks, copyrights or trade secrets;
- (nn) neither the Company nor the Subsidiary owes any amount to, nor has the Company or the Subsidiary any present loans to, or borrowed any amount from or is otherwise indebted to, any officer, director, employee or securityholder of any of them or any Person not dealing at “arm’s length” (as such term is defined in the ITA) with any of them, other than the usual employee and consultant reimbursements and compensation paid in the ordinary and normal course of the business of the Company or the Subsidiary. Except usual employee or consulting arrangements made in the ordinary and normal course of business or as set out in the Disclosure Documents, neither the Company nor the Subsidiary is a party to any contract, agreement or understanding with any officer, director, employee or securityholder of the Company or any other Person not dealing at arm’s length with the Company and the Subsidiary. No officer, director, employee or securityholder of the Company or the Subsidiary has any cause of action or other claim whatsoever against, or owes any amount to, the Company or the Subsidiary except for claims in the ordinary and normal course of the business of the Company or the Subsidiary such as for accrued vacation pay or other amounts or matters which would not be material to the Company;
- (oo) except as set out in the Disclosure Documents, the Company is not a party to any loan, bond, debenture, promissory note or other instrument evidencing

indebtedness (demand or otherwise) for borrowed money or any agreement, contract or commitment to create, assume or issue any debt instrument;

- (pp) except for this Agreement, the only material contracts to which the Company is a party or by which it is bound are those set out in the Disclosure Documents and there is no document, contract or other agreement required to be described in the Disclosure Documents which is not described or filed as required by the Applicable Securities Laws. Each description of a contract, document or other agreement in the Disclosure Documents accurately reflects in all material respects the material terms of the underlying contract, document or other agreement at the time such disclosure was made. Each current material contract, document or other agreement described in the Disclosure Documents is a valid and subsisting agreement in full force and effect unamended and there exists no material default or event, occurrence, condition or act which, with the giving of notice, the lapse of time or the happening of any event or condition, would become a material default thereunder by any party thereto;
- (qq) the minute books of the Company and the Subsidiary include all approved minutes of the board of directors of the Company of the Subsidiary and committees of the board of directors of the Company of the Subsidiary, which are complete and accurate in all material respects;
- (rr) the Company has not withheld from the Agent any material fact or material information relating to the Company, the Subsidiary or to the Offering that would, to the knowledge of the Company, be material to the Agent or a prospective purchaser of the Offered Securities;
- (ss) all consents, approvals, permits, authorizations or filings as may be required under Applicable Laws necessary to the performance by the Company of its obligations under this Agreement and the Ancillary Documents will have been obtained at the Closing Time or will be obtained within the respective times prescribed by such Applicable Laws;
- (tt) provided the Agent and Purchasers comply with their obligations set forth in this Agreement and the Subscription Agreements (respectively), none of the execution and delivery by the Company of this Agreement and any Ancillary Documents, the performance by the Company of its obligations hereunder and thereunder, the creation and issuance of the Compensation Options, the creation, sale, issuance and delivery (as applicable) of the Offered Securities hereunder and the consummation of the transactions contemplated by this Agreement, including the allotment and reservation for issue of the Warrant Shares and the Compensation Option Shares, Compensation Option Warrants and Compensation Option Warrant Shares will conflict with or result in a breach or violation of any Applicable Laws;
- (uu) other than the Agent, there is no Person acting or purporting to act at the request of the Company, who is entitled to any brokerage, finder's fee, commission or agency fee in connection with the transactions contemplated herein;

- (vv) the Company and the Subsidiary maintain and will maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in Canada and Sweden, as applicable, and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any material differences;
- (ww) the forms of the certificates representing the Unit Shares, the Warrants, the Warrant Shares, the Compensation Options, the Compensation Option Shares, the Compensation Option Warrants and the Compensation Option Warrant Shares have been duly approved by the Company and comply with the provisions of Applicable Laws in all material respects;
- (xx) the Company is a reporting issuer or the equivalent thereof in British Columbia, and Alberta and is not in default of any of its obligations under Applicable Securities Laws of such provinces;
- (yy) there are no material facts or material changes relating to the Company which have not been publicly disclosed; and
- (zz) the Company is in material compliance with all rules, regulations and policies of the TSX-V.

6. Closing.

The purchase and sale of the Offered Securities will be completed at the Closing Time at the offices of Borden Ladner Gervais LLP in Vancouver, Canada or at such other place as the Agent and the Company may agree upon. At the Closing Time, the Company will deliver the Unit Shares and the Warrants (comprising the Units) either certificated or electronically through the non-certificated inventory system of CDS Clearing and Depository Services Inc. or its nominee and certificates representing the Compensation Options registered in accordance with the instructions of the Agent, against payment by or on behalf of the Agent to the Company of the aggregate purchase price by wire transfer or certified cheque(s) to the Company less the Agent's Commission and the estimated out-of-pocket costs and expenses of the Agent including the reasonable legal fees including taxes and disbursements of the Agent's legal counsel, each subject to Section 9 hereof, as detailed by the Agent in writing.

7. Closing Conditions.

In addition to the deliveries contemplated by Section 6, each Purchaser's subscription to purchase the Offered Securities and the Agent's obligation to close the purchase of Offered Securities from the Company at the Closing Time will be conditional upon the fulfilment, or waiver by the Agent, at or before the Closing Time of the following conditions:

- (a) the TSX-V will have accepted notice of the Offering, and conditionally approved the Offering, subject to the Company fulfilling the customary requirements as to the filing of certain documents and the payment of the necessary listing fees;
- (b) the Company will deliver a print-out of the lists of reporting issuers and/or lists of reporting issuers in default maintained on the web sites of the Commissions in British Columbia and Alberta which confirm that the Company is a reporting issuer in British Columbia and Alberta and is not shown as being in default on any such list;
- (c) the Agent will have received the executed lock-up agreements from each director and officer of the Company in favour of the Agent in a form satisfactory to the Agent required pursuant to Section 3(j) of this Agreement;
- (d) the Agent will have received, prior to or at the Closing Time, a copy of a conditional approval letter from the TSX-V, conditionally approving the Offering and the listing of the Offered Shares;
- (e) the Agent will have received a certificate, dated as of the Closing Date, signed by the Chief Executive Officer and the Chief Financial Officer of the Company, or such other senior officer as may be acceptable to the Agent, certifying for and on behalf of the Company, in his or her capacity as an officer of the Company and not in his or her personal capacity, to the best of the knowledge, information and belief of the person so signing, after having made due enquiry, but without personal liability, that:
 - (i) the Company has complied with and satisfied all terms and conditions and covenants of this Agreement and the Subscription Agreements on its part to be complied with or satisfied at or prior to the Closing Time;
 - (ii) the representations and warranties of the Company contained in this Agreement are true and correct at 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;
 - (iii) the Due Diligence Session Responses provided at the Due Diligence Session are true and correct and would not be different in any material respect if the Due Diligence Session were held immediately prior to the Closing Time;
 - (iv) the Company has made and/or obtained on or prior to the Closing Time, all necessary filings, approvals, consents and acceptances of applicable regulatory authorities and under any applicable agreement or document to which the Company is a party or by which it is bound, required for the execution and delivery of this Agreement and the Subscription Agreements, the offering and sale of the Offered Securities and the Compensation Options, and the consummation of the other transactions contemplated by this Agreement (subject to completion of filings with certain regulatory authorities following the Closing Date);

- (v) since June 30, 2021: (A) there has been no material change (actual, anticipated, contemplated or threatened, whether financial or otherwise) in the business, affairs, prospects, operations, Material Project, Permits, assets, liabilities (contingent or otherwise), financial condition or capital of the Company and the Subsidiary taken as a whole and (B) no transaction has been entered into by the Company or the Subsidiary which is or would be material to the Company or the Subsidiary, except in each case as disclosed in the Disclosure Documents; and
- (vi) no order, ruling or determination having the effect of suspending or prohibiting the sale or ceasing the trading, as applicable, of the Unit Shares, the Warrants, the Warrant Shares, the Compensation Options, the Compensation Option Units, the Compensation Option Shares, the Compensation Option Warrants or the Compensation Option Warrant Shares, or other securities of the Company has been issued by any applicable regulatory authority in any Qualifying Jurisdiction and is continuing in effect and no proceedings for that purpose have been instituted or, to the knowledge of such officers, are pending, contemplated or threatened by any applicable regulatory authority in any such Qualifying Jurisdiction;
- (f) the Agent will have received at the Closing Time certificates dated the Closing Date, signed by the Chief Executive Officer or the Chief Financial Officer of the Company addressed to the Agent and counsel to the Agent, with respect to the constating documents of the Company, all resolutions of the Company's board of directors relating to this Agreement and the Ancillary Documents, the creation, issuance, offering, sale, delivery, allotment and reservation (as applicable) of the Unit Shares, the Warrants, the Warrant Shares, the Compensation Options, the Compensation Option Units, the Compensation Option Shares, the Compensation Option Warrants or the Compensation Option Warrant Shares, and the consummation of the respective transactions contemplated herein and therein, and the incumbency and specimen signatures of signing officers;
- (g) the Agent will have received at the Closing Time a certificate (the "**Subsidiary Officer's Certificate**") dated as of the Closing Date, for the Subsidiary signed by a senior officer or director of the Subsidiary addressed to the Agent and its legal counsel, in form and substance satisfactory to the Agent, acting reasonably, certifying for and on behalf of the Subsidiary and not in their personal capacity that, to the actual knowledge of the person signing such certificate, after having made due and relevant inquiry, as to the Subsidiary's (i) corporate good standing, and (ii) authorized capital and ownership thereof;
- (h) the Company's board of directors will have authorized and approved this Agreement, and all Ancillary Documents pursuant to which the Offered Securities are to be issued, and the creation, offering, issue, delivery, sale allotment and reservation (as applicable) of the Unit Shares, the Warrants, the Warrant Shares, the Compensation Options, the Compensation Option Units, the Compensation

Option Shares, the Compensation Option Warrants or the Compensation Option Warrant Shares, and all matters relating thereto;

- (i) the Subscription Agreements will have been accepted, endorsed, executed and delivered by the Company;
- (j) the Warrant Indenture will have been executed and delivered by the Company and Odyssey Trust Company, as trustee;
- (k) the Agent will have received an original Compensation Option certificate duly executed by the Company;
- (l) the Agent will have received from the Company and/or its counsel a certificate of good standing (or its equivalent) for the Company dated within one day prior to the Closing Date;
- (m) the Agent will have received a certificate of the Transfer Agent that certifies the number of Common Shares issued and outstanding immediately prior to the Closing Date;
- (n) the Agent will have received favourable legal opinions addressed to the Purchasers and the Agent and its counsel, in form and substance satisfactory to the Agent and its legal counsel, acting reasonably, substantially with respect to the matters set out in Schedule "B" as applicable, dated the Closing Date from Borden Ladner Gervais LLP, counsel for the Company, and/or the Company's local counsel of recognized standing in Qualifying Jurisdictions other than British Columbia in which Purchasers are resident at the Closing Time, which counsels may rely as to factual matters only, on certificates of the Auditors, the Transfer Agent, public and stock exchange officials and officers of the Company;
- (o) the Agent will have received favourable title opinions on the Material Project;
- (p) the Company will have fulfilled to the satisfaction of the Agent, acting reasonably, all covenants set forth in Section 3 that are required to be satisfied by it in or prior to the Closing Time;
- (q) the Offered Securities will not be subject to a hold period longer than the Hold Period;
- (r) the Agent being satisfied in their sole discretion with their due diligence on the Company;
- (s) the Agent will have received such other documents or opinions as the Agent may reasonably request, in each case in a form customary for transactions of this nature and all in a form satisfactory to the Agent, acting reasonably; and
- (t) the Agent will not have terminated its obligations under this Agreement pursuant to Section 8.

8. Rights of Termination.

- (a) The Agent will be entitled, at its sole option, to terminate and cancel, without any liability on the part of the Agent, all of its obligations under this Agreement and the obligations of any Purchaser to purchase the Offered Securities, by notice in writing to that effect delivered to the Company prior to or at the Closing Time if:
- (i) there will have occurred any material change or change in a material fact or the Agent will discover any previously undisclosed material fact which in the reasonable opinion of the Agent would be expected to have a Material Adverse Effect on the Offering, the market price or value of the securities of the Company or a material adverse change or effect on the business or affairs of the Company and the Subsidiary taken as a whole;
 - (ii) any inquiry, action, suit, investigation or other proceeding (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 order is issued under or pursuant to any statute of Sweden, Canada or any province thereof or any other governmental department, commission, board, bureau, agency or instrumentality including without limitation, the TSX-V, any securities regulatory authority in relation to the Company or any of its securities, which in the reasonable opinion of the Agent operates or could operate to prevent or restrict the trading in or distribution of the Offered Securities, as applicable;
 - (iii) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence or catastrophe, pandemic (including any material adverse development due to the COVID-19 outbreak), war or act of terrorism of national or international consequence or any new or change in any law or regulation which, in the opinion of the Agent, adversely affects or involves, or will adversely affect or involve, the financial markets or the business, operations or affairs of the Company and the Subsidiary, taken as a whole or the market price or value of the securities of the Company (including the Offered Securities);
 - (iv) any order, halt or suspend trading (including an order prohibiting communications with persons in order to obtain expressions of interest), action, 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 a securities regulatory authority, and the same has not been rescinded, revoked or withdrawn as at the Closing Date;
 - (v) in the opinion of the Agent, it would be impractical or unprofitable to offer or continue to offer the Offered Securities;
 - (vi) the Company is in material breach of, default under or non-compliance with any material representation, warrant, term, condition or covenant of this Agreement or any material representation or warranty given by the

Company in this Agreement becomes false and is not rectified by the Closing Date;

- (vii) any condition in this Agreement will remain outstanding and uncompleted at any time after the time which is it required to be completed or waived; or
 - (viii) the Agent is not satisfied, in their sole discretion, with the completion of their due diligence investigations.
- (b) The rights of termination contained in Section 8(a) may be exercised by the Agent prior to or at the Closing Time and are in addition to any other rights or remedies the Agent may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination, there will be no further liability on the part of the Agent to the Company or on the part of the Company to the Agent except in respect of any liability or obligation which may have arisen or arises after such termination under Sections 9, 10 and 11, which Sections will survive the termination of this Agreement for a period of eighteen months from the date hereof.
- (c) The Agent will use commercially reasonable efforts to give the notice to the Company as contemplated by Section 8(a) of the occurrence of any of the events or circumstances referred to therein, provided that neither the giving nor the failure to give such notice will in any way affect the Agent's entitlement to exercise their rights contained in Section 8(a) at any time through to the Closing Time.

9. Fees and Expenses.

- (a) In consideration for all arrangements and distribution services rendered by the Agent in connection with the Offering, the Company will pay to the Agent at the Closing Time a cash fee (the "**Cash Fee**") equal to 6% of the gross proceeds from the sale of the Offered Securities under the Offering, excluding any gross proceeds from the sale of Units to purchasers on the President's List, in respect of which the Cash Fee payable to the Agent shall be 3% of the gross proceeds from such sales. As additional consideration, the Company will issue to the Agent at the Closing Time, compensation options (the "**Compensation Options**") registered in such name or names as the Agent may direct in writing, as is equal to 6% of the aggregate number of Units sold under the Offering, excluding any Units issued to purchasers on the President's List, in respect of which the Compensation Options issuable to the Agent shall be 3% of the Units issued to such President's List purchasers. Each Compensation Option shall be exercisable, for a period of 24 months following the Closing Date, to acquire one Unit (each, a "**Compensation Option Unit**") at an exercise price per Unit that is equal to the Unit Issue Price, subject to adjustment in certain events. Each Compensation Option Unit will consist of one Unit Share (each a "**Compensation Option Share**") and one-half of one Warrant (each whole Warrant, a "**Compensation Option Warrant**"). Each Compensation Option Warrant will entitle the holder thereof to acquire one Warrant Share (a "**Compensation Option Warrant Share**") at an exercise price of \$0.35 per Compensation Option Warrant Share for a period of 24 months from the Closing

Date. The description of the Compensation Options herein is a summary only and is subject to the specific attributes and detailed provisions of the Compensation Options to be set forth in the Compensation Option certificates. In case of any inconsistency between the description of the Compensation Options in this Agreement and the terms of the Compensation Options as set forth in the Compensation Option certificates, the provisions of the Compensation Option certificates shall govern. For greater certainty, the Compensation Option Warrants will be governed by the Warrant Indenture.

- (b) Whether or not the transactions contemplated herein will be completed, all reasonable expenses of or incidental to the issue and delivery of the Offered Securities and of or incidental to all matters in connection with the transactions herein set out will be borne by the Company including, without limitation, expenses in connection with the issuance and sale of the Offered Securities, all private placement fees required under Applicable Securities Laws, all filing fees in connection with the qualification of the Unit Shares, the Warrants, the Warrant Shares, the Compensation Options, the Compensation Option Shares, the Compensation Option Warrants and the Compensation Option Warrant Shares for distribution in the Qualifying Jurisdictions, the fees and expenses of counsel to the Company and all local counsel selected by the Company, all TSX-V and any other listing fees, all fees and expenses of the Auditors, all reasonable costs and expenses of the Agent and all disbursements, fees and expenses of legal counsel to the Agent in all jurisdictions (up to \$50,000 excluding taxes and disbursements). Costs and expenses of the Agent will be payable by the Company in addition to any other fees payable under this Agreement and will be payable by the Company immediately upon receiving an invoice therefor from the Agent and shall be payable whether or not the Offering is completed. In the event that the Offering is not completed for any reason whatsoever, or the Agent has terminated this Agreement pursuant to Section 8, the Company will be responsible for the payment of all of the expenses of the Agent otherwise payable by the Company under this Section 9(b). The Company will pay any applicable GST/HST on the amounts payable under Sections 9(a) and 9(b) of this Agreement.

10. Survival of Representations and Warranties.

All warranties, representations, covenants, agreements and other statements of the Company herein contained or contained in any Ancillary Documents delivered pursuant to this Agreement and in connection with the transactions herein contemplated as incorporated by reference herein, and all obligations of the Company under Section 11 of this Agreement, will survive the issuance and sale of the Unit Shares, the Warrants, the Warrant Shares, the Compensation Options, the Compensation Option Units, the Compensation Option Shares, the Compensation Option Warrants, the Compensation Option Warrant Shares and continue in full force and effect for the benefit of the Agent and the Purchasers in accordance with the terms hereof and will not be limited or prejudiced by any investigation made by or on behalf of the Agent in connection with the issuance and sale of the Offered Securities or otherwise. All warranties, representations, covenants and agreements of the Company provided herein or incorporated by reference herein will survive the Closing Date for a period of three years; provided that the provisions contained

in, or incorporated into, this Agreement in any way related to the indemnification or the contribution obligations of the Company will survive and continue in full force and effect, indefinitely, subject only to the limitation requirements of Applicable Laws. The warranties, representations, covenants, agreements and other statements of the Agent herein contained or contained in any Ancillary Documents delivered pursuant to this Agreement and in connection with the transactions herein contemplated will survive the Closing Date and, notwithstanding such Closing Date 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 three years following the Closing Date.

11. Indemnity.

The Company and the Subsidiary, as the case may be, hereby agree to indemnify and hold harmless the Agent, each of the associates and affiliates of the Agent and each of the officers, directors, employees, shareholders, partners, advisors and agents of the Agent (such officers, directors, employees, shareholders, partners, advisors and agents are hereinafter collectively referred to as the “**Personnel**” and the Agent, the associates and affiliates of the Agent and the Personnel are collectively referred to as the “**Indemnified Persons**” and individually as an “**Indemnified Person**”) from and against any and all expenses, costs, losses, claims, actions, payments, damages and liabilities (including the aggregate amount paid in settlement of any litigation, action, suit, proceeding, claim or investigation (each an “**Action**”) and the reasonable fees and expenses of counsel that may be incurred in respect of receiving advice in connection with, or in investigating, defending or settling, any Action) of whatsoever nature or kind, joint or several, to which any Indemnified Person may become subject or otherwise involved in any capacity under statute or common law or otherwise by reason of, in connection with, or insofar as such expense, cost, loss, claim, action, payment, damage or liability is caused by, results from, arises out of or is based upon, directly or indirectly, the engagement of the Agent hereunder, the provision of services by the Agent hereunder or otherwise in connection with any matter referred to in, or related to, this agreement; provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall have determined that:

- (i) the Indemnified Person has been negligent or dishonest, has been guilty of willful misconduct or has committed a fraudulent act in the course of rendering such services or has materially breached this agreement; and
- (ii) the expense, cost, loss, claim, action, payment, damage or liability in respect of which indemnification is claimed was directly caused or occasioned by the negligence, dishonesty, willful misconduct, fraud or material breach referred to in clause (i) above.

If for any reason (other than the occurrence of any of the events referred to in clause (i) above), the foregoing indemnification is unavailable to an Indemnified Person or, while available, is insufficient to hold such Indemnified Person harmless, then the Company shall contribute to the amount paid or payable by such Indemnified Person as a result of such expense, cost, loss, claim, action, payment, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Company on the one

hand and the Indemnified Person on the other hand but also the relative degrees of fault of the Company and the Indemnified Person, as well as any other relevant equitable considerations, provided that in any event the Company shall contribute to the amount paid or payable by the Indemnified Person as a result of such expense, cost, loss, claim, action, payment, damage or liability any excess of such amount over the amount of the fees actually received by the Indemnified Person from the Company hereunder. Subject to the exceptions outlined in (i) and (ii) above, the Company hereby agrees that no Indemnified Person shall have any liability to the Company or any associate or affiliate thereof or to any of the officers, directors, holders of securities or creditors of the Company or of any associate or affiliate thereof in respect of any Action and hereby waives any right to contribution which the Company may have against any Indemnified Person from the Company. The Company hereby waives any right which the Company may have of first requiring any Indemnified Person to proceed or enforce any right, power, remedy or security or to claim payment from any other person before claiming under the indemnity contained in this Section 11.

In case any Action is brought against an Indemnified Person or an Indemnified Person has received notice of the commencement of any investigation in respect of which indemnity may be sought against the Company, the Indemnified Person will give the Company prompt written notice of any such Action of which the Indemnified Person has knowledge and the Company will undertake the investigation and defense thereof on behalf of the Indemnified Person, including the prompt employment of counsel acceptable to the Indemnified Persons affected and the payment of all expenses. The omission to so notify the Company shall not relieve the Company of any liability which the Company may have to any Indemnified Person hereunder provided that any such delay in or failure to give notice as herein required does not materially prejudice the defence of the Action and does not result in any material increase in the liability which the Company would otherwise have under the indemnity contained herein had the Indemnified Person not so delayed in giving, or failing to give, the notice herein required.

No admission of liability nor settlement, compromise or termination of any Action shall be made without the Company's consent and the consent of the Indemnified Persons affected; such consents not to be unreasonably withheld. Notwithstanding that the Company will undertake the investigation and defence of any Action, an Indemnified Person will have the right to employ separate counsel with respect to any Action and participate in the defense thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Person unless:

- (a) the payment of such expenses has been authorized in writing by the Company;
- (b) the Company has not assumed the defense of the Action within a reasonable period of time after receiving notice of the Action;
- (c) the named parties to any such Action include both the Company and the Indemnified Person and the Indemnified Person shall have been advised by counsel to the Indemnified Person in writing that there is a conflict of interest between the Company and the Indemnified Person; or

- (d) there are one or more defenses available to the Indemnified Person which are different from or in addition to those available to the Company;

in which case such fees and expenses of such counsel to the Indemnified Person will be for the Company's account. The rights accorded to the Indemnified Persons hereunder shall be in addition to any rights an Indemnified Person may have at common law or otherwise.

The Company hereby acknowledges that the Agent acts as trustee for all of the other Indemnified Persons of the covenants and obligations of the Company contained in this Section 11 with respect to such Indemnified Persons and the Agent hereby accepts such trust and agrees to hold such covenants and obligations on behalf of itself and the other Indemnified Persons.

The indemnity and contribution obligations of the Company contained herein shall be in addition to, and not in substitution for, any liability which the Company may otherwise have, shall extend upon the same terms and conditions to all Indemnified Persons and shall be binding upon and enure to the benefit of the respective successors and assigns of the Company and of each of the Indemnified Persons, as the case may be.

The indemnity provided in this Section 11 shall not be limited to or otherwise affected by any other indemnity obtained from any other person in respect of any matter specified in this Agreement and shall continue in full force and effect until all possible liability arising out of the transactions contemplated by this Agreement has been extinguished by operation of law, provided, however that no Indemnified Person shall be entitled to "double recovery" in respect of any Action.

12. Advertisements.

The Company acknowledges that the Agent will have the right, at their own expense, after giving the Company a reasonable opportunity to comment on the form and content thereof, to place such advertisement or advertisements or press releases relating to and following the completion of the sale of the Offered Securities contemplated herein as the Agent may consider desirable or appropriate and as may be permitted by Applicable Laws. The Company and the Agent each agree that it will not make or publish any advertisement or press release in any media whatsoever relating to, or otherwise publicizing, the Offering so as to result in any exemption from the prospectus and registration requirements of Applicable Securities Laws being unavailable in respect of the issue and sale of the Offered Securities to prospective purchasers. Subject to compliance with Applicable Laws, any press release or advertisement of the Company or the Agent relating to the Offering will be provided in advance the other party hereto and such other party will use its commercially reasonable efforts to agree to the form and substance thereof with the other party prior to the release thereof.

13. No Underwriting Commitment

Notwithstanding anything to the contrary contained herein or any oral representations or assurances previously or subsequently made by the parties hereto, this Agreement does not constitute a commitment by or legally binding obligation of the Agent or any of their

respective affiliates to act as underwriters, initial purchasers, arrangers, and/or placement agents in connection with any offering of securities of the Company, including the Units, or to provide or arrange any financing.

14. Representations of the Agent

The Agent represents and warrants to the Company that:

- (a) The Agent is duly registered pursuant to the provisions of the Applicable Securities Laws, and is duly registered or licensed as an investment dealer or exempt market 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 selling group members who are so registered or licensed.
- (b) The Agent is a valid and subsisting corporation duly incorporated and in good standing under the corporate laws of the jurisdiction in which it is existing.
- (c) The Agent has full power and authority to enter into this Agreement and to perform and carry out the transactions contemplated under this Agreement on the terms and conditions set for herein, and to do all other acts which are necessary to discharge its obligations under this Agreement.
- (d) Upon the execution and delivery hereof, this Agreement will constitute a valid and binding obligation of the Agent, enforceable against the Agent in accordance with its terms, provided that enforcement thereof may be limited by bankruptcy, insolvency and other 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 and that enforceability may be limited by applicable laws in effect in the province of British Columbia.
- (e) The execution and delivery of this Agreement and the performance by the Agent of its obligations hereunder and the consummation of the transactions contemplated hereby do not and will not conflict with or result in a breach or violation of any of the terms of or provisions of, or constitute a default under, whether after notice or lapse of time or both, (A) any statute, rule or regulation applicable to the Agent, including the Applicable Securities Laws; (B) the constating documents of the Agent; (C) any material agreement of the Agent; or (D) any judgment, decree or order binding the Agent.
- (f) The Agent qualifies as an accredited investor, as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* as a result of compliance with paragraph (d) of that definition.

15. Right of First Refusal

If within 12 months after the Closing Date, the Company (a) proposes to issue debt or equity securities, (b) proposes to acquire or dispose of any assets or securities out of the ordinary course of business, (c) proposes a material corporate transaction, such as an amalgamation, recapitalization, merger, take-over bid, joint venture, plan of arrangement or reorganization, or (d) receives an unsolicited take-over bid or merger proposal, the Company hereby grants to the Agent a five (5) Business Day right of first refusal to lead manage (minimum of 55% economic interest), as agent/underwriter and/or to act as exclusive financial advisor (as the case may be, depending upon the nature of the transaction and provided that the Company intends to appoint a financial advisor in connection with the transaction in question) in connection with such transaction, subject to the Company and the Agent agreeing on mutually acceptable fee arrangements and provided that the terms and conditions of any such engagement shall be no more favourable on the whole to any such other financial institution than the terms and conditions offered by the Company to the Agent.

16. Other Matters

The Company acknowledges and agrees that all written and oral opinions, advice, analysis and materials provided by the Agent in connection with this Agreement hereunder are intended solely for the Company's benefit and the Company's internal use only with respect to the Offering and the Company agrees that no such opinion, advice, analysis or material will be used for any other purpose whatsoever or reproduced, disseminated, quoted from or referred to in whole or in part at any time, in any manner or for any purpose, without the Agent's prior written consent in each specific instance. Any advice or opinions given by the Agent hereunder will be made subject to, and will be based upon, such assumptions, limitations, qualification and reservations as the Agent, in its sole judgement, deem necessary or prudent in the circumstances.

The Agent will act as an independent contractor under this Agreement and not in any other capacity including as a fiduciary, and any duties arising out of this Agreement will be owed solely to the Company.

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

Haywood acknowledges its responsibility to comply with applicable securities laws as they relate to trading securities with knowledge of a material fact or a material change that has not been generally disclosed. Further, Haywood has strict internal procedures, which provide for the placing of relevant securities on a "grey list" or a "restricted list" and for

restrictions on trading by Haywood and its investment banking personnel for their own account in accordance with such procedures.

17. Notices.

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

(a) If to the Company, at:

District Metals Corp.
Suite 907 – 1030 West Georgia Street
Vancouver, B.C. V6E 2Y3

Attention: Garrett Ainsworth
Email: [email address redacted]

and, in respect of any notice given to the Company, with a copy to:

Borden Ladner Gervais LLP
Waterfront Centre, 200 Burrard Street, Suite 1200
Vancouver, B.C. V7X 1T2

Attention: Michael Waters
Email: mwaters@blg.com

(b) If to the Agent, at:

Haywood Securities Inc.
Waterfront Centre, 200 Burrard Street, Suite 700
Vancouver, B.C. V6C 3L6

Attention: Kevin Campbell
Email: kcampbell@haywood.com

and, in respect of any notice given to the Company, with a copy to:

Morton Law LLP
1200-750 West Pender Street
Vancouver, B.C. V6C 2T8

Attention: Jed M. Hops
Email: jmh@mortonlaw.ca

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

Each notice will be personally delivered to the addressee or sent by e-mail to the addressee and a notice which is personally delivered will, 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 a notice which is sent by e-mail will be deemed to be given and received on the first Business Day following the day on which it is sent.

18. Time of the Essence.

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

19. Headings.

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

20. Entire Agreement.

This Agreement (including all Schedules) and the other agreements and documents referred to herein constitute the only agreement between the parties with respect to the subject matter hereof and will supersede any and all prior negotiations and understandings between the parties hereto with respect to the transactions contemplated in this Agreement including the engagement letter between the Company and the Agent dated November 23, 2021. This Agreement may be amended or modified in any respect by written instrument only.

21. Severability.

If one or more provisions contained herein will, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provision of this Agreement, but this Agreement will be construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein. Headings used herein are for convenience of reference only and will not affect the interpretation or construction of this Agreement.

22. Successors and Assigns.

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

23. Further Assurances.

Each of the parties hereto will do or cause to be done all such acts and things and will 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.

24. Effective Date.

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

25. Agent as Trustee

The Company acknowledges and agrees that it is the intention of the parties to this Agreement and the Company hereby constitutes the Agent as trustee for each of the Purchasers in respect of each of the covenants, acknowledgements, agreements and representations and warranties of the Company contained in this Agreement and the Agent shall be entitled, as trustee, in addition to any rights of the Purchasers, to enforce such covenants, agreements and representations and warranties on behalf of the Purchasers.

26. Counterparts and Electronic Execution.

This Agreement may be executed in any number of counterparts, which taken together will form one and the same agreement. This Agreement may be executed by one or more of the parties by e-mail in pdf format and all parties agree that the reproduction of signature by way of e-mail in pdf format will be treated as though such reproductions were executed originals.

27. Governing Law.

This Agreement will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein without giving effect to any rule or principle of the conflict of laws that would apply the laws of any other jurisdiction and the parties hereto attorn to the exclusive jurisdiction of the courts of such province in connection with all matters arising hereunder.

[Signature Page Follows]

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

Yours very truly,

HAYWOOD SECURITIES INC.

Per: (signed) Kevin Campbell
Kevin Campbell
Managing Director, Investment
Banking

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

DATED as of the date first written above.

DISTRICT METALS CORP.

Per: (signed) Garrett Ainsworth
Garrett Ainsworth
President and Chief Executive
Officer

SCHEDULE A**MATERIAL PROJECT**

The following is the list of the mining leases and mining claims associated with the Material Project:

Tomtebo Project

License	Record Holder	Valid Until
Nyberget nr 101	District Metals AB	September 25, 2022
Tomtebo nr 203	District Metals AB	September 25, 2022
Tomtebo nr 201	District Metals AB	June 28, 2022

**SCHEDULE B
FORM OF OPINION**

1. The Company is a valid and existing company under the laws of the Province of British Columbia and has not been dissolved, and is, with respect to the filing of annual reports with the Registrar of Companies for British Columbia, in good standing as of this date.
2. The Company has all necessary corporate power and capacity to carry on business as presently carried on and to own, lease and operate its property and assets, as described in the Company's annual information form.
3. The Company has all necessary corporate power and capacity to execute and deliver and to perform its obligations under the Material Agreements and to issue the Offered Securities.
4. The authorized capital of the Company consists of an unlimited number of Common Shares of which 79,780,707 are issued and outstanding as non-assessable shares immediately prior to the issuance of the Offered Securities.
5. The execution and delivery by the Company of the Material Agreements and the performance by it of its obligations thereunder have been duly authorized by all necessary corporate action on the Company's part.
6. The Company has duly executed and delivered each of the Material Agreements.
7. Each of the Material Agreements constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms.
8. The execution and delivery by the Company of each of the Material Agreements and the performance by it of its obligations thereunder do not breach any provisions of, or constitute a default under:
 - (a) its Notice of Articles and Articles;
 - (b) any statute, rule or regulation of British Columbia or Canadian federal law to which the Company is subject; or
 - (c) any resolutions of the board of directors or shareholders of the Company.
9. The issuance of the Shares by the Company has been duly authorized by all necessary corporate action on the part of the Company and, on receipt by the Company of the consideration therefor, the Shares will be validly issued as fully-paid and non-assessable shares in the capital of the Company.

10. The creation and issuance of the Warrants have been duly authorized by all necessary corporate action on the part of the Company and the Warrant Shares have been duly reserved for issuance upon due exercise of the Warrants. When issued in accordance with the terms of the Warrants upon the due exercise thereof, the Warrant Shares will be issued as fully-paid and non-assessable shares in the capital of the Company.
11. The creation and issuance of the Compensation Options have been duly authorized by all necessary corporate action on the part of the Company and the Compensation Shares have been duly reserved for issuance upon due exercise of the Compensation Options. When issued in accordance with the terms of the Compensation Options upon the due exercise thereof, the Compensation Shares will be issued as fully-paid and non-assessable shares in the capital of the Company. The creation and issuance of the Compensation Option Warrants have been duly authorized by all necessary corporate action on the part of the Company and the Compensation Option Warrant Shares have been duly reserved for issuance upon due exercise of the Compensation Option Warrants. When issued in accordance with the terms of the Compensation Option Warrants upon the due exercise thereof, the Compensation Option Warrant Shares will be issued as fully-paid and non-assessable shares in the capital of the Company.
12. The form and terms of the certificate representing the Warrants and the Compensation Options have been approved and adopted by the directors of the Company and complied in all material respects with the constating documents of the Company, applicable corporate law and the requirements of the Exchange.
13. Odyssey Trust Company, at its office in Vancouver, British Columbia, has been duly appointed as the transfer agent and registrar of the Common Shares of the Company.
14. The offering, sale and issuance of the Offered Securities to the Purchasers and the issuance of the Compensation Options to the Agent are exempt from the prospectus requirements of the Applicable Securities Laws, and the only filing, proceeding, approval, permit, consent or authorization required to be made, taken or obtained under the Applicable Securities Laws is the filing with the applicable provincial securities regulatory authorities within the prescribed time periods, a report in Form 45-106F1, as prescribed by National Instrument 45-106 – *Prospectus Exemptions*, prepared and executed in accordance with Applicable Securities Laws, together with the requisite filing fees.
15. No prospectus or registration is required nor are any other documents, proceedings or approvals, permits, consents or authorizations of regulatory authorities required to be filed, taken or obtained (other than those which have been filed, taken or obtained) under the Applicable Securities Laws to permit the issuance by the Company of the Warrant Shares, Compensation Shares, the Compensation Option Warrants or the Compensation Option Warrant Shares on the exercise of the Warrants, Compensation Options, Compensation Options or Compensation Option Warrants respectively, in accordance with their terms.
16. The first trade by a Purchaser of the Offered Securities will be a distribution subject to the prospectus requirements of the Applicable Securities Laws unless:

- (a) at the time of the trade, the Company is and has been a “reporting issuer”, as defined in the Applicable Securities Laws, in a province or territory of Canada for the four months immediately preceding the trade;
 - (b) at the time of the trade, at least four months have elapsed from the date of the issue of the Offered Securities;
 - (c) the certificates representing the Offered Securities carry a legend in the form as set out in Section 2.5(2)(3)(i) of National Instrument 45-102 – *Resale of Securities* (“NI 45-102”);
 - (d) the Purchasers who are not receiving certificates representing the Offered Securities received written notice containing the legend set out in Section 2.5(2)(3)(i) of NI 45-102;
 - (e) the trade is not a “control distribution” as defined in NI 45-102;
 - (f) no unusual effort is made to prepare the market or create a demand for the securities that are the subject of the trade;
 - (g) no extraordinary commission or consideration is paid to a person or company in respect of the trade; and
 - (h) if the Purchaser is an insider or officer of the Company at the time of the trade, the Purchaser has no reasonable grounds to believe that the Company is in default of the securities legislation (as defined in National Instrument 14-101 – *Definitions*).
17. The Shares, Warrant Shares, Compensation Shares and Compensation Option Warrant Shares have been accepted for listing on the Exchange, subject to satisfying the conditions set out in the Exchange Letter.
18. The Company is a “reporting issuer” in the provinces of British Columbia and Alberta, and is not noted in default in the BC Reporting Issuer Lists or the Alberta Reporting Issuer List, as applicable, issued by the Principal Regulator and the Alberta Securities Commission.
19. The Subsidiary is a corporation existing under the laws of its jurisdiction of incorporation or amalgamation, as the case may be, and has all requisite corporate capacity, power and authority to carry on its business as now conducted and to own, lease and operate its property and asset.
20. The authorized capital of the Subsidiary.

21. The Subsidiary being current with all corporate filings required to be made under its jurisdiction of incorporation and all other jurisdictions in which it exists or carries on any material business, and has all necessary licences, leases, permits, authorizations and other approvals necessary to permit it to conduct its respective business as currently conducted.
22. All the issued and outstanding securities of the Subsidiary are owned by the Company are held, directly or indirectly, free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims and demands whatsoever.
23. Such other matters as may reasonably be requested by the Agent no less than 24 hours prior to the Closing Time.