

## PURCHASE AND SALE AGREEMENT

**THIS AGREEMENT** is entered into as of November 16, 2022 (the “**Execution Date**”)

**BY AND AMONG:** **TROILUS GOLD CORP.**, a corporation incorporated and existing under the laws of Ontario

(the “**Vendor**”)

**AND:** **9474-9454 QUÉBEC INC.**, a corporation incorporated and existing under the laws of Québec

(the “**Purchaser**”)

**AND:** **SAYONA MINING LIMITED ABN 26 091 951 978**, a company incorporated under the laws of Australia

(“**Sayona**”).

**WHEREAS** the Vendor is the holder of a 100% undivided ownership interest in the Claims; and

**WHEREAS** the Vendor has agreed to sell to the Purchaser all of its right, title and interest in and to the Claims, and the Purchaser has agreed to purchase such right, title and interest, the whole as further provided in this Agreement.

**NOW THEREFORE**, the Parties hereby agree as follows:

### 1. INTERPRETATION

**1.1 Definitions.** Where used herein or in any amendment hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

- (a) “**AEST**” means Australian Eastern Standard Time.
- (b) “**Affiliate**” means, with respect to a Person, any other Person that directly or indirectly Controls, or is Controlled by, or is under common Control with, such Person.
- (c) “**Agreement**” means this Purchase and Sale Agreement, including the recitals and schedules and all instruments supplemental hereto or in amendment or confirmation hereof; “**herein**”, “**hereof**”, “**hereto**”, “**hereunder**” and similar expressions mean and refer to this Agreement and not to any particular Article, Section or other subdivision; and “**Article**”, “**Section**” or other subdivision of this Agreement means and refers to the specified Article, Section or other subdivision of this Agreement.
- (d) “**ASIC**” means the Australian Securities and Investments Commission.
- (e) “**Assignment and Assumption Agreement**” means the assignment and assumption agreement with respect to each of the Underlying Royalty Agreements in so far as they relate to the Claims, in the form as agreed to by the Parties.

- (f) **“ASX”** means ASX Limited, which owns and operates the Australian Securities Exchange.
- (g) **“ASX Listing Rules”** means the listing rules issued by the ASX from time to time.
- (h) **“Books and Records”** means all files, documentation and information (in whatever medium and wherever situated) solely in respect of the Claims and the Underlying Royalties, including all mining, exploration and technical data, information, reports, maps, plans, samples, cores, core boxes and containers, pulps and rejects, drill logs, surveys, engineering notebooks and other information relating to the Claims or work performed thereon or relating to the Underlying Royalties in Vendor’s possession or control; in the event Vendor is required by Law to keep originals of any such books and records, the phrase **“Books and Records”** means copies thereof.
- (i) **“Business Day”** means any day of the year, other than a Saturday, Sunday or any day on which chartered banks are closed for business in Toronto, Ontario, Montreal, Quebec or Paddington, Queensland.
- (j) **“Buy Back Sharing Agreement”** means the royalty buy back rights sharing and exercise agreement with respect to each of the Underlying Royalties listed in sections 1, 3, 4 and 5 of Schedule 5.2(m), in the form as agreed to by the Parties.
- (k) **“Claims”** means the 1,824 claims listed in Schedule 1.1(k).
- (l) **“Cleansing Notice”** means a notice in relation to any of the Consideration Shares in accordance with section 708A(5)(e) of the Corporations Act which complies with section 708A(6) of the Corporations Act.
- (m) **“Closing”** means the completion of the purchase and sale of the Claims and the Books and Records in accordance with the provisions of this Agreement.
- (n) **“Closing Date”** means the date upon which the conditions set forth in Article 6 are satisfied or waived in accordance with the terms hereof and Closing is achieved, which is currently anticipated to be November 17, 2022 (Quebec time).
- (o) **“Confidential Information”** means, in relation to a Party (the **“Discloser”**):
  - (i) all information, in whatever form communicated or maintained, whether orally, in writing, electronically, in computer readable form or otherwise, that the Discloser discloses to, or that is gathered by inspection by a Party (the **“Recipient”**) or any of the Recipient’s Representatives, in the context of the transactions contemplated by this Agreement, whether provided before or after the Execution Date, including information that contains or otherwise reflects information concerning the Discloser or its businesses, affairs, financial condition, assets, liabilities, operations, prospects or activities, and specifically includes financial information, budgets, business plans, ways of doing business, business results, prospects, customer lists, forecasts, engineering reports, environmental reports, evaluations, legal opinions, names of venture partners and contractual parties, and any information provided to the Discloser by third parties under circumstances

in which the Discloser has an obligation to protect the confidentiality of such information;

- (ii) all plans, proposals, reports, analyses, notes, studies, forecasts, compilations or other information, in any form, that are based on, contain or reflect any Confidential Information regardless of the identity of the Person preparing the same (the “**Notes**”); and
- (iii) the existence and terms of this Agreement;

but does not include any information that:

- (iv) is at the time of disclosure to the Recipient or thereafter becomes generally available to the public, other than as a result of a disclosure by the Recipient or any of the Recipient’s Representatives in breach of this Agreement;
  - (v) is or was received by the Recipient on a non-confidential basis from a source other than the Discloser or its Representatives if such source is not known to the Recipient to be prohibited from disclosing the information to the Recipient by a confidentiality agreement with, or a contractual, fiduciary or other legal confidentiality obligation to, the Discloser; or
  - (vi) was known by the Recipient prior to disclosure in connection with the transactions contemplated by this Agreement and was not subject to any contractual, fiduciary or other legal confidentiality obligation on the part of the Recipient.
- (p) “**Consideration Shares**” means 184,331,797 Ordinary Shares to be issued to the Vendor at a deemed issue price equal to the Issue Price in accordance with Section 3.2.
  - (q) “**Contaminants**” means any substance or material that is prohibited, controlled or regulated under any applicable Environmental Law, including pollutants, contaminants, dangerous goods or substances, toxic or hazardous substances or materials or wastes, including solid non-hazardous wastes, hazardous wastes, wastewater, petroleum, its derivatives, by-products or other hydrocarbons, all as defined in or pursuant to any applicable Environmental Laws.
  - (r) “**Corporations Act**” means the *Corporations Act 2001* (Cth).
  - (s) “**director**” has the meaning ascribed to such term in the Securities Act (Ontario).
  - (t) “**Discloser**” has the meaning set out in the definition of Confidential Information.
  - (u) “**Encumbrance**” means any security interest, mortgage, hypothec, pledge, assignment, lien, preference right, conditional sale or other title retention agreement, charge, trust or deemed trust (whether contractual, statutory or otherwise arising), any royalty, registered or unregistered or similar agreement, any servitude, encroachment or any other right or claim of others of any kind

whatsoever affecting any of the Claims and any covenant or other agreement, restriction or limitation on the use or transfer of any of the Claims.

- (v) **“Environment”** means all components of the earth, including all layers of the atmosphere (including ambient air), land (and all surface and subsurface soil, underground spaces and cavities and all land submerged under water), soil, water (including surface and underground water), all organic and inorganic matter, living organisms, animal life, vegetation, and for greater certainty, all the interacting natural systems that include components referred to above are comprised in the definition of **“Environment”**.
- (w) **“Environmental Laws”** means any and all applicable Laws relating to the Environment, including those pertaining to the protection, investigation, remediation, restoration and clean up in connection with any presence, release, discharge, escape or disposal of Contaminants or relating to the manufacturing, processing, distribution, use, treatment, storage, disposal, transportation or handling of Contaminants, public health, pollution or civil responsibility for acts and omissions with respect to the Environment. **“Environmental Law”** means any one of them.
- (x) **“ETA”** means Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder.
- (y) **“Excluded Liabilities”** has the meaning ascribed to such term in Section 3.3.
- (z) **“Executive Officer”** means, for an issuer, an individual who is:
  - (i) a chair, vice-chair or president,
  - (ii) a chief executive officer or a chief financial officer, or
  - (iii) in charge of a principal business unit, division or function including sales, finance or production and that fact is disclosed in any of the following documents: (A) the issuer’s most recent disclosure document containing that information that is publicly available in a foreign jurisdiction where its securities are listed or quoted, (B) the offering document provided by the issuer in connection with the distribution of the security that is the subject of the trade.
- (aa) **“Extraordinary Cap”** has the meaning ascribed to such term in Section 8.8(a).
- (bb) **“Foreign Issuer”** has the meaning ascribed to such term in section 2.15 of NI 45-102.
- (cc) **“Form of Transfer”** has the meaning ascribed to such term in Section 2.2.
- (dd) **“Governmental Authority”** means any:
  - (i) multinational, national, federal, provincial, state, municipal, special administrative region, local or other governmental or public department,

- court, commission, board, bureau, agency or instrumentality, domestic or foreign;
- (ii) any subdivision or authority of any of the foregoing; or
  - (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the above.
- (ee) **“Governmental Authorizations”** means all authorizations, approvals, orders, rulings, certificates, consents, directives, notices, licences, permits, variances, registrations or other rights issued to or required by an entity by or from any Governmental Authority.
  - (ff) **“GST”** means the taxes (including the goods and services tax and harmonized sales tax) imposed under the ETA.
  - (gg) **“IFRS”** means International Financial Reporting Standards issued by the International Accounting Standards Board.
  - (hh) **“Indemnified Party”** has the meaning ascribed to such term in Section 8.3.
  - (ii) **“Indemnifying Party”** has the meaning ascribed to such term in Section 8.3.
  - (jj) **“Indemnitees”** has the meaning ascribed to such term in Section 8.2.
  - (kk) **“Interim Period”** means the period between the Execution Date and the Time of Closing (or termination of this Agreement), as the case may be.
  - (ll) **“Investor Rights Agreement”** means the investor rights agreement attached as a Schedule to the Subscription Agreement to be executed and delivered by the Vendor and Sayona on the closing of the transactions contemplated in the Subscription Agreement.
  - (mm) **“Issue Price”** means \$0.217 per Ordinary Share.
  - (nn) **“Knowledge of the Vendor”** means the actual knowledge of the Chief Executive Officer, the Chief Financial Officer or the President of the Vendor, after making due inquiry of other responsible officers and employees of the Vendor, to inform themselves as to the relevant matters.
  - (oo) **“Knowledge of Sayona”** means the actual knowledge of the Chief Executive Officer and the Chief Financial Officer of Sayona, after making due inquiry of other responsible officers and employees of Sayona, to inform themselves as to the relevant matters.
  - (pp) **“Laws”** means:
    - (i) all constitutions, treaties, laws, statutes, codes, ordinances, orders, decrees, rules, regulations and municipal by-laws, whether domestic, foreign or international;

- (ii) all judgments, orders, writs, injunctions, decisions, rulings, decrees and awards of any Governmental Authority; and
- (iii) all policies, practices and guidelines of any Governmental Authority or body, which although not actually having the force of law, are considered by such Governmental Authority as requiring compliance as if having the force of law, in each case binding on or affecting the Party or Person referred to in the context in which such word is used, and "**Law**" means any one of them.

The term "**Law**" or "**Laws**" shall exclude all Environmental Laws.

- (qq) "**Legal Proceeding**" means any litigation, action, application, suit, investigation, hearing, claim, complaint, deemed complaint, grievance, civil, administrative, regulatory or criminal, arbitration proceeding or other similar proceeding, before or by any Governmental Authority, and includes any appeal or review thereof and any application for leave for appeal or review.
- (rr) "**Losses**" has the meaning ascribed to such term in Section 8.1.
- (ss) "**NI 45-102**" means *National Instrument 45-102 Resale of Securities*.
- (tt) "**NI 45-102 Resale Notice**" has the meaning ascribed to such term in Section 3.2.
- (uu) "**Notes**" has the meaning set out in the definition of Confidential Information.
- (vv) "**Order**" means any order, directive, judgment, decree, injunction, decision, ruling, award or writ of any Governmental Authority.
- (ww) "**Ordinary Cap**" has the meaning ascribed to such term in Section 8.8(a).
- (xx) "**Ordinary Shares**" means ordinary shares of Sayona listed and traded on the ASX.
- (yy) "**Outside Date**" means December 31, 2022.
- (zz) "**Parties**" means the Vendor, the Purchaser and Sayona; and "**Party**" means one of them as the context may require.
- (aaa) "**Person**" means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or a Governmental Authority, and pronouns which refer to a Person shall have the similarly extended meaning.
- (bbb) "**Permitted Encumbrances**" means:
  - (i) such minor defects as may be revealed by an up to date plan of survey of any property and any minor registered or unregistered easements, rights of way, encroachments, restrictive covenants, servitudes or other similar rights in land granted to or reserved by other Persons, rights of way for sewers, water lines, gas lines, electric lines, telegraph and/or telephone

lines and other similar purposes, or zoning by-laws or other restrictions as to the use of real property, which defects, minor discrepancies in the legal description of adjoining real property which would be disclosed in an up-to-date survey, easements, servitudes, rights of way and other similar rights and restrictions, and any recorded servitudes and recorded restrictions or covenants that run with the land, do not, in the aggregate, materially detract from the value of the said properties or materially impair their use;

- (ii) security or deposits given to a public utility or any Governmental Authority when required by such utility or Governmental Authority in the ordinary course of business;
  - (iii) Encumbrances for Taxes which are not delinquent or which are being contested in good faith by the Vendor;
  - (iv) Encumbrances and charges incidental to construction or current operations (including, without limitation, carrier's warehouseman's, mechanics', materialmen's and repairmen's liens) that have not at such time been filed pursuant to law or which relate to obligations not due or delinquent provided that the claims secured thereby are being contested in good faith and adequate reserves with respect thereto are maintained by the Vendor;
  - (v) the right reserved to or vested in any Governmental Authority by the terms of any lease, licence, franchise, grant, concession or permit or by any statutory provision, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
  - (vi) a right of title retention in connection with the acquisition by the Vendor of goods in the ordinary course of business; and
  - (vii) the Underlying Royalties.
- (ccc) **"Private Placement"** means the private placement contemplated under the Subscription Agreement.
- (ddd) **"Purchase Price"** has the meaning ascribed to such term in Section 3.1.
- (eee) **"Purchaser"** has the meaning ascribed to such term in the Recitals.
- (fff) **"Purchaser Indemnitees"** has the meaning ascribed to such term in Section 8.1.
- (ggg) **"QST"** means the taxes imposed under the QSTA.
- (hhh) **"QSTA"** means Title 1 of *An Act Respecting the Quebec Sales Tax* (Quebec) and the regulations made thereunder.
- (iii) **"Recipient"** has the meaning set forth in the definition of Confidential Information.

- (jjj) **“Representative”** when used with respect to a Person means each director, officer, employee, consultant, financial adviser, legal counsel, accountant and other agent, adviser or representative of that Person.
- (kkk) **“Royalty”** means the two percent net smelter returns royalty on all mineral products from the Claims to be granted by the Purchaser to the Vendor pursuant to the Royalty Agreement.
- (lll) **“Royalty Agreement”** means the royalty agreement between the Purchaser and the Vendor in the form attached hereto as Schedule 1.1(III).
- (mmm) **“Sayona”** has the meaning ascribed to such term in the Recitals.
- (nnn) **“Sayona Material Adverse Effect”** means any change, effect, event, occurrence, circumstance or state of facts that, individually or in the aggregate, is or would reasonably be expected to be, material and adverse to the business, properties, operations, financial condition, results of operations, assets or liabilities or prospects of Sayona and its Subsidiaries (taken as a whole), except any change, effect, event, occurrence, circumstance or state of facts resulting directly or indirectly from or relating to:
  - (i) the announcement of the execution of this Agreement, the Subscription Agreement or the transactions contemplated in such agreements;
  - (ii) changes in general economic, securities, financial, banking or currency exchange markets;
  - (iii) any change in IFRS;
  - (iv) any natural disaster or epidemic provided that it does not have a materially disproportionate effect on Sayona relative to comparable mining companies;
  - (v) changes affecting the mining industry generally or metal prices, provided that such changes do not have a materially disproportionate effect on Sayona relative to comparable mining companies;
  - (vi) generally applicable changes in applicable Law; and
  - (vii) the commencement or continuation of any war, armed hostilities or acts of terrorism.
- (ooo) **“Sayona Public Documents”** means those documents which would have been disclosed to the Vendor had the Vendor, by the date which is two Business Days prior to the Execution Date, conducted searches of:
  - (i) the ASX;
  - (ii) the ASIC; and

- (iii) the Personal Property Securities Register established under section 147 of the *Personal Property Securities Act 2009* (Cth).
- (ppp) “**Subscription Agreement**” means the Subscription Agreement made as of the Execution Date between Sayona and the Vendor.
- (qqq) “**Subsidiary**” means, in respect of any Person, another Person that is Controlled by such first-mentioned Person.
- (rrr) “**Taxes**” means all national, federal, provincial, state, local or other taxes, including income taxes, mining taxes, branch taxes, profits taxes, capital gains taxes, gross receipts taxes, windfall profits taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, licence taxes, excise taxes, franchise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, social security premiums, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST, QST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties.
- (sss) “**Third Party Claim**” has the meaning ascribed to such term in Section 8.5.
- (ttt) “**Time of Closing**” means 10:00 am (Quebec time) on the Closing Date, or such other time as may be mutually agreed upon by the Parties.
- (uuu) “**Transfer Taxes**” has the meaning ascribed to such term in Section 4.1.
- (vvv) “**TSX**” means the “Toronto Stock Exchange”.
- (www) “**Underlying Royalties**” means the royalties affecting the Claims as well as certain other claims owned directly or indirectly by Troilus pursuant to the Underlying Royalty Agreements listed in Schedule 5.2(m), all as set forth in the disclosures relating to the Permitted Encumbrances.
- (xxx) “**Underlying Royalty Agreements**” means the agreements with respect to the Underlying Royalties.
- (yyy) “**Vendor**” has the meaning ascribed to such term in the Recitals.
- (zzz) “**Vendor Indemnitees**” has the meaning ascribed to such term in Section 8.2.
- (aaaa) “**Vendor Material Adverse Change**” means, in respect of the Claims, any effect, event or circumstance that, individually or in the aggregate with other such changes, effects, events or circumstances, has had or would reasonably be expected to have a material adverse effect on the value or condition of the Claims taken as a whole or any material portion thereof, or the ability to conduct exploration, development or mining operations in, on or under any of the Claims; provided that no change, effect, event or circumstance resulting from or

attributable to any of the following shall be deemed to be, or taken into account in determining whether there has been or would reasonably expected to be, a Vendor Material Adverse Change:

- (i) the public announcement of the execution of this Agreement or the transactions contemplated hereby;
- (ii) any change in global, national or regional political conditions (including strikes, lockouts, riots or facility takeover for emergency purposes), economic, business, banking, regulatory, currency exchange, interest rate, inflationary conditions or financial, capital or commodity market conditions, in each case whether national or global changes;
- (iii) outbreak or escalation of hostilities or acts of war (whether or not declared) (including without limitation any ongoing conflict involving Russia and Ukraine) or act of terrorism;
- (iv) any epidemics, pandemics or disease outbreak or other public health condition (including COVID-19), earthquakes, volcanoes, tsunamis, hurricanes, tornados or other natural disasters or acts of God, including in each of the aforementioned cases, any escalation or worsening thereof, provided that such changes do not have a materially disproportionate effect on such Claims, portion thereof or ability;
- (v) any change or proposed change in any Laws or the interpretation, application or non-application of any Laws by any Governmental Authority;
- (vi) changes or developments affecting the global mining industry in general, provided that such changes do not have a materially disproportionate effect on such Claims, portion thereof or ability; and
- (vii) any changes affecting the price of precious metals.

**1.2 Schedules.** The following is a list of the Schedules attached hereto and incorporated herein by reference:

Schedule 1.1(k)	[REDACTED - SENSITIVE COMMERCIAL INFORMATION]
Schedule 1.1(III)	[REDACTED - SENSITIVE COMMERCIAL INFORMATION]
Schedule 3.3	Allocation of Purchase Price
Schedule 5.2(m)	[REDACTED - SENSITIVE COMMERCIAL INFORMATION]

**1.3 Control.** For the purposes of this Agreement:

- (i) a Person Controls a body corporate if securities of the body corporate to which are attached more than 50% of the votes that may be cast to elect directors of the body corporate are beneficially owned by such Person and the votes attached to those securities are sufficient, if exercised, to elect a majority of the directors of the body corporate;
- (ii) a Person Controls an unincorporated entity, other than a limited partnership, if more than 50% of the ownership interests, however

designated, into which the entity is divided are beneficially owned by such Person and such Person is able to direct the business and affairs of the entity; and

- (iii) the general partner of a limited partnership Controls the limited partnership.
- (b) A Person who Controls an entity is deemed to Control any entity that is Controlled, or deemed to be Controlled, by the entity.
- (c) A Person is deemed to Control, within the meaning of Section 1.3(i) or Section 1.3(ii), an entity if the aggregate of:
  - (i) any securities of such entity that are beneficially owned by that Person; and
  - (ii) any securities of such entity that are beneficially owned by any entity Controlled by that Person;

is such that, if such Person and all of the entities referred to in Section 1.3(c)(ii) that beneficially own securities of such entity were one Person, such Person would Control such entity.

## **2. PURCHASE AND SALE**

- 2.1 Purchase and Sale.** At the Time of Closing, on and subject to the terms and conditions of this Agreement, the Vendor shall sell and transfer to the Purchaser, and the Purchaser shall purchase and acquire from the Vendor, in consideration for the Purchase Price, all of the right, title and interest of the Vendor in the Claims and the Books and Records.
- 2.2 Delivery of Claims.** At the Time of Closing, the Vendor shall deliver, or cause to be delivered, the Claims to the Purchaser, provided that delivery shall occur *in situ* wheresoever such Claims are located on the Closing Date.
- 2.3 Form of Transfer.** At the Time of Closing, the Vendor shall deliver to the Purchaser a duly executed form of transfer of mining rights in proper registrable form for registration in the Public Register of Real and Immovable Mining Rights maintained by the *ministère des Ressources naturelles et des Forêts* (Québec) in favour of the Purchaser of 100% of the registered or recorded interest in and to the Claims (the “**Form of Transfer**”) and a certified copy of the resolutions of its Board of Directors authorizing the execution of the Form of Transfer.
- 2.4 Delivery of Books and Records.** At the Time of Closing, the Vendor shall make available, or cause to be made available to the Purchaser, the Books and Records.
- 2.5 Registration.** Forthwith upon the delivery by the Vendor of the Form of Transfer to the Purchaser, but contingent upon the issuance of a holding statement representing the Consideration Shares in accordance with Section 3.1, the Purchaser shall request registration of the Form of Transfer in the Public Register of Real and Immovable Mining Rights maintained by the *ministère des Ressources naturelles et des Forêts* (Québec).
- 2.6 Underlying Royalties Notice.** On the Execution Date and as at the Time of Closing, the Vendor and the Purchaser shall deliver notices to the holders of the Underlying Royalties

advising of the closing of the transactions contemplated under this Agreement and the assignment and assumption of the Underlying Royalties subject to the Buy Back Sharing Agreements, as applicable.

### **3. PURCHASE PRICE**

**3.1 Purchase Price.** At the Time of Closing, the sale and transfer of the Claims and the Books and Records shall be made in consideration of:

- (a) Sayona issuing the Consideration Shares to the Vendor in accordance with Section 3.2 (which, for clarity, Sayona agrees to do);
- (b) the granting by the Purchaser of the Royalty to the Vendor in accordance with Section 3.2(a)(iv);
- (c) the assumption by the Purchaser of all obligations and liabilities of the Vendor with respect to the Claims under each Underlying Royalty Agreement arising and accruing from and after the Execution Date, the whole pursuant to the Assignment and Assumption Agreements set out in Section 3.2(a)(v) as well as the Buy Back Sharing Agreements, as applicable; and
- (d) subject to the Buy Back Sharing Agreements, the assumption by the Purchaser of all obligations and liabilities of the Vendor in connection with the Claims (other than those obligations and liabilities assumed pursuant to Section 3.1(c)) arising and accruing from and after the Execution Date pursuant to Section 3.3;

(collectively, the “**Purchase Price**”).

### **3.2 Payment of Purchase Price.**

- (a) At the Time of Closing:
  - (i) Sayona must issue and allot the Consideration Shares to the Vendor or as the Vendor directs Sayona in writing (and Sayona undertakes to issue such Consideration Shares);
  - (ii) Sayona must register the Vendor (or as the Vendor may direct) as the holder of the Consideration Shares;
  - (iii) Sayona must take all reasonable steps to procure the delivery to the Vendor, as soon as practicable following the Time of Closing, of a holding statement evidencing that the Consideration Shares have been issued and allotted to the Vendor with effect from the Time of Closing;
  - (iv) the Purchaser and the Vendor shall enter into the Royalty Agreement; and
  - (v) the Purchaser and the Vendor shall enter into the Assignment and Assumption Agreements.
- (b) Sayona must:

- (i) apply for quotation of the Consideration Shares on the ASX as soon as practicable after Closing on the Closing Date, and in any event no later than 12 pm (AEST) on the Business Day following the Closing Date, and do all things reasonably necessary to ensure that the Consideration Shares are quoted as soon as practicable on such terms and conditions as are usual for quotation of securities; and
- (ii) by no later than 9 am (AEST) on the Business Day following the Closing Date, provide the ASX with a Cleansing Notice or, where Sayona has notified the Vendor in writing prior to Closing that it is unable to issue a Cleansing Notice, within 60 days of Closing, lodge with the ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Consideration Shares does not require disclosure to investors.

The Consideration Shares will be issued pursuant to 2.12 of *National Instrument 45-106 Prospectus Exempt Distributions*.

At Closing, Sayona will deliver a written notice to the Vendor signed by an Executive Officer of Sayona (the “**NI 45-102 Resale Notice**”), and such notice shall be deemed to be part of this Agreement, representing, warranting and certifying as at the Closing Date that: (i) Sayona is not a reporting issuer under applicable Canadian securities Laws in any jurisdiction of Canada, and (ii) Sayona is a Foreign Issuer.

The NI 45-102 Resale Notice shall also state that, in respect of resale within Canada, the Consideration Shares issued in accordance with Section 3.2 are subject to the following legend with respect to any resale of the foregoing securities effected before the end of the period contemplated in such legend:

*“UNLESS PERMITTED UNDER SECURITIES LEGISLATION THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY IN CANADA BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) [INSERT CLOSING DATE] AND (II) THE DATE THE ISSUER BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.”*

**3.3 Allocation of Purchase Price.** The amount of the Purchase Price set out in this Article 3 shall be allocated in the manner set out in Schedule 3.3. If the amount of the Purchase Price shall be adjusted pursuant to the terms of this Agreement, the amount of such adjustment shall also be allocated in a manner consistent with Schedule 3.3. The allocation of the Purchase Price shall be binding on the Parties.

**3.4 Assumption of Liabilities.** Effective as at and from Time of Closing, as and by way of a covenant that shall survive Closing (and shall not merge thereon), the Purchaser shall assume all of the obligations and liabilities of the Vendor in connection with the Claims arising and accruing from and after the Closing Date (other than those assumed pursuant to the Assignment and Assumption Agreements and subject to the Buy Back Sharing Agreements). Except for the obligations and liabilities specifically assumed by the Purchaser pursuant to this Section 3.3 or pursuant to the Assignment and Assumption

Agreements (subject to the Buy Back Sharing Agreements), the Purchaser does not assume any obligation or liability of the Vendor (the “**Excluded Liabilities**”).

#### **4. TAX MATTERS**

**4.1 Payment of Transfer Taxes.** Subject to Section 4.1, the Purchaser shall be liable for and will pay, or will cause to be paid, all transfer, property transfer, land transfer, value added, ad-valorem, excise, sales, use, consumption, GST, QST, retail sales, provincial sales, retail sales, social services, or other similar taxes or duties (collectively, the “**Transfer Taxes**”) payable under any applicable Laws on or with respect to the transfer of the Claims under this Agreement no later than five days prior to the time such Transfer Taxes must be remitted by the Vendor to the appropriate Governmental Authority, as applicable. All amounts payable by the Purchaser to the Vendor hereunder are exclusive of any applicable Transfer Taxes which shall be payable, if and as applicable, in addition to the Purchase Price referred to herein.

**4.2 GST and QST Treatment on the Transfer of Natural Resource Right.** The Parties acknowledge and agree that the transfer of the Claims constitutes supplies of rights to explore for or exploit a mineral deposit or rights of entry or user relating to rights to explore for or exploit a mineral deposit and, therefore, shall be deemed not to be supplies for the purposes of the GST and QST under section 162 of the ETA and section 40 of the QSTA. Consequently, it is the Parties’ intention and understanding that the transfer of the Claims provided for in this Agreement shall not be subject to GST and QST.

**4.3 Limitation.** Except as provided in this Agreement, without limiting the generality of Section 3.3, the Purchaser does not assume and will not be liable for any obligations or liabilities of the Vendor on account of any Taxes that may be or become payable by the Vendor, including any income or corporation Taxes resulting from or arising as a consequence of the sale by the Vendor to the Purchaser of the Claims hereunder.

**4.4 Tax Cooperation.** The Purchaser and the Vendor will furnish or cause to be furnished to each other, each at its own expense, as promptly as practicable, such information, documentation and assistance, and provide additional information and explanations of any material provided, relating to the sale and transfer of the Claims as is reasonably necessary for the filing of any tax returns, for the claim or application for any relief, for the claim of any tax credit, refund or similar payment, for the preparation of any audit and for the prosecution or defence of any claim, relating to any adjustment or proposed adjustment with respect to Taxes.

#### **5. REPRESENTATIONS AND WARRANTIES**

**5.1 Representations and Warranties of the Vendor with respect to the Vendor.** The Vendor represents and warrants to the Purchaser as follows as of the Execution Date, and acknowledges that the Purchaser is relying upon such representations and warranties in connection with the purchase of the Claims and the Books and Records and that the Purchaser would not have entered into this Agreement without such representations and warranties:

(a) **Incorporation.** The Vendor is incorporated, validly existing and in good standing under the laws of Ontario, has the necessary corporate power to carry on its business as such business is presently conducted and is in good standing under

the Laws of each other jurisdiction in which it owns properties or conducts any business.

- (b) **Authorization.** The Vendor is the sole registered and beneficial owner of its interest in the Claims and holds all permits, licences, consents and authorities issued by any government or Governmental Authority which are necessary in connection with the ownership (but not the operation) of the Claims. The Vendor has the necessary corporate power and authority to execute this Agreement. The execution of this Agreement and the performance of its obligations hereunder have been authorized by all necessary corporate action on its part, and no other internal approvals or proceedings on its part are necessary to authorize this Agreement. Such execution and performance by the Vendor does not require any action or consent of, any registration with, or notification to, any Person (save and except for the holders of the Underlying Royalties), or any action or consent under any Laws to which the Vendor is subject.
- (c) **No Conflict.** The execution of this Agreement, the consummation of the transactions contemplated hereby, the performance by the Vendor of its obligations hereunder and the compliance by the Vendor with this Agreement do not:
- (i) violate, contravene or breach, or constitute a default under, the constating documents of the Vendor;
  - (ii) violate, contravene or breach, or constitute a default under, any contract, agreement, indenture, instrument, licence, permit, approval, consent, statute, regulation, order, judgment, decree or any applicable Law or commitment to which the Vendor may be a party, or to which any of the Claims may be subject, or by which the Vendor or any of the Claims are bound or affected, which may impede the completion of the transactions contemplated herein or create or impose any security interest, lien or Encumbrances on any of the Claims;
  - (iii) result in the termination, cancellation, modification, amendment, variation or renegotiation of any contract, agreement, indenture, instrument or commitment to which the Vendor may be a party (except as otherwise contemplated in this Agreement) which may impede the completion of the transactions contemplated herein or create or impose any security interest, lien or Encumbrances on any of the Claims; or
  - (iv) result in any violation of any statute or any order, rule or regulation of any court or Governmental Authority having jurisdiction over the Vendor or any of its properties, including any of the Claims, which may impede the completion of the transactions contemplated herein or create or impose any security interest, lien or Encumbrances on any of the Claims.
- (d) **Enforceability.** This Agreement constitutes a legal, valid and binding obligation, enforceable against the Vendor in accordance with its terms, subject to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of the rights of creditors and others and to the extent

that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought.

- (e) **Resident.** The Vendor is not a non-resident of Canada for the purposes of the *Income Tax Act* (Canada).
- (f) **No Broker.** The Vendor has not employed, or incurred any liability to, nor any of its shareholders, directors, officers, employees or agents has employed, or incurred any liability to, any broker, finder or agent for any brokerage fees, finder's fees, commissions or other amounts with respect to this Agreement or any of the transactions contemplated hereby that would give rise to a valid claim against the Purchaser or Sayona for a brokerage commission, finder's fee or like payment in connection with such transactions.
- (g) **Anti-Money Laundering.** The Vendor has not violated and is not in violation of any provision of the *Canadian Corruption of Foreign Public Officials Act* and related statutes, including the *Canadian Proceeds of Crime (Money Laundering) and Terrorist Financing Act* or any similar Laws to which Vendor is subject.

**5.2 Representations and Warranties of the Vendor with respect to the Claims.** The Vendor represents and warrants to the Purchaser as follows as of the Execution Date, and acknowledges that the Purchaser is relying upon such representations and warranties in connection with the purchase by Purchaser of the Claims and that Purchaser would not have entered into this Agreement without such representations and warranties:

- (a) **Mining Titles.** To the Knowledge of the Vendor, the Claims have been properly staked, located and recorded pursuant to the applicable Laws and regulations of the Province of Quebec. Schedule 1.1(k) sets forth an accurate and complete list of the Claims.
- (b) **Title.** The Vendor is the absolute and sole holder of a 100% undivided ownership interest in, and has good, valid and marketable title to, the Claims, free and clear of all Encumbrances (except the Underlying Royalties and for other Permitted Encumbrances). Except for the Underlying Royalties, Permitted Encumbrances and other than pursuant to applicable Law, the Vendor has no responsibility or obligation to pay any commission, royalty, licence, fee or similar payment to any Person with respect to, nor is any such obligation attached to, the Claims. All Claims are in good standing, valid and enforceable. All payments, rentals, taxes, rates, assessments, renewal fees and other governmental charges owing in respect of the Claims have been paid in full up to the Execution Date.
- (c) **Approvals and Consents.** Except for the registration of the Form of Transfer in the *Public Register of Real and Immovable Mining Rights* maintained by the *ministère des Ressources naturelles et des Forêts* (Quebec), no authorization, consent or approval of, or filing with or notice to, any Governmental Authority, regulatory body, court or other Person is required in connection with the execution, delivery or performance of this Agreement by the Vendor or the sale of the Claims.
- (d) **Litigation.** There is no adverse claim, challenge or any other proceedings against title to any part of the Claims and, to the Knowledge of Vendor, there is no basis for such adverse claim, challenge or any other proceedings relating to the Claims.

- (e) **No Expropriation.** There is no appropriation, expropriation or seizure of any of the Claims that is pending or, to the Knowledge of Vendor, threatened.
- (f) **Employment Matters.** The Vendor has no employee employed solely or principally in connection with the Claims.
- (g) **Aboriginal Claims.** It is agreed that all capitalized terms used in this Section shall be interpreted in accordance with their respective meanings in *The Constitution Act, 1982*:
  - (i) with respect to the territories covered by the Claims, no native communities have approached the Vendor claiming any Aboriginal and Treaty rights or Aboriginal title to the lands in the immediate vicinity of the territories covered by the Claims;
  - (ii) there are no memoranda of understanding (“**MOU**”), impact and benefits agreements (“**IBA**”) or any other agreements of similar nature to which the Vendor is a party to affecting the territories covered by the Claims;
  - (iii) no Aboriginal individuals, groups or councils have approached the Vendor to set up a MOU, an IBA or any other agreements of similar nature in respect of the territories covered by the Claims;
  - (iv) the Vendor is not party to any contracts with any Aboriginal individuals, groups or councils in relation to the territories covered by the Claims; and
  - (v) the Vendor has never acknowledged or represented to any Aboriginal individuals, groups or councils that the territories covered by the Claims are affected by a MOU, IBA or any other agreements of similar nature,  
  
except however that the Purchaser acknowledges that Claims are situated on Category III lands that are subject the rights of the Cree First Nation under the James Bay and Northern Quebec Agreement.
- (h) **Surface Rights.** None of the Claims are the subject of any action that has been taken or threatened by any Governmental Authority, owner, tenant, licensor or occupier of any of the surface rights which would in any way encumber, limit, restrict or cause interference, in any material respect, with any prospecting, exploration, development or mining activity that may be conducted with respect to the Claims.
- (i) **Environmental Matters.**
  - (i) to the Knowledge of the Vendor, there has been no spill, discharge, deposit, leak, emission or other release of any Contaminant on, into, under or affecting the territories covered by the Claims by the Vendor or its Representatives and contractors and subcontractors, except in compliance with Environmental Laws;

- (ii) to the Knowledge of the Vendor, there is no Contaminant on, in or under the Claims exceeding the applicable limit values pursuant to Environmental Laws;
  - (iii) to the Knowledge of the Vendor, there are no outstanding notices, orders, assessments, directives, rulings or other material documents issued in respect of the Claims by any Governmental Authority;
  - (iv) all operations on the Claims have been conducted and are now conducted by the Vendor in compliance in all material respects with all Environmental Laws;
  - (v) the Vendor has not received written notice that the Vendor is potentially responsible for a clean-up or remedial action under any Environmental Law in connection with the Claims;
  - (vi) to the Knowledge of the Vendor, no Contaminant originating from any neighbouring or adjoining properties has migrated onto, or is migrating towards the territories covered by the Claims and to the Knowledge of the Vendor, no Contaminant originating from the territories covered by the Claims has migrated onto, or is migrating towards any neighbouring or adjoining properties, except in compliance with Environmental Laws;
  - (vii) the Vendor has not received any notice that the Claims are in a proposed or confirmed, protected area, aquatic reserve, biodiversity reserve or ecological reserve or subject to any special protection measures or conversation plan as defined or set out in the Environmental Laws; and
  - (viii) all material studies, reports, data and documents, including any environmental assessments or audits, relating to the Claims and the territories covered by the Claims obtained for, in the possession or control of, or carried out on behalf of, the Vendor have been delivered or made available to the Purchaser as part of the Books and Records delivered pursuant to Section 2.4.
- (j) **Rehabilitation and Restoration Work.** There is no outstanding reclamation, rehabilitation, restoration or abandonment obligations with respect to the Claims resulting from exploration done by the Vendor or its Representatives on the Claims before the Execution Date nor is there, to the Knowledge of the Vendor, any basis for such obligations to arise in the future as a result of prior activity by the Vendor or its Representatives on the Claims.
- (k) **Hazardous Conditions.** The Vendor has not excavated on any of the Claims. There are no unprotected mine shafts, mine openings or workings or open pits on the territories covered by the Claims.
- (l) **Royalties, Etc.** Except for the Underlying Royalties, the Claims are free and clear of any streams, offtakes, royalties, net smelter returns, net profits interests or similar payments or arrangements payable in respect of, or otherwise affecting, any part of the territories covered by the Claims.

- (m) **Underlying Royalties.** The Vendor is the sole payee with respect to each of the Underlying Royalties. Schedule 5.2(m) contains true and complete lists of the Underlying Royalties and the Underlying Royalty Agreements. True and complete copies of the Underlying Royalty Agreements have been provided by the Vendor to the Purchaser, and there are no other contracts, agreements, arrangements or other documents or instruments relating to any of the Underlying Royalties, including with respect to initial grants and transfers thereof. The Vendor is not in default of, and no event has occurred that, with notice or lapse of time or both, would constitute a default, in the due performance or observance of any term, covenant or condition contained in any of the Underlying Royalty Agreements, and there are no amounts currently due and payable to any Person under any of the Underlying Royalty Agreements.
- (n) **Full Disclosure.** There has been no event, transaction or information with respect to the Claims which has come to the attention of the Vendor that has not been disclosed to the Purchaser and would reasonably be expected to result in a Vendor Material Adverse Effect as at the Execution Date.

**5.3 Representations and Warranties of the Purchaser.** The Purchaser represents and warrants to the Vendor as follows as of the Execution Date, and acknowledges that the Vendor is relying upon such representations and warranties in connection with the sale by the Vendor of the Claims and the Books and Records and that the Vendor would not have entered into this Agreement without such representations and warranties:

- (a) **Incorporation.** The Purchaser is incorporated, validly existing and in good standing under the laws of Québec, has the necessary corporate power to carry on its business as such business is presently conducted and is in good standing under the Laws of each other jurisdiction in which it owns properties or conducts any business.
- (b) **Authorization.** The Purchaser has the full right, power, capacity and authority to enter into, execute and deliver this Agreement and to be bound by its terms. The execution and delivery of this Agreement by the Purchaser and the performance by it of its obligations hereunder have been authorized by all necessary corporate action on its part. Such execution and performance by it does not require any action or consent of, any registration with, or notification to, any Person or any action or consent under any Laws to which it is subject.
- (c) **No Conflict.** The execution of this Agreement, the consummation of the transactions contemplated hereby, the performance by the Purchaser of its obligations hereunder and the compliance by the Purchaser with this Agreement do not:
  - (i) violate, contravene or breach, or constitute a default under, the constating documents of the Purchaser;
  - (ii) violate, contravene or breach, or constitute a default under, any contract, agreement, indenture, instrument, licence, permit, approval, consent, statute, regulation, order, judgment, decree or any applicable Law or commitment to which the Purchaser may be a party or by which the

Purchaser is bound or affected and which may impede the completion of the transactions contemplated herein;

- (iii) result in the termination, cancellation, modification, amendment, variation or renegotiation of any contract, agreement, indenture, instrument or commitment to which the Purchaser may be a party and which may impede the completion of the transactions contemplated herein; or
  - (iv) result in any violation of any statute or any order, rule or regulation of any court or Governmental Authority having jurisdiction over the Purchaser and which may impede the completion of the transactions contemplated herein.
- (d) **Enforceability.** This Agreement constitutes a legal, valid and binding obligation, enforceable against the Purchaser in accordance with its terms, subject to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of the rights of creditors and others and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought.
- (e) **No Broker.** The Purchaser has not employed, or incurred any liability to, nor any of its shareholders, directors, officers, employees or agents has employed, or incurred any liability to, any broker, finder or agent for any brokerage fees, finder's fees, commissions or other amounts with respect to this Agreement or any of the transactions contemplated hereby that would give rise to a valid claim against the Vendor for a brokerage commission, finder's fee or like payment in connection with such transactions.
- (f) **Anti-Money Laundering.** The Purchaser has not violated and is not in violation of any provision of the *Canadian Corruption of Foreign Public Officials Act* and related statutes, including the *Canadian Proceeds of Crime (Money Laundering) and Terrorist Financing Act* or any similar Laws to which the Purchaser is subject.

**5.4 Representations and Warranties of Sayona.** Sayona represents and warrants to the Vendor as follows as of the Execution Date, and acknowledges that the Vendor is relying upon such representations and warranties in connection with the sale by the Vendor of the Claims and the Books and Records and that the Vendor would not have entered into this Agreement without such representations and warranties:

- (a) **Incorporation.** Sayona and each of its Subsidiaries is incorporated, validly existing and in good standing under the laws of governing its corporate existence, has the necessary corporate power to carry on its business as such business is presently conducted and is in good standing under the Laws of each other jurisdiction in which it owns properties or conducts any business.
- (b) **Authorization.** Sayona has the full right, power, capacity and authority to enter into, execute and deliver this Agreement and to be bound by its terms. The execution and delivery of this Agreement by Sayona and the performance by it of its obligations hereunder, including, without limitation, the issuance and delivery of the Consideration Shares, as applicable, have been authorized by all necessary corporate action on its part. Such execution and performance by it does not require any action or consent of, any registration with, or notification to, any Person or any

action or consent under any Laws to which it is subject other than the lodgement of Cleansing Notices for the Consideration Shares as contemplated in this Agreement and the filing by Sayona of a Form 45-106F1 with respect to the issuance of the Consideration Shares.

- (c) **No Conflict.** The execution of this Agreement, the consummation of the transactions contemplated hereby, the performance by Sayona of its obligations hereunder and the compliance by Sayona with this Agreement do not:
- (i) violate, contravene or breach, or constitute a default under, the constating documents of Sayona;
  - (ii) violate, contravene or breach, or constitute a default under, any contract, agreement, indenture, instrument, licence, permit, approval, consent, statute, regulation, order, judgment, decree or any applicable Law or commitment to which Sayona may be a party or by which Sayona is bound or affected;
  - (iii) result in the termination, cancellation, modification, amendment, variation or renegotiation of any contract, agreement, indenture, instrument or commitment to which Sayona may be a party; or
  - (iv) result in any violation of any statute or any order, rule or regulation of any court or Governmental Authority having jurisdiction over Sayona.
- (d) **Enforceability.** This Agreement constitutes a legal, valid and binding obligation, enforceable against Sayona in accordance with its terms, subject to limitations on enforcement imposed by bankruptcy, insolvency, reorganization or other laws affecting the enforcement of the rights of creditors and others and to the extent that equitable remedies such as specific performance and injunctions are only available in the discretion of the court from which they are sought.
- (e) **No Broker.** Sayona has not employed, or incurred any liability to, nor any of its shareholders, directors, officers, employees or agents has employed, or incurred any liability to, any broker, finder or agent for any brokerage fees, finder's fees, commissions or other amounts with respect to this Agreement or any of the transactions contemplated hereby that would give rise to a valid claim against the Vendor for a brokerage commission, finder's fee or like payment in connection with such transactions.
- (f) **Anti-Money Laundering.** None of Sayona or any of its Subsidiaries have violated nor are in violation of any provision of the *Canadian Corruption of Foreign Public Officials Act* and related statutes, including the *Canadian Proceeds of Crime (Money Laundering) and Terrorist Financing Act* or any similar Laws to which they are subject.
- (g) **Consideration Shares.**
- (i) The Consideration Shares have been duly authorized for issuance by all necessary action on the part of Sayona and, when issued and delivered by

Sayona in accordance with the terms of this Agreement, the Consideration Shares will:

- A. have been validly issued;
  - B. be fully paid ordinary shares which rank *pari passu* with all other existing issued shares of the same class in the capital of Sayona;
  - C. be free and clear of any pledge, lien, encumbrance, security interest, claim or equity and the Vendor will acquire good and marketable title to them;
  - D. not have been issued in violation of any Law, or be subject to any pre-emptive rights or other contractual rights to purchase securities issued by Sayona;
  - E. subject to the ASX approving Sayona's applications for quotation made pursuant to this Agreement, will be listed and posted for trading on the ASX and will be freely tradeable in Australia in accordance with Australian securities Laws (including the rules of the ASX) and, provided such trade is effected through the facilities of the ASX, will be freely tradable pursuant to section 2.15 of NI 45-102.
- (ii) Sayona is not aware of any reason why the ASX would not grant quotation of the Consideration Shares on the ASX.
  - (iii) Subject to the issue of Cleansing Notices by Sayona in compliance with sections 708A(5) and (6) of the Corporations Act, each offer for sale and each sale of the Consideration Shares will not be an offer or sale to which section 707(3) of the Corporations Act applies so as to require the offeror or the Vendor to prepare and lodge with the ASIC a prospectus, product disclosure statement or other document relating to the offer or sale.
- (h) **Capacity.** Sayona has sufficient placement capacity to issue the Consideration Shares without shareholder approval in accordance with the ASX Listing Rules in accordance with the terms of this Agreement.
  - (i) **Ordinary Shares.** As at the Execution Date:
    - (i) Sayona has 8,314,112,641 Ordinary Shares issued and outstanding.
    - (ii) No more than 280,179,752 Ordinary Shares may be issuable upon the exercise or conversion of any outstanding convertible securities or other contractual obligations of Sayona.
    - (iii) Except as has been disclosed to the Vendor in writing before the Execution Date or except as disclosed in the Sayona Public Documents, no person is entitled to or has the right to require Sayona or any of its controlled entities to issue any equity interests, options or other securities convertible into Ordinary Shares or equity interests.

- (iv) There are currently 1,247,116,896 Ordinary Shares available for issuance to the Vendor as Consideration Shares at Closing.
  - (v) No order, ruling or decision granted by a securities commission, court of competent jurisdiction or regulatory or administrative body or other Governmental Authority having jurisdiction is in effect, pending or threatened that restricts any trades in any securities of Sayona including any cease trade orders and, to the Knowledge of Sayona, no facts or circumstances exist which would reasonably be expected to give rise to any such order, ruling or decision or other similar claims or investigations.
  - (vi) The currently issued and outstanding Ordinary Shares are listed and posted for trading on the ASX and Sayona is in compliance in all material respects with all of the listing conditions on the ASX.
  - (vii) Sayona has not taken any action which would be reasonably expected to result in the delisting or suspension of the Ordinary Shares on or from the ASX.
- (j) **Compliance with Laws.**
- (i) Sayona and each of its Subsidiaries is in compliance with, and conducts its business in conformity with, in each case in all material respects, all applicable provisions of the Corporations Act, its continuous disclosure obligations under the ASX Listing Rules and any other legally binding requirement of the ASIC or the ASX or other relevant Governmental Authority and any other applicable Laws.
  - (ii) To the Knowledge of Sayona, there is no pending or proposed change to any Laws applicable to Sayona or any of its Subsidiaries that would render illegal, as a whole, or materially restrict the business of Sayona or such Subsidiary or otherwise materially adversely affect Sayona.
- (k) **Official List.** Sayona has not ceased to be admitted to the official list of the ASX, nor has removal from the official list been threatened by the ASX, and quotation of its shares has not been suspended or terminated.
- (l) **Subsidiaries.** All of the outstanding shares or other equity interests of Sayona in its Subsidiaries have been fully paid and have been validly issued in compliance with applicable Law.
- (m) **Reporting Issuer and Foreign Issuer Status.** Sayona is a Foreign Issuer and is not a reporting issuer under applicable Canadian securities Laws in any jurisdiction of Canada. Sayona is not incorporated or organized under the laws of Canada, or a jurisdiction of Canada. Sayona does not have its head office in Canada nor does the majority of the Executive Officers or directors of Sayona ordinarily reside in Canada.
- (n) **Financial Statements.** The audited consolidated financial statements and the related notes thereto of Sayona and its controlled entities for the years ended June 30, 2022 and 2021 (the “**Financial Statements**”) (A) have been prepared in

accordance with IFRS, applied on a consistent basis throughout the periods involved or as noted therein, (B) comply as to form in all material respects with applicable requirements of applicable securities Laws, (C) are, in all material respects, consistent with the books and records of Sayona and its Subsidiaries, and (D) present fairly, in all material respects, the financial position of Sayona and its consolidated Subsidiaries as of the dates indicated and the results of their operations and the changes in their cash flows for the periods specified.

- (o) **Off-Balance Sheet Arrangements and Liabilities.** There are no material off-balance sheet transactions, arrangements or obligations (including contingent obligations) of Sayona or any of its Subsidiaries which are required to be disclosed and are not disclosed or reflected in the Financial Statements, and Sayona and its Subsidiaries do not have any material liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Financial Statements or the Sayona Public Documents, and which, taken as a whole, would reasonably be expected to have a Sayona Material Adverse Effect.
- (p) **No Material Changes.** Since June 30, 2021, except as disclosed in the Sayona Public Documents:
  - (i) there has not been any material change in the share capital or long-term debt Sayona, or any dividend or distribution of any kind declared, set aside for payment, paid or made by Sayona on any class of shares;
  - (ii) none of Sayona or any of its Subsidiaries has entered into any transaction or agreement that is material to Sayona or incurred any liability or obligation, direct or contingent, that is material to Sayona;
  - (iii) none of Sayona or any of its Subsidiaries has sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labour disturbance or dispute or any action, order or decree of any court or arbitrator or Governmental Authority; and
  - (iv) there has not occurred any Sayona Material Adverse Effect.
- (q) **No Violation or Default.** Except to the extent that it would not have a Sayona Material Adverse Effect, none of Sayona or its Subsidiaries is (i) in violation of its constating documents, (ii) in default of, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other material agreement or instrument to which the it is a party or subject or by which it is bound or to which any of its property or assets is subject, or (iii) in a material violation of any applicable Laws or Governmental Authorizations.
- (r) **Legal Proceedings.** Except as disclosed in the Sayona Public Documents, there are no material legal, governmental or regulatory investigations, actions, suits or proceedings pending to which Sayona or any of its Subsidiaries is or may be a party or to which any property of Sayona or any of its Subsidiaries is or may be

subject and no such investigations, actions, suits or proceedings are, to the Knowledge of the Sayona, threatened or contemplated by any Governmental Authority or threatened by others.

- (s) **Public Disclosure.** Sayona is in compliance in all material respects with its disclosure obligations under Australian securities Laws. The information and statements in the Sayona Public Documents were true and correct in all material respects as of the respective dates of such information and statements.
- (t) **Properties and Assets.** Sayona and/or its Subsidiaries are the absolute legal and beneficial owners of, and have good and marketable title to, all of its material properties or assets as described in the Sayona Public Documents, such material properties and assets are free of all material Encumbrances whatsoever, other than as disclosed in the Sayona Public Documents or as indicated in public lien registries.
- (u) **Valid Title Documents.** Any and all of the agreements and other documents and instruments pursuant to which Sayona and its Subsidiaries hold material properties and material assets (including any lease and/or option agreement or any interest in, or right to earn an interest in, any properties and assets) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, Sayona and its Subsidiaries are not in default of any of the material provisions of any such agreements, documents or instruments, nor to the Knowledge of Sayona has any such default been alleged.
- (v) **Governmental Authorizations.** Sayona and its Subsidiaries have obtained all material Governmental Authorizations necessary to carry on the business of Sayona and its Subsidiaries as it is currently conducted. Sayona and its Subsidiaries are in compliance in all material respects with the terms and conditions of all such Governmental Authorization. All of the material Government Authorizations issued to the Execution Date to Sayona and its Subsidiaries are valid, subsisting, in good standing and in full force and effect. To the Knowledge of Sayona, neither Sayona nor any Subsidiary thereof has received any notice of proceedings relating to the revocation or modification of any such Governmental Authorization or any notice advising of the refusal to grant any Governmental Authorization that has been applied for or is in process of being granted, other than those which individually or in the aggregate would not reasonable be expected to have a Sayona Material Adverse Effect.
- (w) **Employee Plans.** Each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by Sayona for the benefit of any current or former director, officer, employee or consultant of Sayona or its Subsidiaries has been maintained in compliance with its terms and with the requirements prescribed by any and all applicable Laws, other than non compliances which individually or in the aggregate would not reasonably be expected to have a Sayona Material Adverse Effect.

- (x) **Material Accruals.** All material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or state pension plan premiums, accrued wages, salaries and commissions and employee benefit plan payments have been reflected in the books and records of Sayona, other than registrations which individually or in the aggregate would not reasonably be expected to have a Sayona Material Adverse Effect.
- (y) **Labour/Employment Matters.** No material labour dispute, complaint, grievance or other conflict with the employees of Sayona or its Subsidiaries currently exists, is pending or, to the Knowledge of Sayona, is threatened. No collective bargaining agreement is in place or currently being negotiated by Sayona. Other than non compliances which individually or in the aggregate would not reasonably be expected to have a Sayona Material Adverse Effect, Sayona and each of its Subsidiaries is currently in material compliance with all applicable Laws respecting employment and employment practices, workers' compensation, occupational health and safety and similar legislation, including payment in full of all amounts owing thereunder, and there are no pending claims or outstanding orders of a material nature against any of them under applicable workers' compensation legislation, occupational health and safety or similar legislation nor has any event occurred which would reasonably be expected to give rise to any such material claim.
- (z) **Compliance with Environmental Laws.** Other than which would not reasonably be expected to have a Sayona Material Adverse Effect, Sayona and each of its Subsidiaries (i) is, in all material respects, in compliance with any and all Environmental Laws, (ii) has received and is, in all material respects, in compliance with all permits, licences or other approvals held by it under applicable Environmental Laws to conduct their respective businesses, and all such permits, licences and approvals are in full force and effect, (iii) has not failed to report to the applicable Governmental Authority the occurrence of any event which is required to be so reported by any Environmental Laws, (iv) has not received any notice of, or been prosecuted for, an offence alleging non-compliance with any Environmental Laws, (v) has not settled any allegation of non-compliance with any Environmental Laws short of prosecution, and (vi) has not received notice of any orders or directions relating to environmental matters requiring any work, repairs, construction or capital expenditures to be made with respect to any of the assets of Sayona or its Subsidiaries or in respect of the release or transportation of Contaminants. To the Knowledge of Sayona, there has not occurred any spills, emissions, releases, deposits or discharges, other than in compliance with Environmental Laws, of Contaminants, or pollution of any property of Sayona or its Subsidiaries, nor is Sayona or any of its Subsidiaries the subject of any outstanding stop orders, control orders, clean-up orders or reclamation orders under applicable Environmental Laws which could reasonably be expected to have a Sayona Material Adverse Effect.
- (aa) **No Unlawful Payments.** Neither Sayona, its Subsidiaries, nor to the Knowledge of Sayona any director, officer, agent, employee or other Person associated with or acting on behalf of Sayona or any of its Subsidiaries, has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made any direct or indirect unlawful payment to any foreign or domestic government official or employee from corporate funds; (iii)

violated or is in violation of any provision of the *Foreign Corrupt Practices Act of 1977* (United States), the *Corruption of Foreign Public Officials Act* (Canada) or other applicable similar applicable Laws of other jurisdictions; or (iv) made any bribe, unlawful rebate, unlawful payoff, influence payment, unlawful kickback or other unlawful payment.

- (bb) **Insurance.** Sayona maintains insurance against such losses, risks and damages to its and its Subsidiaries' properties and assets in such amounts that are customary for the business in which they are engaged and on a basis consistent with reasonably prudent persons in comparable businesses, and all of the policies in respect of such insurance coverage are in good standing, in full force and effect in all respects and not in default. Sayona is in compliance with the terms of such policies and instruments in all material respects and there are no material claims by Sayona under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause.
- (cc) **Taxes.** Other than which would not reasonably be expected to have a Sayona Material Adverse Effect, all tax returns required to be filed with any taxing authority by or on behalf of Sayona and each of its Subsidiaries were filed when due with all appropriate taxing authorities in accordance with all applicable Laws and were correct in all material respects. Sayona and each of its Subsidiaries has timely paid (or withheld and remitted) to the appropriate taxing authority all Taxes due and payable (or to be withheld and remitted) by any of them under applicable Law. To the Knowledge of Sayona, there are no proceedings, investigations, audits or claims now pending or threatened against Sayona or its Subsidiaries in respect of any material amount of Taxes.
- (dd) **Solvency.** None of Sayona or any of its Subsidiaries has made any assignment for the benefit of its creditors nor has any receiving order been made against any of them under any bankruptcy or insolvency legislation of any jurisdiction, nor has any petition for such an order been served upon any of them, nor have any of them attempted to take the benefit of any legislation with respect to financially distressed debtors.
- (ee) **No Indigenous Claims.** To the Knowledge of Sayona, there are no material legal claims or actions with respect to indigenous rights currently outstanding threatened or pending, with respect to the properties of Sayona or any of its Subsidiaries. To the Knowledge of Sayona, there are no material land entitlement claims having been asserted or any legal actions relating to indigenous issues having been instituted with respect to the properties of Sayona or any of its Subsidiaries, and no material dispute in respect of the properties of Sayona or any of its Subsidiaries with any local community or indigenous group exists, has been threatened or is imminent.

**5.5 When Sayona Warranties Given.** The representations and warranties given by Sayona as at the Execution Date are also given for Section 5.4(g), Section 5.4(h), and Section 5.4(k) as at the time immediately before the issue of the Consideration Shares.

**5.6 Survival of Representations and Warranties.** All representations and warranties contained in this Agreement and in all certificates and documents delivered pursuant to or

contemplated by this Agreement shall survive the Closing and shall continue in full force and effect:

- (a) in respect of any matters other than tax matters, for a period of two years from the Closing Date; and
- (b) in respect of tax matters, until the day which is one day after the relevant authorities shall no longer be entitled to assess liability for taxes against the Vendor or Sayona, as applicable, for any taxation period prior to the Execution Date.

Notwithstanding the limitations set out in subsections 5.6 and (b) of this Section 5.6, (i) any claim by a Party which relates to intentional misrepresentation, or any claim based on fraud or gross or intentional fault of the other Party or any of its Representatives may be brought at any time, and (ii) any claim by the Purchaser which relates to an incorrectness or breach of the representations and warranties of the Vendor set out in Section 5.2(b) may be brought at any time during a period of five years from the Closing Date.

## **6. CLOSING ARRANGEMENTS**

### **6.1 Closing**

Subject to the terms and conditions set forth in this Agreement, the Closing shall take place at the Time of Closing on the Closing Date or, if any condition set forth in Article 6 has not been satisfied or waived on such date, the next Business Day on which all conditions set forth in Article 6 have been satisfied or waived provided that the Closing must occur before the Outside Date. The Closing shall take place virtually at the Closing Time on the Closing Date or at such other time on the Closing Date or such other place as may be agreed in writing by the Vendor, on the first hand, and Sayona and the Purchaser, on the second hand.

### **6.2 Interdependence**

The actions to be taken by each of the Parties at the Time of Closing are interdependent and must take place, as nearly as possible, simultaneously. If one action does not take place, then without prejudice to any rights available to any Party as a consequence:

- (a) there is no obligation on any Party to undertake or perform any of the other actions;
- (b) to the extent that such actions have already been undertaken, the Parties must do everything reasonably required to reverse those actions; and
- (c) the Parties must return to each other all documents delivered under this Agreement without prejudice to any other rights any Party may have;
- (d) the Parties will deliver updates to the notices delivered to the holders of the Underlying Royalties pursuant to Section 2.6 to advise that the transaction between the Vendor and the Purchaser was not completed.

This Section 6.2 shall survive termination of this Agreement.

### **6.3 Conditions of Sayona and the Purchaser**

Sayona and the Purchaser shall not be obligated to complete the transactions contemplated by this Agreement, including the purchase of the Claims and the Books and Records unless, at or before the Time of Closing, each of the conditions listed below in this Section 6.3 has been satisfied (or, where permitted by applicable Law, waived by Sayona and the Purchaser), it being understood that the said conditions are included for the exclusive benefit of Sayona and the Purchaser. The Vendor shall take all such actions, steps and proceedings as are reasonably within its control as may be necessary to ensure that the conditions listed below in this Section 6.3 are fulfilled at or before the Time of Closing.

- (a) The Vendor shall have obtained any necessary regulatory approvals for the transactions contemplated herein.
- (b) The representations and warranties of the Vendor in Section 5.1 and 5.2 shall be true and correct at the Time of Closing.
- (c) The Vendor shall have performed and complied with all of the terms and conditions in this Agreement on its part to be performed or complied with at or before the Time of Closing and shall have executed and delivered or caused to have been executed and delivered to Sayona and the Purchaser at the Closing all the documents contemplated in Section 7.2 and elsewhere in this Agreement.
- (d) During the Interim Period, there shall have been no Vendor Material Adverse Change.
- (e) During the Interim Period, there shall have been no Order (whether temporary, preliminary or permanent) made or any Legal Proceedings commenced or threatened against either Party or against any of their respective Affiliates or any of their respective directors or officers, for the purpose of enjoining, prohibiting, preventing or restraining, temporarily or permanently, the completion of the transactions contemplated by this Agreement or against either Party or against any of their respective Affiliates or any of their respective directors or officers which, in the result, could adversely affect the right of the Purchaser to acquire or retain the Claims or could adversely affect the issuance by Sayona of the Consideration Shares.
- (f) During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any Law which has the effect of making any of the transactions contemplated by this Agreement illegal, or otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement.

If any condition in Section 6.3 has not been fulfilled at or before the Outside Date or if any such condition is, or becomes, impossible to satisfy prior to the Outside Date, other than as a result of the failure of Sayona or the Purchaser to comply with its obligations under this Agreement, then Sayona or the Purchaser in its sole discretion may, without limiting any rights or remedies available to Sayona or the Purchaser at law or in equity, either terminate this Agreement by notice to the Vendor or waive compliance with any such

condition without prejudice to its right of termination in the event of non-fulfilment of any other condition.

#### **6.4 Conditions of the Vendor**

The Vendor shall not be obligated to complete the transactions contemplated by this Agreement, including the sale of the Claims and the Books and Records unless, at or before the Time of Closing, each of the conditions listed below in this Section 6.4 has been satisfied (or, where permitted by applicable Law, waived by the Vendor), it being understood that the said conditions are included for the exclusive benefit of the Vendor. Sayona and the Purchaser shall take all such actions, steps and proceedings as are reasonably within their control as may be necessary to ensure that the conditions listed below in this Section 6.4 are fulfilled at or before the Time of Closing.

- (a) Sayona shall have obtained any necessary regulatory approvals, including the approval of the ASX for the transactions contemplated hereunder, including, without limitation, the issuance of the Consideration Shares.
- (b) The representations and warranties of Sayona and the Purchaser in Sections 5.3 and 5.4 shall be true and correct at the Time of Closing.
- (c) Sayona and the Purchaser shall have performed and complied with all of the terms and conditions in this Agreement on their part to be performed or complied with at or before the Time of Closing and shall have executed and delivered or caused to have been executed and delivered to the Vendor at the Closing all the documents contemplated in Section 7.1 and elsewhere in this Agreement.
- (d) During the Interim Period, there shall have been no Sayona Material Adverse Effect.
- (e) During the Interim Period, there shall have been no Order (whether temporary, preliminary or permanent) made or any Legal Proceedings commenced or Threatened against either Party or against any of their respective Affiliates or any of their respective directors or officers, for the purpose of enjoining, prohibiting, preventing or restraining, temporarily or permanently, the completion of the transactions contemplated by this Agreement or against either Party or against any of their respective Affiliates or any of their respective directors or officers which, in the result, could adversely affect the right of the Purchaser to acquire or retain the Claims or adversely affect the issuance by Sayona of the Consideration Shares.
- (f) During the Interim Period, no Governmental Authority shall have enacted, issued or promulgated any Law which has the effect of making any of the transactions contemplated by this Agreement illegal, or otherwise prohibiting, preventing or restraining the consummation of any of the transactions contemplated by this Agreement.
- (g) The Private Placement shall have been completed in accordance with its terms.

If any condition in Section 6.4 has not been fulfilled at or before the Outside Date or if any such condition is, or becomes, impossible to satisfy prior to the Outside Date, other than as a result of the failure of the Vendor to comply with its obligations under this Agreement,

then the Vendor in its sole discretion may, without limiting any rights or remedies available to the Vendor at law or in equity, either terminate this Agreement by notice to Sayona and the Purchaser or waive compliance with any such condition without prejudice to its right of termination in the event of non-fulfilment of any other condition.

## **6.5 Notice and Cure**

- (a) Each Party shall promptly notify the other Party of the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would, or would be reasonably likely to:
  - (i) cause any of the representations or warranties of such Party contained in this Agreement to be untrue or inaccurate in any material respect at any time from the Execution Date to the Closing; or
  - (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party under this Agreement.
- (b) Notification provided under this Section 6.5 will not affect the representations, warranties, covenants, agreements or obligations of the Parties (or remedies with respect thereto) or the conditions to the obligations of the Parties under this Agreement.

## **7. CLOSING DOCUMENTS**

### **7.1 Closing Deliveries of Sayona and the Purchaser**

At the Closing, Sayona and the Purchaser shall deliver or cause to be delivered to the Vendor the following documents:

- (a) a certificate of good standing (or the equivalent) with respect to the Purchaser dated no more than two Business Days prior to the Closing Date;
- (b) a certificate of a senior officer of Sayona certifying:
  - (i) as to the corporate status and good standing of Sayona;
  - (ii) the resolutions of the board of directors of Sayona authorizing the execution, delivery and performance of this Agreement and of all contracts, agreements, instruments, certificates and other documents required by this Agreement to be delivered by Sayona; and
  - (iii) the incumbency and signatures of the officers of Sayona executing this Agreement and any other document relating to the transactions contemplated by this Agreement;
- (c) a certificate of a senior officer of the Purchaser certifying:
  - (i) the resolutions of the board of directors of the Purchaser authorizing the execution, delivery and performance of this Agreement and of all contracts,

agreements, instruments, certificates and other documents required by this Agreement to be delivered by the Purchaser; and

- (ii) the incumbency and signatures of the officers of the Purchaser executing this Agreement and any other document relating to the transactions contemplated by this Agreement;
- (d) a bring-down certificate of a senior officer of Sayona dated as of the Closing Date;
- (e) a bring-down certificate of a senior officer of the Purchaser dated as of the Closing Date;
- (f) the executed NI 45-102 Resale Notice;
- (g) the Royalty Agreement duly executed by the Purchaser;
- (h) the Assignment and Assumption Agreements and the Buy Back Sharing Agreements as well as follow up notices for the holders of the Underlying Royalties, duly executed by the Purchaser (as contemplated by Section 2.6);
- (i) the Consideration Shares evidenced by a holding statement as contemplated in Section 3.2(a)(iii);
- (j) a copy of the Cleansing Notice to be lodged with the ASX in accordance with Section 3.2(b)(ii);
- (k) legal opinions dated the Closing Date addressed to the Vendor from counsel to Sayona in the Provinces of Ontario and Quebec, subject to reasonable assumptions and qualifications and in form and substance satisfactory to the Vendor and its counsel, acting reasonably, with respect to corporate, enforceability and securities matters relating to the issuance of the Consideration Shares as contemplated by this Agreement;
- (l) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by the Vendor to complete the transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to the Vendor, acting reasonably.

## **7.2 Closing Deliveries of the Vendor**

At the Closing, the Vendor shall deliver or cause to be delivered to Sayona and the Purchaser the following documents:

- (a) a certificate of good standing with respect to the Vendor dated no more than two Business Days prior to the Closing Date;
- (b) a certificate of a senior officer of the Vendor certifying:
  - (i) the resolutions of the board of directors of the Vendor authorizing the execution, delivery and performance of this Agreement and of all contracts,

agreements, instruments, certificates and other documents required by this Agreement to be delivered by the Vendor; and

- (ii) the incumbency and signatures of the officers of the Vendor executing this Agreement and any other document relating to the transactions contemplated by this Agreement;
- (c) a bring-down certificate of a senior officer of the Vendor dated as of the Closing Date;
- (d) those items contemplated by Sections 2.1, 2.2, and 2.4;
- (e) the Royalty Agreement duly executed by the Vendor;
- (f) the Assignment and Assumption Agreements and the Buy Back Sharing Agreements as well as follow up notices for the holders of the Underlying Royalties duly executed by the Vendor (as contemplated by Section 2.6); and
- (g) all such other assurances, consents, agreements, documents and instruments as may be reasonably required by Sayona and the Purchaser to complete the transactions provided for in this Agreement, all of which shall be in form and substance satisfactory to Sayona and the Purchaser, acting reasonably.

## 8. INDEMNIFICATION

**8.1 Indemnification by the Vendor.** The Vendor will indemnify and hold the Purchaser harmless from and against any claims, demands, actions, causes of action, judgments, damages, losses (which shall include any diminution in value), liabilities, costs or expenses (including interest, penalties and reasonable attorneys and experts fees and disbursements) (collectively, “**Losses**”) which may be suffered by the Purchaser, any of its Affiliates or any of its and their directors, officers, employees or agents (collectively, the “**Purchaser Indemnitees**”) or which any of the Purchaser Indemnitees may suffer or incur as a result of, arising out of, or relating to:

- (i) any violation, contravention or breach of any covenant, agreement or obligation of the Vendor under or pursuant to this Agreement;
- (ii) any incorrectness in, or breach of, any representation or warranty of the Vendor contained in this Agreement or in any certificate or other document delivered or given pursuant to this Agreement; or
- (iii) any Excluded Liabilities.

**8.2 Indemnification by Sayona and the Purchaser.** Sayona and the Purchaser shall jointly and severally indemnify and hold the Vendor harmless from and against any Losses which may be suffered by the Vendor, any of its Affiliates or any of its and their directors, officers, employees or agents (collectively, the “**Vendor Indemnitees**” and, collectively with the Purchaser Indemnitees, the “**Indemnitees**”) or which any of the Vendor Indemnitees may suffer or incur as a result of, arising out of, or relating to:

- (i) any violation, contravention or breach of any covenant, agreement, or obligation of Sayona and/or the Purchaser under or pursuant to this Agreement; or
- (ii) any incorrectness in, or breach of, any representation or warranty of Sayona and/or the Purchaser contained in this Agreement or in any certificate or other document delivered or given by Sayona and/or the Purchaser pursuant to this Agreement.

**8.3 Obligation to Reimburse.** The Party or Parties providing indemnification hereunder (Sayona and the Purchaser being treated as one Party for the purposes of this Section 8.3) (the “**Indemnifying Party**”) shall reimburse, on demand, to the Party or Parties, or any of its or their respective Indemnitees, being indemnified hereunder (the “**Indemnified Party**”) the amount of any Losses suffered or incurred by the Indemnified Party, the whole as of the date that the Indemnified Party incurs any such Losses.

**8.4 Notification.** Promptly upon obtaining Knowledge thereof, the Indemnified Party shall notify in writing the Indemnifying Party of any cause which the Indemnified Party has determined has given or could give rise to indemnification under this Article 8. The omission to so notify the Indemnifying Party shall not relieve the Indemnifying Party from any duty to indemnify and hold harmless which otherwise might exist with respect to such cause unless (and only to the extent that) the omission to so notify materially prejudices the ability of the Indemnifying Party to exercise its right to defend provided in Section 8.5.

**8.5 Defence of Third Party Claim.** If any legal proceeding is instituted or any claim or demand is asserted by a third party against the Indemnified Party for which indemnification is provided herein (each, a “**Third Party Claim**”), then the Indemnifying Party shall have the right, after receipt of the Indemnified Party’s notice under Section 8.4 and upon giving notice to the Indemnified Party within 10 days of such receipt, to defend the Third Party Claim at its own cost and expense with counsel of its own selection, provided that:

- (i) the Indemnified Party shall at all times have the right to fully participate in the defence at its own expense;
- (ii) the Third Party Claim seeks only monetary damages and does not seek any injunctive or other relief against the Indemnified Party; and
- (iii) legal counsel chosen by the Indemnifying Party is satisfactory to the Indemnified Party, acting reasonably.

Amounts payable by the Indemnifying Party pursuant to a Third Party Claim shall be paid in accordance with the terms of the settlement or the judgment, as applicable, but in any event prior to the expiry of any delay for a judgment to become executory.

**8.6 No Compromise.** The Indemnifying Party shall not be permitted to compromise and settle or to cause a compromise and settlement of any Third Party Claim, without the prior written consent of the Indemnified Party, unless:

- (i) the terms of the compromise and settlement require only the payment of money and do not require the Indemnified Party to admit any wrongdoing or take or refrain from taking any action; and
- (ii) the Indemnified Party receives, as part of the compromise and settlement, a legally binding and enforceable unconditional satisfaction or release, which is in form and substance satisfactory to the Indemnified Party, acting reasonably, from any and all obligations or liabilities it may have with respect to the Third Party Claim.

**8.7 Failure to Defend.** If the Indemnifying Party fails within 10 days from the receipt of the notice of a Third Party Claim to give notice of its intention to defend the Third Party Claim in accordance with Section 8.5, then the Indemnifying Party shall be deemed to have waived its right to defend the Third Party Claim and the Indemnified Party shall have the right (but not the obligation) to undertake the defence of the Third Party Claim and to compromise and settle the Third Party Claim on behalf, for the account and at the risk and expense of the Indemnifying Party.

**8.8 Limitation on Indemnification.** The obligation of indemnification set out in Sections 8.1 and 8.2 shall survive the execution of this Agreement for the periods mentioned in Section 5.5.

- (a) No Losses may be recovered from the Vendor pursuant to Section 8.1(ii) unless and until the accumulated aggregate amount of Losses of Purchaser Indemnitees arising pursuant to Section 8.1(ii) exceeds \$100,000, in which event the accumulated aggregate amount of all such Losses may be recovered up to \$20,000,000 (the “**Ordinary Cap**”) (less the amount of any payment or payments made by the Vendor for other Losses which are subject to the Extraordinary Cap (as defined below)). Such limitations shall have no application to any claim to recover Losses based on any incorrectness in or breach of the representations and warranties of the Vendor set out in Section 5.2(b) (in which case the accumulated aggregate amount of all such Losses for such breach may be recovered up to \$40,000,000 (the “**Extraordinary Cap**”) (less the amount of any payment or payments made by the Vendor for other Losses which are subject to the Ordinary Cap)) or of any other representation or warranty of the Vendor in this Agreement resulting from fraud, fraudulent misrepresentation or intentional misrepresentation by the Vendor.
- (b) No Losses may be recovered from Sayona and/or the Purchaser pursuant to Section 8.2(ii) unless and until the accumulated aggregate amount of Losses of the Vendor Indemnified arising pursuant to Section 8.2(ii) exceeds \$100,000, in which event the accumulated aggregate amount of all such Losses may be recovered up to \$20,000,000. Such limitations shall have no application to any claim to recover Losses based on Section 8.2(i), or any incorrectness in or breach of any other representation or warranty of Sayona and/or the Purchaser in this Agreement resulting from fraud, fraudulent misrepresentation or intentional misrepresentation by Sayona and/or the Purchaser.

## **9. GROUNDS FOR TERMINATION**

### **9.1 Termination**

This Agreement may be terminated on or prior to the Closing Date:

- (a) by the mutual written agreement of the Vendor and Sayona;
- (b) by written notice from the Vendor to Sayona and the Purchaser as permitted in Section 6.3; or
- (c) by written notice from Sayona and the Purchaser to the Vendor as permitted in Section 6.2.

### **9.2 Effect of Termination**

If this Agreement is terminated:

- (a) by a Party under Section 9.1, subject to Section 9.2(b), all further obligations of the Parties under this Agreement shall terminate, except for the obligations under Article 10 which shall survive such termination; or
- (b) by a Party under Section 9.1(b) or 9.1(c) and the right to terminate arose because of a breach of this Agreement by the other Party (including a breach by the other Party resulting in a condition in favour of the terminating Party failing to be satisfied), then, the other Party shall remain fully liable for any and all Losses sustained or incurred by the terminating Party directly or indirectly as a result thereof.

## **10. MISCELLANEOUS**

**10.1 Cooperation.** As and by way of a covenant that shall survive Closing for a period of two years, following Closing, the Parties shall work together in the spirit of collaboration and cooperation as future developers and producers in the region where the Claims are located with regards to drilling, infrastructure, power, geotechnical, environmental, permitting and community and First Nations relations.

**10.2 No Third Party Beneficiaries.** Each Party intends that this Agreement or any agreement entered into pursuant to this Agreement shall not benefit or create any right or cause of action in or on behalf of any Person other than the Parties or the parties to such other agreements, and no Person, other than the Parties or the parties to such other agreements, shall be entitled to rely on the provisions hereof or any agreement entered into pursuant hereto in any action, proceeding, hearing or other forum.

### **10.3 Confidentiality**

- (a) Each Recipient shall treat confidentially and not disclose, and shall cause each of its Representatives to treat confidentially and not disclose, other than as expressly contemplated by this Agreement, any Confidential Information of a Discloser.

- (b) A Recipient may disclose Confidential Information only to those of its Representatives who need to know such Confidential Information for the purpose of implementing the transaction contemplated by this Agreement. No Recipient shall use, nor permit its Representatives to use, Confidential Information for any other purpose nor in any way that is, directly or indirectly, detrimental to the applicable Discloser.
- (c) If a Recipient or any of its Representatives receives a request or is legally required to disclose all or any part of the Confidential Information of a Discloser, such Recipient shall:
  - (i) promptly notify the Discloser of the request or requirement;
  - (ii) consult with the Discloser on the advisability of taking legally available steps to resist or narrow the request or lawfully avoid the requirement; and
  - (iii) if requested by the Discloser, and at the Discloser's expense, take all necessary steps to seek a protective order or other appropriate remedy. If a protective order or other remedy is not available, or if the Discloser waives compliance with the provisions of this Section,
    - A. the Recipient receiving the request for disclosure or its Representatives, as the case may be, may disclose to the Person requiring disclosure only that portion of the Confidential Information which such Recipient is advised by written opinion of its counsel is legally required to be disclosed; and
    - B. such Recipient shall not be liable for such disclosure unless such disclosure was caused by or resulted from a previous disclosure by such Recipient or its Representatives not permitted by this Agreement.
- (d) Following the termination of this Agreement in accordance with the provisions of this Agreement, at the request of the Discloser each Recipient shall (and shall cause each of its Representatives to):
  - (i) return promptly to the Discloser all physical copies of the Confidential Information of the Discloser, excluding Notes, then in such Recipient's possession or in the possession of its Representatives; and
  - (ii) destroy all electronic copies of such Confidential Information, Notes (including electronic copies thereof) prepared by such Recipient or any of its Representatives, in a manner that ensures the same may not be retrieved or undeleted by such Recipient or any of its Representatives. Notwithstanding the foregoing, the Recipient shall not be required to destroy, and shall be permitted to retain:
    - A. back-up copies of computer files created in the ordinary course of business, although if such copies are restored from back-up files after the Discloser has requested the return or destruction of the Confidential Information they contain, then any Confidential

Information in such restored files shall be treated in confidence and shall be destroyed,

- B. any Confidential Information that has been included within or referred to in board papers (including submissions to or any minutes of deliberations of the board of directors of the Recipient or any committee thereof); and
  - C. any Confidential Information that is reasonably required to defend the Recipient in any legal proceeding brought or threatened against it.
- (e) The Parties may each publicly announce the transactions contemplated hereby following the execution and delivery of this Agreement, provided that the text and timing of each disclosing Party's announcement must be approved by the other Party in advance, acting reasonably. No Party shall issue any press release or otherwise make public announcements with respect to this Agreement without such approval having been obtained (which approval shall not be unreasonably withheld or delayed); provided, however, that the foregoing shall be subject to each Party's overriding obligation to make any disclosure or filing required under applicable Laws or stock exchange rules, and the Party making such disclosure shall use all commercially reasonable efforts to give prior oral or written notice to the other Parties and reasonable opportunity to review or comment on the disclosure or filing, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing. The Parties acknowledge that the Vendor may file this Agreement and a material change report relating thereto on SEDAR, and the Vendor agrees to make any redactions to such documents required to be filed reasonably requested by Sayona and permitted by applicable securities Law.

**10.4 Further Assurances.** Each Party upon the request of the other Party shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged or delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may be reasonably necessary or desirable to effect complete consummation of the transactions contemplated by this Agreement.

**10.5 Successors in Interest.** This Agreement and the provisions hereof shall enure to the benefit of and be binding upon the Parties and their respective successors and assigns.

**10.6 Notices.** Any notice, consent, authorization, direction or other communication required or permitted to be given hereunder shall be in writing and shall be delivered either by personal delivery, courier or email and addressed as follows:

in the case of the Vendor:

**Troilus Gold Corp.**  
36 Lombard Street, Floor 4  
Toronto, Ontario M5C 2X3  
Canada

Attention: Justin Reid

Email: [REDACTED - PERSONAL INFORMATION]

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

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

Attention: André Boivin  
Email: [REDACTED - PERSONAL INFORMATION]

in the case of the Purchaser or Sayona:

**Sayona Mining Limited**  
283 Given Tce, Suite 68  
Paddington, Queensland 4064  
Australia

PO Box 1357  
Milton, Queensland 4064  
Australia

Attention: Brett Lynch, Managing Director and Chief Executive Officer  
Email: [REDACTED - PERSONAL INFORMATION]

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

McCarthy Tétrault LLP  
1000 De La Gauchetière Street, Suite 2500  
Montreal, Quebec  
H3B 0A2

Attention: Louis-Nicolas Boulanger  
Email: [REDACTED - PERSONAL INFORMATION]

Any notice, consent, authorization, direction or other communication, if personally delivered, shall be deemed to have been validly and effectively given and received on the date of such delivery if delivered before 5:00 p.m. on a Business Day in the place of delivery, or the next Business Day in the place of delivery if not delivered on a Business Day or if sent after 5:00 p.m., and if sent by electronic communication with confirmation of transmission, shall be deemed to have been validly and effectively given and received on the Business Day in the place of delivery next following the day it was transmitted. Any Party may at any time change its address for service from time to time by giving notice to the other Parties in accordance with this Section 10.6.

**10.7 Expenses.** Each of the Parties shall pay its own expenses and the fees and expenses of its legal counsel, accountants, and other experts in connection with the preparation,

execution and consummation of this Agreement and the transactions contemplated hereunder.

- 10.8 Counterparts.** This Agreement may be executed in one or more counterparts, each of which when so executed shall be deemed an original, and such counterparts together shall constitute one and the same instrument. Signature to this Agreement transmitted by electronic mail by “portable document format” (“.pdf”) form or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document will have the same effect as physical delivery of the paper document bearing the original signature.
- 10.9 Severability.** Any Article, Section or other subdivision of this Agreement or any other provision of this Agreement which is, or becomes, illegal, invalid or unenforceable shall be severed herefrom, shall be ineffective to the extent of such illegality, invalidity or unenforceability and shall not affect or impair the remaining provisions hereof, which provisions shall (a) be severed from any illegal, invalid or unenforceable Article, Section or other subdivision of this Agreement or any other provision of this Agreement, and (b) otherwise remain in full force and effect.
- 10.10 Governing Law.** This Agreement shall be governed by and interpreted and construed in accordance with the laws of the Province of Quebec and the laws of Canada applicable therein.
- 10.11 Entire Agreement.** This Agreement, including the Schedules, the Subscription Agreement, the Investor Rights Agreement, the Royalty Agreement, the Assignment and Assumption Agreements and the Buy Back Sharing Agreements constitute the entire Agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions between the Parties. There are no representations, warranties, conditions, covenants or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, including the Schedules, except as specifically set forth herein and therein.
- 10.12 Currency.** All of the dollar amounts mentioned in this Agreement or in the Schedules annexed hereto shall be in legal currency of Canada unless otherwise specifically denominated.
- 10.13 Headings.** The headings in this Agreement are inserted for convenience of reference only and shall not affect the interpretation hereof.
- 10.14 Amendment.** No amendment shall be binding unless expressly provided in an instrument duly executed by the Parties.
- 10.15 Waiver.** No waiver, whether by conduct or otherwise, of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provisions (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided in an instrument duly executed by the Parties to be bound thereby.

***[Signature page follows.]***

**IN WITNESS WHEREOF** the Parties have caused this Agreement to be duly executed as of the date first set forth above.

**TROILUS GOLD CORP.**

Per: Signed "Justin Reid"  
Name: Justin Reid  
Title: Chief Executive Officer

**9474-9454 QUÉBEC INC.**

Per: Signed "Guy Laliberté"  
Name: Guy Laliberté  
Title: President and Secretary

**SAYONA MINING LIMITED ABN  
26 091 951 978**

Per: Signed "Brett Lynch"  
Name: Brett Lynch  
Title: Chief Executive Officer/Managing  
Director

**SCHEDULE 1.1(k)**

**CLAIMS**

[REDACTED – COMMERCIALLY SENSITIVE INFORMATION]

**SCHEDULE 1.1(III)**

**FORM OF ROYALTY AGREEMENT**

[REDACTED – COMMERCIALLY SENSITIVE INFORMATION]

**SCHEDULE 3.3**

**ALLOCATION OF PURCHASE PRICE**

100% of the Purchase Price is allocated to the Claims.

**SCHEDULE 5.2(m)**

**UNDERLYING ROYALTIES AND UNDERLYING ROYALTY AGREEMENTS**

[REDACTED - SENSITIVE COMMERCIAL INFORMATION]