

AGENCY AGREEMENT

February 11, 2020

Regency Gold Corp.

217 Queen Street West, Suite 401
Toronto, Ontario
M5V 0R2

Attention: William Radvak, President & Chief Executive Officer

Dear Sir:

Paradigm Capital Inc. (“**Paradigm**”) and Sprott Capital Partners LP (together with Paradigm, the “**Co-lead Agents**”), together with a syndicate including Red Cloud Securities Inc. and Mackie Research Capital Corporation (collectively with the Co-lead Agents, the “**Agents**”) understand that Regency Gold Corp. (the “**Company**”) intends to create, issue and sell up to 75,000,000 subscription receipts of the Company (each, a “**Subscription Receipt**”) having the terms described herein, at a price of \$0.20 per Subscription Receipt (the “**Offering Price**”) for aggregate gross proceeds to the Company of up to \$15,000,000 (the “**Offering**”).

The Subscription Receipts will be created and issued pursuant to a subscription receipt agreement (the “**Subscription Receipt Agreement**”) among the Company, the Co-lead Agents and Computershare Trust Company of Canada, as subscription receipt agent (the “**Subscription Receipt Agent**”), to be dated as of the Closing Date. Each Subscription Receipt will entitle the holder thereof to receive (provided that the Escrow Release Conditions have been satisfied) and without payment of additional consideration or further action on the part of the holders of the Subscription Receipts, one unit of the Company (“each, a “**Unit**”), subject to adjustments. Each Unit will consist of one common share of the Company (each, a “**Unit Share**”) and one-half of one common share purchase warrant of the Company (each whole common share purchase warrant, a “**Warrant**”).

The Warrants issued upon conversion of the Subscription Receipts and exercise of the Compensation Options (as defined below) will be created and issued pursuant to a warrant indenture (the “**Warrant Indenture**”) between the Company and Computershare Trust Company of Canada, as warrant agent (the “**Warrant Agent**”), to be dated as of the Closing Date. Each Warrant will be exercisable by the holder thereof into one Common Share (each, a “**Warrant Share**”) for a period of 24 months following the Closing Date at an exercise price of \$0.30 per Warrant Share, subject to adjustments.

At the Closing Time, the gross proceeds from the sale of Subscription Receipts will be deposited into escrow with the Subscription Receipt Agent and shall be invested in an interest bearing account or otherwise invested in such manner as is acceptable to the Company and the Agents, pending the earlier of: (i) satisfaction of the Escrow Release Conditions (as defined below) and (ii) the occurrence of a Termination Event (as defined below).

Provided the Escrow Release Conditions are satisfied prior to 5:00 p.m. (Toronto time) on the Escrow Release Deadline (defined below) and, upon receipt of proper notice thereof in accordance with the terms of the Subscription Receipt Agreement (the “**Escrow Release**”), the Subscription Receipt Agent shall immediately release and pay to the Company an amount equal to the Escrowed Funds (as defined below) held by the Subscription Receipt Agent.

If: (i) the Escrow Release Conditions are not satisfied prior to 5:00 p.m. (Toronto time) on the Escrow Release Deadline; or (ii) the Company advises the Co-lead Agents, on behalf of the Agents, or announces to the public that it does not intend to proceed with the Acquisition Transactions or satisfy any of the Escrow Release Conditions prior to the Escrow Release Deadline (each such event being a “**Termination Event**” and the date upon which such event occurs, the “**Termination Date**”), then as soon as practicable following the Termination Event and in any event within five Business Days following the Termination Date, the Subscription Receipt Agent shall return to each holder of Subscription Receipts an amount equal to the aggregate Offering Price of the Subscription Receipts held by each such holder and the *pro-rata* portion of interest and other income earned thereon, less applicable withholdings taxes (if any) and the Subscription

Receipts shall be cancelled. If the funds available for distribution by the Subscription Receipt Agent are insufficient to satisfy the amounts required to be paid by the Subscription Receipt Agent to each holder of Subscription Receipts, the Company shall fund any shortfall.

The Subscription Receipts will be offered to Purchasers (as defined below) resident in the Selling Jurisdictions within Canada by way of a private placement to “accredited investors” as such term is defined in NI 45-106 (as defined below). The Offering may also be completed to Purchasers who are Qualified Institutional Buyers or U.S. Institutional Accredited Investors in accordance with Schedule “A” attached hereto, which forms part of this agreement. The Subscription Receipts may be distributed in Selling Jurisdictions outside Canada and the United States in such jurisdictions as the Company and the Co-lead Agents may agree, where they may be lawfully sold on a basis exempt from the prospectus, registration and similar requirements of any such jurisdiction.

In consideration of the Agents’ services to be rendered in connection with the Offering, the Company agrees to pay the Agents’ Fee (as defined below) and issue the Compensation Options to the Agents on the Closing Date.

The Company agrees that the Agents will be permitted to appoint, at its sole expense, other registered dealers or other dealers duly qualified in their respective jurisdictions, in each case acceptable to the Company, acting reasonably, as its agents to assist with the Offering in the Selling Jurisdictions and that the Agents may determine the remuneration payable by the Agents to such other dealers appointed by them.

The terms and conditions of the Subscription Receipts and Warrants are subject in all respects to the terms and conditions of the Subscription Receipt Agreement and Warrant Indenture, respectively. In the event of a conflict between the provisions of this Agreement and the provisions of the Subscription Receipt Agreement or Warrant Indenture, the provisions of the Subscription Receipt Agreement or Warrant Indenture shall prevail, as applicable.

This offer is conditional upon and subject to the additional terms and conditions set forth below.

1. **Interpretation**

1.1 Unless expressly provided otherwise herein, where used in this Agreement or any schedule attached hereto, the following terms have the following meanings, respectively:

“**Acquired Mining Rights**” means the mineral interests relating to the Option Properties;

“**Acquisition Transactions**” means the transactions between: (i) the Company and the Benton pursuant to which Benton completes the grant to the Company of Benton’s option to acquire a 100% right, title, and interest in the Escape Lake Property, in accordance with the terms of, among other ancillary agreements, the Option Agreement; and (ii) the Company and Magma pursuant to which the Company acquires 100% of the share capital of the Material Subsidiary, being the holder of the TBN Project, in accordance with the terms of the TBN Project Agreement;

“**affiliate**” has the meaning ascribed to such concept in Section 1(2) of the *Securities Act* (Ontario)

“**Affiliates**” means affiliates of the Agents;

“**Agents**” has the meaning ascribed thereto on the face page of this Agreement;

“**Agents’ Fee**” has the meaning ascribed thereto in Section 13.1;

“**Agreement**” means the agreement resulting from the acceptance by the Company of the offer made by the Agents hereby;

“**Applicable Securities Laws**” means, in respect of any person, collectively, the securities laws, regulations, rulings, rules, orders and prescribed forms, and published policy statements issued by a Securities Regulator, including the rules of any stock exchange, in each case, applicable to that person;

“**Benton**” means Benton Resources Inc.;

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

“**Canadian Securities Laws**” means collectively, all Canadian Applicable Securities Laws;

“**Canadian Securities Regulators**” means the applicable Securities Regulator in each of the provinces and territories of Canada;

“**CBCA**” means the *Canada Business Corporations Act*;

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

“**Closing Date**” means February 11, 2020 or such other date as the Company and the Co-lead Agents, on behalf of the Agents, may agree from time to time;

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

“**Co-lead Agents**” has the meaning ascribed thereto on the face page of this Agreement;

“**Common Shares**” means the common shares in the capital of the Company;

“**Company**” has the meaning ascribed thereto on the face page of this Agreement;

“Company Due Diligence Documents” means all written materials relating to the Company and its subsidiaries (including all financial, marketing, sales and operational information) provided by the Company or its counsel to the Agents and their counsel in connection with the Offering and includes, for certainty, all documentation relating to the Acquired Mining Rights and the Acquisition Transactions;

“Compensation Options” has the meaning ascribed to there in Section 13.1;

“Compensation Option Certificates” means the certificates issued to the Agents representing the Compensation Options;

“Debt Instrument” means any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money, to which an entity or any of its subsidiaries is a party or by which any of their property or assets are bound;

“Eligible Expenses” has the meaning ascribed thereto in Section 11.1;

“Engagement Letter” means the engagement letter entered into between the Co-lead Agents and the Company dated January 7, 2020;

“Environmental Laws” has the meaning ascribed thereto in Section 5.1.7(a);

“Environmental Permit” means any Permit issued or required under any Environmental Law;

“Escrow Release” has the meaning ascribed thereto on the face page of this Agreement;

“Escrow Release Conditions” means, collectively:

- (a) the receipt of all required corporate, shareholder and regulatory approvals in connection with the Offering, the Acquisition Transactions and the TSXV Listing, including, without limitation, the conditional approval of the TSXV for the listing of the Unit Shares and Warrant Shares and any relevant listing documents having been accepted for filing with the TSXV;
- (b) the completion or the satisfaction of all conditions precedent to the Acquisition Transactions, substantially in accordance with the definitive agreements relating to the Acquisition Transactions (other than the payment of the cash purchase price due in connection with the acquisition of the TBN Project pursuant to the TBN Project Agreement), to the satisfaction of the Agents; and
- (c) the Company and the Agents having delivered a joint notice to the Subscription Receipt Agent confirming that the conditions set forth in (a) and (b) above have been met or waived.

As a condition precedent to the execution by the Agents of the notice referred to in (c) above, the Chief Executive Officer of the Company (or such other officers as may be acceptable to the Agents, acting reasonably) shall certify to the Agents that the Escrow Release Conditions (other than that set out in (c) above) have been satisfied.

“Escrow Release Deadline” means June 10, 2020;

“Escrowed Funds” means the aggregate gross proceeds of the Offering, less the Agent’s Fee and Eligible Expenses, together with all interest and other income earned thereon, which funds shall be held in escrow by the Subscription Receipt Agent;

“Exchanges” means the TSXV and the NEX Board;

“Financial Statements” has the meaning ascribed thereto in Section 5.1.3;

“Governmental Entity” means any (a) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal,

arbitral body, commission, board, bureau or agency, domestic or foreign, (b) subdivision, agent, commission, board or authority of any of the foregoing or (c) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

“**IFRS**” means International Financial Reporting Standards issued by the International Accounting Standards Board, namely, the standards, interpretations and the framework for the preparation and presentation of financial statements (in the absence of a standard or interpretation), as adopted in Canada by the Accounting Standards Board of the Chartered Professional Accountants of Canada, that are applicable to the circumstances as of the date of determination, consistently applied;

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

“**Magma**” means Magma Metals Pty Ltd, a subsidiary of Panoramic Resources Inc.;

“**material adverse effect**” means any change, effect, event or occurrence, that is, or would be reasonably expected to be, materially adverse with respect to the condition (financial or otherwise), properties, assets, liabilities, obligations (whether absolute, accrued, conditional or otherwise), business, prospects, share capital, value, operations or results of operations;

“**Material Agreement**” means any material contract, commitment, agreement (written or oral), joint venture instrument, lease or other document, including a license agreement to which an entity or any of its subsidiaries is a party or by which any of their property or assets are bound;

“**Material Subsidiary**” has the meaning ascribed thereto in Section 5.1.1(b);

“**MI 11-102**” means Multilateral Instrument 11-102 – *Passport System*, adopted by the Canadian Securities Regulators;

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

“**NI 43-101**” means National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*;

“**NI 45-106**” means National Instrument 45-106 – *Prospectus Exemptions*;

“**Offering**” has the meaning ascribed thereto on the face page of this Agreement;

“**Offering Price**” has the meaning ascribed thereto on the face page of this Agreement;

“**Option Agreement**” means the option agreement entered into between the Company and Benton dated January 6, 2020, as amended, and including the schedules and exhibits thereto, pursuant to which the Company shall be granted an option to acquire a 100% right, title, and interest in the Escape Lake Property, in connection with the Acquisition Transactions;

“**Option Properties**” means the mineral properties known as the Escape Lake Property and TBN Project, as such properties are further described and defined in the Option Agreement and TBN Project Agreement and the schedules and exhibits thereto;

“**Permit**” means any licence, permit, approval, consent, certificates, registration or other authorization of or issued by any Governmental Entity;

“**person**” includes any individual, corporation, limited partnership, general partnership, joint stock company or association, joint venture association, company, trust, bank, trust company, land trust, investment trust, society or other entity, organization, syndicate, whether incorporated or not, trustee, executor or other legal personal representative, and governments and agencies and political subdivisions thereof;

“Public Record” means all information contained in any press release, material change report (excluding any confidential material change report), financial statements or other document of the Company which has been publicly filed by, or on behalf of, the Company pursuant to Applicable Securities Laws in Canada or otherwise by or on behalf of the Company;

“Purchasers” means a purchaser who purchased Subscription Receipts pursuant to the Subscription Agreements;

“QIB” or “Qualified Institutional Buyer” means “Qualified Institutional Buyer” as such term is defined in Rule 144A;

“Reporting Provinces” means British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Prince Edward Island and Newfoundland and Labrador;

“Securities Regulator” means, in respect of any jurisdiction, the securities regulator or other securities regulatory authority of that jurisdiction;

“Selling Jurisdictions” means, collectively, (i) all of the provinces of Canada; (ii) the United States; and (iii) those other jurisdictions outside of Canada and the United States, provided it is understood that no prospectus filing, registration statement or comparable obligation arises in such other jurisdictions in accordance with paragraph 6 of this Agreement;

“Subscription Agreements” means the subscription agreements for Subscription Receipts, in the form agreed upon by the Company and the Agents, for the purchase and sale of the Subscription Receipts to Purchasers pursuant to the Offering as contemplated herein and shall include, for greater certainty, all schedules thereto;

“Subscription Receipt Agent” has the meaning ascribed thereto on the face page of this Agreement;

“Subscription Receipt Agreement” has the meaning ascribed thereto on the face page of this Agreement;

“Subscription Receipts” has the meaning ascribed thereto on the face page of this Agreement;

“subsidiary” has the meaning ascribed thereto in the CBCA;

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

“Taxes” has the meaning ascribed thereto in Section 5.1.4(h);

“TBN Project Agreement” means the share purchase agreement entered into between the Company and Magma dated January 6, 2020 and including the schedules and exhibits thereto, pursuant to which the Company shall acquire 100% of the share capital of the Material Subsidiary, being the holder of the TBN Project, in connection with the Acquisition Transactions;

“Termination Date” has the meaning ascribed thereto on the face page of this Agreement;

“Termination Event” has the meaning ascribed thereto on the face page of this Agreement;

“TMX Group” has the meaning ascribed thereto in Section **Error! Reference source not found.**;

“Transaction Documents” means this Agreement, the Subscription Agreements, the Subscription Receipt Agreement, the Warrant Indenture, the Compensation Option Certificates, the Option Agreement and the TBN Project Agreement;

“Transfer Agent” means Computershare Trust Company of Canada;

“TSXV” means the TSX Venture Exchange;

“TSXV Listing” has the meaning ascribed thereto in Section 4.1.1(g);

"Underlying Securities" means, collectively, the Unit Shares, Warrants, and Warrant Shares;

"Units" has the meaning ascribed thereto on the face page of this Agreement;

"Unit Shares" has the meaning ascribed thereto on the face page of this Agreement, and includes any Common Shares issued upon exercise of the Compensation Options;

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

"U.S. Institutional Accredited Investor" means an "accredited investor" as that term is defined in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act;

"U.S. Affiliates" has the meaning ascribed thereto in Section 2.2;

"U.S. Person" means "U.S. person" as that term is defined in Rule 902 of Regulation S under the U.S. Securities Act;

"U.S. Purchaser" means (a) any Purchaser in the United States, (b) any person purchasing securities for the account or benefit of any person in the United States, (c) any person that receives or received an offer of the Subscription Receipts while in the United States (except persons excluded from the definition of U.S. person pursuant to Rule 902(k)(2)(vi) of Regulation S under the U.S. Securities Act or persons holding accounts excluded from the definition of U.S. person pursuant to Rule 902(k)(2)(i) of Regulation S, solely in their capacities as holders of such accounts), and (d) any person that is in the United States at the time the Purchaser's buy order was made or such Subscription Agreement was executed or delivered (except persons excluded from the definition of U.S. person pursuant to Rule 902(k)(2)(vi) of Regulation S (as defined herein) or persons holding accounts excluded from the definition of U.S. person pursuant to Rule 902(k)(2)(i) of Regulation S, solely in their capacities as holders of such accounts);

"U.S. Securities Act" means the United States Securities Act of 1933, as amended;

"Vendors" means, collectively, Benton and Magma;

"Warrants" has the meaning ascribed thereto on the face page of this Agreement, and includes any Warrants issued upon exercise of the Compensation Options;

"Warrant Agent" has the meaning ascribed thereto on the face page of this Agreement;

"Warrant Indenture" has the meaning ascribed thereto on the face page of this Agreement; and

"Warrant Shares" has the meaning ascribed thereto on the face page of this Agreement, and includes any Common Shares issued upon exercise of Warrants which are issued upon exercise of the Compensation Options.

1.2 Division and Headings: The division of this Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to sections, subsections, paragraphs and other subdivisions are to sections, subsections, paragraphs and other subdivisions of this Agreement.

1.3 Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein and the parties hereto irrevocably accept and attorn to the exclusive jurisdiction of the courts of the Province of Ontario.

1.4 Currency: Except as otherwise indicated, all amounts expressed herein in terms of money refer to lawful currency of Canada and all payments to be made hereunder shall be made in such currency.

1.5 **Schedule:** Schedule “A” - Compliance with United States Securities Laws as attached to this Agreement, is deemed to be a part of this Agreement and is hereby incorporated by reference herein.

2. **Nature of Transaction**

2.1 **Sale on Exempt Basis.** Upon and subject to the terms and conditions set forth herein, the Agents hereby agree to act, and upon acceptance hereof, the Company hereby appoints the Agents, as the Company’s exclusive agents, to offer for sale by way of private placement on a “best efforts” basis, without underwriter liability, the Subscription Receipts to be issued and sold pursuant to the Offering and the Agents agree to arrange for purchasers of Subscription Receipts in the Selling Jurisdictions, such that each of the offer and sale of the Subscription Receipts do not obligate the Company to file a prospectus, a registration statement or other offering document with any Securities Regulator under Applicable Securities Laws.

2.2 **U.S. Sales.** The parties to this Agreement acknowledge that the Subscription Receipts and Compensation Options, and the Underlying Securities deliverable upon conversion or exercise thereof, have not been and will not be registered under the U.S. Securities Act and may not be offered or sold in the United States except pursuant to exemptions from the registration requirements of the U.S. Securities Act and the applicable laws of any applicable state of the United States. Accordingly, the Company and the Agents agree that any offers or to U.S. Purchasers shall be conducted only in the manner specified in Schedule “A” of this Agreement. All actions to be undertaken by the Agents in the United States in connection with the matters contemplated herein shall be undertaken through a duly registered U.S. broker-dealer Affiliate (the “**U.S. Affiliates**”) or a U.S. registered broker-dealer that is a member of the selling group engaged in connection with such offer or sale.

2.3 **Filings.** The Company hereby agrees to comply with all Applicable Securities Laws on a timely basis in connection with the Offering and undertakes to file, or cause to be filed, within the periods stipulated under Applicable Securities Laws, all forms, documents or undertakings required to be filed by the Company in connection with the issue and sale of the Subscription Receipts so that the distribution of the Subscription Receipts may lawfully occur without the necessity of filing a prospectus, a registration statement or other offering document with any Securities Regulator in the Selling Jurisdictions, and the Agents agree to assist the Company in all reasonable respects to secure compliance with all regulatory requirements in connection with the Offering. All fees payable in connection with such filings shall be paid by the Company.

2.4 **Solicitation of Orders.** Neither the Company nor the Agents shall: (i) provide to prospective purchasers of the Subscription Receipts any document or other material that would constitute an offering memorandum or “future-oriented financial information” within the meaning of Applicable Securities Laws; or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Subscription Receipts, including but not limited to, causing the sale of the Subscription Receipts to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display, or conduct any seminar or meeting relating to the offer and sale of the Subscription Receipts whose attendees have been invited by general solicitation or advertising.

3. **Representations, Warranties and Covenants of the Agents**

3.1 Each Agent hereby severally, and neither jointly nor jointly and severally, represents, warrants and covenants to the Company that (and will use its commercially reasonable efforts to cause any members of its selling groups to):

- (a) it will conduct activities in connection with arranging for the sale and distribution of the Subscription Receipts in compliance with all Applicable Securities Laws and the provisions of this Agreement;

- (b) it has not and will not, directly or indirectly, sell or solicit offers to purchase the Subscription Receipts or distribute or publish any offering circular, prospectus, form of application, advertisement or other offering materials in any country or jurisdiction so as to require registration of the Subscription Receipts or filing of a prospectus or similar document with respect thereto or compliance by the Company with regulatory requirements (including any continuous disclosure obligations or similar reporting obligations) under the Applicable Securities Laws;
- (c) it will use its reasonable efforts to obtain from each Purchaser an executed Subscription Agreement (including all certifications, forms, and other documentation contemplated thereby) and all other applicable forms, reports, undertakings and documentation required under Applicable Securities Laws or required by the Company, acting reasonably;
- (d) it is duly registered pursuant to the provisions of the Applicable Securities Laws and is duly registered or licensed as an investment dealer in those jurisdictions in which it is required to be so registered in order to perform the services contemplated by this Agreement, or if or where not so registered or licensed, it will act only through members of a selling group who are so registered or licensed; and
- (e) The Agents acknowledge that the Compensation Options and the Underlying Securities (collectively, the “**Broker Securities**”) have not been and will not be registered under the U.S. Securities Act, and the Broker Securities may not be exercised in the United States or by, or for the account or benefit of, any U.S. Person or person in the United States, except pursuant to an exemption from the registration requirements of the U.S. Securities Act. In connection with the issuance of the Broker Securities, as the case may be, each of the Agents represents and warrants that (i) it is not a U.S. Person and it is not acquiring the Broker Securities in the United States, or on behalf of a U.S. Person or a person located in the United States, (ii) this Agreement was executed and delivered outside the United States and (iii) it is acquiring the Broker Securities, as principal for its own account and not for the benefit of any other person. The Agents agree that they will not engage in any Directed Selling Efforts (as defined in Schedule “A”) with respect to any Broker Securities.

4. Covenants of the Company

4.1 The Company hereby covenants to the Agents, the U.S. Affiliates and to the Purchasers, and acknowledges that each of them is relying on such covenants in connection with the purchase of the Subscription Receipts, as follows:

4.1.1 *Offering*

- (a) **Due Diligence Process.** The Company will, in connection with the Offering and the Acquisition Transactions, allow the Agents and their representatives the opportunity to conduct all due diligence which the Agents and their representatives may reasonably require to be conducted prior to the Closing Date and will make available its directors, senior management, technical advisors, auditors, and legal counsel to conduct such procedures as are reasonably required, to answer the questions of the Agents in due diligence meetings to be conducted prior to the Closing Date. The Closing of the Offering shall be conditional upon and subject to the Agents and their representatives being satisfied, in their sole discretion, with their due diligence review.
- (b) **Due Diligence Materials.** The Company has made available and provided to the Agents and their representatives, and, on a timely basis, will make available and

provide to the Agents and their representatives: (i) all requested corporate and operating records, material contracts, reserve reports, technical reports, financial information, budgets and other relevant information necessary in order to complete the due diligence investigation of the business, properties and affairs of the Company and its subsidiaries and the Option Properties; and (ii) all material agreements, arrangements and understandings in connection with the Acquisition Transactions.

- (c) **Use of Proceeds.** The net proceeds of the Offering will be used to: (i) fund the cash portion of the consideration payable to Magma in respect of the acquisition of the TBN Project pursuant to the TBN Project Agreement; (ii) fund drilling on the Escape Lake Property and TBN Project; and (iii) for general corporate purposes.
- (d) **Notification re: Option Agreement and TBN Project Agreement.** The Company shall notify the Agents in writing of any amendments to the Option Agreement or TBN Project Agreement.
- (e) **Absence of Material Adverse Effect.** The Company is not aware, based on its due diligence to date of the Vendors and the Option Properties, including financial, legal and technical due diligence, of any fact or circumstance which would be likely to have a material adverse effect on the Company and its subsidiaries, the Material Subsidiary, and the Option Properties on a consolidated basis following completion of the Acquisition Transactions.
- (f) **Closing Deliveries.** The Company will use its commercially reasonable efforts to fulfill or cause to be fulfilled, at or prior to the Closing Date, each of the conditions required to be fulfilled by it set out in Section 7.1.
- (g) **TSXV Listing.** The Company will use its commercially reasonable efforts to graduate from the NEX Board and list the Common Shares on the TSXV prior to or concurrently with the Escrow Release (the “TSXV Listing”).
- (h) **Listing of Unit Shares and Warrant Shares.** The Company will use its commercially reasonable efforts to obtain the necessary regulatory consents and approvals for the Offering, including the conditional approval of the Exchanges, as applicable, for the listing and trading of the Unit Shares and Warrant Shares on the TSXV, prior to the Escrow Release Deadline on such conditions as are acceptable to the Agents and the Company, acting reasonably.
- (i) **Creation and Issuance of Subscription Receipts and Underlying Securities.** The Company will fulfill all legal requirements to permit the creation, issuance, offering and sale of the Subscription Receipts and the creation and issuance of the Compensation Options and Underlying Securities, all as contemplated in this Agreement and file or cause to be filed all documents, applications, forms or undertakings required to be filed by the Company and take or cause to be taken all action required to be taken by the Company in connection with the purchase and sale of the Subscription Receipts and the creation and issuance of the Compensation Options and Underlying Securities.
- (j) **Allotment and Reservation.** The Company shall ensure that at all times sufficient Unit Shares and Warrant Shares are allotted and reserved for issuance upon the conversion or exercise of the Subscription Receipts, Compensation Options and Warrants, as applicable.

- (k) **Maintain Reporting Issuer Status.** For a period of two years following the Closing Date, the Company will use its commercially reasonable efforts to remain a reporting issuer under Canadian Securities Laws, provided that this covenant shall not prevent the Company from completing any transaction which would result in the Company ceasing to be a “reporting issuer” so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada or cash or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the policies of the TSXV (or any securities exchange, market or trading or quotation facility on which the Common Shares are then listed or quoted).
- (l) **Stock Exchange Listing.** The Company will not take any action for a period of two years after the Closing Date which would reasonably be expected to result in the delisting or suspension of its Common Shares on or from the TSXV or on or from any securities exchange, market or trading or quotation facility on which its Common Shares are then listed or quoted, provided that this covenant shall not prevent the Company from completing any transaction which would result in the Company graduating to the TSX or ceasing to be listed on the TSXV (or any securities exchange, market or trading or quotation facility on which the Common Shares are then listed or quoted) so long as the holders of Common Shares receive securities of an entity which is listed on a stock exchange in Canada or cash or the holders of the Common Shares have approved the transaction in accordance with the requirements of applicable corporate and securities laws and the policies of the TSXV (or any securities exchange, market or trading or quotation facility on which the Common Shares are then listed or quoted).
- (m) **Post-Closing Filings.** The Company will execute and file with the Securities Regulators, all forms, notices and certificates required to be filed by the Company pursuant to Applicable Securities Laws, in the time required by the Applicable Securities Laws, including for greater certainty, Form 45-106F1 of NI 45-106 and any other forms, notices and certificates set forth in the opinions delivered to the Agents pursuant to the closing conditions set forth in Section 7.1, as are required to be filed by the Company.
- (n) **Standstill.** The Company will not issue any further securities, warrants, or other securities of the Company convertible into, exchangeable for or exercisable to acquire, Common Shares or agree to do so, save and except: (i) as contemplated by the Offering; (ii) pursuant to the grant or exercise of options, restricted share units or other share based compensation issued or that may be issued in the future pursuant to share based compensation arrangements of the Company, provided that the exercise price of any share based compensation shall not be less than the Offering Price; (iii) pursuant to the exercise of options and other convertible securities of the Company outstanding as at the date of the Engagement Letter; (iv) in connection with the *bona fide* acquisition by the Company of the shares or assets of other corporations or entities; or (v) securities issued to strategic partners to the Company’s business, in each case, at any time during the period from the date of the Engagement Letter until 120 days following the Closing Date, without the prior consent of the Agents, such consent not to be unreasonably withheld.
- (o) **Executive Officer and Director Lock-Up.** The Company will cause its executive officers and directors to execute an undertaking (in a form satisfactory to the Agents, acting reasonably) in favour of the Agents that such executive officer or director will not, for a period of 12 months following the Closing Date, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the

economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or other securities of the Company convertible into, exchangeable for or exercisable to acquire, Common Shares, directly or indirectly, unless: (i) such executive officer or director first obtains the prior consent of the Agents, such consent not to be unreasonably withheld; (ii) there occurs a take-over bid, arrangement or similar transaction involving the acquisition of the Company; or (iii) pursuant to the exercise of options, warrants or other convertible securities.

- (p) **Benton Lock-Up.** The Company will cause Benton to execute an undertaking (in a form satisfactory to the Agents, acting reasonably) in favour of the Agents in respect of 80% of the Common Shares received by Benton in connection with the Acquisition Transactions, that Benton will not, for a period of 6 months following the Closing Date, directly or indirectly, offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, whether through the facilities of a stock exchange, by private placement or otherwise, any Common Shares or other securities of the Company convertible into, exchangeable for or exercisable to acquire, Common Shares, directly or indirectly, unless: (i) Benton first obtains the prior consent of the Agents, such consent not to be unreasonably withheld; (ii) there occurs a take-over bid, arrangement or similar transaction involving the acquisition of the Company; or (iii) pursuant to the exercise of options, warrants or other convertible securities outstanding on the date of the Engagement Letter.
- (q) **Escrow Release Conditions.** The Company will use its commercially reasonable efforts to satisfy the Escrow Release Conditions prior to the Escrow Release Deadline.
- (r) **Closing of the Acquisition Transactions.** The Company will use commercially reasonable efforts to close the Acquisition Transactions on substantially the same terms as set out in the Option Agreement and TBN Project Agreement and not to amend, delete or waive any material provision of the Option Agreement or TBN Project Agreement, without prior written consent of the Agents.

4.1.2 *Distribution Period*

- (a) **Full Particulars.** During the period from the date hereof until the completion of the distribution of the Unit Shares and Warrants issuable upon conversion of the Subscription Receipts, the Company will promptly inform the Co-lead Agents, on behalf of the Agents in writing of the full particulars of:
 - (i) any material change (actual, anticipated, contemplated, proposed or threatened, financial or otherwise) in the business, financial condition, affairs, operations, assets, liabilities or obligations (contingent or otherwise), prospects, capital or ownership of the Company or the Option Properties, as the case may be;
 - (ii) any change in any material fact disclosed in the Public Record; and

- (iii) any material fact in respect of the Company or the Option Properties that had not been previously disclosed to the Agents.

The Company shall promptly, and in any event within any applicable time limitation, comply, to the satisfaction of the Co-lead Agents, on behalf of the Agents, acting reasonably, with all applicable filings and other requirements under the Canadian Securities Laws as a result of such fact or change. The Company shall in good faith discuss with the Agents any change which is of such a nature that there is reasonable doubt whether notice need be given to the Agents pursuant to this section.

- (b) **Press Releases.** During the period commencing on the date hereof and until completion of the distribution of the Unit Shares and Warrants issuable upon conversion of the Subscription Receipts, the Company will promptly provide to the Co-lead Agents, on behalf of the Agents drafts of any press releases of the Company for review by the Agents and their counsel prior to issuance, and will not publish those press releases (unless otherwise required by Applicable Securities Laws) except with the prior approval of the Co-lead Agents, on behalf of the Agents, which approval will not be unreasonably withheld or delayed. In addition, if required by Applicable Securities Laws, any press release announcing or otherwise referring to the Offering shall comply with the requirements of the U.S. Securities Act and shall include an appropriate notation on each page as follows: “*Not for distribution to U.S. news wire services or dissemination in the United States.*”.

- (c) **Orders, Rulings, etc.** The Company will advise the Co-lead Agents, on behalf of the Agents, promptly after receiving notice or obtaining knowledge thereof, of:

- (i) any order, ruling, or determination having the effect of suspending the sale or ceasing the trading in any securities of the Company (including the Common Shares) that has been issued by any Securities Regulator or of any proceedings that have been instituted, threatened or contemplated, for any such purposes; or
- (ii) any request of any Securities Regulator for any information, or the receipt by the Company of any communication from any Securities Regulator or any other competent authority relating to the Company or which may be relevant to the distribution of the Unit Shares and Warrants issuable upon conversion of the Subscription Receipts;

and will use its commercially reasonable efforts to prevent the issuance of any order referred to in (i) above or, if any such order is issued, to obtain the withdrawal thereof as promptly as possible.

- (d) **Notice of Breach.** During the period from the date of this Agreement until the date of completion of distribution of the Unit Shares and Warrants issuable upon conversion of the Subscription Receipts, the Company shall promptly inform the Co-lead Agents, on behalf of the Agents (and if requested by the Agents, confirm such notification in writing) of the full particulars of any breach or potential breach of:

- (i) any of the covenants in Section 4 of this Agreement; or
- (ii) any of the representations and warranties in Section 5 of this Agreement.

5. Representations and Warranties of the Company

5.1 All representations and warranties in this Agreement assumes the completion of the Acquisition Transactions in accordance with the terms of the Option Agreement and the TBN Project Agreement.

Subject to the foregoing, the Company hereby represents, warrants and covenants to the Agents, the U.S. Affiliates and the Purchasers, and acknowledges that the Agents are relying on same in entering into this Agreement, that:

5.1.1 General Matters

- (a) **Good Standing of the Company.** The Company: (i) is existing under the laws of Canada and is up-to-date in all material corporate filings and in good standing under the CBCA; (ii) has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its assets; (iii) has all necessary licences, Permits, authorizations, and other approvals necessary to permit it to conduct its business and all such licences, Permits, authorizations and approvals are in full force and effect in accordance with their terms; and (iv) has all requisite corporate power and authority to issue and sell the Subscription Receipts, to issue the Compensation Options and Underlying Securities, to enter into the Transaction Documents and to carry out its obligations hereunder and thereunder.
- (b) **Material Subsidiary.** The Company's only material subsidiary is Panoramic PGMs (Canada) Limited (the "**Material Subsidiary**") and the all of the securities of the Material Subsidiary are held directly by the Company, free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims and demands, other than in respect of the security interests granted pursuant to the TBN Project Agreement, and the Company is entitled to the full beneficial ownership of all such shares in the Material Subsidiary. All of such shares in the capital of the Material Subsidiary have been duly authorized and validly issued and are outstanding as fully paid shares and no person, other than the Company has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming a right, agreement or option, for the purchase or acquisition from the Company of any interest in any of such shares, or for the issue or allotment of any unissued shares in the capital of the Material Subsidiary or any other security convertible into or exchangeable for any such shares, other than pursuant to the TBN Project Agreement.
- (c) **Good Standing of the Material Subsidiary.** The Material Subsidiary: (i) has been incorporated in Yukon and is up-to-date in all material corporate filings and in good standing under the laws of such jurisdiction; (ii) has all requisite corporate power and capacity to carry on its business as now conducted and to own, lease and operate its assets; (iii) has all necessary licences, authorizations, Permits and other approvals necessary to permit it to conduct its business and all such licences, authorizations, Permits and approvals are in full force and effect in accordance with their terms; and (iv) has no subsidiaries and has no material proprietary interests other than in respect of the TBN Project.
- (d) **Other Subsidiary.** Silvio USA Inc. is not a material subsidiary of the Company and has no operations or material assets or liabilities as at the date hereof.
- (e) **No Active Business.** Other than the Acquired Mining Rights, neither the Company or its subsidiaries nor the Material Subsidiary has or conducts any active business or holds any right, title or interest in any mineral properties or any other material assets or liabilities.
- (f) **Compliance with Laws.** Each of the Company, its subsidiaries and the Material Subsidiary is, in all material respects, conducting its business in compliance with all applicable laws, rules and regulations of each jurisdiction in which its business is carried on and each is licensed, registered or qualified in all jurisdictions in which it is

required to be licensed, registered or qualified and all such licenses, registrations and qualifications are valid, subsisting and in good standing and it has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, rules, regulations, licenses, registrations and qualifications which could have a material adverse effect on the Company and the Material Subsidiary, on a consolidated basis.

- (g) **No Insolvency.** The Company and the Material Subsidiary are not insolvent and are able to meet all of their respective financial liabilities (other than the proposed settlement of debt owing to the Material Subsidiary to Magma prior to completion of the Acquisition Transaction) as they become due and no winding-up, liquidation, dissolution or bankruptcy proceedings have been commenced or are being commenced or contemplated by the Company or its subsidiaries or the Material Subsidiary, and, no merger, consolidation, amalgamation, sale of all or substantially all of the assets or sale of the business transactions have been commenced or are being commenced or contemplated by the Company or its subsidiaries or the Material Subsidiary and the Company has no knowledge of any such proceedings or transactions having been commenced or being contemplated in respect of the Company or its subsidiaries or the Material Subsidiary by any other party.
- (h) **Authorized Capital.** The authorized capital of the Company consists of an unlimited number of Common Shares, of which, as of the close of business on February 10, 2020, 25,483,382 Common Shares were outstanding as fully paid and non-assessable Common Shares of the Company.
- (i) **Convertible Securities.** Other than in respect of the Offering, the Option Agreement, TBN Project Agreement, and 1,275,000 options to purchase Common Shares at an exercise price of \$0.12 per Common Share on or before September 30, 2024, no Person now has any agreement or option or right or privilege (whether at law, pre-emptive or contractual) capable of becoming an agreement for the purchase, subscription or issuance of, or conversion into, any unissued shares, securities, warrants or convertible obligations of any nature of the Company.
- (j) **Voting Control.** To the knowledge of the Company, there is no agreement in force or effect which in any manner affects the voting or control of any of the securities of the Company or the Material Subsidiary.
- (k) **Freedom to Conduct Business.** Neither the Company nor the Material Subsidiary are party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Company or the Material Subsidiary to compete in any line of business, transfer or move any of their assets or operations or which would have a material adverse effect on the business practices, operations or condition of the Company and the Material Subsidiary, on a consolidated basis.
- (l) **No Violation of Constating Documents.** Neither the Company nor the Material Subsidiary is in violation of the provisions of its articles (or equivalent), by-laws or resolutions or any statute or any order, rule or regulation of any court or governmental agency or both having jurisdiction over it or any of its operation, which violation or the consequences thereof would, alone or in the aggregate, have a material adverse effect on the Company and the Material Subsidiary, on a consolidated basis.
- (m) **No Breach or Default.** Neither the Company nor the Material Subsidiary, nor to the knowledge of the Company, any other person, is in default in any material respect in

the observance or performance of any term, covenant or obligation to be performed by the Company or the Material Subsidiary or such other person, as applicable, under any Debt Instrument or Material Agreement to which the Company or the Material Subsidiary are a party or otherwise bound, and all such Debt Instruments and Material Agreements are in good standing, and no event has occurred which with notice or lapse of time or both would constitute such a default thereunder by the Company, the Material Subsidiary or, to the knowledge of the Company, any other party.

- (n) **Interest of Insiders.** None of the directors or officers of the Company, any known holder of more than 10% of any class of shares of the Company, or any known associate or affiliate of any of the foregoing persons or companies, has had any material interest, direct or indirect, in any material transaction within the previous two years or any proposed material transaction which, as the case may be, materially affected, is material to or will materially affect the Company and its Material Subsidiary, on a consolidated basis.
- (o) **Purchases and Sales.** Other than in connection with the Acquisition Transactions, the Company and its subsidiaries have not approved, are not contemplating and have not entered into any agreement in respect of, nor have any knowledge of:
 - (i) the purchase of any material property or assets or any interest therein or the sale, transfer or disposition of any material property or assets or any interest therein currently owned, directly or indirectly, by the Company or its subsidiaries whether by asset sale, transfer of shares or otherwise;
 - (ii) the change of control (by sale or transfer of shares or sale of all or substantially all of the property and assets of the Company or its subsidiaries or otherwise) of the Company; or
 - (iii) a proposed or planned disposition of shares by any shareholder who owns, directly or indirectly, 10% or more of the outstanding shares of the Company.
- (p) **Owned Real Property.** Neither the Company nor the Material Subsidiary owns any real property.
- (q) **Leased Premises.** With respect to the premises which the Company or the Material Subsidiary occupy as a tenant, each of the Company and the Material Subsidiary occupies such leased premises and has the exclusive right to occupy and use such leased premises and any lease or leases pursuant to which the Company or the Material Subsidiary occupy such premises are in good standing in all material respects and in full force and effect.
- (r) **Insurance.** Each of the Company and the Material Subsidiary are insured against such losses and risks and in such amount as are customary in the business in which it is engaged. All policies of insurance insuring the Company, the Material Subsidiary or any of their respective businesses, assets, employees, officers and directors are in full force and effect, and the Company and the Material Subsidiary are in compliance with the terms of such policies in all material respects. There are no material claims by the Company or the Material Subsidiary under any such policy or instrument as to which any insurance company is denying liability or defending under a reservation of rights clause.

5.1.2 *Offering*

- (a) **Corporate Actions.** Each of the execution and delivery of the Transaction Documents and the performance by the Company of its obligations hereunder and thereunder and the transactions contemplated hereby and thereby, including the issuance of the Subscription Receipts, Compensation Options, and the Underlying Securities, has been duly authorized by all necessary corporate action of the Company and each of the Transaction Documents has been duly executed and delivered by the Company and each constitutes a valid and binding obligation of the Company enforceable against the Company in accordance with their respective terms, provided that enforcement thereof may be limited by laws affecting creditors' rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, that the provisions relating to indemnity, contribution and waiver of contribution may be unenforceable.
- (b) **Necessary Consents and Approvals.** The Company and the Material Subsidiary, as applicable, have obtained all consents, approvals, Permits, authorizations or filings as may be required under Applicable Securities Laws necessary for the execution and delivery of the Transaction Documents, the issuance, creation, sale and delivery, as applicable, of the Subscription Receipts, Compensation Options, and the Underlying Securities, and the consummation of the transactions contemplated hereby and thereby, other than: (i) customary post-closing notices or filings required to be submitted within the applicable time frame pursuant to Applicable Securities Laws; and (ii) such as are contemplated by the Option Agreement and TBN Project Agreement and will be satisfied prior to the closing of the Acquisition Transactions in accordance with the terms of the Option Agreement and TBN Project Agreement, as applicable.
- (c) **Absence of Breach.** The Company is not in default or breach of, and the execution and delivery of the Transaction Documents, the fulfillment of the terms hereof and thereof by the Company and the issuance, sale and delivery of the Subscription Receipts and the issuing of the Compensation Options and Underlying Securities do not and will not result in a breach of or constitute a default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under, and do not and will not conflict with the constitution or constating documents of the Company, any resolutions of the shareholders or directors of the Company, the terms of any Debt Instrument or Material Agreement, or any judgment, decree, order, statute, rule or regulation applicable to any of them, which breach or default would have a material adverse effect on the Company.
- (d) **Validly Issued Subscription Receipts.** All necessary corporate action has been taken by the Company so as to validly create, authorize, issue and sell the Subscription Receipts, and upon payment of the aggregate Offering Price therefor and the issuance and delivery by the Company of the Subscription Receipts, whether in certificated form or by way of electronic deposit, the Subscription Receipts will be validly issued.
- (e) **Validly Authorized Unit Shares.** The Unit Shares issuable pursuant to the conversion of the Subscription Receipts and exercise of the Compensation Options have been authorized and allotted for issuance, and when issued, will be duly issued in accordance with the terms of the Subscription Receipt Agreement and Compensation Option Certificates, as applicable, and such Unit Shares, when issued, shall be duly issued as fully paid and non-assessable Common Shares.

- (f) **Validly Authorized Warrants.** The Warrants issuable pursuant to the conversion of the Subscription Receipts and exercise of the Compensation Options have been authorized for issuance, and when issued, will be duly issued in accordance with the terms of the Warrant Indenture.
- (g) **Validly Authorized Warrant Shares.** The Warrant Shares issuable pursuant to the exercise of the Warrants have been authorized and allotted for issuance, and when issued, will be duly issued in accordance with the terms of the Warrant Indenture and the certificates relating thereto and such Warrant Shares, when issued, shall be duly issued as fully paid and non-assessable Common Shares.
- (h) **Validly Issued Compensation Options.** All necessary corporate action has been taken by the Company so as to validly create, authorize, and issue the Compensation Options, and upon the issuance and delivery by the Company of the Compensation Option Certificates, the Compensation Options will be validly issued.
- (i) **Satisfaction of Escrow Release Conditions.** The Company is not aware of any facts or circumstances that would cause it to believe that the Escrow Release Conditions will not be satisfied prior to the Escrow Release Deadline and the Company will use its commercially reasonable best efforts to satisfy or caused to be satisfied the Escrow Release Conditions prior to the Escrow Release Deadline.
- (j) **Trustee.** Computershare Trust Company of Canada, at its principal transfer office in Toronto, Ontario, has been appointed as the Subscription Receipt Agent for the Subscription Receipts and the Warrant Agent for the Warrants.
- (k) **Transfer Agent.** Computershare Trust Company of Canada, at its principal office in Toronto, Ontario, has been appointed as the registrar and Transfer Agent for the Common Shares.
- (l) **Description of Subscription Receipts.** The attributes of the Subscription Receipts conform in all material respects with the description thereof in the Subscription Agreements, the Subscription Receipt Agreement and this Agreement.
- (m) **Description of Warrants.** The attributes of the Warrants conform in all material respects with the description thereof in the Subscription Agreements, the Warrant Indenture and this Agreement.
- (n) **Control Person.** The completion of the Offering and the Acquisition Transactions will not result in any new control person of the Company.
- (o) **Entitlement to Proceeds.** Upon satisfaction of the Escrow Release Conditions in accordance with the Subscription Receipt Agreement, other than the Company, there is no person that is or will be entitled to demand the proceeds of the Offering.
- (p) **Fees and Commissions.** Other than the Agents and certain finders as disclosed to the Agents, there is no person acting or purporting to act at the request of the Company who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the Offering or Acquisition Transactions.

5.1.3 Financial Matters

- (a) **Financial Statements.** The audited consolidated financial statements as at and for the years ended January 31, 2019 and 2018 of the Company and the unaudited consolidated financial statements for the nine month periods ended October 31, 2019 and 2018

(collectively, the “**Financial Statements**”) have been prepared in accordance with IFRS consistently applied throughout the periods referred to therein, contain no misrepresentation and present fairly, in all material respects, the financial position (including the assets and liabilities, whether absolute, contingent or otherwise) of the Company, on a consolidated basis, as at such dates and results of operations of the Company, on a consolidated basis, for the periods then ended and there has been no material change in accounting policies or practices of the Company since January 31, 2018, except as disclosed in the notes to the Financial Statements.

- (b) **Contingent Liabilities.** The Company and its subsidiaries do not have any liabilities, arrangements, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Financial Statements or referred to or disclosed herein, other than liabilities or obligations which would not have a material adverse effect.
- (c) **Off-Balance Sheet Amounts.** There are no material off-balance sheet transactions, arrangements, obligations (including contingent obligations) or other relationships of the Company or its subsidiaries with unconsolidated entities or other persons that could reasonably be expected to have a material adverse effect on the Company and its subsidiaries, on a consolidated basis.
- (d) **No Material Change.** Other than in connection with the Acquisition Transactions, since January 31, 2019:
 - (i) there has not been any material change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise), business, condition (financial or otherwise) or results of operations of the Company and its subsidiaries, on a consolidated basis;
 - (ii) there has not been any material change in the capital stock or long-term debt of the Company and its subsidiaries, on a consolidated basis; and
 - (iii) the Company and its subsidiaries have carried on their respective businesses in the ordinary course.
- (e) **Internal Controls.** The Company and its subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management’s general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management’s general or specific authorization; and (iv) the carrying values for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.
- (f) **Indebtedness.** Other than as contemplated by the TBN Project Agreement, neither the Company nor its subsidiaries is party to any material Debt Instrument or has any material loans or other indebtedness outstanding with any of its shareholders, officers, directors or employees, past or present, or any person not dealing at arm’s length with the Company or its subsidiaries.
- (g) **Dividends.** There is not, in the constating documents or in any Debt Instrument (other than the Debt Instruments to be entered into pursuant to the TBN Project Agreement), Material Agreement or other instrument or document to which the Company or any of the Subsidiaries is a party, any restriction upon or impediment to, the declaration of

dividends by the directors of the Company or the payment of dividends by the Company to the holders of Common Shares or by a Material Subsidiary to its parent.

- (h) **Auditors.** The Company's auditors who audited the consolidated financial statements of the Company as at and for the years ended January 31, 2019 and 2018 and who provided their respective audit reports thereon are independent public accountants as required under Canadian Securities Laws.

5.1.4 *Compliance with Securities Laws, Exchange Rules and Corporate and Taxation Laws*

- (a) **Reporting Issuer.** The Company is a reporting issuer, or the equivalent thereof, in the Reporting Provinces and is not included on a list of defaulting reporting issuers maintained by any of the Securities Regulators of such provinces. The Company is not currently in default of any requirement of the Canadian Securities Laws in the Reporting Provinces which would have a material adverse effect on the Company and its subsidiaries, and in particular, without limiting the foregoing, the Company has at all times complied with its obligations to make timely disclosure of all material changes and material facts relating to it and there is no material change or material fact relating to the Company or the its subsidiaries which has occurred and with respect to which the requisite news release has not been disseminated or material change report, as applicable, has not been filed with the Canadian Securities Regulators in the Reporting Provinces.
- (b) **No Suspension.** The Company is not subject to any order cease trading or prohibiting the sale of the Subscription Receipts or the issuance of the Compensation Options or Underlying Securities and no other order has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of the Company, contemplated or threatened by any regulatory authority.
- (c) **TSXV Listing.** The Common Shares are currently listed on the NEX Board and the Company has applied to have the Common Shares listed on the TSXV and the Company is not aware of any facts or circumstances that would cause it to believe that the TSXV Listing of the Common Shares on the TSXV will not occur prior to or concurrently with the Escrow Release.
- (d) **Absence of Reportable Event.** There has never been a "reportable event" (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) between the Company and the present or former auditors of the Company and the present auditors of the Company have not provided any material comments or recommendations to the Company regarding its accounting policies, internal control systems or other accounting or financial practices that have not been implemented by the Company.
- (e) **Prior Transactions.** All previous transactions completed by the Company have been fully disclosed to the Agent, were completed in compliance with all applicable laws and all necessary corporate, third party and regulatory approvals, consents, authorizations, registrations and filings required in connection therewith were obtained or made, as applicable, and complied with in all material respects.
- (f) **Filings and Fees.** All filings and fees required to be made and paid by the Company and the Material Subsidiary pursuant to applicable corporate laws, Applicable Securities Laws and other applicable laws, regulations or rules in the Reporting Provinces have been made and paid.

- (g) **Filing of Confidential Material Change Report.** The Company has not filed any confidential material change reports or similar confidential report with any Canadian Securities Regulators that are still maintained on a confidential basis.
- (h) **Taxes.** All taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto including any penalty and interest payable with respect thereto (collectively, "**Taxes**") due and payable by the Company or its subsidiaries have been paid except for where the failure to pay such Taxes would not constitute an adverse material fact of the Company and its subsidiaries, on a consolidated basis, or result in an adverse material change to the Company and its subsidiaries, on a consolidated basis. All tax returns, declarations, remittances and filings required to be filed by the Company or its subsidiaries have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings are complete and materially accurate and no material fact or facts have been omitted therefrom which would make any of them misleading in each case except where the inaccuracy or failure to file such documents would not constitute an adverse material fact of the Company and its subsidiaries, on a consolidated basis, or result in an adverse material change to the Company and its subsidiaries, on a consolidated basis. To the knowledge of the Company, no examination by any governmental authority of any tax return of the Company or its subsidiaries is currently in progress except in the ordinary course and there are no issues or disputes outstanding with any governmental authority respecting any Taxes that have been paid, or may be payable, by the Company, in any case, except where such examinations, issues or disputes would not constitute an adverse material fact of the Company and its subsidiaries, on a consolidated basis, or result in an adverse material change to the Company and its subsidiaries, on a consolidated basis.

5.1.5 *Public Disclosure and Company Due Diligence Documents*

- (a) **Accuracy of Disclosure (General).** All information contained in the Public Record and in the Company Due Diligence Documents are, as of the date of such information, full, true and correct in all material respects, and no material fact or facts have been omitted therefrom which would make such information materially misleading.
- (b) **Accuracy of Public Record.** All information (including the Public Record) which has been prepared by the Company relating to the Company and its subsidiaries and their respective businesses, assets and liabilities and either publicly disclosed or provided to the Agents, including all financial, marketing and operational information provided to the Agents, are as of the date of such information, true and correct in all material respects, do not contain a misrepresentation and no material fact or facts have been omitted therefrom that would make such information materially misleading and the Company is not aware of any circumstances presently existing under which liability is or would reasonably be expected to be incurred under Part XXIII.1 – Civil Liability for Secondary Market Disclosure of the *Securities Act* (Ontario) and analogous secondary market liability disclosure provisions under Applicable Securities Laws in the Selling Jurisdictions.
- (c) **Forward-Looking Information.** With respect to forward-looking information contained in the Public Record:
 - (i) the Company had a reasonable basis for the forward-looking information at the time the disclosure was made;

- (ii) all forward-looking information is identified as such, and all such documents caution users of forward-looking information that actual results may vary from the forward-looking information and identifies material risk factors that could cause actual results to differ materially from the forward-looking information (including by incorporation by reference); and states the material factors or assumptions used to develop forward-looking information; and
- (iii) the Company has updated such forward-looking information to the extent required by and in compliance with Applicable Securities Laws.
- (d) **Minute Books.** The minute books and records of the Company which the Company has made available to the Agents and their counsel, Cassels Brock & Blackwell LLP, in connection with their due diligence investigation of the Company for the past two years to the date of examination thereof contain copies of all constating documents and all proceedings of securityholders and directors (and committees thereof) (or drafts pending the approval thereof) and are complete in all material respects.
- (e) **Technical Disclosure.** To the knowledge of the Company, all technical disclosure that has been publicly disclosed or provided to the Agents in respect of the Option Properties, including but not limited to any technical reports, has been disclosed in compliance, in all material respects, with the requirements of NI 43-101.

5.1.6 Mineral Tenure

- (a) **Acquired Mining Rights.** Following completion of the Acquisition Transactions, the Company will hold, directly or indirectly, all Acquired Mining Rights held directly or indirectly by the Vendors relating to the Option Properties and to the knowledge of the Company such Acquired Mining Rights have been validly registered and recorded in accordance, in all material respects, with all applicable laws and are valid and subsisting; the Company will have or will obtain all necessary surface rights, access rights and other necessary rights and interests relating to the Option Properties granting the Company or its subsidiaries the right and ability to access, explore for, mine and develop the mineral deposits as are appropriate in view of the rights and interests therein of the Company and the Material Subsidiary, and, to the knowledge of the Company, each of the Acquired Mining Rights and each of the documents, agreements and instruments and obligations relating thereto referred to above is currently in good standing in the names of the Vendors or as otherwise disclosed to the Agents, except where the failure to be in good standing would not have a material adverse effect on the Vendor and their subsidiaries taken as a whole.
- (b) **No Aboriginal or Native Claims.** There are no material claims or actions with respect to aboriginal or native rights currently threatened or pending in respect of, to the knowledge of the Company, the Option Properties. The Company is not aware of any material land entitlement claims or aboriginal land claims having been asserted or any legal actions relating to aboriginal or community issues having been instituted in respect of, to the knowledge of the Company, the Option Properties, and no material dispute in respect of, to the knowledge of the Company, the Option Properties, with any local or aboriginal or native group exists or is threatened or imminent in respect of the Option Properties, or any activities on either such property.
- (c) **Community Relationships, Artisanal Miners.** The Company, the Material Subsidiary, and to the knowledge of the Company, the Vendors (in relation to and in respect of the Option Properties) each maintains, and the Company and the Material Subsidiary reasonably expect to maintain, good relationships with the communities and

persons affected by or located on the Option Properties, in all material respects, and there are no complaints, issues, proceedings, or discussions, which are ongoing or anticipated which could have the effect of interfering with, delaying or impairing the ability to explore, develop, exploit or otherwise operate the Option Properties, and the Company does not anticipate any issues or liabilities to arise on the Option Properties, in respect of any artisanal mining activity that, respectively, has adversely affected, or would adversely affect, the Company or the Material Subsidiary's ability to explore, develop, exploit or otherwise operate the Option Properties.

- (d) **Government Relationships.** The Company, the Material Subsidiary, and to the knowledge of the Company, the Vendors (in relation to and in respect of the Option Properties) each maintains, and the Company and the Material Subsidiary reasonably expect to maintain, a good relationship with all Governmental Entities in the jurisdictions in which the Option Properties are located, or in which such parties otherwise carry on their business or operations. All such government relationships are intact and mutually cooperative and, to the knowledge of the Company, there exists no condition or state of fact or circumstances in respect thereof, that would prevent the Company or the Material Subsidiary from conducting their business and all activities in connection with the Option Properties proposed to be conducted by the Company or the Material Subsidiary following the completion of the Acquisition Transactions, and there exists no actual or, to the knowledge of the Company, threatened termination, limitation or other adverse modification in any such relationships with such Governmental Entities.
- (e) **No Expropriation or Claim.** The Company, based on its reasonable due diligence, has no reason to believe that any part of the Option Properties or the Acquired Mining Rights has been taken, revoked, condemned or expropriated by any Governmental Entity nor has any written notice or proceeding in respect thereof been given commenced or threatened or is pending, nor does the Company have any knowledge of the intent or proposal to give any such notice or commence any such proceeding.
- (f) **No Asset Impairment.** The Company has undertaken an asset analysis in respect of the Option Properties, including all technical data and information, and has not found any material asset impairment and does not anticipate making any write downs in respect of the Option Properties, or any parts thereof.

5.1.7 *Permitting and Environmental Matters*

- (a) **Environmental Laws.** The Company and the Material Subsidiary are in material compliance with all applicable federal, provincial, state, municipal and local laws, statutes, ordinances, by-laws and regulations and orders, directives and decisions rendered by any ministry, department or administrative or regulatory agency, domestic or foreign (the "**Environmental Laws**") relating to the protection of the environment, occupational health and safety or the processing, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or hazardous wastes or substance ("**Hazardous Substances**").
- (b) **Permits and Authorizations.** The Company and the Material Subsidiary have, collectively, obtained all material permits, including Permits and Environmental Permits, necessary as at the date of this Agreement for the operation of the businesses carried on or proposed to be commenced by the Company and the Material Subsidiary. No approval, consent or authorization of any aboriginal or native group is necessary for the operation of the businesses carried on or proposed to be commenced by the Company and the Material Subsidiary.

- (c) **Hazardous Substances.** Neither the Company nor the Material Subsidiary have used, except in material compliance with all Environmental Laws and Environmental Permits, any property or facility which it owns or leases or previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any Hazardous Substance, except where such use would not result in a material adverse effect on the Company. The Company is not aware, based on its reasonable due diligence, of any material noncompliance with applicable Environmental Laws and Environmental Permits in respect of Hazardous Substance present on or used in connection with the Option Properties.
- (d) **Breach of Environmental Laws.** Neither the Company nor the Material Subsidiary, including if applicable to the knowledge of the Company any predecessor companies, have received any notice of, or been prosecuted for an offence alleging, material non-compliance with any Environmental Law, and neither the Company nor the Material Subsidiary, including if applicable to the knowledge of the Company any predecessor companies, have settled any allegation of material non-compliance short of prosecution. There are no orders or directions relating to environmental matters requiring any material work, repairs, construction or capital expenditures to be made with respect to any of the assets of the Company or the Material Subsidiary, nor has the Company or any Subsidiary received notice of any of the same.
- (e) **Remediation Obligations.** Except as ordinarily or customarily required by applicable Permit, neither the Company nor any of the Material Subsidiary has received any notice wherein it is alleged or stated that it is potentially responsible in a material amount for a federal, provincial, state, municipal or local clean-up site or corrective action under any Environmental Laws.
- (f) **Environmental Audits.** There are no environmental audits, evaluations, assessments, studies or tests relating to the Company or the Material Subsidiary except for ongoing assessments conducted by or on behalf of the Company in the ordinary course.

5.1.8 *Litigation, Compliance, Anti-Corruption/Anti-Money Laundering*

- (a) **Actions, Proceedings and Investigations (Company).** Other than a lawsuit by Vanadium North Resources Inc. initiated in the Supreme Court of British Columbia as Action No. S-198298 against the Company, there are no actions, proceedings or investigations (whether or not purportedly by or on behalf of the Company or any of its subsidiaries) commenced, threatened, or to the knowledge of the Company pending, against or affecting the Company, its subsidiaries or the Material Subsidiary or to which their respective assets are subject at law or in equity (whether in any court, arbitration or similar tribunal) or before or by any Governmental Entity and the Company, its subsidiaries and the Material Subsidiary are not subject to any judgments, orders, writs, injunctions, decrees, awards, rules, policies or regulations of any Governmental Entity which either separately or in the aggregate would have a material adverse effect on the Company, its subsidiaries and the Material Subsidiary (on a consolidated basis) or on the Company's or, as applicable, the Material Subsidiary's ability to perform its obligations under the Transaction Documents.
- (b) **Actions, Proceedings and Investigations (Option Properties).** The Company is not aware of any actions, proceedings or investigations commenced, threatened, or to the knowledge of the Company pending, against or affecting the Option Properties or the Acquired Mining Rights, as applicable, or to which their respective assets are subject at law or in equity (whether in any court, arbitration or similar tribunal) or before or by any Governmental Entity and, to the knowledge of the Company, the Vendors are not

subject to any judgments, orders, writs, injunctions, decrees, awards, rules, policies or regulations of any Governmental Entity which either separately or in the aggregate would have a material adverse effect on the completion of the Acquisition Transactions, the Option Properties or the Acquired Mining Rights, or the Vendors' ability to perform its obligations under the Option Agreement and TBN Project Agreement.

- (c) **Notice of Restrictions on Business.** Neither the Company, the Material Subsidiary, nor to the knowledge of the Company, the Vendors, has received notice from any Governmental Entity or regulatory authority of any jurisdiction in which it carries on a material part of its business, or owns or leases any material property, of any restriction on its ability to or of a requirement for it to qualify to, nor is it otherwise aware of any restriction on its ability to or of a requirement for it to qualify to, conduct its business as currently conducted or as currently contemplated to be conducted in the future in such jurisdiction, including the operation of the Option Properties, except that would not result in a material adverse effect to the Company or the Material Subsidiary.
- (d) **Judgments, etc.** There are no judgments against the Company or any of its subsidiaries or the Material Subsidiary that are unsatisfied, nor are there any consent decrees or injunctions to which the Company or its subsidiaries or the Material Subsidiary is subject.
- (e) **Change in Legislation.** The Company is not aware of any legislation, regulation or change in government position published or contemplated by a legislative body or Governmental Entity, which it anticipates will have a material adverse effect on the business (as currently carried on or proposed to be carried on), affairs, operations, assets, liabilities (contingent or otherwise) or prospects of the Company or its subsidiaries and the Material Subsidiary, on a consolidated basis.
- (f) **Anti-Corruption/Anti-Money Laundering.** Neither the Company nor any of its subsidiaries or the Material Subsidiary, nor, to the knowledge of the Company, any of the directors, officers, employees or agents of the Company or its subsidiaries or the Material Subsidiary, has made any bribe, payoff, influence payment, kickback or unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, failed to disclose fully any contribution, in violation of any law, made any payment to any foreign, Canadian, United States or provincial or state governmental officer or official or other person charged with similar public or quasi-public duties, or violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, the *Corruption of Foreign Public Officials Act* (Canada), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act* (United States) or any similar law, regulation or statute in any applicable jurisdictions and the Company has instituted and maintained policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, continued compliance with such laws.
- (g) **U.S. Securities Matters.** The Company makes the representations, warranties and covenants applicable to them in Schedule "A" hereto.

5.1.9 Employment Matters

- (a) **Employee Plans.** Other than as disclosed in the Public Record or as disclosed to the Agents, there are no plans related to retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical,

hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by the Company for the benefit of any current or former director, officer, employee or consultant of the Company;

- (b) **Accruals.** There are no 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 that are required to be reflected in the books and records of the Company or the Material Subsidiary.
- (c) **Labour Disputes.** There has never been, there is not currently and the Company does not anticipate any labour disruption with respect to the employees or consultants of the Company, its subsidiaries or the Material Subsidiary which has materially adversely affected, is materially adversely affecting or could materially adversely affect the carrying on of the business of the Company, its subsidiaries or the Material Subsidiary.
- (d) **Compliance with Labour and Health and Safety Laws.** The Company and the Material Subsidiary are in material compliance with all applicable laws and regulations 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 may give rise to any such material claim.
- (e) **No Change of Control.** The Acquisition Transactions, and the transactions contemplated thereby, do not trigger any change of control, termination or other payments to any officers, consultants or other service providers to the Company.

6. **Representations, Warranties and Covenants with respect to the Option Properties**

6.1 The Company hereby:

- (a) makes the representations and warranties made to the Company by: (i) Benton in Article 3 of the Option Agreement; and (ii) Magma in Article 3 of the TBN Project Agreement to the Agents and the Purchasers subject to the qualifications set out therein, and acknowledges that the Agents are relying on the same in entering into this Agreement. Such representations and warranties shall survive the Closing and notwithstanding such Closing or any investigation made by or on behalf of the Agents or the Purchasers with respect thereto, shall continue in full force and effect for the benefit of the Agents and the Purchasers for the same period that the Company has the benefit of such representations and warranties under the Option Agreement and TBN Project Agreement, as applicable; and
- (b) confirms that:
 - (i) the representations and warranties of the Company contained in the Option Agreement and TBN Project Agreement, true copies of which have been provided to the Agents, are true and correct in all material respects, as of the date given subject to the qualifications set out therein;
 - (ii) to the knowledge of the Company, the representations and warranties of Benton contained in the Option Agreement are true and correct in all material respects, as of the date given subject to the qualifications set out therein;

- (iii) to the knowledge of the Company, the representations and warranties of Magma contained in the TBN Project Agreement are true and correct in all material respects, as of the date given subject to the qualifications set out therein;
- (iv) to the knowledge of the Company, there has been no (A) actual or alleged breach or default by any party of any provisions of the Option Agreement or TBN Project Agreement and no event, condition, or occurrence exists which after the notice or lapse of time (or both) would constitute a breach or default by any party to the Option Agreement or TBN Project Agreement; or (B) dispute with respect to or termination, cancellation, amendment or renegotiation of the Option Agreement or TBN Project Agreement, and, to the knowledge of the Company, no state of facts giving rise to any of the foregoing exists; and
- (v) to the knowledge of the Company, no event has occurred or condition exists which would reasonably be expected to prevent the Escrow Release Conditions from being satisfied prior to 5:00 p.m. (Toronto time) on the Escrow Release Deadline.

7. **Conditions to Purchase Obligation**

7.1 The following are conditions to the completion of the Agents' obligations as contemplated in this Agreement, which conditions shall have been fulfilled by the Company on or prior to the Closing Time, other than as may be waived in writing in whole or in part by the Co-Lead Agents, on behalf of the Agents:

- (a) the board of directors of the Company will have authorized and approved the Transaction Documents and the Offering and all matters relating to the foregoing.
- (b) the Agents shall have received certificates dated the Closing Date, signed by appropriate officers of the Company, addressed to the Agents, with respect to: (i) the constating documents of the Company, (ii) all resolutions of the Company's board of directors, relating to the Offering and the Transaction Documents and the transactions contemplated hereby and thereby, and (iii) the incumbency and specimen signatures of signing officers of the Company, in the form of a certificate of incumbency and such further certificates and other documentation as may be contemplated in this Agreement or as the Agents may reasonably require.
- (c) the Company will deliver a certificate of the Company signed on behalf of the Company, but without personal liability, by the Chief Executive Officer of the Company and the Chief Financial Officer of the Company or such other senior officers of the Company as may be acceptable to the Agents, acting reasonably, addressed to the Agents and dated the Closing Date, in form and content satisfactory to the Co-lead Agents on behalf of the Agents, acting reasonably, certifying that:
 - (i) no order, ruling or determination having the effect of suspending the sale of the Subscription Receipts or any securities of the Company (including the Common Shares) has been issued by any regulatory authority and is continuing in effect and no proceedings for that purpose have been instituted or are pending or, to the knowledge of such officers, contemplated or threatened by any regulatory authority;
 - (ii) there has been no material adverse change (actual, proposed or prospective, whether financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Company and the Material Subsidiary, on a consolidated basis, since January 31, 2019 to the date of this Agreement which has not been disclosed to the Agents;

- (iii) no default or event exists and is then continuing under any of the Transaction Documents and no event exists that, but for the giving of notice, lapse of time, or both, or but for the satisfaction of any other condition after that event, would constitute a default or event of default under any of the Transaction Documents;
 - (iv) the representations and warranties of the Company contained in this Agreement, the Option Agreement, and the TBN Project Agreement are true and correct in all material respects at the Closing Time, with the same force and effect as if made by the Company as at the Closing Time after giving effect to the transactions contemplated hereby; and
 - (v) the Company has complied with all the covenants and satisfied all the terms and conditions of this Agreement on its part to be complied with or satisfied prior to the Closing Time, other than conditions which have been waived by the Agents;
- (d) the Agents shall have received a favourable legal opinion addressed to the Agents and the Purchasers, in form and substance satisfactory to the Agents' counsel, acting reasonably, dated the Closing Date, as applicable, from Irwin Lowy LLP, counsel to the Company and where appropriate, local counsel in the other applicable jurisdictions, which local counsel in turn may rely, as to matters of fact, on certificates of auditors, public officials and officers of the Company, with respect to the following matters:
- (i) as to existence of the Company under the laws of Canada and as to the Company having the requisite corporate power and capacity under the laws of Canada to carry on its business as presently carried on and as proposed to be carried on and to own its properties and assets (including, but not limited to, the Option Properties);
 - (ii) as to the Company being a "reporting issuer" not on the list of defaulting reporting issuers maintained pursuant to Canadian Securities Laws in the Reporting Provinces;
 - (iii) as to the authorized and issued capital of the Company;
 - (iv) as to the corporate power and authority of the Company to carry out its obligations under the Transaction Documents;
 - (v) all necessary corporate action has been taken by the Company to authorize the execution and delivery of the Transaction Documents as well as the performance of its obligations thereunder and hereunder;
 - (vi) the Transaction Documents have been duly executed and delivered by the Company, and constitute legal, valid and binding obligations of the Company enforceable against it in accordance with their respective terms;
 - (vii) the execution and delivery of the Transaction Documents and the performance by the Company of its obligations thereunder does not and will not result in a breach of, or constitute a default under, and does not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach of or constitute a default under any term or provision of the articles or by-laws of the Company, the CBCA or Canadian Securities Laws;
 - (viii) the Subscription Receipts have been duly and validly created and issued;

- (ix) the Unit Shares issuable upon satisfaction of the Escrow Release Conditions have been validly authorized and allotted for issuance and, upon the conversion of the Subscription Receipts in accordance with the terms of the Subscription Receipt Agreement, the Unit Shares will be validly issued as fully paid and non-assessable Common Shares;
- (x) the Warrants issuable upon satisfaction of the Escrow Release Conditions have been validly authorized for issuance and, upon the conversion of the Subscription Receipts in accordance with the terms of the Subscription Receipt Agreement, the Warrants will be validly created and issued pursuant to the Warrant Indenture;
- (xi) the Compensation Options issuable on the Closing Date have been validly authorized for issuance;
- (xii) the Unit Shares issuable upon exercise of the Compensation Options have been validly authorized and allotted for issuance and, upon the exercise of the Compensation Options in accordance with the terms of the Compensation Option Certificates, the Unit Shares will be validly issued as fully paid and non-assessable Common Shares;
- (xiii) the Warrants issuable upon exercise of the Compensation Options have been validly authorized for issuance and, upon the exercise of the Compensation Options in accordance with the terms of the Compensation Option Certificates, the Warrants will be validly created and issued pursuant to the Warrant Indenture;
- (i) the Warrant Shares issuable upon exercise of the Warrants have been validly authorized and allotted for issuance and, upon exercise of any Warrants in accordance with the terms of the Warrant Indenture, the Warrant Shares will be validly issued as fully paid and non-assessable Common Shares;
- (ii) the issuance and sale by the Company of the Subscription Receipts and issuance of the Compensation Options in accordance with the terms of this Agreement are exempt from the prospectus requirements of Applicable Securities Laws in the Selling Jurisdictions and no documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under the Applicable Securities Laws to permit such issuance and sale; it being noted, however, that the Company is required to file or cause to be filed with the applicable securities regulators, a report on Form 45-106F1 prepared and executed pursuant to NI 45-106, together with the prescribed filing fee, within ten days of the Closing Date;
- (iii) the issuance of the Underlying Securities upon the due conversion of the Subscription Receipts and due exercise of the Compensation Options in accordance with the terms of the Subscription Receipt Agreement, Compensation Option Certificates, and Warrant Indenture, as applicable, will be exempt from the prospectus and registration requirements of Applicable Securities Laws in the Selling Jurisdictions and no prospectus or other documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under Applicable Securities Laws to permit such issuance and delivery;
- (iv) no prospectus or other document is required to be filed, no proceeding is required to be taken and no approval, permit, consent or authorization of regulatory authorities is required to be obtained by the Company under Applicable Securities Laws in connection with the first trade of the Subscription Receipts and

Underlying Securities by the holders thereof provided that a period of four months and one day has lapsed from the Closing Date;

- (v) such other matters as the Agents or their counsel may reasonably request;
- (e) the Company will have caused a favourable legal opinion to be delivered by its outside legal counsel addressed to the Agents and the Purchasers, with respect to title to the Option Properties in form and substance satisfactory to the Agents and their counsel acting reasonably, including in respect of those matters that are usual and customary for transactions of this nature and subject to the usual and customary assumptions, limitations and qualifications.
- (f) the Company will have caused favourable legal opinions to be delivered by outside legal counsel addressed to the Agents and the Purchasers, in form and substance satisfactory to the Agents, acting reasonably, with respect to the following matters:
 - (i) the incorporation and existence of the Material Subsidiary under the laws of Yukon;
 - (ii) as to the authorized share capital of each of the Material Subsidiary and the holders of the issued and outstanding shares of such entity; and
 - (iii) that the Material Subsidiary has all requisite corporate power under the laws of Yukon to carry on its business as presently carried on and to own its assets and properties;
- (g) if any Subscription Receipts are being sold to U.S. Purchasers pursuant to this Agreement, the Company shall have caused a favourable legal opinion to be delivered by Nauth LPC, special United States counsel to the Company, in form and substance satisfactory to the Agents, acting reasonably, to the effect that the sale of such Subscription Receipt to such U.S. Purchasers is not required to be registered under the U.S. Securities Act, subject to the usual and customary assumptions, limitations and qualifications, it being understood that no opinion will be expressed as to the subsequent resale of any Subscription Receipts.
- (h) the Company will have caused its registrar and Transfer Agent to deliver a certificate as to the issued and outstanding Common Shares.
- (i) each of the Transaction Documents shall have been executed and delivered by the parties thereto in form and substance satisfactory to the Agents and their counsel acting reasonably.
- (j) the Company, having delivered to the Agents, executed lock-up agreements as contemplated by Section 4.1.1(o) and Section 4.1.1(p).
- (k) the Offering will have been conditionally approved by the TSXV and the Agents shall have received evidence that all requisite approvals, consents and acceptances of the appropriate regulatory authorities required to be obtained by the Company in order to complete the Offering have been made or obtained.
- (l) the Agents shall have received a certificate of compliance or similar certificate with respect to the jurisdiction in which the Company and the Material Subsidiary are incorporated.

8. Closing

8.1 The Offering will be completed at the offices of the Company's counsel in the City of Toronto, Ontario at the Closing Time or such other place, date or time as may be mutually agreed to; provided that if the Company has not been able to comply in any material respect with any of the covenants or conditions set out herein required to be complied with by the Closing Time or such other date and time as may be mutually agreed to or such covenant or condition has not been waived by the Co-lead Agents, on behalf of the Agents, the respective obligations of the parties will terminate without further liability or obligation except for payment of expenses, indemnity and contribution provided for in this Agreement.

8.2 At or prior to the Closing Time:

- (a) the Company shall deliver to the Agents, in the City of Toronto, the Subscription Receipts and Compensation Options, whether by way of electronic deposit or delivery of certificates in definitive form, as directed by the Agents; and
- (b) the Agents shall deliver to the Subscription Receipt Agent the gross proceeds of the Offering in respect of the Purchasers, less the Agents' Fee and Eligible Expenses.

9. Rights of Termination

9.1 The Agents (or any of them) shall be entitled to terminate and cancel their obligations hereunder by written notice to that effect given to the Company on or before Closing if, at any time prior to the Closing Time:

- (a) **Material Change.** There shall be any material change or change in a material fact or new material fact, or there should be discovered any previously undisclosed material fact required to be disclosed which, in the reasonable opinion of the Agents (or any of them), has or would be expected to have a material adverse effect on the market price or value of the Common Shares, or any other securities of the Company; or
- (b) **Disaster Out.** (i) There should develop, occur or come into effect or existence any event, action, state, condition (including without limitation, terrorism or accident) or major financial occurrence of national or international consequence or a new or change in any law or regulation which in the sole opinion of the Agents, or any one of them, materially adversely affects or involves or may materially adversely affect or involve the financial markets or the business, operations or affairs of the Company and its subsidiaries taken as a whole or the market price or value of the securities of the Company; (ii) any inquiry, action, suit, proceeding or investigation (whether formal or informal) is commenced, announced or threatened in relation to the Company or any one of the officers or directors of the Company or any of its principal shareholders where wrong-doing is alleged or any order is made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including without limitation the NEX Board and the TSXV or securities commission which involves a finding of wrong-doing; (iii) any order, action or proceeding which cease trades or otherwise operates to prevent or restrict the trading of the Subscription Receipts, the Common Shares or any other securities of the Company is made or threatened by a securities regulatory authority;
- (c) **Breach.** The Company is in breach of any material term, condition or covenant of the Engagement Letter or this Agreement or any material representation or warranty given by the Company in the Engagement Letter or this Agreement becomes or is false; or

- (d) **Market Out.** The state of the financial markets in Canada or elsewhere where it is planned to market the Subscription Receipts is such that, in the reasonable opinion of the Agents (or any of them), the Subscription Receipts cannot be marketed profitably.

9.2 The rights of termination contained in this Section 9 may be exercised by any of the Agents and are in addition to any other rights or remedies the Agents may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by this Agreement or otherwise. In the event of any such termination by any Agent, there shall be no further liability on the part of such Agent to the Company or on the part of the Company to such Agent except in respect of any liability which may have arisen or may arise after such termination in respect of Section 10 (Indemnity) and Section 11 (Expenses) of this Agreement.

10. Indemnity

10.1 The Company (together with its subsidiaries) (collectively, the “**Indemnitor**”) hereby covenants and agrees to indemnify and hold the Agents, and each of their subsidiaries and affiliates, and each of their directors, officers, employees, shareholders/unitholders and agents (hereinafter referred to as the “**Personnel**”) harmless from and against any and all expenses, losses (other than loss of profits), fees, claims, actions (including shareholder actions, derivative actions or otherwise), damages, obligations, or liabilities, whether joint or several, and the reasonable fees and expenses of their counsel, that may be incurred in advising with respect to and/or defending any actual or threatened claims, actions, suits, investigations or proceedings to which the Agents and/or their Personnel may become subject or otherwise involved in any capacity under any statute or common law, or otherwise insofar as such expenses, losses, claims, damages, liabilities or actions arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Indemnitor by the Agents and their Personnel hereunder, or otherwise in connection with the matters referred to in the letter agreement to which this indemnity is attached (including the aggregate amount paid in reasonable settlement of any such actions, suits, investigations, proceedings or claims that may be made against the Agents and their Personnel) provided, however, that this indemnity shall not apply to the extent that a court of competent jurisdiction in a final judgment that has become non-appealable shall determine that:

- (a) the Agents and/or their Personnel have been grossly negligent or have committed any fraudulent act in the course of such performance; and
- (b) the expenses, losses, claims, damages or liabilities, as to which indemnification is claimed, were directly caused by the actions referred to in (a).

Without limiting the generality of the foregoing, this indemnity shall apply to all expenses (including legal expenses), losses, claims and liabilities that the Agents and/or their Personnel may incur as a result of any action or litigation that may be threatened or brought against the Agents and/or their Personnel.

If for any reason (other than the occurrence of any of the events itemized in paragraphs (a) and (b) of this Section 10), the foregoing indemnification is unavailable to the Agents or any Personnel or insufficient to hold the Agents or any Personnel harmless, then the Indemnitor shall contribute to the amount paid or payable by the Agents or any Personnel as a result of such expense, loss, claim, damage or liability in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Agents or any Personnel on the other hand but also the relative fault of the Indemnitor and the Agents or any Personnel, as well as any relevant equitable considerations; provided that the Indemnitor shall in any event contribute to the amount paid or payable by the Agents or any Personnel as a result of such expense, loss, claim, damage or liability and any excess of such amount over the amount of the fees received by the Agents hereunder pursuant to this Agreement.

The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor and/or the Agents or their Personnel by any governmental commission or regulatory authority or any stock exchange

or other entity having regulatory authority, either domestic or foreign, or shall investigate the Indemnitor and/or the Agents, and/or any Personnel shall be required to testify in connection therewith or shall be required to respond to procedures designed to discover information regarding, in connection with, or by reason of the performance of professional services rendered to the Indemnitor by the Agents, the Agents shall have the right to employ their own counsel in connection therewith provided the Agents act reasonably in selecting such counsel, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Agents for time spent by the Agents or their Personnel in connection therewith unless such proceeding has been caused solely by or is the result of the gross negligence or fraud of the Agents or any of their Personnel) and out-of-pocket expenses incurred by the Agents or their Personnel in connection therewith shall be paid by the Indemnitor as they occur.

Promptly after receipt of notice of the commencement of any legal proceeding against the Agents or their Personnel or after receipt of notice of the commencement or any investigation, which is based, directly or indirectly, upon any matter in respect of which indemnification may be sought from the Indemnitor, the Agents will notify the Indemnitor in writing of the commencement thereof and, throughout the course thereof, will provide copies of all relevant documentation to the Indemnitor, will keep the Indemnitor advised of the progress thereof and will discuss with the Indemnitor all significant actions proposed. However, the failure by the Agents to notify the Indemnitor will not relieve the Indemnitor of its obligations to indemnify the Agents and/or any Personnel. The Indemnitor shall on behalf of itself and the Agents and/or any Personnel, as applicable, be entitled to (but not required) to assume the defence of any suit brought to enforce such legal proceeding; provided, however, that the defence shall be conducted through legal counsel acceptable to the Agents and/or any Personnel, as applicable, acting reasonably, that no settlement of any such legal proceeding may be made by the Indemnitor without the prior written consent of the Agents and/or any Personnel, acting reasonably, as applicable, and none of the Agents and/or any Personnel, as applicable, shall be liable for any settlement of any such legal proceeding unless it has consented in writing to such settlement, such consent not to be unreasonably withheld. The Agents and their Personnel shall have the right to appoint their own separate counsel at the Indemnitor's cost provided the Agents acts reasonably in selecting such counsel.

The indemnity and contribution obligations of the Indemnitor shall be in addition to any liability which the Indemnitor may otherwise have, shall extend upon the same terms and conditions to the Personnel of the Agents and shall be binding upon and inure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor, the Agents and any of their Personnel. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination of this Agreement.

11. Expenses

11.1 The Company will pay all reasonable expenses and fees in connection with the Offering, including all fees and disbursements of its legal counsel, expenses related to road shows and marketing activities, filing fees, the Agents' reasonable out-of-pocket expenses, the reasonable fees and disbursements of legal counsel to the Agents and any HST on the foregoing amounts (collectively, the "**Eligible Expenses**").

11.2 Eligible Expenses incurred by the Agents, or on their behalf, shall be paid to the Agents on the Closing Date.

11.3 Eligible Expenses shall be reimbursed to the Agents by the Company whether or not the Offering is completed.

12. Advertisements

12.1 The Company acknowledges that the Agents shall have the right, subject always to Section 2.4, at their own expense, to place such advertisement or advertisements relating to the sale of the Subscription Receipts contemplated herein as the Agents may consider desirable or appropriate and as may be permitted

by applicable law, including Applicable Securities Laws. The Company and the Agents each agree that they will not make public any advertisement in any media whatsoever relating to, or otherwise publicize, the transaction provided for herein so as to result in any exemption from the prospectus or registration requirements of applicable securities legislation in any of the provinces of Canada or any other jurisdiction in which the Subscription Receipts shall be offered and sold not being available.

13. **Agents' Fee**

13.1 In consideration of the services to be rendered by the Agents in connection with the Offering, the Company shall: (i) pay to the Agents a cash fee (the “**Agents' Fee**”) equal to 6.0% of the aggregate gross proceeds from sales of the Subscription Receipts under the Offering, other than in respect of gross proceeds received from the sale of Subscription Receipts to certain Purchasers on the president’s list of the Company (“**President’s List Purchasers**”), which in respect of the President’s List Purchasers will be a cash fee of 3.0%; and (ii) issue to the Agents that number of compensation options (the “**Compensation Options**”), exercisable into Units at the Offering Price for a period of 24 months following the Closing Date, as is equal to 6.0% of the number of Subscription Receipts issued under the Offering, other than in respect of Subscription Receipts issued to President’s List Purchasers, in which case the Company shall issue the Agents that number of Compensation Options as is equal to 3.0% of such number of Subscription Receipts.

13.2 The Agents’ Fee shall be paid and the Compensation Options shall be issued to the Agents on the Closing Date.

14. **Agents' Business**

14.1 The Company acknowledges that the Agents may be engaged in securities trading and brokerage activities, and providing investment banking, investment management, financial and financial advisory services. In the ordinary course of their trading, brokerage, investment and asset management and financial activities, the Agents and their Affiliates may hold long or short positions, and may trade or otherwise effect or recommend transactions, for their own account or the accounts of their customers, in debt or equity securities or loans of the Company or any other company that may be involved in any transaction with the Company. Each Agent and its Affiliates may also provide a broad range of normal course financial products and services to its customers (including, but not limited to banking, credit derivative, hedging and foreign exchange products and services), including companies that may be involved in any transaction with the Company.

15. **Agents' Authority**

15.1 The Company shall be entitled to and shall act on any notice, request, direction, consent, waiver, extension and other communication given or agreement entered into by or on behalf of the Agents by the Co-lead Agents and the Co-lead Agents shall represent the Agents and have authority to bind the Agents hereunder except in respect of a notice of termination pursuant to Section 9 or the exercise of the indemnity rights specified in Section 10 which shall require the action of the relevant Agent. Each of the Agents agrees that the Co-lead Agents have been authorized in such regard.

16. **Syndication by the Agents.**

16.1 The Agents’ obligations under this Agreement shall be several and not joint, and the Agents’ respective obligations and rights and benefits hereunder shall be as to the following percentages (“**Relevant Proportions**”):

Paradigm Capital Inc.	60%
Sprott Capital Partners LP	25%
Red Cloud Securities Inc.	10%
Mackie Research Capital Corporation	5%

16.2 If an Agent shall not complete the sale of the Subscription Receipts which such Agent has agreed to sell hereunder for any reason whatsoever, the other Agents shall be entitled, at their option but without obligation, to sell the Subscription Receipts which would otherwise have been sold by such the Agent who fails to sell its Relevant Proportion.

17. Survival of Warranties, Representations, Covenants and Agreements

17.1 Other than as set forth in Section 6.1, all representations, warranties, covenants and agreements of the Company herein contained or contained in any documents submitted pursuant to this Agreement and in connection with the transactions herein contemplated shall survive the Closing and, notwithstanding such Closing or any investigation made by or on behalf of the Agents or the Purchasers with respect thereto, shall continue in full force and effect for the benefit of the Agents and the Purchasers, as applicable for a period of two years following the Closing Date. For greater certainty, and without limiting the generality of the foregoing, the provisions contained in this Agreement in any way related to the indemnification of the Agents by the Company or the contribution obligations of the Agents or those of the Company shall survive and continue in full force and effect, indefinitely, subject only to the applicable limitation period prescribed by law.

18. Notice of Waiver of Conditions Precedent Under the Option Agreement and TBN Project Agreement

18.1 The Company hereby acknowledges and agrees that it will not waive any conditions of closing for its benefit which are set forth in either of the Option Agreement or TBN Project Agreement or amend any terms of the Option Agreement or TBN Project Agreement without the prior written consent of the Co-lead Agents, on behalf of the Agents.

19. General Contract Provisions

19.1 **Notices.** Any notice or other communication to be given hereunder shall be in writing and shall be given by delivery or by email, as follows:

if to the Company:

Regency Gold Corp.
217 Queen Street West, Suite 401
Toronto, Ontario
M5V 0R2

Attention: William Radvak
Email: billradvak@gmail.com

with a copy (not to constitute notice) to:

Irwin Lowy LLP
217 Queen Street West, Suite 401
Toronto, Ontario

M5V 0R2

Attention: Chris Irwin
Email: cirwin@irwinlowy.com

or if to the Agents:

Paradigm Capital Inc.
95 Wellington Street West, Suite 2101
Toronto, Ontario
M5J 2N7

Attention: John Booth
Email: john.booth@paradigmcap.com

and to:

Sprott Capital Partners LP
200 Bay Street, Suite 2600
Toronto, Ontario
M5J 2J1

Attention: Scott Robertson
Email: srobertson@sprott.com

with a copy (not to constitute notice to the Agents) to:

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

Attention: Chad Accursi
Email: caccursi@cassels.com

and if so given, shall be deemed to have been given and received upon receipt by the addressee or a responsible officer of the addressee if delivered, or four hours after being electronically transmitted and receipt confirmed during normal business hours, as the case may be. Any party may, at any time, give notice in writing to the others in the manner provided for above of any change of address or email address.

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

19.3 No Fiduciary Duty. The Company hereby acknowledges that the Agents are acting solely as agents in connection with the purchase and sale of the Subscription Receipts. The Company further acknowledges that the Agents are acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis, and in no event do the parties intend that the Agents act or be responsible as a fiduciary to the Company, its management, shareholders or creditors or any other person in connection with any activity that the Agents may undertake or have undertaken in furtherance of such purchase and sale of the Company's securities, either before or after the date hereof. The Agents hereby expressly disclaim any fiduciary or similar obligations to the Company, either in connection with the transactions contemplated by this Agreement or any matters leading up to such transactions, and the Company hereby confirms its understanding and agreement to that effect. The Company and the Agents agree that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Agents to the Company regarding such transactions, including, but not limited to, any opinions or views with respect to the price or market for the Company's securities, do not constitute advice or recommendations to the Company. The Company and the Agents agree that the

Agents are acting solely as agents in connection with the Offering and not as an agent of or fiduciary of the Company and no Agent has assumed, and no Agent will assume, any advisory responsibility in favour of the Company with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Agent has advised or is currently advising the Company on other matters).

19.4 Entire Agreement. This Agreement, the other documents herein referred and the Engagement Letter constitute the entire agreement between the Agents and the Company relating to the subject matter of this Agreement.

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

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

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

19.8 Time of the Essence. Time shall be of the essence for all provisions of this Agreement.

19.9 Language. The parties hereby acknowledge that they have expressly required this Agreement and all notices, statements of account and other documents required or permitted to be given or entered into pursuant hereto to be drawn up in the English language only. Les parties reconnaissent avoir expressément demandé que la présente Convention ainsi que tout avis, tout état de compte et tout autre document à être ou pouvant être donné ou conclu en vertu des dispositions des présentes, soient rédigés en langue anglaise seulement.

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

19.11 Counterparts and Facsimile. This Agreement may be executed and delivered by original facsimile or other electronic transmission in one or more counterparts which, together, shall constitute an original copy of this Agreement as of the date first noted above.

[Rest of page intentionally left blank]

If this Agreement accurately reflects the terms of the transaction which we are to enter into and if such terms are agreed to by the Company, please communicate your acceptance by executing where indicated below.

Yours very truly,

PARADIGM CAPITAL INC.

Per: “John Booth”
Authorized Signing Officer

SPROTT CAPITAL PARTNERS LP

Per: “Scott Robertson”
Authorized Signing Officer

RED CLOUD SECURITIES INC.

Per: “Mark Styles”
Authorized Signing Officer

MACKIE RESEARCH CAPITAL CORPORATION

Per: “David Greifenberger”
Authorized Signing Officer

The foregoing accurately reflects the terms of the transaction which we are to enter into and such terms are agreed to with effect as of the date provided at the top of the first page of this Agreement.

REGENCY GOLD CORP.

Per: “William Radvak”

Authorized Signatory

SCHEDULE "A"

COMPLIANCE WITH UNITED STATES SECURITIES LAWS

This is Schedule "A" to the Agency Agreement dated as of February 11, 2020 between the Company and the Agents.

As used in this Schedule "A", capitalized terms used herein and not defined herein shall have the meanings ascribed thereto in the Agency Agreement to which this Schedule is annexed and the following terms shall have the meanings indicated:

1. **"Directed Selling Efforts"** means "directed selling efforts" as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity in this Schedule, it means, subject to the exclusions from the definition of directed selling efforts contained in Regulation S, any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for any of the Subscription Receipts or the Underlying Securities and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the Offering;
2. **"Foreign Issuer"** shall have the meaning ascribed thereto in Regulation S. Without limiting the foregoing, but for greater clarity, it means any issuer which is (a) the government of any country other than the United States, of any political subdivision thereof or a national of any country other than the United States; or (b) a corporation or other organization incorporated under the laws of any country other than the United States, except an issuer meeting the following conditions as of the last day of the most recently completed second quarter: (1) more than 50 percent of the outstanding voting securities of such issuer are held of record either directly or indirectly by residents of the United States; and (2) any of the following: (i) the majority of the executive officers or directors are United States citizens or residents, (ii) more than 50 percent of the assets of the issuer are located in the United States, or (iii) the business of the issuer is administered principally in the United States;
3. **"General Solicitation"** and **"General Advertising"** means **"general solicitation"** and **"general advertising"**, respectively, as used in Rule 502(c) of Regulation D, including, but not limited to, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or on the internet or broadcast over radio or television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;
4. **"Regulation D"** means Regulation D adopted by the SEC under the U.S. Securities Act;
5. **"Regulation S"** means Regulation S adopted by the SEC under the U.S. Securities Act;
6. **"SEC"** means the United States Securities and Exchange Commission;
7. **"Substantial U.S. Market Interest"** means "substantial U.S. market interest" as that term is defined in Regulation S;
8. **"U.S. Affiliate"** means the duly registered United States broker-dealer affiliate of an Agent; and
9. **"U.S. Exchange Act"** means the United States Securities Exchange Act of 1934, as amended.

The Agents acknowledge that the Subscription Receipts and the Underlying Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws, and the Subscription Receipts may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and U.S. state securities laws. Accordingly, each of the Agents represents, warrants and covenants severally (and not jointly and severally) to the Company that:

1. It has not offered and sold, and will not offer and sell, any Subscription Receipts or Underlying Securities forming part of its allotment or otherwise as a part of the distribution except (a) to non-U.S. Purchasers in an **“offshore transaction”**, as such term is defined in Regulation S, in accordance with Rule 903 of Regulation S or (b) to, or for the account or benefit of, U.S. Purchasers, except as provided in paragraphs 2 through 16 below. Accordingly, except as provided in paragraphs 2 through 16 below, none of the Agent, its U.S. Affiliate or any person acting on its or their behalf, has engaged or will engage in: (i) any offer to sell or any solicitation of an offer to buy, any Subscription Receipts to, or for the account or benefit of, any person in the United States, or (ii) any sale of Subscription Receipts to, any Purchaser unless, at the time the buy order was or will have been originated, the Purchaser was outside the United States, or such Agent, U.S. Affiliate or person acting on behalf of either reasonably believed that such Purchaser was outside the United States, (iii) any Directed Selling Efforts, or (iv) any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Subscription Receipts or the Underlying Securities.
2. It has not entered and will not enter into any contractual arrangement with respect to the distribution of the Subscription Receipts, except with its U.S. Affiliate, any selling group members or with the prior written consent of the Company. It shall require each selling group member to agree in writing, for the benefit of the Company, to comply with, and shall use its best efforts to ensure that each selling group member complies with, the same provisions of this Schedule as apply to such Agent as if such provisions applied to such selling group member.
3. All offers and sales of Subscription Receipts to, or for the account or benefit of, U.S. Purchasers have been and will be made through its U.S. Affiliate in compliance with all applicable U.S. federal and state broker-dealer requirements and all applicable state securities laws.
4. Its U.S. Affiliate is, and as of the Closing Date shall be, a Qualified Institutional Buyer, is and as of the Closing Date shall be, registered as a broker or dealer under the U.S. Exchange Act and under the securities laws of each state where offers and sales of Subscription Receipts was or will be made (unless exempted from such state’s broker-dealer registration requirements), and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc.
5. Offers and sales of Subscription Receipts and the Underlying Securities to, or for the account or benefit of, U.S. Purchasers have not been and will not be made by any form of General Solicitation or General Advertising or in any manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act.
6. Offers and sales of Subscription Receipts to, or for the account or benefit of, U.S. Purchasers may be made on behalf of the Company, pursuant to the provisions of Rule 506 of Regulation D to persons who are or are reasonably believed by them to be U.S. Institutional Accredited Investors that are exempt, or in transactions that are exempt, from registration under applicable state securities laws.
7. All U.S. Purchasers of the Subscription Receipts shall be informed that the Subscription Receipts and the Underlying Securities have not been and will not be registered under the U.S. Securities Act, and that the Subscription Receipts are being offered and sold to such Purchasers in reliance on the exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

8. The Agent acting through its U.S. Affiliate may offer the Subscription Receipts to, or for the account or benefit of, U.S. Purchasers only to offerees that they had a pre-existing business relationship with and had reasonable grounds to believe were U.S. Institutional Accredited Investors and/or Qualified Institutional Buyers and immediately prior to making any such offer had reasonable grounds to believe and did believe that each offeree was a U.S. Institutional Accredited Investor or a Qualified Institutional Buyer, and on the date hereof, they continue to believe that each U.S. Purchaser is a U.S. Institutional Accredited Investor or a Qualified Institutional Buyer.
9. Prior to any sale of Subscription Receipts by the Company to, or for the account or benefit of, a U.S. Institutional Accredited Investor, it will cause each such U.S. Institutional Accredited Investor to execute and deliver a Subscription Agreement and Schedule "C" for U.S. Institutional Accredited Investors.
10. Prior to any sale of Subscription Receipts by the Agent acting through its U.S. Affiliate to, or for the account or benefit of, a Qualified Institutional Buyer, it will cause each such Qualified Institutional Buyer to execute and deliver a Subscription Agreement and Schedule "D" thereto for Qualified Institutional Buyers.
11. Prior to the Closing Date, it will provide the Company with a list of all U.S. Purchasers of the Subscription Receipts, and in each case indicate that such U.S. Purchaser is a U.S. Institutional Accredited Investor or Qualified Institutional Buyer, as applicable, and the state or other jurisdiction in which the Subscription Receipts were offered or sold to such U.S. Purchaser that is a U.S. Institutional Accredited Investor or Qualified Institutional Buyer, as applicable. Prior to the Closing Time, it will provide the Company with copies of all executed Subscription Agreements and schedules and exhibits attached thereto.
12. The Agent covenants and agrees that it, its affiliates and any person acting on its or their behalf will not pay or give any commission or other remuneration, directly or indirectly, for soliciting the exchange of the Subscription Receipts.
13. At the Closing Time, the Agent will together with its U.S. Affiliate provide to the Company a certificate in the form of Exhibit "I" to this Schedule "A" relating to the manner of the offer and sale of the Subscription Receipts to, or for the account or benefit of, U.S. Purchasers or will be deemed to have represented and warranted that none of it, its affiliates or any persons acting on its or their behalf offered or sold Subscription Receipts to, or for the account or benefit of, U.S. Purchasers.
14. None of the Agent, its Affiliates (including U.S. Affiliate), or any person acting on any of their behalf has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Subscription Receipts or the Underlying Securities.
15. As of the Closing Date, with respect to Subscription Receipts to be offered and sold hereunder in reliance on Rule 506(b) of Regulation D and Section 4(a)(2) of the U.S. Securities Act, the Agent represents that none of (i) the Agent or its U.S. Affiliate, (ii) the Agent or its U.S. Affiliate's general partners or managing members, (iii) any of the Agent or its U.S. Affiliate's directors, executive officers or other officers participating in the offering of the Subscription Receipts, (iv) any of the Agent or its U.S. Affiliate's general partners' or managing members' directors, executive officers or other officers participating in the offering of the Subscription Receipts or (v) any other person associated with any of the above persons, including any selling group members and any such persons related to such selling group members, that have been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with sale of Subscription Receipts (each, a **"Dealer Covered Person"** and, collectively, the **"Dealer Covered Persons"**), is subject to any of the **"Bad Actor"** disqualifications described in Rule 506(d)(1) under Regulation D (a **"Disqualification Event"**).

16. As of the Closing Date, the Agent represents that it is not aware of any person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Subscription Receipts.

Representations, Warranties and Covenants of the Company

The Company represents, warrants, covenants and agrees that:

1. The Company is a Foreign Issuer and reasonably believes (a) that as of the date hereof and on the Closing Date, there is no Substantial U.S. Market Interest in the Subscription Receipts or the Underlying Securities, (b) it is not now, and as a result of the sale of Subscription Receipts contemplated hereby will not be, registered or required to be registered as an **“investment company”** as such term is defined under the United States Investment Company Act of 1940, as amended under such Act ; and (c) neither the Company nor any of its predecessors or affiliates has been subject to any order, judgment or decree of any court of competent jurisdiction temporarily, preliminarily or permanently enjoining such person for failure to comply with Rule 503 of Regulation D.
2. During the period that the Subscription Receipts are, or were offered for sale, none of the Company, its subsidiaries nor any of their affiliates, nor any person acting on its or their behalf (other than the Agent, its U.S. Affiliates and any persons acting on any of their behalf, in respect of which no representation is made) (i) has made or will make any Directed Selling Efforts, (ii) has engaged in or will engage in any form of General Solicitation or General Advertising or any matter involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act with respect to offers or sales of the any of the Subscription Receipts or the Underlying Securities to, or for the account or benefit of U.S. Purchasers, or (iii) has taken or will take any other action that would cause the exclusion from registration provided by Regulation S or the exemptions from registration provided by Section 4(a)(2) and Regulation D to be unavailable with respect to offers and sales of the Subscription Receipts pursuant to this Schedule “A”.
3. The Company has not and will not, during the period beginning six months prior to the start of the offering of Subscription Receipts and ending six months after the completion of the offering of Subscription Receipts sell, offer for sale or solicit any offer to buy any of its securities in the United States in a manner that would be integrated with and would cause the exemption from registration provided by Regulation D to be unavailable with respect to offers and sales of the Subscription Receipts pursuant to this Schedule “A”.
4. The Company will, within prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or applicable blue-sky laws in connection with the offer and sale of the Subscription Receipts.
5. Except with respect to offers and sales to U.S. Institutional Accredited Investors or Qualified Institutional Buyer, as applicable, who are U.S. Purchasers or who are acting for the account or benefit of U.S. Purchasers, in reliance upon an exemption from registration under Rule 506 of Regulation D and Section 4(a)(2) of the U.S. Securities Act, none of the Company, its affiliates or any person acting on its or their behalf (other than the Agents, their U.S. Affiliates or any person acting on any of their behalf, in respect of which no representation is made) has made or will make: (A) any offer to sell, or any solicitation of an offer to buy, any Subscription Receipts to, or for the account or benefit of, any U.S. Purchaser; or (B) any sale of Subscription Receipts unless, at the time the buy order was or will have been originated, the Purchaser was outside the United States or the Company, its affiliates, and any person acting on its or their behalf reasonably believes that such Purchaser was outside the United States.
6. None of the Company, any of its affiliates or any person acting on any of their behalf (other than the Agents, their U.S. Affiliates, or any person acting on any of their behalf, in respect of which no

representation is made) has taken or will take, directly or indirectly, any action in violation of Regulation M under the U.S. Exchange Act in connection with the offer and sale of the Subscription Receipts or the Underlying Securities.

7. The Company covenants and agrees that it, its affiliates and any person acting on its or their behalf (other than the Agents, their U.S. Affiliates or any person acting on any of their behalf, in respect of which no representation is made) will not pay or give any commission or other remuneration, directly or indirectly, for soliciting the exchange of the Subscription Receipts and is not aware of any person (other than any Dealer Covered Person) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Subscription Receipts.
8. As of the Closing Date, with respect to the offer and sale of the Subscription Receipts sold in reliance on Rule 506 of Regulation D, none of the Company, any of its predecessors, any affiliated issuer, any director, executive officer or other officer of the Company participating in the offering, any beneficial owner of 20% or more of the Company's outstanding voting equity securities, calculated on the basis of voting power, nor any promoter (as that term is defined in Rule 405 under the U.S. Securities Act) connected with the Company in any capacity at the time of sale of the Subscription Receipts (but excluding the Agent, their U.S. Affiliate and any selling group member, as to whom no representation, warranty or covenant is made) (each, an "**Company Covered Person**" and, collectively, the "**Company Covered Persons**") is subject to any Disqualification Event, except for a Disqualification Event covered by Rule 506(d)(2) or (d)(3) under Regulation D. The Company has exercised reasonable care to determine whether any Company Covered Person is subject to a Disqualification Event. If applicable, the Company has complied with its disclosure obligations under Rule 506(e) of Regulation D, and has furnished to the Agent and their U.S. Affiliate a copy of any disclosures provided thereunder.

EXHIBIT “I” TO SCHEDULE “A”

AGENT’S CERTIFICATE

In connection with the private placement to, or for the account or benefit of, persons in the United States and U.S. Persons of Subscription Receipts of Regency Gold Corp. (the “**Company**”) pursuant to the Agency Agreement dated February 11, 2020 between the Company and the Agents named therein (the “**Agency Agreement**”), each of the undersigned does hereby certify as follows:

- (i) each U.S. affiliate of the undersigned Agent (the “**U.S. Affiliate**”) is a duly registered broker or dealer under the U.S. Exchange Act and under the securities laws of all applicable states where the offers and sales of Subscription Receipts were made (unless otherwise exempted from such state’s broker-dealer registration requirements) and a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. on the date hereof;
- (ii) all offers and sales of the Subscription Receipts in the United States were made to U.S. Institutional Accredited Investors or Qualified Institutional Buyers;
- (iii) all offers and sales of Subscription Receipts to, or for the account or benefit of, U.S. Purchasers have been effected in accordance with all applicable U.S. federal and state broker dealer requirements;
- (iv) we have provided each offeree of Subscription Receipts (a) that is a U.S. Institutional Accredited Investor with a Subscription Agreement for U.S. Institutional Accredited Investors and (b) that is a Qualified Institutional Buyer with a Subscription Agreement for Qualified Institutional Buyers and no other written material was used in connection with the offer and sale of the Subscription Receipts to U.S. Purchasers.
- (v) immediately prior to offering Subscription Receipts to an offeree that was in the United States, we had a pre-existing business relationship with and had reasonable grounds to believe and did believe that each offeree was a U.S. Institutional Accredited Investor or a Qualified Institutional Buyer and, on the date hereof, we continue to believe that each U.S. Purchaser purchasing the Subscription Receipts from the Company pursuant to Regulation D and Section 4(a)(2) is a U.S. Institutional Accredited Investor or Qualified Institutional Buyer;
- (vi) no form of General Solicitation or General Advertising was used by us in connection with the offer or sale of the Subscription Receipts and the Underlying Securities to, or for the account or benefit of, U.S. Purchasers;
- (vii) prior to any sale of Subscription Receipts by the Company to a U.S. Purchaser, we caused (a) each U.S. Purchaser that is a U.S. Institutional Accredited Investor to execute and deliver a Subscription Agreement for U.S. Institutional Accredited Investors and (b) each U.S. Purchaser that is a Qualified Institutional Buyer to execute and deliver a Subscription Agreement for Qualified Institutional Buyers, in each case including any schedules and exhibits attached thereto;
- (viii) none of us, any member of the selling group, or any of our or their affiliates, have taken or will take any action which would constitute a violation of Regulation M under the U.S. Exchange Act in connection with the offer or sale of the Subscription Receipts or the Underlying Securities; and
- (ix) the offer and sale of the Subscription Receipts has been conducted by us in accordance with the terms of the Agency Agreement, including Schedule “A” thereto.

Capitalized terms used in this certificate have the meanings given to them in the Agency Agreement, including Schedule “A” thereto, unless otherwise defined herein.

DATED this ____ day of _____, 2020.

[AGENT]

[U.S. AFFILIATE]

By: _____
Name:
Title:

By: _____
Name:
Title