<u>EXECUTION COPY</u>

ARIZONA MINING INC.

INVESTOR RIGHTS AGREEMENT

May 16, 2017

INVESTOR RIGHTS AGREEMENT

THIS AGREEMENT is made as of the 16th day of May, 2017.

AMONG:

ARIZONA MINING INC., a corporation existing under the laws of the Province of British Columbia (hereinafter referred to as the "**Corporation**"),

- and -

SOUTH32 INTERNATIONAL INVESTMENT HOLDINGS PTY LTD,
a company existing under the laws of Australia (hereinafter referred to as the "**Investor**").

WHEREAS

A. The Investor has agreed to subscribe for 45,000,000 common shares of the Corporation ("**Subscription Shares**") at a price of $2.45 per share for aggregate consideration of $110,250,000, representing approximately 15% of the outstanding common shares of the Corporation on a non-diluted, post-subscription, basis (the "**Private Placement**") on the terms and conditions set forth in the subscription agreement dated May 16, 2017 entered into by the Corporation and the Investor (the "**Subscription Agreement**"); and

B. As partial consideration for the Investor agreeing to subscribe for the Subscription Shares and enter into the Subscription Agreement, the Corporation has agreed to provide the Investor with the rights provided for herein.

NOW THEREFORE, in consideration of the respective covenants and agreements of the Parties herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree hereto as follows:

SECTION 1
GENERAL

1.1 Definitions

As used in this Agreement the following terms shall have the following respective meanings:

(a) "**Affiliate**" means, with respect to any specified Person, any other Person which, directly or indirectly, through one or more Persons Controls, or is Controlled by, or is under common Control with, such specified Person;

(b) "**Agreement**" means this investor rights agreement among the Corporation and the Investor and all schedules hereto, as well as any amendment or modification which may be made hereto in writing as permitted by Section 6.4 from time to time;

(c) "**Board**" means the board of directors of the Corporation;

(d) "**Board Designee**" has the meaning set forth in Section 2.1(a);

(e) "**Business Day**" means a day other than a Saturday, Sunday or statutory holiday in the Province of British Columbia and the State of Western Australia;

(f) "**Canadian Securities Authorities**" means any of the securities commissions or similar securities regulatory authorities in each of the provinces and territories of Canada in which the Corporation is a reporting issuer (or analogous status);

(g) "**Canadian Securities Laws**" means all applicable Canadian securities laws, the respective regulations, rules and orders made thereunder, and all applicable policies and notices issued by the Canadian Securities Authorities in the applicable jurisdictions in Canada;

(h) "**CFPOA**" has the meaning set forth in Section 5.1;

(i) "**Closing Date**" means the closing date of the Private Placement;

(j) "**Common Shares**" means common shares of the Corporation;

(k) "**Confidential Information**" has the meaning set out in Section 4.1(f);

(l) "**Control**", "**Controlled by**" and "**under common Control with**", as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise;

(m) "**Convertible Securities**" means any security convertible, exchangeable or exercisable for or into, with or without consideration, any Common Shares or other equity security of the Corporation, including any warrants, options or other rights;

(n) "**Corporation**" has the meaning set forth in the preamble hereto;

(o) "**Corporation Arranged Purchasers**" has the meaning set out in Section 4.1(b)(ii);

(p) "**Corporation Placement Period**" has the meaning set out in Section 4.1(b)(ii);

(q) "**Equity Securities**" has the meaning set forth in Section 3.1(a);

(r) "**FCPA**" has the meaning set forth in Section 5.1;

(s) "**Hermosa Project**" means the Hermosa Project held by the Corporation through its wholly owned subsidiary Arizona Minerals Inc., located approximately 81 km southeast of Tucson, Arizona, 24 km northeast of Nogales in Santa Cruz County, Arizona, and 13 km north of the international border with Mexico as described in the Corporation's Annual Information Form filed on SEDAR;

(t) "**Investor**" has the meaning set forth in the preamble hereto;

(u) "**Investor Percentage**" means the percentage of the Common Shares owned beneficially by the Investor and its Affiliates, collectively, calculated in accordance with Section 1.6;

(v) "**Investor Rights Termination Date**" means the date that the Investor's rights under Sections 2.1(a), 2.3, 3.1, 3.2, 4.2(a) and 4.2(d) shall terminate pursuant to Section 6.12 below

(w) "**Minimum Price**" has the meaning set out in Section 4.1(b)(i);

(x) "**Non-Cash Transaction**" means a transaction whereby the Corporation issues Equity Securities for non-cash consideration, or as a result of a consolidation, amalgamation, merger, arrangement, corporate reorganization or similar transaction or business reorganization resulting in a combined corporation;

(y) "**Operations Committee**" has the meaning set forth in Section 2.3;

(z) "**Outstanding Equity Securities**" means the number of the Common Shares and other equity securities issued or outstanding at a particular time on a non-diluted basis;

(aa) "**Participation Right**" has the meaning set forth in Section 3.1(a);

(bb) "**Participation Right Acceptance Notice**" has the meaning set forth in Section 3.1(c);

(cc) "**Participation Right Notice Period**" has the meaning set forth in Section 3.1(c);

(dd) "**Participation Right Offer Notice**" has the meaning set forth in Section 3.1(b);

(ee) "**Parties**" means, collectively, the Corporation and the Investor;

(ff) "**Person**" means any individual, corporation or company with or without share capital, partnership, joint venture, association, trust, unincorporated organization, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

(gg) "**Private Placement**" has the meaning set forth in the recitals hereto;

(hh) "**Proposed Offering**" has the meaning set forth in Section 3.1(a);

(ii) "**Proposed Sale**" has the meaning set out in Section 4.1(b);

(jj) "**Proposed Sale Notice**" has the meaning set out in Section 4.1(b)(i);

(kk) "**Proposed Sale Shares**" has the meaning set out in Section 4.1(b)(i);

(ll) "**Recipient**" has the meaning set out in Section 4.1(f);

(mm) "**Restricted Period**" has the meaning set forth in Section 4.1(c);

(nn) "**Rights Offering**" means a rights offering, dividend distribution, or any other transaction in which the general body of holders of affected securities of the same class are treated identically on a per security basis and the exercise, conversion or exchange of the securities offered pursuant to any such transaction;

(oo) "**Shareholders**" means the shareholders of the Corporation;

(pp) "**Stock Option Plan**" means the existing Amended and Restated Stock Option Plan dated May 27, 2015, as it may be amended or replaced from time to time;

(qq) "**Subscription Shares**" has the meaning set forth in the recitals hereto;

(rr) "**Top-Up Right**" has the meaning set forth in Section 3.2(a);

(ss) "**Top-Up Right Acceptance Notice"** has the meaning set forth in Section 3.2(e);

(tt) "**Top-Up Right Notice Period**" has the meaning set forth in Section 3.2(e);

(uu) "**Top-Up Right Offer Notice**" has the meaning set forth in Section 3.2(d);

(vv) "**Top-Up Securities**" has the meaning set forth in Section 3.2(a);

(ww) "**Transfer**" means any direct or indirect sale, exchange, transfer, assignment, gift, pledge, encumbrance, hypothecation, alienation, grant of a security interest or other transaction, by which the legal or beneficial ownership of, or any Common Shares or other Equity Securities or other interest in, such Common Shares or other Equity Securities passes from one Person to another Person or to the same Person in a different capacity, whether or not for value; and

(xx) "**TSX**" means the Toronto Stock Exchange.

1.2 Recitals

The recitals form an integral part of this Agreement.

1.3 Headings

The inclusion of headings in this Agreement is for convenience of reference only and shall not affect in any way the construction or interpretation of this Agreement.

1.4 Gender and Number

In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa and words importing gender include all genders.

1.5 Currency

Except where otherwise expressly provided, all amounts in this Agreement are stated and shall be paid in the currency of Canada.

1.6 Calculation of Investor Percentage

For the purpose of this Agreement, the Investor Percentage at any given time shall be calculated by using the number of the Common Shares and other Equity Securities on a non-diluted basis owned beneficially by the Investor and its Affiliates, collectively, and dividing such number by the number of Outstanding Equity Securities.

SECTION 2
COMPOSITION AND BOARD MATTERS

2.1 Board Composition and Representation

(a) For so long as the Investor Percentage is at least 12.5%, the Investor shall have the right to designate one nominee for election or appointment to the Board (a "**Board Designee**"). For greater clarity, the Investor shall not be obligated to make any such nomination.

(b) Any Board Designee must meet the qualification requirements to serve as a director under the *Business Corporations Act* (British Columbia) and any other applicable laws and must have a background in mining, financial markets or corporate finance.

(c) Subject to Section 2.1(b), the Corporation shall in respect of every meeting of Shareholders at which the election of directors to the Board is considered, and at every reconvened meeting following an adjournment or postponement thereof, identify the Board Designee as a "management nominee", in the Corporation's proxy circular, include a recommendation to the Shareholders to vote in favour of such Board Designee, and use its commercially reasonable efforts to obtain Shareholder approval for the election of the Board Designee at such meeting (including (without limitation) by soliciting proxies in favour of the Board Designee) and to that end, (i) the Corporation shall support the Board Designee for election in a manner no less rigorous than the manner in which the Corporation supports all of its other nominees, and (ii) use commercially reasonable efforts to cause the proxyholder named in the form of proxy on which management of the Corporation is soliciting proxies to vote the Common Shares in respect of which such proxyholder is granted a discretionary proxy, in favour of the election of the Board Designee at such meeting.

(d) In the event that a Board Designee is not elected to the Board at a meeting of Shareholders or a Board Designee resigns as a director or otherwise refuses to or is unable to serve as a director for any reason, including as a result of death or disability, subject to Section 2.1(b), the Investor shall be entitled to designate a replacement director and the Board shall take such steps in order to appoint, subject to applicable laws and TSX requirements, such person to the Board to serve as a Board Designee until the next meeting of Shareholders at which the election of directors to the Board is considered.

(e) The Board Designee shall not be entitled to any salary or compensation from the Corporation for his or her service as a director of the Corporation. Notwithstanding the foregoing, each Board Designee shall be entitled to:

(i) the benefit of any director's and officer's liability insurance or indemnity, including entering into a form of indemnity agreement between the Corporation and the Board Designee in the same form to which other directors and officers of the Corporation are entitled; and

(ii) the benefit of any directors fees and reimbursements of costs and expenses to which other non-executive directors of the Corporation are entitled.

(f) The Investor shall advise the Corporation of the identity of any Board Designee together with information regarding the Board Designee that is required to be included in a proxy circular of the Corporation at least twenty (20) Business Days prior to the date on which proxy solicitation materials are to be printed (as advised by the Corporation to the Investor) for purposes of any meeting of Shareholders at which the election of directors to the Board is to be considered. The Corporation shall advise the Investor of the printing date of any such proxy solicitation materials at least twenty (20) Business Days prior to such date.

(g) If the Investor does not advise the Corporation of the identity of any such Board Designee prior to such deadline, then the Investor shall be entitled to designate a Board Designee, and the Board shall take such steps in order to appoint, subject to applicable laws and TSX requirements, such person to the Board to serve as a Board Designee until the next meeting of Shareholders at which the election of directors to the Board is considered (the "**Appointment Process**"). The Investor will not be able to use the Appointment Process more than one time in respect of any one (1) particular Board Designee.

2.2 Board Operations

The Corporation agrees and undertakes that, so long as there is a Board Designee on the Board:

(a) all notices of Board meetings shall be delivered by hand or transmitted by mail, facsimile or e-mail at least ten (10) Business Days prior to the date of the Board meeting unless the Board Designee has waived such notice. However, emergency Board meetings may be called by the Chairman of the Board in the case of a situation involving matters upon which prompt action is deemed necessary by giving notice at least two (2) Business Days prior to the date of such Board meeting (unless less notice is required in the circumstances). All notices of Board meetings shall specify the time, date and place of the Board meeting and contain a brief but complete summary of all business on the agenda of the Board meeting; and

(b) any director may participate in a Board meeting by means of a telephonic, electronic or other communication facility. A director participating by such means is deemed to be present at the Board meeting.

2.3 Operations Committee

For so long as the Investor Percentage is at least 12.5%, the Corporation shall establish and maintain an operations committee (the "**Operations Committee**") comprised of four members. Three of such members will be appointed by the Corporation and one will be appointed by the Investor. Each such member shall be entitled to appoint an alternate to attend any meetings of the Operations Committee on their behalf. Decisions of the Operations Committee will be by majority vote of the members of the Operations Committee and each member of the Operations Committee shall have one vote. The scope and mandate of the Operations Committee is attached hereto as Schedule A.

SECTION 3
PARTICIPATION RIGHT GRANTED BY THE CORPORATION

3.1 Exercise of Participation Right

For so long as the Investor Percentage is at least 12.5%:

(a) The Investor shall have a right (the "**Participation Right**") to subscribe for any Equity Securities (as defined below) that the Corporation may, from time to time, sell and issue for cash proceeds after the Closing Date whether pursuant to a public offering, private placement or otherwise, excluding (i) any issuances of Equity Securities in respect of which the Top-Up Right would be applicable and (ii) any issuances of Equity Securities pursuant to a Rights Offering (each, a "**Proposed Offering**"), in order to maintain an Investor Percentage up to and including 15% (after taking account the issuance of Equity Securities pursuant to the Proposed Offering (including to the Investor pursuant to the Participation Right), and assuming the conversion, exchange or exercise in full of any Convertible Securities included in such Equity Securities), subject to any TSX or other stock exchange requirements as may be applicable. The term "**Equity Securities**" shall mean (A) any Common Shares or other equity securities of the Corporation and/or (B) any Convertible Securities. In the event that such a Participation Right shall be subject to Shareholder approval, the Corporation shall use its commercially reasonable efforts to cause the approval of such Participation Right at the next meeting of Shareholders that is convened by the Corporation in order to allow the Investor to exercise its Participation Right. The Corporation shall solicit proxies from the Shareholders for use at such meeting to obtain such approval. Any dilution to the Investor Percentage resulting from the Proposed

Offering will be disregarded for purposes of determining, prior to the time the Investor may exercise its Participation Right in respect of such Proposed Offering, whether the Investor has maintained the required Investor Percentage for the purposes of Sections 2.1(a), 2.3, 3.1, 3.2, 4.2(a), 4.2(d) and 6.12. For greater certainty, the Participation Right applies in respect of the initial issuance of Convertible Securities.

(b) The Corporation shall send a written notice to the Investor (the "**Participation Right Offer Notice**") of any Proposed Offering specifying: (i) the number and type of debt or Equity Securities to be issued under the Proposed Offering; (ii) the price per Equity Security to be issued under the Proposed Offering; (iii) the expected use of proceeds and closing date of the Proposed Offering; (iv) the total number of the then issued and outstanding Common Shares (which shall include any securities to be issued to persons having similar participation rights); (v) all of the other material terms and conditions of the Proposed Offering; and (vi) the Investor Percentage that the Investor would have if the Investor did not exercise its Participation Right and the Equity Securities to be issued under the Proposed Offering are issued (and, in the case of Convertible Securities, converted or exchanged into, or exercised for, Common Shares or other equity securities of the Corporation).

(c) The Investor shall have a period of five (5) Business Days from the date of the Participation Right Offer Notice (the "**Participation Right Notice Period**") to notify the Corporation in writing (the "**Participation Right Acceptance Notice**") of the exercise of its Participation Right. Such Participation Right Acceptance Notice shall specify (i) the number of Equity Securities the Investor wishes to acquire under the Proposed Offering (which, for greater certainty, shall only be up to such number of Equity Securities as would permit it to maintain an Investor Percentage up to and including 15% after taking account the issuance of Equity Securities pursuant to the Proposed Offering and assuming the conversion, exchange or exercise in full of any Convertible Securities to be issued pursuant to the Proposed Offering), and (ii) the number of Equity Securities that the Investor and its Affiliates then hold. If the Investor fails to deliver a Participation Right Acceptance Notice within the Participation Right Notice Period, then any right of the Investor to subscribe for any Equity Securities in connection with the Proposed Offering is extinguished. If the Investor gives a Participation Right Acceptance Notice, the sale of the Equity Securities to the Investor shall be completed at the same time as the completion of the Proposed Offering, provided that the sale to the Investor may be completed after the completion of the Proposed Offering if such sale is subject to the approval of the Shareholders.

(d) If the Corporation has not issued the Equity Securities under a Proposed Offering within ninety (90) Business Days of the expiry of the Participation Right Notice Period, the Corporation shall not thereafter proceed with such Proposed Offering without providing the Investor with another opportunity to exercise its Participation Right in respect of such Proposed Offering.

(e) Notwithstanding the foregoing, if any Proposed Offering to which this paragraph applies is to be conducted on a "bought deal" basis, then (i) all of the periods for response herein shall be reduced to being "as soon as reasonably practicable and without undue delay" by the Investor acting reasonably and in good faith, having regard to the specific circumstances surrounding such bought deal Proposed Offering and so as not to jeopardize the Corporation's ability to complete such transaction; and (ii) the Investor may, in its discretion, choose not to participate in the Proposed Offering but instead elect to maintain its Investor Percentage up to and including 15% through the Top-Up Right.

3.2 Top-Up Securities

(a) Subject to Section 3.2(b), for so long as the Investor Percentage is at least 12.5%, the Investor shall have a right (the "**Top-Up Right**") to subscribe for Common Shares in respect of any Top-Up Securities (as defined below) that the Corporation may, from time to time, issue after the Closing Date, subject to any TSX or other stock exchange requirements as may be applicable. The number of Common Shares that may be subscribed for by the Investor pursuant to the Top-Up Right shall be equal to up to 15% of the Top-Up Securities. The term "**Top-Up Securities**" shall mean:

(i) Common Shares or other equity securities issued pursuant to, or pursuant to the exercise of Convertible Securities issued under, the Stock Option Plan or other similar employee equity incentive plans;

(ii) Common Shares or other equity securities issued by the Corporation pursuant to an offering conducted on a "bought deal" basis (to the extent that the Investor has not exercised its Participation Right under Section 3.1(e));

(iii) Common Shares or other equity securities issued upon the exercise, conversion or exchange of any Convertible Securities (excluding any Convertible Securities in respect of which the Investor previously had a Participation Right, whether or not the Investor had exercised such Participation Right);

(iv) Common Shares or other equity securities issued pursuant to a Non-Cash Transaction; and

(v) Common Shares or other equity securities issued in connection with any stock split, stock dividend or recapitalization by the Corporation.

(b) The Top-Up Right may be exercised on a quarterly basis as set out in Section 3.2(d). Any dilution to the Investor Percentage resulting from the issuance of Top-Up Securities during a fiscal quarter of the Corporation will be disregarded for purposes of determining, prior to the time the Investor may exercise its Top-Up Right pursuant to Section 3.2(c) and (d) in respect of the issuances of Top-Up Securities during such fiscal quarter, whether the Investor has maintained the required Investor Percentage for the purposes of Sections 2.1(a), 2.3, 3.1, 3.2, 4.2(a), 4.2(d) and 6.12. The Top-Up Right shall be effected through subscriptions for Common Shares by Investor for a price per Common Share equal to the volume weighted average price of the Common Shares on the TSX for the five (5) trading days preceding the delivery of the Top-Up Right Acceptance Notice by the Investor and shall be subject to approval by the TSX.

(c) In the event that any exercise of a Top-Up Right shall be subject to Shareholder approval, the Corporation shall use its commercially reasonable efforts to cause the approval of such Top-Up Right at the next meeting of Shareholders that is convened by the Corporation in order to allow the Investor to exercise its Top-Up Right. The Corporation shall solicit proxies from the Shareholders for use at such meeting to obtain such approval.

(d) Within thirty (30) days following the end of each fiscal quarter of the Corporation, the Corporation shall send a written notice to the Investor (the "**Top-Up Right Offer Notice**") specifying: (i) the number of Top-Up Securities issued during such fiscal quarter; (ii) the expected use of proceeds from any exercise of the Top-Up Right by the Investor; (iii) the total number of the then issued and outstanding Common Shares (which shall include any securities to be issued to Persons having similar participation rights); and (iv) the Investors Percentage (based on the last publicly reported ownership figures of the Investor and its Affiliates and the number of issued and outstanding Common Shares in (iii) above) assuming the Investor did not exercise its Top-up Right.

(e) The Investor shall have a period of fifteen (15) Business Days from the date of the Top-Up Right Offer Notice (the "**Top-Up Right Notice Period**") to notify the Corporation in writing (the "**Top-Up Right Acceptance Notice**") of the exercise, in full or in part, of its Top-Up Right. The Top-Up Right Notice shall specify the number of Common Shares subscribed for the by Investor pursuant to the Top-Up Right and the subscription price calculated in accordance with Section 3.2(b). If the Investor fails to deliver a Top-Up Right Acceptance Notice within the Top-Up Right Notice Period, then the Top-Up Right of the Investor in respect of the issuances of Top-Up Securities during the applicable fiscal quarter is extinguished. If the Investor gives a Top-Up Right Acceptance Notice, the sale of the Top-Up Securities to the Investor shall be completed as soon as reasonably practicable thereafter.

(f) The Top-Up Right shall not apply in connection with any Rights Offering by the Corporation.

SECTION 4
COVENANTS

4.1 Investor's Covenants

Restriction on Transfers of Common Shares.

(a) The Investor shall not Transfer any Common Shares or other Equity Securities owned by it for a period of one year from the Closing Date. Notwithstanding the foregoing, the Investor may Transfer Common Shares or other Equity Securities to an Affiliate of the Investor. Any Affiliate of the Investor to whom the Investor Transfers Common Shares or other Equity Securities, shall, prior to or contemporaneously with such Transfer, execute an instrument in writing agreeing to be bound by the provisions hereof as if it was the Investor hereunder and the Investor shall remain liable for its provisions and the provisions of such Affiliate hereunder. If such Affiliate ceases to be an Affiliate of the Investor, such Person shall immediately Transfer the Common Shares or other Equity Securities back to the Investor.

(b) Following such one-year period, if the Investor desires to Transfer, whether in one transaction or through a series of transactions occurring within a period of 30 consecutive days, representing in the aggregate more than 3,000,000 Common Shares to a Person or Persons that are not Affiliates of the Investor, whether through the facilities of a stock exchange or privately (a "**Proposed Sale**"), then:

(i) the Investor shall give written notice thereof (the "**Proposed Sale Notice**") to the Corporation, which Proposed Sale Notice shall specify the total number of Common Shares proposed to be Transferred by the Investor (the "**Proposed Sale Shares**") and include a calculation of 95% of the volume weighted average price of the Common Shares on the TSX for the five-trading day period immediately preceding the date of the Proposed Sale Notice (the "**Minimum Price**");

(ii) for a period of 10 days after receipt of the Proposed Sale Notice (the "**Corporation Placement Period**"), the Corporation shall have the right to seek and arrange for purchasers of the Proposed Sale Shares ("**Corporation Arranged Purchasers**");

(iii) if Corporation Arranged Purchasers shall have committed to purchase no less than all of the Proposed Sale Shares in aggregate at a price per Common Share that is no less than the Minimum Price prior to the expiry of such five (5) day period (and otherwise on customary terms and conditions), the Investor shall be required to sell all of the Corporation Arranged Purchasers the Proposed Sale Shares.

(c) <u>Standstill</u>. Provided that members of the Board (excluding any Board Designee) and management of the Corporation beneficially own, or exercise control or direction over, an aggregate of 20% or more of the Common Shares, on a non-diluted basis, the Investor shall not (and it shall cause its Affiliates to not), in any manner, directly or indirectly for a period of 18 months from the Closing Date (the "**Restricted Period**"):

(i) without the prior consent of the Board, such consent being determined by a simple majority vote of the Board (excluding the vote of any Board Designee), commence a take-over bid for any securities of the Corporation or effect, seek, offer or propose any take-over bid, amalgamation, merger, arrangement, business combination, re-organization, restructuring or liquidation with respect to the Corporation or any of its subsidiaries, or disposition of more than a majority of the assets of the Corporation or the Hermosa Project;

(ii) solicit proxies from Shareholders or form, join or participate in a group to so solicit, other than any solicitation of proxies voting in favour of the nominees of management of the Corporation for election to the Board;

(iii) advise or encourage any person (including forming a "group" with any such person) proposing any of the foregoing; or

(iv) make any public announcement or take any action in furtherance of the foregoing,

(each, a "**Hostile Action**"),

provided, that the restrictions provided for in this Section 4.1(c) shall not apply, and the Investor shall be permitted to take a Hostile Action if the Corporation has breached any of the provisions of Section 5 of this Agreement.

(d) Exception to Standstill in the Event of Sale of Corporation. The provisions of Section 4.1(c) shall cease to apply, and the Investor shall be permitted to take a Hostile Action, from and after: (i) the commencement or public announcement of a take-over bid, which if completed would result in the acquisition of 50% or more of the then outstanding voting securities of the Corporation by any person or group of persons; or (ii) the approval or entering into by the Corporation of, or the public announcement of the approval or entering into by the Corporation of, a transaction or definitive agreement providing a transaction, which if completed would result in the acquisition of 50% or more of the then outstanding voting securities of the Corporation or more than a majority of the assets of the Corporation or the Hermosa Project.

(e) Exception to Standstill for Certain Purchases. Notwithstanding Section 4.1(c), the Investor is permitted to make market and private purchases of Common Shares during the Restricted Period provided that the Investor shall not during the Restricted Period make any market or private purchases of Common Shares, if, after completion of any such purchase, the Investor Percentage would exceed 19.9%.

(f) Confidentiality. The Investor agrees that for the period commencing on the date of this Agreement and ending on the day that is the six month anniversary of the Investor Rights Termination Date, the Investor will keep confidential and will not disclose any confidential information provided by the Corporation pursuant to the Investor's due diligence investigation of the Corporation relating to the Private Placement, or divulged by the Corporation pursuant to the terms of this Agreement, including information provided to the representative of the Investor on the Operations Committee, and any other confidential information provided by the Corporation to the Investor ("**Confidential Information**"), unless such Confidential Information (a) is known or becomes known to the public in general (other than as a result of a breach of this Section 4.1(f) by the Investor), (b) is or has been independently developed or conceived by the Investor without use of the Corporation's Confidential Information, or (c) is or has been made known or disclosed to the Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Corporation; provided, however, that an Investor may disclose Confidential Information: (i) to its legal counsel, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Corporation; (ii) to any Affiliate or wholly-owned subsidiary of the Investor in the ordinary course of business; and (iii) as may otherwise be required by law and the rules and policies of any stock exchange on which the Investor or its Affiliates may be listed, provided that the Investor promptly notifies the Corporation of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure. All Persons listed in (i) and (ii) in the previous sentences are referred to as a "**Recipient**". The Investor agrees that it shall disclose Confidential Information only to those Recipients who have agreed to be bound by the Investor's obligations hereunder. The Investor further agrees to be liable to the Corporation for any breach of the confidentiality obligations hereunder by any Recipient to whom the Investor has disclosed Confidential Information.

(g) <u>Area of Interest</u>. Subject to the proviso of Section 4.1(c) and subject to Section 4.1(d), the Investor agrees that during the Restricted Period the Investor shall not, without the prior written consent of the Corporation, acquire or agree to acquire: (i) any prospecting or exploration permit, mineral lease, right or interest involving lands or minerals located within a half mile radius of the existing boundaries of the Hermosa Project (the "Restricted Mineral Rights"); or (ii) 20% or more of the equity of any entity that, either directly or through Affiliates, derives greater than 50% of its value from ownership of any Restricted Mineral Rights.

(h) <u>Non-Solicitation of Employees</u>. The Investor agrees that during the Restricted Period the Investor shall not directly or indirectly hire or solicit for employment any employees of the Corporation or any of its Affiliates or induce or attempt to induce any employees of the Corporation or any of its Affiliates to leave their employment with the Corporation or such Affiliate. The foregoing prohibition shall not extent to general solicitations of employment by the Investor not specifically directed toward the Corporation's employees (including solicitations through the use of search firms that are not directed specifically at the Corporation's employees) nor to hiring the Corporation's employees as a result thereof. For the purposes of this paragraph, an individual is considered an employee of the Corporation or its Affiliate if such individual is, at the time of solicitation or hire, an employee of the Corporation or such Affiliate.

4.2 Corporations Covenants

(a) General Approval Rights. For so long as the Investor Percentage is at least 12.5%, the Corporation shall not, without the prior written approval of the Investor, issue any shares having rights superior to the Common Shares.

(b) Use of Proceeds. The Corporation shall use substantially all of the proceeds of the Private Placement to advance the Hermosa Project, including the Taylor deposit as determined by the Operations Committee with the remainder to be used for general corporate purposes.

(c) Joinder. The Corporation shall cause its subsidiaries to conduct their business and affairs in a manner consistent with, and so as to give effect to, all of the terms and conditions of this Agreement.

(d) Information Reporting. For so long as the Investor Percentage is at least 12.5%, the Corporation agrees to furnish the Investor such information regarding the operations, business, affairs and financial condition of the Corporation as the Investor may, from time to time, reasonably request, subject to obligations and restrictions under Canadian Securities Laws and applicable United States securities laws.

(e) Cooperation and Assistance with the Investor's Disclosure Obligations. The Corporation will provide the Investor with reasonable cooperation and assistance in preparing and formulating technical information relating to the Corporation's assets so as to allow the Investor and its Affiliates to disclose such information in a manner consistent with its regulatory obligations, including without limitation, under Australian Stock Exchange listing rules and JORC Code mineral disclosure requirements. Notwithstanding Section 4.1(h), the Corporation hereby consents to (i) the Investor being permitted to contact "qualified persons" engaged by the Corporation in respect of the Corporation's assets and (ii) the Investor contracting with such "qualified persons", in each case, for the purposes of reviewing and signing off on the Investor's disclosure relating to the Corporation's assets. No assurance is provided by the Corporation to the Investor that the "qualified persons" engaged by the Corporation in respect of the Corporation's assets will agree to contract with the Investor. The Corporation reserves the right to have the Investor reimburse the Corporation for reasonably incurred expenses and time spent in cooperating and assisting with the Investor's disclosure obligations provided for in this Section 4.2(e). Except as required by law or the rules and polices of any stock exchange on which the Investor may be listed, any disclosure made by the Investor in respect of the Corporation's assets must be consented to by the Corporation (provided that no consent shall be required for disclosure of information in respect of which the Corporation has already provided consent).

SECTION 5
ANTI-CORRUPTION

5.1 Compliance with Laws

The Corporation shall not take, and shall cause its subsidiaries not to take, any action, directly or indirectly, that will result in a violation of the *Foreign Corrupt Practices Act of 1977* (United States), as amended, and the rules and regulations thereunder (the "**FCPA**"), any applicable state law of the United States of America regarding corruption, and the *Corruption of Foreign Public Officials Act* (Canada) (the "**CFPOA**") including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign official" (as such term is defined in the FCPA) or any "foreign public official" (as such term is defined in the CFPOA) or any foreign political party or official thereof or any candidate for foreign political office or (as applicable) any native American tribal leaders, in contravention of the FCPA and the CFPOA and the Corporation will monitor, and will cause its subsidiaries to monitor, their respective businesses adopt, appropriately implement and maintain anti-corruption policies, procedures and internal controls (including internal accounting controls to keep and maintain accurate and reasonably detailed books and financial records of expenses, receipts, payments made or received in connection with its business), as applicable to the Corporation and its subsidiaries, to ensure:

(a) a violation of applicable anti-corruption laws by the Corporation and its subsidiaries (including their respective personnel) will be prevented, detected and deterred (to the greatest extent possible); and

(b) compliance (including by their personnel, and third parties acting on their behalf with any "foreign official" or "foreign public official" (as applicable), any foreign political party or candidate thereof, as well as any native American tribal leaders) with the FCPA and the CFPOA, as applicable, and, if violations of the FCPA or the CFPOA are found, will notify the Investor promptly and take remedial action to remedy such violations.

5.2 Operations

The Corporation will conduct, and will cause its subsidiaries to conduct, their operations at all times in compliance with all material applicable financial recordkeeping and reporting requirements of the *Currency and Foreign Transactions Reporting Act of 1970* (United States), as amended, the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar applicable rules, regulations or guidelines, issued, administered or enforced by any governmental agency.

5.3 Use of Proceeds

The Corporation will not directly or indirectly use the proceeds advanced by the Investor, or lend, contribute or otherwise make available such proceeds to any of its subsidiaries, joint venture partner or other Person or entity, for the purpose of financing the activities of any Person currently subject to any United States sanctions administered by the Office of Foreign Assets Control of the United States Treasury Department.

SECTION 6
MISCELLANEOUS

6.1 Governing Law; Specific Performance

This Agreement shall be governed by and construed under the laws of the Province of British Columbia and the federal laws applicable therein. It is agreed and understood that monetary damages would not adequately compensate an injured party for the breach of this Agreement by any party, that this Agreement shall be specifically enforceable, and that any breach or threatened breach of this Agreement shall be the proper subject of a temporary or permanent injunction or restraining order, without bond. Further, each Party hereto waives any claim or defense that there is an adequate remedy at law for such breach or threatened breach.

6.2 Further Assurances

Each of the parties hereto shall, from time to time hereafter and upon any reasonable request of the other, promptly do, execute, deliver or cause to be done, executed and delivered all further acts, documents and things as may be required or necessary for the purposes of giving effect to this Agreement.

6.3 Statements as to Factual Matters

All statements as to factual matters contained in the recitals, any certificate or other instrument delivered pursuant hereto in connection with the transactions contemplated hereby shall be deemed to be representations and warranties under this Agreement.

6.4 Amendments

No amendment or waiver of any provision of this Agreement shall be binding on any party unless consented to in writing by such party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

6.5 Assignment

No party may assign any of its rights or benefits under this Agreement, or delegate any of its duties or obligations, except with the prior written consent of the other parties.

6.6 Successors and Assigns

This Agreement shall enure to the benefit of and shall be binding on and enforceable by and against the parties and their respective permitted assigns and successors or executors or administrators.

6.7 Entire Agreement

This Agreement, the Subscription Agreement and the other agreements and documents delivered pursuant hereto and thereto constitute the full and entire understanding and agreement between the Parties with regard to the subject hereof and no Party shall be liable or bound to any other in any manner by any representations, warranties, covenants and agreements except as specifically set forth herein and therein.

6.8 Public Filing

The Parties hereby acknowledge that the Corporation will file this Agreement on SEDAR.

6.9 Severability

In the event one or more of the provisions of this Agreement should, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

6.10 Delays or Omissions

It is agreed that no delay or omission to exercise any right, power, or remedy accruing to any holder, upon any breach, default or noncompliance of any Party under this Agreement shall impair any such right, power, or remedy, nor shall it be construed to be a waiver of any such breach, default or noncompliance, or any acquiescence therein, or of any similar breach, default or noncompliance thereafter occurring. It is further agreed that any waiver, permit, consent, or approval of any kind or character on any Party's part of any breach, default or noncompliance under the Agreement or any waiver on such Party's part of any provisions or conditions of this Agreement must be in writing and shall be effective only to the extent specifically set forth in such writing. All remedies, either under this Agreement, by law, or otherwise afforded to holders, shall be cumulative and not alternative.

6.11 Counterparts

This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed and delivered in any number of counterparts (whether by fax or other electronic means), with the same effect as if all parties had signed and delivered the same document, and all counterparts shall be construed together to be an original and will constitute one and the same agreement.

6.12 Termination of Investor Rights

Subject to Section 3.2(b), in the event that the Investor Percentage falls below 12.5% at any time, all of the rights of the Investor pursuant to Sections 2.1(a), 2.3, 3.1, 3.2, 4.2(a) and 4.2(d) shall terminate.

6.13 Expenses

Each party will pay for its own costs and expenses incurred in connection with the negotiation, preparation, execution and performance of this Agreement and the transactions contemplated herein, including the fees and expenses of legal counsel, financial advisors, accountants, consultants and other professional advisors.

6.14 Notices

Any notice or other communication that is required or permitted to be given hereunder shall be in writing and shall be validly given if delivered in person (including by courier service) or transmitted by fax as follows:

(a) in the case of the Investor:

South32 International Investment Holdings Pty Ltd.
Level 35, 108 St Georges Terrace
Perth WA 6000
Australia

Attention: Michael Falconer
Email: **[Address redacted for confidentiality]**

with a copy to:

Attention: Company Secretary
Email: **[Address redacted for confidentiality]**

and a copy to:

Fasken Martineau DuMoulin LLP
550 Burrard Street
Vancouver, British Columbia V6C 0A3
Canada

Attention: Steve Saville
Email: ssaville@fasken.com

(b) in the case of the Corporation:

Arizona Mining Inc.
Suite 555-999, Canada Place
Vancouver, British Columbia V6C 3E1
Canada

Attention: Purni Parikh
Email: **[Address redacted for confidentiality]**

with a copy to:

Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto, Ontario M5V 3J7
Canada

Attention: Peter Hong
Email: phong@dwpv.com

Any such notice or other communication shall be deemed to have been given and received on the day on which it was delivered or transmitted (or, if such day is not a Business Day or if delivery or transmission is made on a Business Day after 5:00 p.m. (local time) at the place of receipt, then on the next following Business Day) or, if mailed, on the tenth Business Day following the date of mailing; provided, however, that if at the time of mailing or within ten Business Days thereafter there is or occurs a labour dispute or other event which might reasonably be expected to disrupt the delivery of documents by mail, any notice or other communication hereunder shall be delivered or transmitted by means of recorded electronic communication as aforesaid.

Any party may at any time change its address for service from time to time by giving notice to the other parties in accordance with this Section 6.14.

[Signature page follows]

IN WITNESS WHEREOF, the parties hereto have executed this Investor Rights Agreement as of the date set forth above.

SOUTH32 INTERNATIONAL INVESTMENT HOLDINGS PTY LTD
ACN 601 444 704

Per: (signed) *Katherine Tovich*
Name: Katherine Tovich
Title: Director

ARIZONA MINING INC.

Per: (signed) *Purni Parikh*
Name: Purni Parikh
Title: Vice President and Corporate Secretary

SCHEDULE A
OPERATIONS COMMITTEE SCOPE AND MANDATE

For so long as the Investor Percentage (as defined in the investor rights agreement dated May 16, 2017 between Arizona Mining Inc. and South 32 International Investment Holdings Pty Ltd. (the "**Investor Rights Agreement**")) is at least 12.5%, Arizona Mining Inc. shall establish and maintain the Operations Committee.

Purpose

- Provide technical direction to the program of work to advance the Hermosa Project.

- Operations Committee Members (the "**Members**") will, drawing on their knowledge and experience, provide direction and input to guide the development of the Hermosa Project and overcome technical challenges and issues.

Scope

- Review technical work and development options to advance the Hermosa Project and provide direction on future work, including vendor selection.

- Review of technical reports before release.

- The scope of the review and direction shall include:

    - health and safety;

    - exploration, geology and mining;

    - processing, infrastructure, transport/logistics and marketing; and

    - environmental, permitting, and community engagement.

Members and Formalities

- The Operations Committee will be comprised of four Members. Three of such Members will be appointed by the Corporation (the "**Corporation Members**") and one will be appointed by the Investor. Decisions of the Operations Committee will be by majority vote.

- The Corporation Members to include at least the Chief Operating Officer of the Corporation and the Hermosa Project Manager.

- The Operations Committee will meet:

    - quarterly to review progress and set direction for the work program going forward; and

  - half yearly to establish priorities for the technical program and review the budget.

- Format, agenda, venue, dates and times of the meetings to be determined by the Operations Committee with a view to ensuring participation of all Members.

- Meeting to include a site visit twice per annum.

- The Operations Committee as a whole, or individual Members may invite technical experts to attend quarterly meetings.

Information

- The Corporation will quarterly, ahead of each meeting, provide Hermosa Project updates and proposed programs of work to the Members covering activities of the prior quarter and a plan for the next quarter, inclusive of a high-level budget and tracking showing the plan versus actuals.

- The intention is that the Operations Committee will be provided information and reports already generated for the Corporation's management and shall not produce specific information and reports just for the Operations Committee.

- Members may request, and be granted, access to information pertaining to the Hermosa Project provided the request itself is reasonable, on reasonable notice to the Corporation and shared with the other Members. This includes reasonable information required for additional expert reports.

Costs

- Each party to bear their own Operations Committee related costs.

- If the Investor specifically requests an expert to conduct work, including attending a meeting, this shall be for the Investor's account.