

AGENCY AGREEMENT

September 10, 2020

Sable Resources Ltd.
999 West Hastings Street, Suite 900
Vancouver, BC V6C 2W2

Attention: Ruben Padilla, President, Chief Executive Officer and Director

Dear Sirs:

The undersigned, Sprott Capital Partners LP as lead agent and bookrunner (the “**Lead Agent**”) and Haywood Securities Inc. (together with the Lead Agent, the “**Agents**”) understand that Sable Resources Ltd. (the “**Company**”) proposes to issue and sell up to 60,000,000 units of the Company (the “**Units**”) at a price of \$0.15 per Unit (the “**Offering Price**”) for aggregate gross proceeds to the Company of up to \$9,000,000 upon and subject to the terms and conditions contained herein (the “**Offering**”).

Each Unit shall be comprised of one common share in the capital of the Company (a “**Unit Share**”) and one-half of one transferable common share purchase warrant of the Company (each whole common share purchase warrant, a “**Warrant**”). Each Warrant shall entitle the holder thereof to acquire one common share of the Company (a “**Warrant Share**”) at a price of \$0.20 for a period of 36 months following the Closing (as defined below) of the Offering.

The Units, Unit Shares, Warrants and Warrant Shares shall be referred to herein as the “**Offered Securities**”.

The Company shall grant the Agents an option (the “**Over-Allotment Option**”) to offer for sale up to an additional 6,666,666 Units at the Offering Price for additional gross proceeds of up to \$1,000,000 and on such other same terms and conditions under the Offering. The Over-Allotment Option shall be exercisable, in whole or in part, on or before the date that is three business days prior to the Closing Date (as defined below). References to the “**Offering**” in this Agreement (as defined below) shall include the exercise of the Over-Allotment Option, if any, as applicable and the Units issued and sold upon the exercise of the Over-Allotment Option, together with the Unit Shares, Warrants and Warrant Shares issued in connection therewith, shall be included in the definition of “**Offered Securities**”.

The Warrants will be governed by the terms of a warrant indenture (the “**Warrant Indenture**”) to be entered into on the Closing Date between the Company and Computershare Trust Company of Canada (the “**Warrant Agent**”).

The Company agrees that the Agents will be permitted to appoint other registered dealers (or other dealers duly licensed or registered in their respective jurisdictions) as their agents to assist in the Offering and that the Agents may determine the remuneration payable to such other dealers appointed by them. Such remuneration shall be payable by the Agents.

Offers and sales of Offered Securities in the United States (as defined below) may only be made on a private placement basis in the following manner and in compliance with Schedule "A" to this Agreement. The Agents may, through their U.S. Affiliates (as defined below) offer and sell the Offered Securities to Qualified Institutional Buyers (as defined below) or U.S. Accredited Investors (as defined below) in the United States on a private placement basis pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by Rule 506(b) of Regulation D (as defined below), and pursuant to Schedule "A" attached hereto.

In consideration of the services to be rendered by the Agents in connection with the Offering, the Company will pay the Agents, at the Closing Time (as defined below) a cash commission (the "**Agents' Fee**") equal to 6.0% of the gross proceeds of the Offering. In addition, on the Closing Date, the Company shall issue to the Agents broker warrants of the Company exercisable for a period of 24 months following the Closing Date to acquire in aggregate that number of Broker Units (as defined below) which is equal to 3% of the number of Units sold under the Offering (including for certainty any Units issued in connection with the Over-Allotment Option) at an exercise price equal to the Offering Price (the "**Broker Warrants**").

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

1. Definitions.

In this Agreement, in addition to the terms defined above, the following terms shall have the following meanings:

"**Agents**" shall have the meaning ascribed thereto in the first paragraph of this Agreement;

"**Agents' Fee**" shall have the meaning ascribed thereto on the second page of this Agreement;

"**Agreement**" means this agency agreement, being the agreement between the Company and the Agents in respect of the Offering;

"**Ancillary Documents**" means all agreements (including the Subscription Agreements), indentures (including the Warrant Indenture), certificates including the certificates, if any, representing Unit Shares, Warrants, Warrant Shares, Broker Warrants, Broker Unit Shares, Broker Unit Warrants and Broker Unit Warrant Shares, officer's certificates, notices and other documents executed and delivered, or to be executed and delivered, by the Company in connection with the Offering, whether pursuant to applicable Securities Laws or otherwise;

"**Annual Financial Statements**" shall have the meaning ascribed thereto in Subsection 4(k);

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**Broker Unit**" means a Unit issuable upon the exercise of a Broker Warrant;

“**Broker Unit Share**” means a Unit Share issuable upon the exercise of a Broker Warrant as part of a Broker Unit;

“**Broker Unit Warrant**” means a Warrant issuable upon the exercise of a Broker Warrant as part of a Broker Unit;

“**Broker Unit Warrant Share**” means a Warrant Share issuable upon the exercise of a Broker Unit Warrant;

“**Broker Warrants**” shall have the meaning ascribed thereto on the second page of this Agreement;

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

“**Claims**” shall have the meaning ascribed thereto in Section 13;

“**Closing**” means the closing on the Closing Date of the transaction of purchase and sale in respect of the Units as contemplated by this Agreement and the Ancillary Documents;

“**Closing Date**” means September 10, 2020 or such other date as the Agents and the Company may agree upon;

“**Closing Time**” means 8:30 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Agents and the Company may agree upon;

“**Common Shares**” means the common shares in the capital of the Company as constituted on the date hereof;

“**Company**” shall have the meaning ascribed thereto in the first paragraph of this Agreement;

“**Company’s Financial Statements**” shall have the meaning ascribed thereto in Subsection 4(l);

“**Company’s knowledge**” means to the actual knowledge of the following individuals: Ruben Padilla, Kelso Cartwright and Charlotte May, after having made due inquiry;

“**CRA**” means the Canada Revenue Agency;

“**Debt Instrument**” means any loan, bond, debenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money or other liability;

“**Directed Selling Efforts**” means “directed selling efforts” as that term is defined in Regulation S. Without limiting the foregoing, but for greater clarity, 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 Offered Securities and includes the placement of any advertisement in a publication with a general circulation in the United States that refers to the offering of any of the Offered Securities;

“**Environmental Laws**” shall have the meaning ascribed thereto in Subsection 4(ff);

“**Governmental Authority**” means any (i) 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, (ii) subdivision, agent, commission, board, or authority of any of the foregoing, or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under, or for the account of, any of the foregoing;

“**IFRS**” shall have the meaning ascribed thereto in Subsection 4(k);

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

“**Indemnified Parties**” shall have the meaning ascribed thereto in Section 13;

“**Indemnitor**” shall have the meaning ascribed thereto in Section 13;

“**Lead Agent**” shall have the meaning ascribed thereto in the first paragraph of this Agreement;

“**Material Adverse Effect**” means the effect resulting from any event or change which is materially adverse to the business, affairs, capital, operations, prospects, property rights or assets, liabilities (contingent or otherwise) of the Company and the Subsidiaries, taken as a whole, or which event or change would reasonably be expected to have a significant negative effect on the market price or value of the Common Shares;

“**Material Agreement**” means any joint-venture or earn-in agreement, Debt Instrument, mortgage, indenture, contract, commitment, agreement (written or oral), instrument, lease or other document, to which the Company or the Subsidiaries are a party and which is material to the Company;

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

“**Mineral Rights**” shall have the meaning ascribed thereto in Subsection 4(fff);

“**Money Laundering Laws**” shall have the meaning ascribed thereto in Subsection 4(rrr);

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

“**NI 45-102**” means National Instruction 45-102 – *Resale of Securities*;

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

“**Offered Securities**” shall have the meaning ascribed thereto in the third paragraph of this Agreement;

“**Offering**” shall have the meaning ascribed thereto in the first paragraph of this Agreement;

“**Offering Price**” shall have the meaning ascribed thereto in the first paragraph of this Agreement;

“**Option Properties**” means the Margarita Silver Project, the Don Julio Project (including San Gabriel, Lodo, Colorado, Heaven Hill, Fermin, La Gringa and other targets) and the El Fierro Project (including Bajo A and Bajo B targets);

“**Over-Allotment Option**” shall have the meaning ascribed thereto in the fourth paragraph of this Agreement;

“**Permits**” shall have the meaning ascribed thereto in Subsection 4(nn);

“**person**” means any individual, corporation, partnership, joint venture, association, trust or other legal entity;

“**Personnel**” shall have the meaning ascribed thereto in Section 13;

“**Properties**” means the Margarita Silver Project, the Manzana-fractions mineral titles (including the Vinata Project), the Mexico Regional Project (including the Manzanas, Corregidora and El Escarpe targets), Sain Alto and Caolin Mineral Applications, the Don Julio Project (including San Gabriel, Lodo, Colorado, Heaven Hill, Fermin, La Gringa and other targets), the El Fierro Project (including Bajo A and Bajo B targets), the San Juan Regional Program and the Scorpius Project;

“**Public Disclosure Documents**” means, collectively, all of the documents which have been filed by or on behalf of the Company prior to the Closing Time under its profile on SEDAR;

“**Qualified Institutional Buyer**” means a “qualified institutional buyer” within the meaning of Rule 144A;

“**Regulation D**” means Regulation D promulgated by the Securities and Exchange Commission under the U.S. Securities Act;

“**Regulation S**” means Regulation S promulgated by the Securities and Exchange Commission under the U.S. Securities Act;

“**Reporting Jurisdictions**” means British Columbia and Alberta, collectively;

“**Requirements**” means the exemptions from the prospectus requirements of the Canadian Securities Laws which are outlined in NI 45-106 and similar exemptions

applicable or such other jurisdictions where the Offered Securities may be offered or sold;

“**Rule 144A**” means Rule 144A promulgated by the Securities and Exchange Commission under the U.S. Securities Act;

“**Securities Laws**” means, as applicable, the securities legislation, regulations, rules, rulings and orders in each of the Selling Jurisdictions in each case having the force of law, the policies of the TSXV and U.S. Securities Laws;

“**Securities Regulators**” means, collectively, the securities regulators or other securities regulatory authorities in the Selling Jurisdictions;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Selling Jurisdictions**” means each of the provinces in Canada and such other jurisdictions as mutually agreed to by the Company and the Agents;

“**Subscribers**” means the persons who, as purchasers or beneficial purchasers, acquire Offered Securities by duly completing, executing and delivering a Subscription Agreement and any other required documentation;

“**Subscription Agreements**” means the subscription agreements with respect to the Units, in the form agreed upon by the Agents and the Company, pursuant to which Subscribers agree to subscribe for and purchase the Offered Securities herein contemplated and shall include, for greater certainty, all schedules and appendices thereto;

“**Subsidiaries**” means Exploraciones Sable, S.de R.L. de C.V. (Mexico), Exploraciones Tres Cordilleras, S.A. de C.V. (Mexico), Exploraciones Calalinas, S.A. de C.V. (Mexico), Exploraciones Vientos de Sur, S.A. de C.V. (Mexico) and Sable Argentina S.A.;

“**Tax Act**” means the *Income Tax Act* (Canada) and any proposed amendments thereto announced publicly by or on behalf of the Minister of Finance (Canada) on or prior to the date of this Agreement;

“**Taxes**” shall have the meaning ascribed thereto in Subsection 4(u);

“**Transfer Agent**” means Computershare Investor Services Inc., in its capacity as transfer agent and registrar of the Company at its office in the City of Vancouver, British Columbia;

“**TSXV**” means the TSX Venture Exchange;

“**Unit**” shall have the meaning ascribed thereto in the first paragraph of this Agreement;

“**Unit Share**” shall have the meaning ascribed thereto in the second paragraph of this Agreement;

“**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. Accredited Investor**” means an “accredited investor” within the meaning of Rule 501(a) of Regulation D under the U.S. Securities Act;

“**U.S. Affiliate**” means the duly registered United States broker-dealer affiliate of an Agent;

“**U.S. Exchange Act**” means the United States Securities and Exchange Act of 1934, as amended;

“**U.S. Person**” means “U.S. person” as defined in Rule 902 of Regulation S;

“**U.S. Securities Act**” means the *United States Securities Act of 1933*, as amended;

“**U.S. Securities Laws**” means all applicable securities legislation in the United States, including without limitation, the U.S. Securities Act, the U.S. Exchange Act and the rules and regulations promulgated thereunder, including the rules and policies of the United States Securities and Exchange Commission and any applicable state securities laws;

“**Warrant**” shall have the meaning ascribed thereto in the second paragraph of this Agreement;

“**Warrant Agent**” shall have the meaning ascribed thereto in the fifth paragraph of this Agreement;

“**Warrant Indenture**” shall have the meaning ascribed thereto in the fifth paragraph of this Agreement; and

“**Warrant Share**” shall have the meaning ascribed thereto in the second paragraph of this Agreement.

2. **Terms and Conditions.**

- (a) **Sale on Exempt Basis.** The Agents will use their commercially reasonable best efforts to arrange for purchasers of the Offered Securities in the Selling Jurisdictions. The Agents shall offer the Offered Securities for sale on behalf of the Company in the Selling Jurisdictions, and in such other jurisdictions as consented to by the Company, on a private placement basis, in compliance with all applicable Securities Laws such that each of the offer and sale of the Offered Securities does not obligate the Company to file a prospectus or other offering document or deliver or file an offering memorandum or other offering document with any Securities Regulators under the Securities Laws or subject the Company to any continuous disclosure or other similar reporting requirements under the laws of any jurisdiction outside of the Selling Jurisdictions to which it is not currently subject. In addition, the Agents agree that the Offered Securities may only be offered and sold in the United States in accordance with the terms, conditions, representations, warranties and covenants contained in Schedule “A”

hereto, the provisions of which are agreed to by the Company, the Agents and the U.S. Affiliates, and which are hereby incorporated by reference.

- (b) **Filings.** The Company undertakes to file, or cause to be filed, all forms or undertakings required to be filed by the Company in connection with the issue and sale of the Offered Securities that the distribution of the Offered Securities to the Subscribers may lawfully occur without the necessity of filing a prospectus or an offering memorandum (but on terms that will permit the Offered Securities acquired by the Subscribers in the Selling Jurisdictions to be sold by such Subscribers at any time in the Selling Jurisdictions subject to applicable hold periods and other restrictions under the Securities Laws), and the Agents undertake to use their commercially reasonable best efforts to cause Subscribers of Offered Securities to complete (and it shall be a condition of closing in favour of the Company that the Subscribers complete and deliver to the Company) any forms or undertakings required by the Securities Laws. All fees payable in connection with such filings shall be at the expense of the Company.
- (c) **Offering Memorandum.** The Agents shall not (i) provide to prospective purchasers of Offered Securities any document or other material that would constitute an offering memorandum within the meaning of the Securities Laws of the Selling Jurisdictions or (ii) engage in any form of general solicitation or general advertising in connection with the offer and sale of the Offered Securities, including but not limited to, causing the sale of the Offered Securities to be advertised in any newspaper, magazine, printed public media, printed media or similar medium of general and regular paid circulation, broadcast over radio, television or telecommunications, including electronic display or the Internet, or otherwise, or conduct any seminar or meeting relating to any offer and sale of the Offered Securities whose attendees have been invited by a general solicitation or general advertising.

3. **Press Releases**

Neither the Company, nor the Agents, shall make any public announcement in connection with the Offering, except if the other party has consented to such announcement or the announcement is required by applicable Securities Laws or stock exchange policies. For greater certainty, the Company will promptly provide to the Agents drafts of any press releases of the Company relating to the Offering for review and comment by the Agents and the Agents' counsel prior to issuance, provided that any such review will be completed in a timely manner, and the Company will incorporate in such press releases all reasonable comments of the Agents. Any such press release shall contain the following legend:

“NOT FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.”

In addition, any such press release shall also contain the following disclaimer language

“This news release does not constitute an offer to sell or a solicitation of an offer to sell any of securities in the United States. The securities have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.”

For greater clarity, the Agents acknowledge that this Section 3 will not apply to public disclosure by the Company of the Offering in its public disclosure documents (such as financial statements, management’s discussion and analysis, annual information forms, etc.) after the Closing Date.

4. Representations and Warranties of the Company.

The Company represents and warrants to the Agents and the Subscribers, and acknowledges that each of them is relying upon such representations and warranties in connection with the completion of the Offering, that:

- (a) the Company has been duly organized and is validly existing under the laws of its jurisdiction of existence, is in good standing, has the corporate power and authority and is duly qualified and possesses all material certificates, authority, permits and licences issued by the appropriate provincial, municipal, federal regulatory agencies or bodies necessary (and has not received or is not aware of any modification or revocation to such certificates, authority, permits or licences, except such modifications or amendments as are necessary for the conduct of its business) to carry on its business as now conducted and to own, lease and operate its properties and assets, except for those certificates, authority, permits and licences which the failure to obtain would not, individually or in the aggregate, have a Material Adverse Effect;
- (b) other than the Subsidiaries, the Company does not own, directly or indirectly, any shares or any other equity or debt securities of any corporation or company or have any equity interest in any firm, partnership (limited, general or otherwise), limited liability company, unlimited liability company, joint venture, association or other entity;
- (c) the Company is the direct or indirect registered and beneficial owner of all of the issued and outstanding shares of or other voting securities in the Subsidiaries free and clear of all encumbrances, liens, mortgages, hypothecations, security interests, charges, and no person, firm, corporation or entity has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement or option, for the purchase from the Company or the Subsidiaries of any of the shares or other securities of the Subsidiaries;
- (d) (i) each Subsidiary is existing as a corporation in good standing under the laws of its jurisdiction of incorporation and, as described in the Public Disclosure Documents, has the corporate power, capacity and authority to own, lease and

operate its property and assets, to conduct its business as now conducted and as currently proposed to be conducted and to carry out the provisions hereof; (ii) each Subsidiary, where required, has been duly qualified as an extra-provincial or foreign corporation for the transaction of business and is in good standing under the laws of each other jurisdiction in which it owns or leases property, or conducts any business and is not precluded from carrying on business or owning property in such jurisdictions by any other commitment, agreement or document; and (iii) no proceedings have been instituted or, to the knowledge of the Company, are pending for the dissolution or liquidation or winding-up of any Subsidiary;

- (e) the Company has the corporate power and authority to enter into this Agreement and the Ancillary Documents and to perform the transactions contemplated hereby and thereby and: (i) the issuance and sale (and creation, as applicable) by the Company of the Units, Unit Shares and Warrants; (ii) the creation, issuance and delivery of the Broker Warrants; (iii) the issuance and delivery of the Warrant Shares upon the exercise of the Warrants; (iv) the issuance and delivery of the Broker Units, Broker Unit Shares and the Broker Unit Warrants upon the exercise of the Broker Warrants; and (v) the issuance and delivery of the Broker Unit Warrant Shares upon the exercise of the Broker Unit Warrants, have been duly authorized by all necessary corporate action of the Company and no other corporate proceedings on the part of the Company are required to authorize this Agreement or the Ancillary Documents, and this Agreement and the Ancillary Documents have been duly executed and delivered by the Company and this Agreement and the Ancillary Documents are, and will upon execution and delivery in accordance with the terms hereof and thereof be, a valid and binding obligation of the Company enforceable against the Company in accordance with their respective terms, subject to bankruptcy, insolvency, moratorium, or similar laws affecting creditors' rights generally and except as limited by the application of equitable remedies which may be granted in the discretion of a court of competent jurisdiction and that enforcement of the rights to indemnity and contribution set out in this Agreement and the Ancillary Documents as may be limited by applicable law;
- (f) the authorized capital of the Company consists of an unlimited number of Common Shares, of which, as of the close of business on September 9, 2020, 162,241,897 Common Shares were issued and outstanding as fully paid and non-assessable and no person other than Osisko Gold Royalties Ltd. has any right, agreement or option, present or future, contingent or absolute, or any right capable of becoming such a right, agreement or option, for the issue or allotment of any unissued shares in the capital of the Company or any other security convertible into or exchangeable for any such shares, or to require the Company to purchase, redeem or otherwise acquire any of the issued and outstanding shares in its capital other than options to purchase up to 14,400,000 Common Shares and warrants to purchase up to 20,618,616 Common Shares;

- (g) all consents, approvals, permits, authorizations or filings as may be required under Securities Laws necessary for the execution and delivery of this Agreement and the Ancillary Documents and: (i) the issuance and sale (and creation, as applicable) by the Company of the Units, Unit Shares and Warrants; (ii) the creation, issuance and delivery of the Broker Warrants; (iii) the issuance and delivery of the Warrant Shares upon the exercise of the Warrants; (iv) the issuance and delivery of the Broker Units, Broker Unit Shares and the Broker Unit Warrants upon the exercise of the Broker Warrants; and (v) the issuance and delivery of the Broker Unit Warrant Shares upon the exercise of the Broker Unit Warrants, and the consummation of the transactions contemplated hereby and thereby have been made or obtained, as applicable other than the filings required under NI 45-106 which will be completed on a post-closing basis;
- (h) each of the execution and delivery of this Agreement and the Ancillary Documents, the performance by the Company of its obligations hereunder or thereunder, and: (i) the issuance and sale (and creation, as applicable) by the Company of the Units, Unit Shares and Warrants; (ii) the creation, issuance and delivery of the Broker Warrants; (iii) the issuance and delivery of the Warrant Shares upon the exercise of the Warrants; (iv) the issuance and delivery of the Broker Units, Broker Unit Shares and the Broker Unit Warrants upon the exercise of the Broker Warrants; and (v) the issuance and delivery of the Broker Unit Warrant Shares upon the exercise of the Broker Unit Warrants, and the consummation of the transactions contemplated hereby, respectively, do not and will not result in any breach or violation of, or be in conflict with, or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under any of the terms or provisions of (A) any statute, rule or regulation applicable to the Company, including Securities Laws; (B) the constating documents of the Company or any resolutions passed by the board of directors or shareholders of the Company which are in effect at the date hereof; (C) any Material Agreement to which the Company is a party or by which it is bound; or (D) any judgment, decree or order binding the Company or the property or assets of the Company, and will not give rise to any lien in or with respect to the properties or assets now owned or hereafter acquired by the Company or the acceleration of or the maturity of any debt under any indenture, mortgage, lease, agreement or instrument binding or affecting it or any of its properties or assets;
- (i) at the Closing Time, all necessary corporate action has been taken by the Company to: (i) validly authorize and issue the Units; (ii) validly authorize and issue the Unit Shares as fully paid and non-assessable Common Shares; (iii) validly create, authorize and issue the Warrants and Broker Warrants; (iv) validly authorize the issuance of Warrant Shares as fully paid and non-assessable Common Shares upon the due exercise of the Warrants in accordance with the terms of the Warrant Indenture; (v) validly authorize the issuance of Broker Units, Broker Unit Shares and Broker Unit Warrants upon the due exercise of Broker Warrants in accordance with the terms thereof; and (vi) validly authorize the issuance of Broker Unit Warrant Shares as fully paid and non-assessable

Common Shares upon the due exercise of the Broker Unit Warrants in accordance with the terms of the Warrant Indenture;

- (j) on or prior to the Closing Time, the form of certificates for the Unit Shares, Warrants, Warrant Shares, Broker Warrants, Broker Unit Shares, Broker Unit Warrants and Broker Unit Warrant Shares will have been approved by the board of directors of the Company and adopted by the Company and will comply with all legal and stock exchange requirements and will not conflict with the Company's articles or constating documents;
- (k) the audited annual financial statements of the Company for its fiscal year ended December 31, 2019, and notes thereto (the "**Annual Financial Statements**"), are true and correct in all material respects and present fairly, in all material respects, the financial position, results of the operations and cash flows of the Company for the period then ended and such financial statements have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board applied on a consistent basis;
- (l) the unaudited financial statements of the Company for the interim period ended June 30, 2020 and notes thereto (together with the Annual Financial Statements, the "**Company's Financial Statements**"), are true and correct in all material respects and present fairly, in all material respects, the financial position, results of the operations and cash flows of the Company for the period then ended and such financial statements will have been prepared in accordance with IFRS applied on a consistent basis;
- (m) except as otherwise disclosed in the Public Disclosure Documents, since the date of the Company's Financial Statements, (i) there has been no material change (actual, anticipated, contemplated or threatened, financial or otherwise) in the business, affairs, operations, assets, liabilities (contingent or otherwise) or capital of the Company, (ii) there have been no transactions entered into by the Company which are material with respect to the Company other than those in the ordinary course of business, and (iii) there has been no dividend or distribution of any kind declared, paid or made by the Company on any class of its shares;
- (n) other than as disclosed in the Company's Financial Statements, there has been no change in accounting policies or practices of the Company since January 1, 2017;
- (o) other than as disclosed in the Public Disclosure Documents, since December 31, 2019 and excluding expenditures in the ordinary course of business consistent with past practice, there has not been any adverse material change in the financial position or condition of the Company or the Subsidiaries, nor any change in circumstances materially affecting its business, affairs, prospects, capital or assets, or the right or capacity of the Company to carry on its business, such business having been carried on in the ordinary course;

- (p) there are no material liabilities of the Company, whether direct, indirect, contingent or otherwise which are not disclosed or reflected in the Company's Financial Statements except those incurred in the ordinary course of its business since December 31, 2019;
- (q) except as disclosed in the Public Disclosure Documents, no acquisition has been made by the Company during its three most recently completed fiscal years that would be a significant acquisition for the purposes of Canadian Securities Laws, and no proposed acquisition by the Company has progressed to a state where a reasonable person would believe that the likelihood of the Company completing the acquisition is high and that, if completed by the Company at the Closing Date, would be a significant acquisition for the purposes of Canadian Securities Laws;
- (r) the Company is not aware of any pending change or contemplated change to any applicable law or regulation or governmental position that would have a Material Adverse Effect;
- (s) the Company and the Subsidiaries are not a party to any agreement, nor is the Company aware of any agreement, which in any manner affects the voting control of any of the securities of the Company;
- (t) to the knowledge of the Company, no securities commission, stock exchange or comparable authority has issued any order requiring trading in any of the Company's securities to cease or preventing the distribution of the Offered Securities in any Selling Jurisdiction or the United States nor instituted proceedings for that purpose and, to the knowledge of the Company, no such proceedings are pending or contemplated;
- (u) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, customs duties 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 or required to be collected or withheld and remitted, by the Company and each Subsidiary have been paid, collected or withheld and remitted as applicable, except for where the failure to pay such Taxes would not have a Material Adverse Effect. All tax returns, declarations, remittances and filings required to be filed by the Company and each Subsidiary have been filed with all appropriate Governmental Authorities and all such returns, declarations, remittances and filings are complete and accurate in all material respects and no material fact has been omitted therefrom which would make any of them misleading or result in a Material Adverse Effect. To the knowledge of the Company, no examination of any tax return of the Company or any Subsidiary is currently in progress 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 or the Subsidiaries. There are no agreements, waivers or other arrangements with any taxation authority providing for an extension of

time for any assessment or reassessment of Taxes with respect to the Company and the Subsidiaries;

- (v) the Company and the Subsidiaries have established on their books and records reserves which are adequate for the payment of all Taxes not yet due and payable and there are no liens for Taxes on the assets of the Company or the Subsidiaries except for Taxes not yet due, and, to the Company's knowledge, there are no audits of any of the tax returns of the Company or the Subsidiaries pending, and there are no claims which have been or would reasonably be expected to be asserted relating to any such tax returns which, if determined adversely, would result in the assertion by any governmental agency of any deficiency which would have a Material Adverse Effect;
- (w) the auditors of the Company who audited the Annual Financial Statements and who provided their audit report thereon are independent public accountants as required under applicable Securities Laws;
- (x) since December 31, 2019, there has not been a "reportable event" (within the meaning of NI 51-102) with the present or former auditors of the Company;
- (y) the Company maintains a system of internal accounting controls sufficient to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS and provide reasonable assurance that (i) transactions are executed in accordance with the Company's management's general or specific authorizations, (ii) transactions are recorded as necessary to permit the preparation of financial statements for the Company in conformity with generally accepted accounting principles in Canada and to maintain asset accountability, (iii) access to the assets of the Company is permitted only in accordance with the Company's management's general or specific authorization, (iv) the recorded accountability for assets of the Company is compared with the existing assets of the Company at reasonable intervals and appropriate action is taken with respect to any differences;
- (z) there is not, in the constating documents nor in any Material Agreement, any restriction upon or impediment to, the declaration or payment of cash dividends by the directors of the Company or the payment of cash dividends by the Company to the holders of the Common Shares;
- (aa) neither the Company nor any Subsidiary is a party to or bound by or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Company or any Subsidiary to compete in any line of business, transfer or move any of its assets or operations or which has a Material Adverse Effect on the Company or any Subsidiary;
- (bb) each of the Company and each Subsidiary has conducted, and is conducting, its business in compliance in all material respects with all applicable laws and regulations of each jurisdiction in which it carries on business (including all

applicable federal, provincial, municipal and local environmental, anti-pollution and licensing laws, regulations and other lawful requirements of any governmental or regulatory body, including relevant exploration permits and concessions), and has not received a notice of non-compliance or any alleged violation of such laws and regulations, and does not know of, nor have reasonable grounds to know of, any facts that could give rise to a notice of material non-compliance with any such laws or regulations;

- (cc) the Company is in compliance in all material respects with corporate laws and its continuous disclosure obligations under Securities Laws and the information and statements in the Public Disclosure Documents were true and correct as of the respective dates of such information and statements and at the time such documents were filed on SEDAR, do not contain any misrepresentations and no material facts have been omitted therefrom which would make such information materially misleading, and the Company has not filed any confidential material change reports which remain confidential as of the date hereof. The Company is not aware of any circumstances presently existing under which liability is or would reasonably be expected to be incurred under Part 16.1 – Civil Liability for Secondary Market Disclosure of the *Securities Act* (British Columbia) and analogous provisions under Securities Laws in the other Canadian Selling Jurisdictions;
- (dd) the Company has filed all forms, reports, documents and information required to be filed by it, whether pursuant to applicable securities laws or otherwise, with the TSXV (or one of its predecessors) or the applicable securities regulatory authorities. As of the time the Public Disclosure Documents were filed with the applicable securities regulators and on SEDAR (or, if amended or superseded by a filing prior to the date of this Agreement, then on the date of such filing): (i) each of the Public Disclosure Documents complied in all material respects with the requirements of the applicable Securities Laws; and (ii) none of the Public Disclosure Documents contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading;
- (ee) there is no “material fact” or “material change” (as those terms are defined in the applicable Securities Laws) in the affairs of the Company that has not been generally disclosed to the public;
- (ff) neither the Company nor any Subsidiary is or has been in material violation of, in connection with the ownership, use, maintenance or operation of its Properties and assets, any applicable federal, provincial, state, municipal or local laws, by-laws, regulations, orders, policies, permits, licences, certificates or approvals having the force of law, domestic or foreign, relating to environmental, health or safety matters or hazardous or toxic substances or wastes, pollutants or contaminants (collectively, “**Environmental Laws**”). Without limiting the generality of the foregoing:

- (i) the Company or the Subsidiaries, as applicable, have occupied the Properties and have received, handled, used, stored, treated, shipped and disposed of all pollutants, contaminants, hazardous or toxic materials, controlled or dangerous substances or wastes in compliance in all material respects with all applicable Environmental Laws and have received all permits, licences or other approvals required under applicable Environmental Laws to conduct their business; and
 - (ii) there are no orders, rulings or directives and to the Company's knowledge there have been no past unresolved claims, complaints, notices or requests for information issued against the Company or the Properties or, to the knowledge of the Company, there are no pending administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, orders, directions, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against the Company, and there are no facts or circumstances which would reasonably be expected to form the basis for any such administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, orders, directions, notices of non-compliance or violation, investigation or proceedings;
- (gg) no notice with respect to any of the matters referred to in the immediately preceding paragraph, including any alleged violations by the Company or any Subsidiary with respect thereto has been received by the Company or any Subsidiary and no writ, injunction, order or judgement is outstanding, and no legal proceeding under or pursuant to any Environmental Laws or relating to the ownership, use, maintenance or operation of the Properties and assets of the Company or any Subsidiary is in progress, threatened or, to the Company's knowledge, pending, which would reasonably be expected to have a Material Adverse Effect on the Company, and, to the Company's knowledge, there are no grounds or conditions which exist, on or under any property now owned, operated or leased by the Company or any Subsidiary, on which any such legal proceeding would reasonably be expected to commence or with the passage of time, or the giving of notice or both, would reasonably be expected to give rise;
- (hh) except for such matters as would not, individually or in the aggregate, have a Material Adverse Effect, all mineral exploration and mining operations currently being conducted by the Company and each Subsidiary are being conducted pursuant to all applicable Environmental Laws and in accordance with acceptable environmental practices;
- (ii) (i) the Company and each Subsidiary is in compliance, in all material respects, with the provisions of all applicable federal, provincial, local and foreign laws and regulations respecting employment and employment practices, terms and conditions of employment and wages and hours; (ii) no collective labour dispute, grievance, arbitration or legal proceeding is ongoing, pending or, to the knowledge of the Company or any Subsidiary, threatened and no individual labour dispute, grievance, arbitration or legal proceeding is ongoing, pending or,

to the knowledge of the Company, threatened with any employee of the Company that would have a Material Adverse Effect, and, to the knowledge of the Company, none has occurred during the past year; and (iii) no union has been accredited or otherwise designated to represent any employees of the Company or any Subsidiary and, to the knowledge of the Company, no accreditation request or other representation question is pending with respect to the employees of the Company or any Subsidiary, and no collective agreement or collective bargaining agreement or modification thereof has expired or is in effect in any of the Company's or any Subsidiary's facilities and none is currently being negotiated by the Company or any Subsidiary;

- (jj) no existing supplier, manufacturer or contractor of the Company or any Subsidiary has indicated that it intends to terminate its relationship with the Company or any Subsidiary or that it will be unable to meet the Company's or any Subsidiary's requirements, except as would not have a Material Adverse Effect;
- (kk) neither the Company nor any Subsidiary is in default or breach, in any material respect, of any real property lease, and neither the Company nor any Subsidiary has received any notice or other communication from the owner or manager of any real property leased by the Company or any Subsidiary that the Company or any Subsidiary is not in compliance with any real property lease, and to the knowledge of the Company, no such notice or other communication is pending or has been threatened;
- (ll) all significant acquisitions completed by the Company of any securities, business or assets of any other entity have been fully and properly disclosed in the Public Disclosure Documents, were completed in material compliance with all applicable corporate and Securities Laws and all required corporate and regulatory approvals, consents, authorizations, registrations, and filings required in connection therewith were obtained and complied with;
- (mm) to the Company's knowledge, all operations on the Properties of the Company and each Subsidiary have been conducted and are currently conducted in all material respects in accordance with engineering practices consistent with industry standards and any applicable material workers' compensation, and health, safety and workplace laws, regulations and policies;
- (nn) the Company and each Subsidiary have all material licences, permits, approvals, consents, certificates, registrations and other authorizations (collectively the "**Permits**") under all applicable laws and regulations necessary for the operation of the businesses carried on by the Company and each Subsidiary and each Permit is valid, subsisting and in good standing and neither the Company nor any Subsidiary are in default or breach of any Permit, and to the Company's and any Subsidiary's knowledge, no proceeding is pending or threatened to revoke or limit any Permit;

- (oo) the title opinion to be delivered by the Company pursuant to the terms of this Agreement, covers all of the material claims and mining leases that comprise the Margarita Silver Project; the Don Julio Project (including San Gabriel, Lodo, Colorado, Heaven Hill, Fermin, La Gringa and other targets); and the El Fierro Project;
- (pp) there are no open fractional undersurface rights areas in respect of any of the Margarita Silver Project; the Don Julio Project (including San Gabriel, Lodo, Colorado, Heaven Hill, Fermin, La Gringa and other targets); and the El Fierro Project between the boundaries of the grants owned by the Subsidiaries that are not otherwise subject to a mineral claim tenure registered in the name of any Subsidiary as to an undivided 100% interest;
- (qq) to the best of the Company's knowledge, the Company and each Subsidiary have registered mineral claims over all geographic areas that are required for the exploration plans to be conducted with the gross proceeds of the Offering;
- (rr) the Company is a reporting issuer in the Reporting Jurisdictions and on the Closing Date will have been a reporting issuer in such provinces for at least four months. The Company is not included on a list of reporting issuers in default maintained by any of the Securities Regulators of the Reporting Jurisdictions;
- (ss) the Company and each Subsidiary do not have any loans or other indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, or any person not dealing at "arm's length" (as such term is defined in the Tax Act) with the Company or any Subsidiary;
- (tt) other than as disclosed to the Agents in writing, the Company and each Subsidiary have not guaranteed or indemnified or agreed to guarantee or indemnify any debt, liability or other obligation of any kind whatsoever of any person, firm or corporation whatsoever;
- (uu) the Company and each Subsidiary maintains insurance, issued by responsible insurers, against loss of, or damage to, its material assets including property and casualty insurance for all of their operations on a basis consistent with insurance obtained by reasonably prudent participants in a comparable business in comparable circumstances and all of the policies in respect of such insurance are in amounts and on terms that in the view of the Company's management are reasonable for the Company's operations and are in good standing in all respects and all such policies of insurance will at Closing continue to be in full force and effect; and the Company is not in default as to the payment of premiums or otherwise under the terms of any such policy;
- (vv) the Transfer Agent, at its principal office in the City of Vancouver, British Columbia has been duly appointed as transfer agent and registrar in respect of the Common Shares;

- (ww) other than the Agents, there are no persons acting or purporting to act at the request of or on behalf of the Company, that are entitled to any brokerage or finder's fee in connection with the transactions contemplated by this Agreement;
- (xx) other than the Company, there is no person that is or will be directly entitled to the proceeds from the sale of the Offered Securities pursuant to this Offering under the terms of any Debt Instrument or Material Agreement, or other instrument, agreement or document (written or unwritten);
- (yy) neither the Company nor any Subsidiary is a party to any Debt Instrument or any agreement, contract or commitment to create, assume or issue any Debt Instrument other than in the ordinary course of business;
- (zz) neither the Company, any Subsidiary, nor, to the knowledge of the Company, any other person is in default in the observance or performance of any material term or obligation to be performed by it under any Material Agreement, and no event has occurred which with notice or lapse of time or both would reasonably be expected to constitute such a default;
- (aaa) the minute books and records of the Company which the Company has made available to the Agents and their legal counsel in connection with their due diligence investigation of the Company, are all of the minute books and all of the records of the Company and contain copies of all proceedings (or certified copies thereof) of the shareholders, the board of directors and all committees of the board of directors of the Company to the date of review of such corporate records and minute books. All material transactions of the Company have been properly recorded in the minute books in all material respects;
- (bbb) there are no material actions, suits, judgments, investigations or proceedings of any kind whatsoever outstanding or, to the Company's knowledge, pending, threatened against or affecting the Company or any Subsidiary, or to the Company's knowledge, threatened or pending, against the Company or any Subsidiary at law or in equity or before or by any federal, provincial, state, municipal or other governmental department, commission, board, bureau or agency of any kind whatsoever;
- (ccc) there are no judgments against the Company or any Subsidiary which are unsatisfied, nor are there any consent decrees or injunctions to which the Company or any Subsidiary are subject;
- (ddd) the Company and each Subsidiary, as applicable, are the absolute legal and beneficial owner of, and has good and marketable title to all of the material property or assets thereof as described in the Public Disclosure Documents, including the Properties, as described in the Public Disclosure Documents, free of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever, other than those described in the Public Disclosure Documents, and no other rights are necessary for the conduct of the business of the Company or each Subsidiary as currently conducted or contemplated to be

conducted other than those described in the Public Disclosure Documents, the Company knows of no claim or basis for any claim that would reasonably be expected to materially adversely affect the right of the Company to use, transfer or otherwise exploit such property rights, other than those described in the Public Disclosure Documents, and the Company and each Subsidiary have no responsibility or obligation to pay any commission, royalty, licence fee or similar payment to any person with respect to the property rights thereof, except as described in the Public Disclosure Documents, and no person has any contract or any right or privilege capable of becoming a right to purchase any property or assets from the Company that would have a Material Adverse Effect;

- (eee) the Company and each Subsidiary, hold either freehold title, mining leases, mining concessions, mining claims or other conventional property, proprietary or contractual interests or rights, including access and surface rights, recognized in the jurisdiction in which the Properties are located in respect of the ore bodies and specified minerals located in the Properties in which the Company or each Subsidiary have an interest as described in the Public Disclosure Documents under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit the Company or each Subsidiary to access the Properties and explore and exploit the minerals relating thereto as are appropriate in view of their respective rights and interests therein; all such properties, leases, concessions or claims in which the Company and each Subsidiary have any interests or rights have been validly located and recorded in accordance with all applicable laws and are valid, subsisting and in good standing;
- (fff) the Company or a Subsidiary, as the case may be, validly holds the option and right to acquire an undivided 100% interest in the Option Properties, and the mineral rights (including any material claims, concessions, exploration licences, exploitation licences, prospecting permits, mining leases and mining rights, in each case, either existing under contract, by operation of Law or otherwise) (collectively, the “**Mineral Rights**”) with respect to the Option Properties, under valid, subsisting and enforceable title documents, contracts, leases, licenses of occupation, mining concessions, permits, or other recognized and enforceable instruments and documents, in each case, that is sufficient, to permit the Company or such Subsidiary, as the case may be, to explore for, extract, exploit, remove, process or refine the minerals relating thereto, subject only the existing royalty interests set out in the in the Public Disclosure Documents;
- (ggg) any and all of the agreements and other documents and instruments pursuant to which the Company and any Subsidiary holds their property and assets (including any interest in, or right to earn an interest in, any Property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, and neither the Company nor any Subsidiary is in default of any of the material provisions of any such agreements, documents or instruments or has any such default been alleged. None of the Properties (or any interest in, or right to earn an interest in, any

Property) of the Company and each Subsidiary are subject to any right of first refusal or purchase or acquisition rights other than as set forth in the Public Disclosure Documents;

- (hhh) the Company has disclosed all material information relating to the Properties and any other material mineral properties of the Company and any Subsidiary in the Public Disclosure Documents in compliance with Canadian Securities Laws and such disclosure remains true, complete and accurate in all material respects as of the date hereof;
- (iii) to the Company's knowledge there are no environmental audits, evaluations, assessments, studies or tests relating to the Company or the Subsidiaries, except for ongoing assessments conducted by or on behalf of the Company in the ordinary course;
- (jjj) no part of the Properties or the mining rights or permits of the Company or any Subsidiary have been taken, revoked, condemned, or expropriated by any Governmental Authority nor has any written notice or proceedings in respect thereof been given, or to the knowledge of the Company, been commenced, threatened, or is pending, nor does the Company or any Subsidiary have any knowledge of the intent or proposal to give such notice or commence any such proceedings;
- (kkk) there are no claims or actions with respect to indigenous rights currently outstanding, or to the best knowledge of the Company, threatened or pending, with respect to the Properties. No land entitlement claims have been asserted and no legal actions relating to indigenous issues have been instituted with respect to the Properties, and no material dispute in respect of the Properties with any local or indigenous group or other interest group exists or, to the knowledge of the Company, is threatened or imminent;
- (lll) the Company is in compliance in all material respects with NI 43-101 and has duly filed all reports required to be filed by the Company pursuant to NI 43-101, and all such reports comply in all material respects with the requirements of NI 43-101 and reasonably present the quantity of mineral resources attributable to the property evaluated therein as at the date stated therein based upon information available at the time such report was prepared;
- (mmm) the currently issued and outstanding Common Shares are, and at the time of issue of the Offered Securities will be, listed and posted for trading on the TSXV and no order ceasing or suspending trading in any securities of the Company or prohibiting the sale or trading of the Company's issued securities has been issued and no proceedings for such purpose are pending or, to the Company's knowledge, threatened;
- (nnn) the Company has not taken any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the TSXV

and the Company is currently in compliance with the rules and policies of the TSXV in all material respects;

- (ooo) to the knowledge of the Company, (i) there are no regulatory investigations commenced, pending or threatened against any of the Company's officers or directors and (ii) none of the officers or directors of the Company are now or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular stock exchange;
- (ppp) no proceedings have been taken, instituted or, to the Company's knowledge, are pending for the dissolution or liquidation of the Company or any Subsidiary;
- (qqq) to the knowledge of the Company, neither the Company nor any director, officer, employee, consultant, representative or agent of the Company or any Subsidiary, have (i) violated any anti-bribery or anti-corruption laws applicable to the Company or the Subsidiaries, including but not limited to the *Foreign Corrupt Practices Act of 1977* (United States) and the *Corruption of Foreign Public Officials Act* (Canada), or (ii) offered, paid, promised to pay, or authorized the payment of any money, or offered, given, promised to give, or authorized the giving of anything of value, that goes beyond what is reasonable and customary and/or of modest value: (A) to any government official, whether directly or through any other person, for the purpose of influencing any act or decision of a government official in his or her official capacity; inducing a government official to do or omit to do any act in violation of his or her lawful duties; securing any improper advantage; inducing a government official to influence or affect any act or decision of any Governmental Authority; or assisting any representative of the Company or any Subsidiary in obtaining or retaining business for or with, or directing business to, any person; or (B) to any person in a manner which would constitute or have the purpose or effect of public or commercial bribery, or the acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business or any improper advantage. Neither the Company nor any Subsidiary has and, to the knowledge of the Company no director, officer, employee, consultant, representative or agent of foregoing, has (i) conducted or initiated any review, audit, or internal investigation that concluded the Company, any Subsidiary, or any director, officer, employee, consultant, representative or agent of the Company or any Subsidiary violated such laws or committed any material wrongdoing, or (ii) made a voluntary, directed, or involuntary disclosure to any Governmental Authority responsible for enforcing anti-bribery or anti-corruption laws, in each case with respect to any alleged act or omission arising under or relating to non-compliance with any such laws, or received any notice, request, or citation from any person alleging non-compliance with any such laws;
- (rrr) the operations of the Company and each Subsidiary are and have been conducted at all times in all material respects in compliance with applicable financial recordkeeping and reporting requirements of the money laundering statutes of all

applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any applicable Governmental Authority (collectively, the “**Money Laundering Laws**”) and no action, suit or proceeding by or before any court of Governmental Authority or any arbitrator or non-Governmental Authority involving the Company or any Subsidiary with respect to the Money Laundering Laws is to the knowledge of the Company pending or threatened; and

- (sss) the Company or the Subsidiaries have not committed an act of bankruptcy or sought protection from the creditors thereof before any court or pursuant to any legislation, proposed a compromise or arrangement to the creditors thereof generally, taken any proceeding with respect to a compromise or arrangement, taken any proceeding to be declared bankrupt or wound up, taken any proceeding to have a receiver appointed of any of the assets thereof, had any person holding any encumbrance, lien, charge, hypothec, pledge, mortgage, title retention agreement or other security interest or receiver take possession of any of the property thereof, had an execution or distress become enforceable or levied upon any portion of the property thereof or had any petition for a receiving order in bankruptcy filed against it.

5. Covenants of the Company.

5.1 The Company hereby covenants to the Agents, the Subscribers and their respective permitted assigns and acknowledges that each of them is relying on such covenants in connection with the completion of the Offering that the Company shall:

- (a) for a period of two years following the Closing Date, use commercially reasonable efforts to maintain its status as a “reporting issuer” or the equivalent not in default in at least one of the Reporting Jurisdictions, 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 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);
- (b) for a period of two years following the Closing Date, use commercially reasonable efforts to maintain its listing on the TSXV, or on such other recognized stock exchange provided that this covenant shall not prevent the Company from completing any transaction which would result in the Company ceasing to be listed 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 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);

- (c) obtain any necessary regulatory approvals from the TSXV in connection with the sale of the Offered Securities hereunder on such conditions as are acceptable to the Agents and the Company, acting reasonably;
- (d) immediately send to the Agents and their legal counsel copies of all correspondence and filings to and correspondence from the Securities Regulators relating to the Offering;
- (e) permit the Agents and their legal counsel to participate fully in the preparation of any documents regarding the Offering and allow the Agents and their legal counsel to conduct such full and comprehensive review of the Company's business, capital and operations as the Agents consider necessary, acting reasonably;
- (f) use its commercially reasonable efforts to cause each of the directors and officers of the Company to execute a lock-up agreement in a form acceptable to the Agents, acting reasonably, providing that such individuals shall not sell or agree to sell any Common Shares or securities exchangeable or convertible into Common Shares held as of the Closing Date, for a period of 120 days following the Closing Date, without the prior consent of the Agents, such consent not to be unreasonably withheld or delayed;
- (g) the Company agrees not to issue, or announce the intention to issue, without the prior written consent of the Lead Agent (on behalf of the Agents), such consent not to be unreasonably withheld, delayed or conditioned any Common Shares or any securities convertible into or exchangeable for or exercisable to acquire Common Shares for a period of 120 days following the Closing Date except in connection with: (i) the grant or exercise of stock options and other similar issuances pursuant to the stock option plan of the Company and other share compensation arrangements outstanding as of the date hereof; (ii) warrants or other convertible securities outstanding as of the date hereof; (iii) as full or partial consideration for a bona fide, arm's length transaction relating to the business of the Company; (iv) as full or partial payment to bona fide consultants performing services for the Company; and (v) the issuance of Common Shares or securities convertible into or exchangeable for or exercisable to acquire Common Shares to third parties pursuant to existing rights of participation or other similar arrangements;
- (h) duly execute and deliver the Ancillary Documents (excluding the certificates representing the Warrant Shares, Broker Unit Shares, Broker Unit Warrants and Broker Unit Warrant Shares) at the Closing Time and shall comply with and satisfy all terms, conditions and covenants therein contained to be complied with or satisfied by the Company;
- (i) fulfil or cause to be fulfilled, at or prior to the Closing Date, each of the conditions set out in Section 8 hereof;

- (j) will ensure that the Unit Shares shall be duly and validly reserved, authorized and issued as fully paid and non-assessable shares in the capital of the Company;
- (k) will ensure that the Warrants, upon issuance, shall be duly and validly created, authorized and issued;
- (l) will ensure that the Warrant Shares shall be duly and validly authorized and reserved for issuance and, when issued following receipt of the exercise price thereof in accordance with the terms of the Warrant Indenture, shall be issued as fully paid and non-assessable shares in the capital of the Company;
- (m) will ensure that the Broker Warrants, upon issuance, shall be duly and validly created, authorized and issued;
- (n) will ensure that the Broker Unit Shares, shall be duly and validly authorized and reserved for issuance and, when issued following receipt of the exercise price of the Broker Units in accordance with the terms of the Broker Warrant, shall be issued as fully paid and non-assessable shares in the capital of the Company;
- (o) will ensure that the Broker Unit Warrants, shall be duly and validly authorized and reserved for issuance and, when issued following receipt of the exercise price of the Broker Units in accordance with the terms of the Broker Warrant, shall be duly and validly created, authorized and issued;
- (p) will ensure that the Broker Unit Warrant Shares, shall be duly and validly authorized and reserved for issuance and, when issued following receipt of the exercise price thereof in accordance with the terms of the Warrant Indenture, shall be issued as fully paid and non-assessable shares in the capital of the Company;
- (q) provide the Agents with draft press releases relating to the Offering and the opportunity to comment and obtain their prior approval, acting reasonably, to the form and content of any such press releases;
- (r) not take any action so as to require the filing of a prospectus with respect to the Offering;
- (s) take all such steps as may reasonably be necessary to enable the Offered Securities to be offered for sale and sold on a private placement basis to the Subscriber in accordance with the terms hereof by way of exemption under applicable Securities Laws and on the basis that the “hold period” under applicable Securities Laws applicable to the Unit Shares, Warrants and Warrant Shares issued as contemplated hereunder shall not exceed four months and a day, subject to any “control person” or escrow requirements applicable to the Subscriber; and
- (t) use commercially reasonable efforts to remain, for a period of a least 18 months after the Closing Date, a corporation validly subsisting under the laws of its

jurisdiction of incorporation, licensed, registered or qualified as an extra-provincial or foreign corporation in all jurisdictions where the character of its properties owned or leased or the nature of the activities conducted by it make such licensing, registration or qualification necessary and shall carry on its business in the ordinary course and in compliance in all material respects with all applicable laws, rules and regulations of each such jurisdiction.

6. Representations, Warranties and Covenants of the Agents.

Each of the Agents hereby severally, and not jointly nor jointly and severally, represents, warrants and covenants to the Company and acknowledges that the Company is relying upon such representations and warranties in completing the Offering, that:

- (a) in respect of the offer and sale of the Offered Securities, each Agent will conduct its activities in connection with the Offering and comply with all applicable Securities Laws and the provisions of this Agreement;
- (b) the Agents shall only sell the Offered Securities in accordance with Securities Laws and to persons who represent themselves as being:
 - (i) persons purchasing as principal or deemed to be purchasing as principal under Securities Laws or purchasing as authorized agents on behalf of a disclosed principal; and
 - (ii) qualified to purchase the Offered Securities under the applicable Requirements in the Selling Jurisdictions or in such other jurisdictions as may be agreed to by the Company and the Agents;
- (c) the Agents shall ensure that any dealer who is appointed by an Agent pursuant to this Agreement agrees in writing to comply with the covenants and obligations given by the Agents herein;
- (d) notwithstanding the foregoing provisions of this Section 6, an Agent will not be liable to the Company under this Section 6 with respect to a default under this Section 6 by another Agent;
- (e) at least one of the Agents is duly registered in the appropriate category of dealer under the Securities Laws in each of the Selling Jurisdictions, and in Selling Jurisdictions in which no Agent is so registered, the Agents will, if required by Securities Laws, act only through members of a selling group who are so registered;
- (f) it has not and will not solicit, offer, sell, trade, distribute or otherwise do any act in furtherance of a trade of the Offered Securities so as to require the filing of a prospectus or offering memorandum with respect thereto or the provision of a contractual right of action (as defined in Ontario Securities Commission Rule 14-501) under the laws of any jurisdiction;

- (g) none of the Agents, any of their respective affiliates or any person acting on behalf of the foregoing have made or will make (i) any offer to sell, or any solicitation of an offer to buy, any Offered Securities to a person in the United States or a U.S. Person; or (ii) any sale or facilitate any sale, as applicable, of Offered Securities to any person in the United States or a U.S. Person, except in compliance with Schedule "A" hereto;
- (h) neither the Agents nor their respective affiliates, or any person acting on behalf of the foregoing, have engaged or will engage in any Directed Selling Efforts;
- (i) no selling or promotional expenses will be paid or incurred in connection with the Offering, except for professional services or for services performed by a registered dealer;
- (j) it will not make available to prospective Subscribers any document or material that would constitute an offering memorandum, preliminary prospectus or prospectus, as applicable, as defined under the applicable Securities Laws and the United States federal and state securities laws nor will it conduct its activities so as to require the filing of a prospectus or offering memorandum and will cause similar covenants to be contained in any agreement with any selling firms in connection with the Offering;
- (k) it will not trade in Offered Securities or otherwise do any act in furtherance of a trade of Offered Securities outside of the Selling Jurisdictions, except as contemplated in the Subscription Agreements, this Agreement or otherwise with the prior consent of the Company, not to be unreasonably withheld or delayed;
- (l) it will not advertise the proposed sale of the Offered Securities in printed media of general and regular paid circulation, or broadcast over radio or television or otherwise conduct any seminar or meeting concerning the offer or sale of the Offered Securities where attendees have been invited by general solicitation or general advertising;
- (m) it will not solicit subscriptions for Offered Securities except in accordance with the terms and conditions of this Agreement;
- (n) it will obtain from each Subscriber an executed Subscription Agreement and such forms as may be required by the Governmental Authorities or other similar regulatory authority or the Company as supplied by the Company to such agent; and
- (o) it will provide or cause to be provided to the Company all necessary information in respect of such agent and the Subscribers to allow the Company to file, with the Governmental Authorities or other similar regulatory authority, if required, reports of the trades of the Offered Securities in accordance with applicable Securities Law and TSXV policies.

7. Closing Deliveries.

The Closing of the transactions contemplated under this Agreement shall be completed electronically, or at such other place that the Lead Agent, on behalf of the Agents, and the Company shall agree upon.

At or before the Closing Time, the Agents shall have delivered to the Company:

- (a) a completed and executed Subscription Agreement (including all certifications, forms and other documentation contemplated thereby or as may be required by applicable securities regulatory authorities) in a form acceptable to the Company, from each Subscriber;
- (b) a written direction for (i) the Agents' Fee and expenses payable by the Company to the Agents pursuant to this Agreement and (ii) the Broker Warrants issuable by the Company to the Agents pursuant to this Agreement; and
- (c) such further documentation as may be contemplated herein or as the Company may reasonably require.

At or before the Closing Time, the Company shall deliver to the Agents:

- (a) evidence of electronic deposit of the Offered Securities (excluding the Warrant Shares) registered as the Agents may direct;
- (b) payment of the Agents' Fee and expenses payable by the Company to the Agents pursuant to this Agreement;
- (c) issuance of the Broker Warrants issuable by the Company to the Agents pursuant to this Agreement;
- (d) the requisite documentation as contemplated in Section 8 of this Agreement; and
- (e) such further documentation as may be contemplated herein or as the Agents may reasonably require;

against payment by the Agents to the Company of the aggregate Offering Price for the Offered Securities (excluding the Warrant Shares) by wire transfer or certified cheque payable to the Company.

8. Closing Conditions

The Agents' obligation to complete the Offering shall be conditional upon the fulfilment at or before the Closing Time of the following conditions:

- (a) the Agents shall have received a certificate dated as of the Closing Date, signed by the Chief Executive Officer and the Chief Financial Officer of the Company, or such other officers of the Company as the Agents may agree, certifying for

and on behalf of the Company, to the best of their knowledge, information and belief after due inquiry, that:

- (i) no 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) 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, are contemplated or threatened by any regulatory authority;
 - (ii) the Company has duly complied with all the terms, covenants and conditions of this Agreement on its part to be complied with up to the Closing Time; and
 - (iii) the representations and warranties of the Company contained in this Agreement are true and correct as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transactions contemplated by this Agreement;
- (b) the Agents shall have received a certificate dated as of the Closing Date, signed by the appropriate officer of the Company addressed to the Agents and their counsel, with respect to the constating documents of the Company, all resolutions of the Company's board of directors relating to this Agreement and the transactions contemplated hereby, the incumbency and specimen signatures of signing officers and such other matters as the Agents may reasonably request;
- (c) the Agents have received satisfactory evidence that the TSXV policies relating to private placements have been complied with;
- (d) the Subscription Agreements shall have been executed and delivered by the parties thereto in form and substance satisfactory to the Agents and their counsel, acting reasonably;
- (e) the Agents shall have received a favourable legal opinion addressed to the Agents dated the Closing Date from counsel for the Company (it being understood that such counsel may rely to the extent appropriate in the circumstances, (i) as to matters of fact, on certificates of the Company executed on its behalf by a senior officer of the Company; (ii) as to matters of fact not independently established, on certificates of a public official or regulatory body; and (iii) as to matters of law, on consulting counsel in the applicable local jurisdictions) substantially with respect to the following matters:
- (i) the Company is a "reporting issuer" in British Columbia and Alberta;
 - (ii) the Company is a valid and existing company that is, with respect to the filing of annual reports, in good standing under the laws of British Columbia and has the corporate capacity to carry on its business as now conducted and to own, lease and operate its property and assets;

- (iii) as to the authorized and outstanding share capital of the Company;
- (iv) the Company has the corporate capacity and power to execute and deliver this Agreement and the Ancillary Documents and to perform its obligations hereunder and thereunder;
- (v) the Unit Shares have been duly and validly reserved, authorized and issued as fully paid and non-assessable shares in the capital of the Company;
- (vi) the Warrants have been duly and validly created, authorized and issued;
- (vii) the Warrant Shares have been authorized and reserved for issuance to the holders of the Warrants and, upon the due exercise of the 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;
- (viii) the Broker Warrants have been duly and validly created, authorized and issued;
- (ix) the Broker Unit Shares, have been duly and validly authorized and reserved for issuance and, when issued following receipt of the exercise price of the Broker Units in accordance with the terms of the Broker Warrant, shall be issued as fully paid and non-assessable shares in the capital of the Company;
- (x) the Broker Unit Warrants have been duly and validly authorized and reserved for issuance and, when issued following receipt of the exercise price of the Broker Units in accordance with the terms of the Broker Warrant, shall be duly and validly created, authorized and issued;
- (xi) the Broker Unit Warrant Shares, have been duly and validly authorized and reserved for issuance and, when issued following receipt of the exercise price thereof in accordance with the terms of the Warrant Indenture, shall be issued as fully paid and non-assessable shares in the capital of the Company;
- (xii) all necessary corporate action has been taken by the Company to authorize the execution and delivery of this Agreement and the Ancillary Documents, as applicable, and the performance of its obligations hereunder and thereunder, and each of the Subscription Agreements, the Warrant Indenture, the certificates representing the Offered Securities (excluding the Warrant Shares) and the certificates representing the Broker Warrants, as applicable, has been duly executed and delivered by the Company, and constitutes a legal, valid and binding obligation of the Company enforceable against it by the other parties thereto in accordance with their respective terms;

- (xiii) the execution and delivery of this Agreement and the Subscription Agreements and the performance by the Company of its obligations hereunder and thereunder, the issuance, sale and delivery of the Offered Securities to be issued and sold by the Company do not and will not result in a breach of or 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 default under, and do not and will not violate (i) the provisions of the BCBCA; or (ii) the constating documents of the Company;
- (xiv) all necessary corporate action has been taken by the Company to: (A) offer, issue and sell the Units; (B) issue and sell the Unit Shares (C) create, issue and sell the Warrants; (C) issue and deliver the Warrant Shares upon the due exercise of the Warrants in accordance with the terms of the Warrant Indenture; (D) create, issue and deliver the Broker Warrants; (E) issue and deliver the Broker Unit Shares; (F) create, issue and deliver the Broker Unit Warrants; and (G) issue and deliver the Broker Unit Warrant Shares upon the due exercise of the Broker Unit Warrants in accordance with the terms of the Warrant Indenture;
- (xv) the form and terms of the certificate(s) representing the Offered Securities and the Broker Warrants have been duly approved by the Company and comply with the provisions of the notice of articles and articles of the Company and the requirements of BCBCA;
- (xvi) Computershare Investor Services Inc. at its principal office in the City of Vancouver, British Columbia has been duly appointed as the transfer agent and registrar for the Common Shares;
- (xvii) Computershare Trust Company of Canada at its principal office in the City of Vancouver, British Columbia has been duly appointed as the Warrant Agent for the Warrants;
- (xviii) the offering, issuance and sale by the Company of the Unit Shares and the Warrants to the Subscribers, and the issuance of the Broker Warrants to the Agents, is exempt from the prospectus requirements of applicable Securities Laws of the Canadian Selling Jurisdictions and no documents are required to be filed, proceedings taken or approvals, permits, consents or authorizations obtained under the applicable Securities Laws of the Canadian Selling Jurisdictions to permit such offering, issuance and sale; it being noted, however, that the Company is required to file or cause to be filed with the applicable securities commissions, reports on Form 45-106F1 – *Report of Exempt Distribution*, prepared and executed pursuant to NI 45-106, together with the prescribed filing fee, within 10 days following the Closing Date;
- (xix) the issuance of the Warrant Shares to the Subscribers upon the due exercise of the Warrants in accordance with the terms and conditions of the Warrant Indenture is exempt from the prospectus requirements and

registration requirements under the applicable Securities Laws of the Canadian Selling Jurisdictions;

- (xx) the issuance of the Broker Unit Shares and Broker Unit Warrants to the Agents upon the due exercise of the Broker Warrants in accordance with the terms and conditions thereof is exempt from the prospectus requirements and registration requirements under the applicable Securities Laws of the Canadian Selling Jurisdictions;
- (xxi) the issuance of the Broker Unit Warrant Shares to the Agents upon the due exercise of the Broker Unit Warrants in accordance with the terms and conditions of the Warrant Indenture is exempt from the prospectus requirements and registration requirements under the applicable Securities Laws of the Canadian Selling Jurisdictions; and
- (xxii) the first trade of the Unit Shares, the Warrants, the Warrant Shares, the Broker Unit Shares, the Broker Unit Warrants and the Broker Unit Warrant Shares will be a distribution subject to the prospectus requirements under the Securities Laws of the Canadian Selling Jurisdictions, unless otherwise exempt from such prospectus requirement or unless at the time of such trade:
 - (A) the Company is and has been a reporting issuer (as defined under the applicable Securities Laws) in a jurisdiction of Canada for the four months immediately preceding the trade;
 - (B) at least four months have elapsed from the “distribution date” (as defined under NI 45-102) of the Offered Securities;
 - (C) the certificates representing the Offered Securities carry a legend stating “Unless permitted under securities legislation, the holder of this security must not trade the security before January 11, 2021”;
 - (D) if the security is entered into a direct registration or other electronic book-entry system, or if the Subscriber did not directly receive a certificate representing the security, the Subscriber received written notice containing the legend restriction notation set out in subparagraph (C) above;
 - (E) such trade is not a “control distribution” (as defined in the NI 45-102);
 - (F) no unusual effort is made to prepare the market or to create a demand for the securities that are the subject of such trade;
 - (G) no extraordinary commission or consideration is paid to a person or corporation in respect of such trade; and

- (H) if the selling securityholder is an insider or officer of the Company, the selling securityholder has no reasonable grounds to believe that the Company is in default of “securities legislation” (as defined in National Instrument 14-101 – *Definitions*).
- (f) if any Offered Securities are offered and sold in the United States, at the Closing Time, the Company will cause its U.S. counsel, Nauth LPC, to deliver to the Agents and the U.S. Affiliates a legal opinion dated the Closing Date, in form and substance satisfactory to the Agents, acting reasonably, and subject to such assumptions, qualifications and limitations as are reasonable and customary in legal opinions of this type, to the effect that it is not necessary in connection with the offer and sale of the Offered Securities by the Agents in the United States in the manner contemplated by this Agreement (including Schedule “A” hereto) and the Subscription Agreement, to register the Offered Securities under the U.S. Securities Act, it being understood that such counsel need not express any opinion as to any subsequent resale of any Offered Securities;
- (g) the Agents shall have received a Certificate of Good Standing (or equivalent) for the Company dated within one Business Day (or such earlier or later date as the Agents may accept) of the Closing Date;
- (h) the Agents shall have received a Certificate of Good Standing (or equivalent) for each of the Subsidiaries dated within ten Business Days (or such earlier or later date as the Agents may accept) of the Closing Date;
- (i) the Agents shall have received a title opinion dated as of the Closing Date from counsel satisfactory to the Agents, acting reasonably, addressed to the Agents, relating to each of the following Properties in form and substance satisfactory to the Agents and Agents’ counsel, acting reasonably: the Margarita Silver Project; the Don Julio Project (including San Gabriel, Lodo, Colorado, Heaven Hill, Fermin, La Gringa and other targets); and the El Fierro Project (including Bajo A and Bajo B targets). For greater certainty, such title opinions shall relate, without limitation, to: (i) title and Mineral Rights with respect to such Properties and the valid, subsisting and enforceable title documents, contracts, leases, licenses of occupation, mining concessions, permits, or other recognized and enforceable instruments and documents, in each case, that is sufficient, to permit the Company or a Subsidiary, as the case may be, to explore for, extract, exploit, remove, process or refine the minerals relating thereto; and (ii) any and all of the agreements and other documents and instruments pursuant to which the Company and any Subsidiary holds their property and assets (including any interest in, or right to earn an interest in, any Property);
- (j) the Agents shall not have exercised any rights of termination set forth in this Agreement;
- (k) the Agents shall have received a certificate from the Transfer Agent as to the number of Common Shares issued and outstanding as at a date no more than one Business Day prior to the Closing Date;

- (l) the Agents shall have received from the officers and directors, lock-up agreements pursuant to Section 5.1(f) of this Agreement, in favour of the Agents; and
- (m) the Warrant Indenture shall have been accepted, executed and delivered by the Company and the Warrant Agent.

9. All Terms to be Conditions.

The Company agrees that the conditions contained in this Agreement will be complied with insofar as the same relate to acts to be performed or caused to be performed by the Company and each of the Company and the Agents will use its respective commercially reasonable efforts to cause all such conditions to be complied with. It is understood that the Agents may waive, in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the rights of the Agents in respect of any such terms and conditions or any other subsequent breach or non-compliance, provided that to be binding on the Agents any such waiver or extension must be in writing.

10. Rights of Termination.

In addition to any other remedies which may be available to the Agents, each of the Agents shall have the right, at its sole option, to terminate its obligations under this Agreement (and the obligations of the Subscribers arranged by it to purchase Offered Securities) by written notice to that effect given to the Company at or prior to the Closing Time, if at any time prior to the Closing Time:

- (a) any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is instituted, announced or threatened or any order is issued by any Governmental Authority, including, without limitation, the TSXV, or otherwise in respect of the Company or any of its directors and officers (other than an inquiry, investigation, proceeding or order based upon the activities or alleged activities of the Agents); or there is any change of law, or the interpretation or administration thereof; or any order to cease trading (including communicating with persons in order to obtain expressions of interest) in the securities of the Company is made by a Governmental Authority and that order is still in effect, which in the reasonable opinion of the Agents operates such that it may prevent or restrict the trading in the securities of the Company including the Common Shares or the distribution of the Common Shares or which in the reasonable opinion of the Agents, acting in good faith, could be expected to have a Material Adverse Effect on the market price or value of the Common Shares by giving the Company written notice to that effect;
- (b) there shall exist any material fact or circumstance not disclosed as at the date hereof which, in the opinion of such Agents, results or could be expected to have a significant adverse effect on the market price or value of the Offered Securities;
- (c) there should develop, occur or come into effect or existence any event, action, state, condition or occurrence of national or international consequence, acts of

hostilities or escalation thereof or other calamity or crisis or any change or development involving a prospective change in national or international political, financial or economic conditions (including any material adverse development due to the COVID-19 outbreak that materially affects the operations of the Company after August 12, 2020) or any action, law, regulation or inquiry which, in the reasonable opinion of the Agents, materially adversely affects or involves, or may materially adversely affect or involve, the financial markets in Canada or the United States, or the business, operations or affairs of the Company or the market price or value of the Offered Securities (including the Common Shares) by giving the Company written notice to that effect;

- (d) there shall occur any material change or change in a material fact or a new material fact shall arise which, in the opinion of such Agent, would be expected to have a significant adverse effect on the business, operations or affairs of the Company or on the market price of the Common Shares or value of the Offered Securities; or
- (e) there is any material breach or failure by the Company to comply with any terms, conditions or covenants in this Agreement, or in the event that any representation or warranty given by the Company in this Agreement becomes false and is not rectified as at the Closing Time. An Agent may waive, in whole or in part, or extend the time for compliance with, any terms and conditions without prejudice to their respective rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance, provided that any such waiver or extension shall be binding upon such Agent only if the same is in writing and signed by it.

The rights of termination contained in subparagraphs 10(a), (b), (c), (d) and (e) above may be exercised by an Agent and are in addition to any other rights or remedies an Agent may have in respect of any default, act or failure to act or non-compliance by the Company in respect of any of the matters contemplated by the Agreement or otherwise. In the event of any such termination by an Agent, there shall be no further liability on the part of an Agent (or the Subscribers arranged by it) to the Company or on the part of the Company to an Agent except in respect of any liability which may have arisen or may arise after such termination in respect of Section 11 and Section 13.

The Agents shall make reasonable best efforts to give notice to the Company (in writing or by other means) of the occurrence of any of the events referred to in subparagraphs 10(a), (b), (c), (d) and (e), provided that neither the giving nor the failure to give such notice shall in any way affect the entitlement of the Agents to exercise their rights under subparagraphs 10(a), (b), (c), (d) and (e) at any time prior to or at the Closing Time on the Closing Date.

11. Expenses.

Whether or not the Offering is completed, the Company shall pay all expenses of or incidental to the offering and sale of the Offered Securities, including all reasonable “out of pocket” expenses of the Agents in relation to the Offering (including HST), including

all marketing related expenses, all reasonable fees of the Agents' counsel (up to a maximum of \$75,000, exclusive of Taxes and disbursements). Fees and expenses incurred by the Agents or on their behalf shall be payable by the Company in addition to any other fees payable under this Agreement and shall be payable by the Company on Closing and the Agents may deduct such amounts from the gross proceeds of the Offering.

12. Survival of Representations and Warranties.

All warranties, representations, 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 purchase and sale of the Offered Securities and survive for a period of two years following the Closing Date, except with respect to tax matters where the representations and warranties will continue to have full force and effect until expiry of a period of 60 days after the date on which the applicable limitation period expires for action by the applicable taxation authorities, and the Company and the Agents will be entitled to rely thereon, regardless of any subsequent disposition of the Offered Securities or any investigation by or on behalf of the Agents with respect thereto. Notwithstanding the preceding sentence, this Section 12 shall survive the purchase and sale of the Offered Securities and the termination of this Agreement and shall continue in full force and effect for the benefit of the Agents regardless of any subsequent disposition of the Offered Securities or any investigation by or on behalf of the Agents with respect thereto without limitation other than any limitation requirements of applicable law.

13. Indemnity.

The Company (the "**Indemnitor**") hereby agrees to indemnify and hold the Agents and their respective affiliates and the respective directors, officers, employees, agents and shareholders of the Agents and their respective affiliates, other than any person who is a Subscriber for Offered Securities (hereinafter referred to as the "**Personnel**") and, collectively, with the Agents, the "**Indemnified Parties**") harmless from and against any and all expenses, losses (other than loss of profits), claims, actions, damages or liabilities, whether joint or several (including the aggregate amount paid in reasonable settlement of any actions, suits, proceedings or claims) (collectively, the "**Claims**"), and the reasonable fees and expenses of their counsel that may be incurred in advising with respect to and/or defending any claim that may be made against the Agents, to which an Indemnified Party may become subject or otherwise involved in any capacity under any statute or common law or otherwise insofar as such Claims arise out of or are based, directly or indirectly, upon the performance of professional services rendered to the Indemnitor by the Agents hereunder, 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 Indemnified Party has been grossly negligent, engaged in wilful misconduct or has committed any fraudulent act in the course of such performance; and

- (b) the Claims, as to which indemnification is claimed, resulted primarily by the gross negligence, wilful misconduct or fraud referred to in (a) above.

If for any reason (other than the occurrence of any of the events itemized in (a) and (b) above), the foregoing indemnification is unavailable to an Indemnified Party or insufficient to hold it harmless, then the Indemnitor shall contribute to the amount paid or payable by such Indemnified Party as a result of such Claim in such proportion as is appropriate to reflect not only the relative benefits received by the Indemnitor on the one hand and the Indemnified Party on the other hand but also the relative fault of the Indemnitor and the Indemnified Party, as well as any relevant equitable considerations, provided that the Indemnitor shall, in any event, contribute to the amount paid or payable by the Indemnified Party as a result of such Claim, any excess of such amount over the amount of the fees received by the Agents pursuant to this Agreement.

The Company agrees to waive any right the Company might have of first requiring the Indemnified Party to proceed against or enforce any other right, power, remedy or security or claim payment from any other person before claiming under this indemnity.

The Indemnitor agrees that in case any legal proceeding shall be brought against the Indemnitor and/or an Indemnified Party by any governmental commission or regulatory authority or any stock exchange or other entity having regulatory authority, either domestic or foreign, shall investigate the Indemnitor and/or an Indemnified Party and any Indemnified Party 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 Indemnified Party shall have the right to employ its own counsel in connection therewith, and the reasonable fees and expenses of such counsel as well as the reasonable costs (including an amount to reimburse the Indemnified Party for time spent by it or its Personnel in connection therewith) and out-of-pocket expenses their per diem by its Personnel in connection therewith shall be paid by the Indemnitor as they occur, provided that in no circumstances will the Indemnitor be required to pay the fees and expenses of more than one legal counsel for all of the Agents and the Personnel.

Promptly after receipt of notice of the commencement of any legal proceeding against an Indemnified Party or after receipt of notice of the commencement of 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 the Company will undertake the investigation and defence thereof on behalf of the Indemnified Party, including the prompt employment of counsel acceptable to the Indemnified Parties affected and the payment of all expenses. Failure to so notify the Indemnitor shall not relieve the Indemnitor from liability except and only to the extent that the failure materially prejudices the Indemnitor.

No admission of liability and no settlement, compromise or termination of any Claim will be made without the Company's consent and the consent of the Indemnified Parties affected, such consents not to be unreasonably withheld; provided, however, that no consent of an Indemnified Party will be required if the Company has acknowledged in

writing that the Indemnified Parties are entitled to be indemnified in respect of such Claim and such settlement, compromise or termination includes an unconditional release of each Indemnified Party from any liability arising out of such Claim without any admission of negligence, misconduct, liability or responsibility by or on behalf of any Indemnified Party. Notwithstanding that the Company will undertake the investigation and defence of any Claim, an Indemnified Party will have the right to employ separate counsel with respect to any Claim and participate in the defence thereof, but the fees and expenses of such counsel will be at the expense of the Indemnified Party unless:

- (a) employment of such counsel has been authorized in writing by the Company;
- (b) the Company has not assumed the defence of the action within a reasonable period of time after receiving notice of the claim;
- (c) the named parties to any such claim include both the Company and the Indemnified Party and the Indemnified Party will have been advised by counsel to the Indemnified Party that there may be a conflict of interest between the Company and the Indemnified Party; or
- (d) there are one or more defences available to the Indemnified Party which are different from or in addition to those available to the Company;

in which case such fees and expenses of such counsel to the Indemnified Party will be for the Company's account, provided that the Company shall not be responsible for the fees or expenses of more than one legal firm in any single jurisdiction for all of the Indemnified Parties. The rights accorded to the Indemnified Parties hereunder will be in addition to any rights an Indemnified Party may have at common law or otherwise.

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 their respective affiliates and shall be binding upon and enure to the benefit of any successors, assigns, heirs and personal representatives of the Indemnitor, the Agents, their respective affiliates and any of the Personnel of the Agents. The foregoing provisions shall survive the completion of professional services rendered under this Agreement or any termination thereof.

14. Action by Agents.

All steps which must or may be taken by the Agents in connection with this Agreement, with the exception of the matters relating to termination contemplated by Section 10 or matters relating to indemnity and contribution contemplated by Section 13, may be taken by the Lead Agent, on behalf of itself and the Agents, and the execution and delivery of this Agreement by the Company and the Agents shall constitute the authority of the Company for accepting any notice, request, direction, certificate, consent or other communication from the Lead Agent and for delivery by electronic deposit or otherwise the Offered Securities and Broker Warrants, to the Lead Agent.

15. Obligation of the Agents to be Several.

In performing their respective obligations under this Agreement, the Agents shall be acting severally and not jointly and severally. Nothing in this Agreement is intended to create any relationship in the nature of a partnership, or joint venture between the Agents. The Agents' respective obligations hereunder shall be as to the following percentages:

<u>Name of Agents</u>	<u>Syndicate Position</u>
Sprott Capital Partners	80%
Haywood Securities Inc.	20%
	100%

16. No Fiduciary Relationship.

The Company: (i) acknowledges and agrees that the Agents have certain statutory obligations as registered dealers under the Securities Laws and have relationships with their clients; and (ii) consents to the Agents acting hereunder while continuing to act for their clients. To the extent that the Agents' statutory obligations as registered dealers under Securities Laws or relationships with their clients conflicts with their obligations hereunder, the Agents shall be entitled to fulfil their statutory obligations as registered dealers under Securities Laws and their obligations to their clients. Nothing in this Agreement shall be interpreted to prevent the Agents from fulfilling their statutory obligations as registered dealers under Securities Laws or to act for their clients. Nothing in this Agreement or the nature of the Agents' involvement in the Offering shall be deemed to create a fiduciary or advisory relationship between the Agents and the Company or its shareholders, creditors, employees or any other party. The Agents have not provided any legal, accounting, regulatory, or tax advice with respect to the Offering.

17. Notices.

Any notice or other communication to be given under this Agreement (a "**notice**") shall be in writing addressed as follows.

(a) If to the Company, to:

Sable Resources Ltd.
999 West Hastings Street, Suite 900
Vancouver, BC V6C 2W2

Attention: Ruben Padilla, President, Chief Executive Officer and
Director

E-mail: ruben.padilla@sableresources.com

with a copy to:

Cassels Brock & Blackwell LLP
40 King Street West, Suite 2100

Toronto, ON M5H 3C2

Attention: Jay Goldman
E-mail: jgoldman@cassels.com

If to the Agents, to:

Sprott Capital Partners LP
Royal Bank Plaza, South Tower
200 Bay Street, Suite 2600
Toronto, ON M5J 2J1

Attention: David Wargo, Managing Director and Head of Investment Banking
Email: dwargo@sprott.com

with a copy to:

Fasken Martineau DuMoulin LLP
First Canadian Centre
350 – 7th Avenue SW, Suite 3400
Calgary, AB T2P 3N9

Attention: Sarah Gingrich
Email: sgingrich@fasken.com

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

Each notice shall be personally delivered to the addressee or sent by e-mail to the addressee and (i) a notice which is personally delivered shall, if delivered on a Business Day, be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is delivered; and (ii) a notice which is sent by email shall be deemed to be given and received on such Business Day provided it is sent before 4:00 p.m. (in the jurisdiction where the addressee resides).

18. Time of the Essence.

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

19. Canadian Dollars.

All references herein to dollar amounts are to lawful money of Canada.

20. Headings.

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

21. 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.

22. Entire Agreement.

This Agreement, together with any other agreements and other documents referred to herein and delivered in connection herewith, constitutes the entire agreement between and among the parties hereto pertaining to the issue and sale of the Offered Securities and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, among the parties with respect to the issue and sale of the Offered Securities including, without limitation, the engagement letter between the Company and the Lead Agent dated August 12, 2020 as amended August 14, 2020.

23. 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.

24. Governing Law.

This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

25. Successors and Assigns.

The terms and provisions of this Agreement shall be binding upon and enure to the benefit of the Company, the Agents and the Subscribers 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.

26. 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.

27. General.

The forbearance or failure of one of the parties hereto to insist upon strict compliance by the other with any provision of this Agreement, whether continuing or not, shall not be construed as a waiver of any rights or privileges hereunder. No waiver of any right or privilege of a party arising from any default or failure hereunder of performance by the

other shall affect such party's rights or privileges in the event of a further default or failure of performance.

28. Counterparts.

This Agreement may be executed in any number of counterparts and by e-mail, each of which so executed shall constitute an original and all of which taken together shall form one and the same agreement.

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

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

Yours very truly,

SPROTT CAPITAL PARTNERS LP

Per: "*David Wargo*"

Name: David Wargo

Title: Managing Director and Head of
Investment Banking

HAYWOOD SECURITIES INC.

Per: "*Ryan Matthiesen*"

Name: Ryan Matthiesen

Title: Managing Director, Investment
Banking

The foregoing is hereby accepted and agreed to with effect as of the date provided at the top of the first page of this Agreement.

SABLE RESOURCES LTD.

Per: "*Ruben Padilla*"

Name: Ruben Padilla

Title: President, Chief Executive Officer
and Director

SCHEDULE "A"

UNITED STATES OFFERS AND SALES

This is Schedule "A" to the Agency Agreement dated as of September 10, 2020 between Sable Resources Ltd. and the Agents referenced therein.

As used in this Schedule "A" and related appendices, capitalized terms used but not defined herein will have the meanings ascribed to them in the Agency Agreement to which this Schedule "A" is annexed and the following terms will have the meanings indicated:

"Affiliate" means "affiliate" as that term is defined in Rule 405 under the U.S. Securities Act;

"Foreign Issuer" means a "foreign issuer" as that term is defined in Rule 902(e) of Regulation S;

"General Solicitation" and **"General Advertising"** mean "general solicitation" and "general advertising", respectively, as those terms are used under Rule 502(c) of Regulation D promulgated under the U.S. Securities Act, including, without limitation, advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over television, radio or the Internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising;

"Offshore Transaction" means "offshore transaction" as that term is defined in Rule 902(h) of Regulation S;

"QIB Letter" means the Qualified Institutional Buyer Letter in the form attached as Schedule G to the Subscription Agreement;

"Substantial U.S. Market Interest" means "substantial U.S. market interest" as that term is defined in Rule 902 of Regulation S; and

"U.S. Accredited Investor Certificate" means the U.S. Accredited Investor Certificate in the form attached Schedule F to the Subscription Agreement.

Representations, Warranties and Covenants of the Agents

Each of the Agents (on its own behalf and on behalf of its U.S. Affiliate) acknowledges that the Offered Securities have not been and will not be registered under the U.S. Securities Act or applicable state securities laws and may be offered and sold only in transactions exempt from or not subject to the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, each Agent (on its own behalf and on behalf of its U.S. Affiliate) severally and not jointly represents, warrants, covenants and agrees to and with the Company that:

1. Neither the Agent nor its U.S. Affiliate has offered or sold nor will any of them offer or sell any Offered Securities except (a) in an Offshore Transaction, in accordance with Rule 903 of Regulation S or (b) in the United States to a Subscriber that is a Qualified Institutional Buyer or a U.S. Accredited Investor pursuant to the exemption from registration available under Rule 506(b), and in each case in transactions that are exempt from the registration requirements of applicable state securities laws, as provided in this Schedule "A". Accordingly, none of the Agents, the U.S. Affiliates or any of their respective affiliates or any persons acting on their behalf (including any selling firms) (i) have engaged or will engage in any Directed Selling Efforts in the United States with respect to the Offered Securities; or (ii) except as permitted by

- this Schedule “A”, have made or will make (x) any offers to sell Offered Securities in the United States or to, or for the account or benefit of, U.S. Persons or (y) any sale of Offered Securities unless at the time the purchaser made its buy order therefor, the Agent, the U.S. Affiliate or other person acting on any of their behalf reasonably believed that such purchaser was outside the United States and not a U.S. Person or acting for the account or benefit of a U.S. Person.
2. Neither the Agent nor its U.S. Affiliate has entered nor will any of them enter into any contractual arrangement with respect to the offer, sale or any distribution of the Offered Securities, except with the prior written consent of the Company, such consent not to be unreasonably withheld.
 3. All offers and sales of Offered Securities in the United States have been and will be made through the Agent’s U.S. Affiliate which in each case is and at all relevant times was and will be a broker-dealer registered pursuant to Section 15(b) of the U.S. Exchange Act and in good standing with the Financial Industry Regulatory Authority Inc., and otherwise in compliance with all applicable U.S. broker-dealer requirements (including those of self-regulatory authorities) and U.S. Securities Laws, and all such offers and sales of Offered Securities have been and will be made only in states of the United States where such U.S. Affiliate is registered or otherwise exempt from registration.
 4. In connection with offers and sales of Offered Securities in the United States no form of General Solicitation or General Advertising has been or will be used. Neither the Agent, its U.S. Affiliate, their respective affiliates or any persons acting on their behalf (including any selling firms) have engaged or will engage in any conduct involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act in connection with the offer or sale of the Offered Securities in the United States.
 5. Any offer or solicitation of an offer to buy Offered Securities that has been made or will be made in the United States was or will be made only to Qualified Institutional Buyers or U.S. Accredited Investors with whom, in each case, such Agent, its U.S. Affiliate or the Company has a pre-existing relationship prior to such offer or solicitation and a reasonable basis for believing to be a Qualified Institutional Buyer or U.S. Accredited Investor, as applicable.
 6. The Agent, through its U.S. Affiliate, will inform all purchasers of the Offered Securities in the United States, and all purchasers of Offered Securities that were offered Offered Securities in the United States, that the Offered Securities have not been and will not be registered under the U.S. Securities Act and the Offered Securities are being offered and sold to such persons in reliance on Rule 506(b) of Regulation D and similar exemptions under applicable state securities laws.
 7. Each person purchasing Offered Securities in the United States and each purchaser of Offered Securities who was offered Offered Securities in the United States will be, prior to the sale of Offered Securities to such persons, required to execute either a U.S. Accredited Investor Certificate in the form of Schedule F attached to the Subscription Agreement or a QIB Letter in the form of Schedule G attached to the Subscription Agreement. Prior to any offer or sale of Offered Securities to each offeree in the United States, such Agent and its U.S. Affiliate each had reasonable grounds to believe and did believe that each such offeree was either a Qualified Institutional Buyer or U.S. Accredited Investor, and at the Closing will continue to have reasonable grounds to believe and will continue to believe that each person purchasing Offered Securities in the United States and each purchaser of Offered Securities who was offered Offered Securities in the United States is a Qualified Institutional Buyer or a U.S. Accredited Investor.

8. All offers and sales of Offered Securities made outside the United States by the Agent, its U.S. Affiliate, their respective affiliates or any persons acting on their behalf (including any selling firms) have been and will be made in Offshore Transactions within the meaning of Regulation S.
9. If the Agents authorize any selling firm to offer and sell Offered Securities in the United States, the Agents will cause each such selling firm to acknowledge in writing, for the benefit of the Company, its agreement to be bound by the provisions of this Schedule "A" in connection with all offers and sales of the Offered Securities in the United States. Each Agent will cause its U.S. Affiliate to comply with, and will use its best efforts to ensure compliance by the selling firms, with the provisions of this Schedule "A" as though such parties are directly party hereto.
10. Offers to sell and solicitations of offers to buy the Offered Securities in the United States have been and will be made pursuant to and in accordance with exemptions from the registration or qualification requirements of all applicable state securities ("Blue Sky") laws.
11. It acknowledges that until 40 days after the Closing of the offering of the Offered Securities, an offer or sale of the Offered Securities within the United States, or to or for the account or benefit of, a person in the United States or a U.S. Person, by any dealer (whether or not participating in this offering) may violate the registration requirement of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an exemption from the registration requirement of the U.S. Securities Act.
12. Neither the Agent nor the U.S. Affiliate has taken or will take any action that would constitute a violation of Regulation M of the U.S. Exchange Act in connection with the offer or sale of the Offered Securities.
13. As of the Closing Date, with respect to Offered Securities to be offered and sold hereunder to U.S. Accredited Investors in reliance on Rule 506(b) of Regulation D (the "**Regulation D Securities**"), the Agent represents that none of (i) the Agent or the U.S. Affiliate, (ii) the Agent or the U.S. Affiliate's general partners or managing members, (iii) any of the Agent's or the U.S. Affiliate's directors, executive officers or other officers participating in the offering of the Regulation D Securities, (iv) any of the Agent's or U.S. Affiliate's general partners' or managing members' directors, executive officers or other officers participating in the offering of the Regulation D Securities or (v) any other person associated with any of the above persons, including any selling firm and any such persons related to such selling firm, that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with sale of Regulation D Securities (each, a "**Dealer Covered Person**" and, collectively, the "**Dealer Covered Persons**"), is subject to disqualifications under Rule 506(d) of Regulation D.
14. At least one Business Day prior to the Closing, the Agent and its U.S. Affiliate will provide the Company with (a) a list of all purchasers of the Offered Securities in the United States and all purchasers of Offered Securities who were offered Offered Securities in the United States, and (b) all executed QIB Letters in the form attached as Schedule "G" to the Subscription Agreement or U.S. Accredited Investor Certificate in the form attached as Schedule "F" to the Subscription Agreement.
15. At the Closing, the Agent and its U.S. Affiliate will provide a certificate, substantially in the form of Appendix I attached hereto, relating to the manner of the offer of the Offered Securities in the United States, or such persons will be deemed to have represented to the Company that they did not offer or sell any Offered Securities in the United States.

Representations, Warranties and Covenants of the Company

The Company represents, warrants and covenants to the Agents and the U.S. Affiliates that:

1. The Company is a Foreign Issuer and reasonably believes that there is no Substantial U.S. Market Interest in the Offered Securities.
2. Except with respect to offers and sales in accordance with this Schedule "A" to Qualified Institutional Buyers or U.S. Accredited Investors pursuant to the exemption from registration available under Rule 506(b) of Regulation D, neither the Company nor any of its affiliates, nor any person acting on its or their behalf (other than the Agents, the U.S. Affiliates, selling firms their respective affiliates or any person acting on 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 Offered Securities to a person in the United States, or (B) any sale of Offered Securities unless, at the time the buy order was or will, have been originated, the purchaser is (i) outside the United States or (ii) the Company, its affiliates, and any person acting on their behalf reasonably believe that the purchaser is outside the United States and not a U.S. Person or acting for the account or benefit of a U.S. Person.
3. All offers and sales of Offered Securities made outside the United States by the Company, any of its affiliates or any person acting on its or their behalf (other than the Agents, their affiliates (including, without limitation, the U.S. Affiliates, selling firms their respective affiliates or any person acting on their behalf, in respect of which no representation is made), have been and will be made in Offshore Transactions within the meaning of Regulation S. None of the Company, its affiliates, or any person acting on its or their behalf (other than the Agents, their affiliates (including, without limitation, the U.S. Affiliates, selling firms their respective affiliates or any person acting on their behalf, in respect of which no representation is made), has made or will make any Directed Selling Efforts in the United States with respect to the Offered Securities.
4. None of the Company, its affiliates, or any person acting on its or their behalf, has taken or will take any action that would cause the exemption from the registration requirements of the U.S. Securities Act afforded by Rule 506(b) of Regulation D or the exclusion from registration provided by Rule 903 of Regulation S to be unavailable for offers and sales of the Offered Securities pursuant to this Agreement.
5. None of the Company, any of its affiliates or any person acting on its or their behalf (other than the Agents, their affiliates (including, without limitation, the U.S. Affiliates, selling firms their respective affiliates or any person acting on their behalf, in respect of which no representation is made) has offered or will offer to sell, or has solicited or will solicit offers to buy, Offered Securities in the United States by means of 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. Since the date that is six months prior to start of the offering of the Offered Securities it has not sold, offered for sale or solicited any offer to buy, and it will not sell, offer for sale or solicit any offer to buy, any of its securities in a manner that would be integrated with the offer and sale of the Offered Securities and would cause the exemption from registration set forth in Rule 506(b) of Regulation D or the exclusion from registration set forth in Rule 903 of Regulation S to become unavailable with respect to the offer and sale of the Offered Securities;

7. None of the Company or 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.
8. With respect to Offered Securities offered and sold hereunder to U.S. Accredited Investors in reliance on the Rule 506(b) of Regulation D (the “**Regulation D Securities**”), none of the Company, any of its predecessors, any affiliated issuer issuing Regulation D Securities, any director, executive officer or other officer of the Company participating in the offering of Regulation D Securities, any beneficial owner of 20% or more of the Company’s outstanding voting equity securities, calculated on the basis of voting power, or 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 Regulation D Securities (but excluding any Dealer Covered Person, as to whom no representation, warranty or covenant is made) (each, an “**Issuer Covered Person**”) is subject to any of the “Bad Actor” disqualifications described in Rule 506(d)(1)(i) to (viii) of Regulation D (a “**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 Issuer Covered Person is subject to a Disqualification Event. If applicable, the Company has complied with its disclosure obligations under Rule 506(e) under Regulation D, and has furnished to the Agent and its U.S. Affiliate(s) a copy of any disclosures provided thereunder.
9. The Company is not aware of any person (other than the Agent, its U.S. Affiliate and any selling person that has made in writing, in favour of the Company) that has been or will be paid (directly or indirectly) remuneration for solicitation of purchasers in connection with the sale of any Regulation D Securities.
10. The Company will, within the prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or any state securities laws in connection with the sale of the Offered Securities.

APPENDIX I

AGENT'S CERTIFICATE

In connection with the private placement in the United States of Offered Securities of Sable Resources Ltd. (the "**Company**"), pursuant to an agency agreement (the "**Agency Agreement**") dated as of September 10, 2020, among Sprott Capital Partners LP and Haywood Securities Inc. (collectively, the "**Agents**") and the Company, the undersigned hereby certify as follows:

1. [●] (the "**U.S. Affiliate**") is a duly registered broker or dealer pursuant to Section 15(b) of the U.S. Securities Exchange Act of 1934, as amended, and under the laws of each applicable state of the United States (unless exempted from the respective state's broker-dealer registration requirements), and was and is a member of, and in good standing with, the Financial Industry Regulatory Authority, Inc. on the date hereof and on the date of each offer and sale made by it in the United States and all offers and sales of Offered Securities in the United States have been effected by the U.S. Affiliate in accordance with all U.S. federal and state broker-dealer requirements;
2. all offers of Offered Securities in the United States were made only through the U.S. Affiliate and to Qualified Institutional Buyers or U.S. Accredited Investors and have been effected in accordance with all applicable U.S. broker-dealer requirements and U.S. Securities Laws;
3. immediately prior to offering or soliciting offers for the Offered Securities in the United we had reasonable grounds to believe and did believe that each offeree was either a Qualified Institutional Buyer or U.S. Accredited Investor, and, on the date hereof, we continue to believe that each such person purchasing Offered Securities from the Company is either a Qualified Institutional Buyer or U.S. Accredited Investor;
4. we obtained from each person in the United States that is purchased Offered Securities, either an executed (i) U.S. Accredited Investor Certificate in the form of Schedule "F" attached to the Subscription Agreement, or (ii) a QIB Letter in the form of Schedule "G" attached to the Subscription Agreement, and we have delivered copies of the same to the Company;
5. no form of General Solicitation or General Advertising was used by us, in connection with the offer of the Offered Securities in the United States;
6. neither we nor any of our U.S. Affiliates have taken or will take any action which would constitute a violation of Regulation M of the U.S. Exchange Act in connection with the offer or sale of the Offered Securities;
7. no Dealer Covered Person is subject to disqualifications under Rule 506(d) of Regulation D; and
8. all offers of the Offered Securities in the United States have been conducted by us in accordance with the terms of the Agency Agreement, including Schedule "A" thereto.

[Signature Page Follows]

Dated this __ day of _____, 2020.

[•]

[•]

Per: _____
Authorized Signing Officer

Per: _____
Authorized Signing Officer