

REDACTED VERSION

SHARE PURCHASE AGREEMENT

between

ABERDEEN INTERNATIONAL INC.

and

LITHIUM X ENERGY CORP.

dated as of

JUNE 28, 2017

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SHARE PURCHASE AGREEMENT

This Share Purchase Agreement (this "**Agreement**"), dated as of June 28, 2017 is entered into between Aberdeen International Inc., a corporation existing pursuant to the laws of the province of Ontario ("**Vendor**") and Lithium X Energy Corp., a corporation existing pursuant to the laws of the province of British Columbia ("**Purchaser**").

RECITALS

WHEREAS, Vendor owns 33,949,500 shares in the capital of Potasio y Litio de Argentina S.A., (the "**Corporation**") a corporation existing pursuant to the laws of Argentina;

WHEREAS, Vendor and Purchaser are parties to a share purchase agreement dated April 15, 2016 (the "**2016 SPA**"), pursuant to which Vendor sold to Purchaser, and Purchaser purchased from Vendor, 50% of the issued and outstanding shares in the capital of the Corporation, and obtained the option to purchase an additional 30% of the outstanding shares;

WHEREAS, on completion of the transactions contemplated in the 2016 SPA, Vendor and Purchaser entered into: (1) a unanimous shareholders agreement dated April 15, 2016 (the "**2016 SHA**") governing their joint ownership of the Corporation; (2) a right of first refusal agreement dated April 15, 2016 (the "**2016 ROFR**"), and Vendor and certain shareholders of Purchaser entered into a pooling agreement dated April 15, 2016 (the "**2016 PA**"); and

WHEREAS, Vendor wishes to sell to Purchaser, and Purchaser wishes to purchase from Vendor, Vendor's entire remaining equity interest in the Corporation;

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I DEFINITIONS

The following terms have the meanings specified or referred to in this **Article I** Definitions:

"**2016 Disclosure Schedules**" means the disclosure schedules to the 2016 SPA.

"**2016 PA**" has the meaning set forth in the recitals.

"**2016 ROFR**" has the meaning set forth in the recitals.

"**2016 SHA**" has the meaning set forth in the recitals.

"2016 SPA" has the meaning set forth in the recitals.

"Action" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena, notice of assessment, notice or reassessment or investigation of any nature, civil, criminal, administrative, investigative, regulatory or otherwise, whether at law or in equity.

"Affiliate" of a Person means any other Person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with, such Person. The term "control" (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

"Agreement" has the meaning set forth in the preamble.

"Business Day" means any day except Saturday, Sunday or any other day on which commercial banks located in Buenos Aires, Argentina, Toronto, Ontario or Vancouver, British Columbia are authorized or required by Law to be closed for business.

"Closing" has the meaning set forth in **Section 2.05**.

"Closing Date" has the meaning set forth in **Section 2.05**.

"Closing Shares" has the meaning set forth in **Section 2.02**.

"Contaminant" means: means any contaminant, pollutant, dangerous substance, liquid waste, industrial waste, hauled liquid waste, toxic substance, special waste, hazardous waste, hazardous material or hazardous substance as defined in or pursuant to any Environmental Laws, law, judgment, decree, order, injunction, rule, statute or regulation of any court, arbitrator or Governmental Authority.

"Contracts" means all contracts, leases, deeds, mortgages, licences, instruments, notes, commitments, undertakings, indentures, joint ventures and all other agreements, commitments and legally binding arrangements, whether written or oral.

"Corporation" has the meaning set forth in the recitals.

"Diablillos Project" means the Corporation's Sal de los Angeles lithium-potash brine project located in Argentina, as more particularly described in Section 3.12(a) of the 2016 Disclosure Schedules.

"Direct Claim" has the meaning set forth in **Section 7.05(c)**.

"Dollars or \$" means the lawful currency of Canada.

"Employment Law" means all the Laws relating to employment and labour, including those relating to wages, hours of work, employment or labour standards, collective bargaining, labour or industrial relations, pension benefits, human rights, pay

equity, employment equity, workers compensation, workplace safety and insurance, employer health tax, employment or unemployment insurance, income tax withholdings, the Canada Pension Plan, occupational health and safety and hazardous substances.

"Encumbrance" means any charge, claim, adverse claim, pledge, hypothec, condition, equitable interest, lien (statutory or other), option, security interest, mortgage, easement, encroachment, right of way, right of first refusal, right of first option or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership.

"Environmental Claim" means any Action, Governmental Order, lien, fine, penalty, or, as to each, any settlement or judgment arising therefrom, by or from any Person alleging liability of whatever kind or nature (including liability or responsibility for the costs of enforcement proceedings, investigations, cleanup, governmental response, removal or remediation, natural resources damages, property damages, personal injuries, medical monitoring, penalties, contribution, indemnification and injunctive relief) arising out of, based on or resulting from: (a) the presence, release of, or exposure to, any Contaminant; or (b) any actual or alleged non-compliance with any Environmental Law or term or condition of any Environmental Permit.

"Environmental Law" means any applicable Law, and any Governmental Order or binding agreement with any Governmental Authority: (a) relating to pollution (or the cleanup thereof) or the protection of natural resources, endangered or threatened species, human health or safety, or the environment (including ambient air, soil, surface water or groundwater, or subsurface strata); or (b) concerning the presence of, exposure to, or the management, manufacture, use, containment, storage, recycling, reclamation, reuse, treatment, generation, discharge, transportation, processing, production, disposal or remediation of any Contaminant.

"Environmental Notice" means any written directive, notice of violation or infraction, or notice from a Governmental Authority respecting any Environmental Claim relating to actual or alleged non-compliance with any Environmental Law or any term or condition of any Environmental Permit.

"Environmental Permit" means any Permit, letter, clearance, consent, waiver, closure, exemption, decision or other action required under or issued, granted, given, authorized by or made pursuant to Environmental Law.

"Governmental Authority" means any federal, provincial, territorial, municipal, state or foreign government or political subdivision thereof, or any department, body, ministry, board, commission, bureau, agency or instrumentality of such government or political subdivision, or any self-regulated organization or other non-governmental regulatory authority or quasi-governmental authority (to the extent that the rules, regulations or orders of such organization or authority have the force of Law), or any arbitrator, court or tribunal of competent jurisdiction.

"Governmental Order" means any order, writ, judgment, injunction, decree, stipulation, determination or award entered by or with any Governmental Authority.

"IFRS" means International Financial Reporting Standards, which include standards and interpretations adopted by the International Accounting Standards Board applied on a consistent basis.

"Indemnified Party" has the meaning set forth in **Section 7.05**.

"Indemnifying Party" has the meaning set forth in **Section 7.05**.

"Knowledge of Vendor or Vendor's Knowledge" or any other similar knowledge qualification, means the actual or constructive knowledge of Stan Bharti or Ryan Ptolemy, in their capacities as Chief Executive Officer and Chief Financial Officer of Vendor, respectively, after due inquiry.

"Knowledge of Purchaser or Purchaser's Knowledge" or any other similar knowledge qualification, means the actual or constructive knowledge of Paul Matysek, Brian Paes-Braga or Bassam Moubarak, in their capacities as Chair, Chief Executive Officer and Chief Financial Officer of Purchaser, respectively, after due inquiry.

"Law" means any statute, law, ordinance, regulation, rule, instrument, code, order, constitution, treaty, common law, judgment, decree, other requirement or rule of law of any Governmental Authority.

"Lithium Shares" means common shares in the capital of Purchaser.

"Losses" means losses, damages, liabilities, deficiencies, Actions, judgments, interest, awards, penalties, fines, costs or expenses of whatever kind, including reasonable legal fees on a substantial indemnity basis and the cost of enforcing any right to indemnification hereunder and the cost of pursuing any insurance providers; **provided**, however, that "Losses" shall not include punitive or exemplary damages, except in the case of fraud or to the extent actually awarded to a Governmental Authority or other third party.

"Material Adverse Effect" means any event, occurrence, fact, condition or change that is, or could reasonably be expected to become, individually or in the aggregate, materially adverse to (a) the business, results of operations, condition (financial or otherwise) or assets of the Corporation or the Purchaser, as applicable, or (b) the ability of Vendor to consummate the transactions contemplated hereby on a timely basis; *provided*, however, that "Material Adverse Effect" shall not include any event, occurrence, fact, condition or change, directly or indirectly, arising out of or attributable to: (i) general economic or political conditions; (ii) conditions generally affecting the industries in which the Corporation or the Purchaser operates; (iii) any changes in financial or securities markets in general; (iv) acts of war (whether or not declared), armed hostilities or terrorism, or the escalation or worsening thereof; (v) any action required or permitted by this Agreement, except pursuant to **Section 3.03** or **Section 5.06**

Section 3.02; (vi) any changes in applicable Laws or accounting rules or principles, including IFRS; or (vii) the public announcement, pendency or completion of the transactions contemplated by this Agreement; *provided* further, however, that any event, occurrence, fact, condition or change referred to in clauses (i) through (iv) immediately above shall be taken into account in determining whether a Material Adverse Effect has occurred or could reasonably be expected to occur to the extent that such event, occurrence, fact, condition or change has a disproportionate effect on the Corporation or the Purchaser, as applicable, compared to other participants in the industries in which the Corporation or the Purchaser conducts its business.

"Outside Date" means July 12, 2017, provided that: (a) if: (i) Purchaser has sought but not obtained by July 10, 2017 the approval of the TSXV to complete the purchase and sale of the Purchased Shares, the Outside Date will be extended to July 19, 2017, (ii) the Outside Date is extended to July 19, 2017 and Purchaser has not obtained by July 17, 2017 the approval of the TSXV to complete the purchase and sale of the Purchased Shares, the Outside Date will be extended to July 26, 2017, (iii) the Outside Date is extended to July 26, 2017 and Purchaser has not obtained by July 24, 2017 the approval of the TSXV to complete the purchase and sale of the Purchased Shares, the Outside Date will be extended to July 31, 2017; and (b) if Vendor has not applied for, or obtained the approval of, the TSX to complete the purchase and sale of the Purchased Shares, but prior to Closing the TSX determines that its approval is required, the Outside Date will be extended to that later of July 31, 2017 and two weeks after Vendor has submitted an application to the TSX for such approval.

"Permits" means all permits, licences, franchises, approvals, authorizations, registrations, certificates, variances and similar rights obtained, or required to be obtained, from Governmental Authorities.

"Person" means an individual, corporation, company, limited liability company, body corporate, partnership, joint venture, Governmental Authority, unincorporated organization, trust, association or other entity.

"Personal Information" means any factual or subjective information, recorded or not, about an employee, contractor, agent, consultant, officer, director, executive, client, customer or supplier of the Corporation who is a natural person or a natural person who is a shareholder of Vendor, or about any other identifiable individual, including any record that can be manipulated, linked or matched by a reasonably foreseeable method to identify an individual, but does not include the name, title or business address or telephone number of an employee of the Corporation.

"Public Disclosure Record" means the public disclosure record of Purchaser located under Purchaser's SEDAR profile at www.sedar.com.

"Purchaser" has the meaning set forth in the preamble.

"Purchaser Indemnitees" has the meaning set forth in **Section 7.02**.

"Purchase Price" has the meaning set forth in **Section 2.02**.

"Purchased Shares" means 33,949,500 Class A shares in the capital of the Corporation.

"Representative" means, with respect to any Person, any and all directors, officers, employees, consultants, financial advisors, lawyers, accountants and other agents of such Person.

"Release" means any actual or threatened release, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, abandonment, disposing or allowing to escape or migrate into or through the environment (including ambient air (indoor or outdoor), surface water, groundwater, land surface or subsurface strata or within any building, structure, facility or fixture).

"Real Property" means the real property owned, leased or subleased by the Corporation, together with all buildings, structures and facilities located thereon.

"Rodinia Royalty" means "Net Smelter Return Royalty with Rodinia" disclosed in Schedule 3.10(a) of the 2016 SPA.

"Taxes" means all federal, provincial, territorial, municipal, local, foreign and other income, gross receipts, sales, use, production, ad valorem, harmonized sales, goods and services, transfer, franchise, registration, profits, licence, lease, service, service use, withholding, payroll, employment, unemployment, estimated, excise, severance, environmental, stamp, occupation, premium, property (real or personal), municipal, school, customs, duties or other taxes, fees, assessments or charges of any kind whatsoever, together with any interest, additions or penalties with respect thereto and any interest in respect of such additions or penalties.

"Third Party Claim" has the meaning set forth in **Section 7.05(a)**.

"Transaction Documents" means the agreements, documents, instruments or certificates required to be delivered at or before the Closing by Vendor pursuant to **Section 6.02** and by Purchaser pursuant to **Section 6.03**.

"TSX" means the Toronto Stock Exchange.

"TSXV" means the TSX Venture Exchange.

"Vendor" has the meaning set forth in the preamble.

"Vendor Indemnitees" has the meaning set forth in **Section 7.03**.

ARTICLE II PURCHASE AND SALE

Section 2.01 Purchase and Sale.

Subject to the terms and conditions set forth herein, at the Closing, Vendor shall sell to Purchaser, and Purchaser shall purchase from Vendor, the Purchased Shares, free and clear of all Encumbrances, for the consideration specified in **Section 2.02**.

Section 2.02 Purchase Price.

The aggregate purchase price (the "**Purchase Price**") for the Purchased Shares shall be:

- (a) 3,000,000 Lithium Shares, with a legend affixed restricting trading in the shares for a period of four months from the Closing Date;
- (b) 3,000,000 Lithium Shares, with a legend affixed restricting trading in the shares for a period of ten months from the Closing Date (the 6,000,000 Lithium Shares collectively referred to as the "**Closing Shares**"); and
- (c) cash payment in the amount of \$5,000,000 in lawful money of Canada (the "**Cash Consideration**").

Section 2.03 Transactions to be Effected at the Closing.

- (a) At the Closing, Purchaser shall deliver to Vendor:
 - (i) certificates representing the Closing Shares registered as directed by Vendor;
 - (ii) a certified cheque in the name of Vendor in the amount of \$5,000,000 in lawful money of Canada; and
 - (iii) the agreements, documents, instruments or certificates required to be delivered by Purchaser at or before the Closing pursuant to **Section 6.03**.
- (b) At the Closing, Vendor shall deliver to Purchaser:
 - (i) share certificates representing the Purchased Shares, free and clear of all Encumbrances, duly endorsed in blank or accompanied by share transfers or other instruments of transfer duly executed in blank; and
 - (ii) the agreements, documents, instruments or certificates required to be delivered by Vendor at or before the Closing pursuant to **Section 6.02**.

Section 2.04 Additional Consideration.

Purchaser shall issue to Vendor as additional consideration 3,000,000 Lithium Shares (the "**Additional Shares**"), provided that:

(a) prior to the earlier of: (i) the third anniversary of the Closing, and (ii) the date on which the Lithium Shares ceased to be traded on the TSXV (or TSX, as the case may be), the Lithium Shares have a volume weighted average trading price on the TSXV (or TSX, as the case may be) of \$3.00 or more during a period of 20 consecutive trading days; and

(b) the issuance of the Additional Shares will not result in Vendor becoming an "insider" (as defined by the policies of the TSXV) of Purchaser.

Section 2.05 Closing.

Subject to the terms and conditions of this Agreement, the purchase and sale of the Purchased Shares contemplated hereby shall take place at a closing (the "**Closing**") to be held at 12 p.m., Toronto time, no later than two Business Days after the last of the conditions to Closing set forth in **Article VI** have been satisfied or waived (other than conditions which, by their nature, are to be satisfied on the Closing Date), at the offices of Vendor at 65 Queen Street West, Suite 815, Toronto, Ontario or at such other time or on such other date or at such other place as Vendor and Purchaser may mutually agree upon in writing (the day on which the Closing takes place being the "**Closing Date**").

Section 2.06 Termination of Previous Rights on Closing.

Each of Purchaser and Vendor acknowledge and agree that upon Closing of the transactions contemplated herein, the 2016 PA, the 2016 ROFR and the 2016 SHA will be terminated and their respective rights, obligations, commitments and liabilities thereunder shall terminate and be of no further force and effect, and Purchaser and Vendor each hereby agrees to release and forever discharge the other party from such rights, obligations, commitments and liabilities. In addition, Purchaser and Vendor acknowledge and agree that the following rights, obligations, commitments and liabilities under the 2016 SPA shall terminate as of Closing and be forever released and discharged:

(a) the obligations of Vendor pursuant to sections 2.04 and 6.04 of the 2016 SPA, and the rights of Vendor pursuant to sections 2.04, 5.10, 6.05 and 6.06 of the 2016 SPA; and

(b) the rights of Purchaser pursuant to sections 2.04 and 6.04 of the 2016 SPA, and the obligations of Purchaser pursuant to sections 5.10, 6.04, 6.05 and 6.06 of the 2016 SPA, but for greater certainty, the ongoing indemnification rights and obligations under Article VII of the 2016 SPA shall continue in full force and effect, until their expiry, provided that the indemnification obligations of the Vendor and the Purchaser under the 2016 SPA will be capped at USD \$1,500,000 in aggregate.

Vendor and Purchaser will deliver to the other at the Closing all such documents as may be necessary to give effect to the foregoing terminations and releases.

ARTICLE III REPRESENTATIONS AND WARRANTIES OF VENDOR

Vendor represents and warrants to Purchaser that the statements contained in this **Article III** are true and correct as of the date hereof.

Section 3.01 Incorporation and Organization of Vendor; Authorization.

Vendor is a corporation duly incorporated, organized and validly existing under the Laws of the province of Ontario and has not been discontinued or dissolved under such Laws. No steps or proceedings have been taken to authorize or require such discontinuance or dissolution. Vendor has submitted all notices or returns of corporate information and other filings required by Law to be submitted by it to any Governmental Authority. Vendor has the corporate power and capacity to enter into this Agreement and the Transaction Documents to which Vendor is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Vendor of this Agreement and any Transaction Documents to which Vendor is a party, the performance by Vendor of its obligations hereunder and thereunder and the consummation by Vendor of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Vendor and, for greater certainty, no action on the part of, or approval from, the shareholders of Vendor is required for Vendor to be duly authorized to perform its obligations hereunder. This Agreement has been duly executed and delivered by Vendor, and assuming due authorization, execution and delivery by Purchaser, this Agreement constitutes a legal, valid and binding obligation of Vendor enforceable against Vendor in accordance with its terms. When each Transaction Document to which Vendor is or will be a party has been duly executed and delivered by Vendor, assuming due authorization, execution and delivery by each other party thereto, such Transaction Document will constitute a legal and binding obligation of Vendor enforceable against it in accordance with its terms, subject to bankruptcy, insolvency or other laws affecting the rights of creditors generally, the availability of equitable remedies and the qualification that rights to indemnity and waiver of contribution may be contrary to public policy.

Section 3.02 Capitalization.

The Vendor holds 33,949,500 shares in the capital of the Corporation and there are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character or obligating Vendor to sell any shares of, or any other interest in, the Corporation. Aside from the 2016 SHA, there are no voting trusts or agreements, pooling agreements, unanimous shareholder

agreements, other shareholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Purchased Shares.

Section 3.03 No Conflicts; Consents.

The execution, delivery and performance by Vendor of this Agreement and the Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the articles of incorporation, by-laws, unanimous shareholder agreement or other organizational documents of Vendor; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Vendor; (c) require the consent, notice or other action by any Person under, conflict with, result in a violation or breach of, constitute a default or an event that, with or without notice or lapse of time or both, would constitute a default under, result in the acceleration of or create in any party the right to accelerate, terminate, modify or cancel any contract to which Vendor is a party or by which Vendor is bound or to which any of its properties and assets are subject. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Vendor in connection with the execution and delivery of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby. In particular, no approval of the TSX is required to be obtained by Vendor.

Section 3.04 Current Shareholding.

Assuming that 79,096,917 Lithium Shares are issued and outstanding as of the Closing Date, the issuance of the Closing Shares and the Additional Shares (if issued immediately after the Closing Date), when combined with the Vendor's existing holdings of Lithium Shares, will not result in the Vendor holding 10% or more of the Lithium Shares.

Section 3.05 Title to Assets, Real Property and Mineral Properties.

The representations and warranties of the Vendor set out in sections 3.10 and 3.12 of the 2016 SPA were accurate as of April 15, 2016 and are given by the Vendor hereunder as of such date.

Section 3.06 Brokers.

No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement or any Transaction Documents based upon arrangements made by or on behalf of Vendor.

ARTICLE IV REPRESENTATIONS AND WARRANTIES OF PURCHASER

Purchaser represents and warrants to Vendor that the statements contained in this **Article IV** are true and correct as of the date hereof.

Section 4.01 Incorporation and Organization of Purchaser; Authorization.

Purchaser is a corporation duly incorporated, organized and validly existing under the Laws of the province of British Columbia and has not been discontinued or dissolved under such Laws. No steps or proceedings have been taken to authorize or require such discontinuance or dissolution. Purchaser has submitted all notices or returns of corporate information and other filings required by Law to be submitted by it to any Governmental Authority. Purchaser has the corporate power and capacity to enter into this Agreement and the Transaction Documents to which Purchaser is a party, to carry out its obligations hereunder and thereunder and to consummate the transactions contemplated hereby and thereby. The execution and delivery by Purchaser of this Agreement and any Transaction Documents to which Purchaser is a party, the performance by Purchaser of its obligations hereunder and thereunder and the consummation by Purchaser of the transactions contemplated hereby and thereby have been duly authorized by all requisite corporate action on the part of Purchaser and, for greater certainty, no action on the part of, or approval from, the shareholders of Purchaser is required for Purchaser to be duly authorized to perform its obligations hereunder. This Agreement has been duly executed and delivered by Purchaser, and assuming due authorization, execution and delivery by Vendor, this Agreement constitutes a legal, valid and binding obligation of Purchaser enforceable against Purchaser in accordance with its terms. When each Transaction Document to which Purchaser is or will be a party has been duly executed and delivered by Purchaser and assuming due authorization, execution and delivery by each other party thereto, such Transaction Document will constitute a legal and binding obligation of Purchaser enforceable against it in accordance with its terms.

Section 4.02 No Conflicts; Consents.

The execution, delivery and performance by Purchaser of this Agreement and the Transaction Documents to which it is a party, and the consummation of the transactions contemplated hereby and thereby, do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the articles of incorporation, by-laws, unanimous shareholder agreements or other organizational documents of Purchaser; (b) conflict with or result in a violation or breach of any provision of any Law or Governmental Order applicable to Purchaser; or (c) require the consent, notice or other action by any Person under any Contract to which Purchaser is a party. No consent, approval, Permit, Governmental Order, declaration or filing with, or notice to, any Governmental Authority is required by or with respect to Purchaser in connection with

the execution and delivery of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby, other than the approval of the TSXV required to be obtained by Purchaser.

Section 4.03 Brokers.

No broker, finder or investment banker is entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement based upon arrangements made by or on behalf of Purchaser.

Section 4.04 Closing Shares.

Purchaser has reserved and allotted for issuance the Closing Shares and the Additional Shares as fully paid and non-assessable common shares in the capital of Purchaser.

Section 4.05 Legal Proceedings.

There are no Actions pending or, to Purchaser's Knowledge, threatened against or by Purchaser or any Affiliate of Purchaser that challenge or seek to prevent, enjoin or otherwise delay the transactions contemplated by this Agreement. No event has occurred or circumstances exist that may give rise or serve as a basis for any such Action.

Section 4.06 Capitalization.

(a) The authorized capital of Purchaser consists of an unlimited number of common shares of which 79,216,917 Lithium Shares are issued and outstanding. All of the issued and outstanding Lithium Shares have been duly authorized, are validly issued, fully paid and non-assessable.

(b) All of the Lithium Shares were issued in compliance with applicable Laws. None of the outstanding Lithium Shares were issued in violation of any agreement, arrangement or commitment to which Purchaser is a party or is subject to or in violation of any preemptive or similar rights of any Person.

(c) Except as described in the Public Disclosure Record, there are no outstanding or authorized options, warrants, convertible securities or other rights, agreements, arrangements or commitments of any character relating to any shares in the capital of Purchaser or obligating Purchaser to issue or sell any shares of, or any other interest in, Purchaser. Except as set out in Section 4.06(c) of the 2016 Disclosure Schedules, there are no voting trusts or agreements, pooling agreements, unanimous shareholder agreements, other shareholder agreements, proxies or other agreements or understandings in effect with respect to the voting or transfer of any of the Lithium Shares.

Section 4.07 Financial Statements.

Complete copies of Purchaser's audited financial statements, consisting of the consolidated statement of financial position as at June 30 in each of the years ended 2015 and 2016 and the related consolidated statements of loss and comprehensive loss, consolidated statements of cash flows, and consolidated statements of changes in equity for the years then ended and unaudited financial statements consisting of the condensed interim consolidated statements of financial position of Purchaser as at March 31, 2017 and the related condensed interim consolidated statements of loss and comprehensive loss, condensed interim consolidated statements of cash flows and condensed interim consolidated statements of changes equity for the nine month period then ended are available in the Public Disclosure Record. These financial statements have been prepared in accordance with IFRS applied on a consistent basis throughout the period involved, subject, in the case of the interim financial statements, to normal and recurring year-end adjustments (the effect of which will not be materially adverse) and the absence of notes (that, if presented, would not differ materially from those presented in the audited financial statements). These financial statements are based on the books and records of Purchaser, and fairly present, in all material respects, the financial condition of Purchaser as of the respective dates they were prepared and the results of the operations of Purchaser for the periods indicated. Purchaser maintains a standard system of accounting established and administered in accordance with IFRS.

Section 4.08 Undisclosed Liabilities.

Purchaser has no liabilities, obligations or commitments of any nature whatsoever, asserted or unasserted, known or unknown, absolute or contingent, accrued or unaccrued, matured or unmatured or otherwise, except (a) those that are adequately reflected or reserved against in the balance sheet as of the balance sheet date as indicated in the Public Disclosure Record, and (b) those that have been incurred in the ordinary course of business since the latest balance sheet date as indicated in the Public Disclosure Record and that are not, individually or in the aggregate, material in amount.

Section 4.09 Absence of Certain Changes, Events and Conditions.

Since the latest balance sheet date, other than as indicated in the Public Disclosure Record or other than in the ordinary course of business consistent with past practice, there has not been, with respect to Purchaser, any:

- (a) event, occurrence or development that has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect;
- (b) amendment of the articles, by-laws, unanimous shareholder agreement or other organizational documents of Purchaser;
- (c) split, consolidation or reclassification of any shares in Purchaser;

- (d) except has had been disclosed in the Public Disclosure Record, the issuance, sale or other disposition of any shares in Purchaser, or grant of any options, warrants or other rights to purchase or obtain (including upon conversion, exchange or exercise) any shares in Purchaser;
- (e) declaration or payment of any dividends or distributions on or in respect of any shares in Purchaser or redemption, retraction, purchase or acquisition of its shares;
- (f) material change in any method of accounting or accounting practice of Purchaser, except as required by IFRS or as disclosed in the notes to the financial statements;
- (g) other than as disclosed to Vendor, entry into any Contract that would constitute a material contract;
- (h) incurrence, assumption or guarantee of any indebtedness for borrowed money except unsecured current obligations and liabilities incurred in the ordinary course of business consistent with past practice;
- (i) transfer, assignment, sale or other disposition of any of the assets shown or reflected in the balance sheet or cancellation of any debts or entitlements;
- (j) material damage, destruction or loss (whether or not covered by insurance) to its property;
- (k) except has had been disclosed in the Public Disclosure Record any capital investment in, or any loan to, any other Person;
- (l) acceleration, termination, material modification to or cancellation of any material Contract to which Purchaser is a party or by which it is bound;
- (m) except has had been disclosed in the Public Disclosure Record any material capital expenditures;
- (n) except has had been disclosed in the Public Disclosure Record any loan to (or forgiveness of any loan to), or entry into any other transaction with, any of its shareholders or current or former directors, officers and employees;
- (o) adoption of any amalgamation, arrangement, reorganization, liquidation or dissolution or the commencement of any proceedings seeking to adjudicate Purchaser a bankrupt or insolvent, making a proposal with respect to Purchaser under any law relating to bankruptcy, insolvency, reorganization or compromise of debts or similar laws, appointment of a trustee, receiver, agent, custodian or similar official for Purchaser or for any substantial part of its properties and assets or a creditor or any other Person commences any proceeding against Purchaser seeking to adjudicate it a bankrupt or insolvent or appointment of a trustee, receiver, agent, custodian or similar official for it or any substantial part of its properties and assets;

(p) except has had been disclosed in the Public Disclosure Record, purchase, lease or other acquisition of the right to own, use or lease any property or assets for an amount in excess of \$100,000, individually (in the case of a lease, per annum) or \$500,000 in the aggregate (in the case of a lease, for the entire term of the lease, not including any option term), except for purchases of inventory or supplies in the ordinary course of business consistent with past practice;

(q) acquisition by amalgamation or arrangement with, or by purchase of a substantial portion of the assets or shares of, or by any other manner, any business or any Person or any division thereof; or

(r) action by Purchaser to make, change or rescind any Tax election, amend any Tax Return or take any position on any Tax Return, take any action, omit to take any action or enter into any other transaction that would have the effect of increasing the Tax liability or reducing any Tax asset of Purchaser.

Section 4.10 Material Contracts.

The Public Disclosure Record includes disclosure on all Contracts that are material to Purchaser and each such material Contract is valid and binding on Purchaser in accordance with its terms and is in full force and effect. None of Purchaser or, to Purchaser's Knowledge, any other party thereto is in breach of or default under (or is alleged to be in breach of or default under) in any material respect, or has provided or received any notice of any intention to terminate, any material Contract. No event or circumstance has occurred that, with notice or lapse of time or both, would constitute an event of default under any material Contract or result in a termination thereof or would cause or permit the acceleration or other changes of any right or obligation or the loss of any benefit thereunder.

Section 4.11 Title to Assets; Real Property.

Purchaser and the Corporation has good and valid (and, in the case of owned real property, good and marketable fee simple) title to, or a valid leasehold interest in, all real property and personal property and other assets reflected in the audited financial statements or acquired after the latest balance sheet date as indicated in the Public Disclosure Record, other than properties and assets sold or otherwise disposed of in the ordinary course of business consistent with past practice since such balance sheet date.

Section 4.12 Compliance With Laws; Permits.

(a) Purchaser has complied, and is now complying, with all Laws applicable to it or its business, properties or assets.

(b) All Permits required for Purchaser to conduct its business have been obtained by it and are valid and in full force and effect. All fees and charges with respect to such Permits as of the date hereof have been paid in full. No event has occurred that,

with or without notice or lapse of time or both, would reasonably be expected to result in the revocation, suspension, lapse or limitation of any Permit.

Section 4.13 Environmental Matters.

(a) Purchaser is currently and has been in compliance with all Environmental Laws and has not, received from any Person any: (i) Environmental Notice or Environmental Claim; or (ii) written request for information pursuant to Environmental Law, which, in each case, either remains pending or unresolved, or is the source of ongoing obligations or requirements as of the Closing Date.

(b) Purchaser has obtained and is in material compliance with all Environmental Permits necessary for the ownership, lease, operation or use of the business or assets of Purchaser as currently conducted, and all such Environmental Permits are in full force and effect and shall be maintained in full force and effect by Purchaser through the Closing Date in accordance with Environmental Law, and Purchaser is not aware of any condition, event or circumstance that might prevent or impede, after the Closing Date, the ownership, lease, operation or use of the business or assets of Purchaser as currently carried out. Purchaser has not received any Environmental Notice or written communication regarding any material adverse change in the status or terms and conditions of such Environmental Permits.

(c) To the knowledge of Purchaser, there has been no Release of Hazardous Materials in contravention of Environmental Law with respect to the business or assets of Purchaser or any real property currently or formerly owned, operated, controlled or leased by Purchaser, and Purchaser has not received an Environmental Notice that any real property currently or formerly owned, operated or leased in connection with the business of Purchaser (including soils, groundwater, surface water, buildings and other structure located on any such real property) has been contaminated with any Hazardous Material which could reasonably be expected to result in an Environmental Claim against, or a violation of Environmental Law or term of any Environmental Permit by, Purchaser.

(d) Purchaser has not retained or assumed, by contract or operation of Law, any liabilities or obligations of third parties under Environmental Law.

(e) Purchaser is not aware of or reasonably anticipates, as of the Closing Date, any condition, event or circumstance concerning the Release or regulation of Hazardous Materials that might, after the Closing Date, prevent, impede or materially increase the costs associated with the ownership, lease, operation, performance or use of the business or assets of Purchaser as currently carried out.

Section 4.14 Employment Matters.

None of the employment agreements or consulting arrangements to which the Purchaser is a party will lead to material payments by the Corporation or otherwise have a material effect on the Corporation as a result of the acquisition of the Purchased Shares.

Section 4.15 Taxes.

All Tax Returns, elections and other documents required to be filed on or before the Closing Date by Purchaser have been, or will be, timely filed. Such Tax Returns, elections and other documents are, or will be, true, complete and correct in all respects. All Taxes due and owing by Purchaser (whether or not shown on any Tax Return) have been, or will be, timely paid.

(a) Purchaser has collected, withheld, remitted and paid each Tax required to have been collected, withheld, remitted and paid in connection with amounts paid or owing to any employee, independent contractor, creditor, customer, shareholder or other party, and complied with all information reporting and withholding and remittance provisions of applicable Law.

(b) No claim has been made by any taxing authority in any jurisdiction where Purchaser does not file Tax Returns that it is, or may be, subject to Tax by that jurisdiction.

(c) No agreements, arrangements, extensions or waivers of limitation periods have been given or requested with respect to any Taxes or Tax Return of Purchaser.

(d) The amount of Purchaser's Liability for unpaid Taxes for all periods ending on or before December 31, 2016 does not, in the aggregate, exceed the amount of accruals for Taxes (excluding reserves for deferred Taxes) reflected on the latest balance sheet as indicated in the Public Disclosure Record. The amount of Purchaser's Liability for unpaid Taxes for all periods following the end of the recent period covered by these financial statements shall not, in the aggregate, exceed the amount of accruals for Taxes (excluding reserves for deferred Taxes) as adjusted for the passage of time in accordance with the past custom and practice of Purchaser (and which accruals shall not exceed comparable amounts incurred in similar periods in prior years). Purchaser has no liability for Taxes other than those provided for in the financial statements or accrued for Taxes in the ordinary course of business since the latest balance sheet as indicated in the Public Disclosure Record. The provision for Taxes in the financial statements of Purchaser provided to Vendor will constitute an adequate provision for the payment of all Taxes in respect of periods ending before the Closing Date.

(e) All deficiencies asserted, or assessments made, against Purchaser as a result of any examinations by any taxing authority have been fully paid.

(f) Purchaser is not a party to any Action by any taxing authority. There are no pending or threatened Actions by any taxing authority. There are no matters under discussion, dispute or audit with any taxing authority. No reassessments of Purchaser's

Taxes have been issued and are outstanding. Purchaser has not received any indication from any taxing authority that an assessment or reassessment of Purchaser is proposed in respect of any Taxes, regardless of its merits.

(g) There are no Encumbrances for Taxes (other than for current Taxes not yet due and payable) upon the assets of Purchaser.

(h) Purchaser is not a party to, or bound by, any Tax indemnity, Tax sharing or Tax allocation agreement.

(i) No tax rulings have been requested or issued by any taxation authority with respect to Purchaser.

(j) Purchaser will not be required to include any item of income in, or exclude any item or deduction from, taxable income for any taxation year or portion thereof ending after the Closing Date as a result of use of an improper method of accounting, for a taxation year ending before the Closing Date.

(k) The value of the consideration paid or received by Purchaser in respect of the acquisition, sale or transfer of any property or the provision of any services to or from any Person with whom Purchaser does not deal at "arm's length" (as defined for purposes of the Tax Act) has been equal to the fair market value of such property acquired, sold or transferred or services provided.

Section 4.16 Public Disclosure Record.

Purchaser has filed all documents forming the Public Disclosure Record on a timely basis, except for any failure to file on a timely basis which is not material. As of their respective dates, the documents forming the Public Disclosure Record, including without limitation the short form prospectus dated March 8, 2017 and the documents incorporated by reference therein, complied in all material respects with the requirements of the applicable securities Laws, and none of the documents forming the Public Disclosure Record, when filed, contained any misrepresentation or contained an untrue statement of a material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made, which has not been corrected by the filing on a public basis of a subsequent document which forms part of the Public Disclosure Record.

Section 4.17 Rodinia Royalty.

The Rodinia Royalty is valid and binding in accordance with its terms and is in full force and effect. Purchaser is not and, to Purchaser's Knowledge, no other party thereto is in breach of or default thereunder (or is alleged to be in breach of or default thereunder) in any material respect, or has provided or received any notice of any intention to terminate, the Rodinia Royalty. To Purchaser's Knowledge, no event or circumstance has occurred that, with notice or lapse of time or both, would constitute an

event of default by the Purchaser under the Rodinia Royalty or result in a termination thereof or would cause or permit the acceleration or other change of any right or obligation thereunder.

ARTICLE V COVENANTS

Section 5.01 Access to Information- Purchaser.

From the date hereof until the Closing, Vendor shall instruct the Representatives of Vendor to cooperate with Purchaser in its investigation of the Corporation.

Section 5.02 Access to Information- Vendor.

From the date hereof until the Closing, Purchaser shall (a) afford Vendor and its Representatives full and free access to and the right to inspect all of the properties, assets, premises, books and records, Contracts and other documents and data related to Purchaser and/or the Corporation; (b) furnish Vendor and its Representatives with such financial, operating and other data and information related to Purchaser and/or the Corporation as Vendor or any of its Representatives may reasonably request; and (c) instruct the Representatives of Purchaser and the Corporation to cooperate with Vendor in its investigation of Purchaser and the Corporation. Any investigation pursuant to this **Section 5.01 5.02** shall be conducted in such manner as not to interfere unreasonably with the conduct of the business of Vendor or the Corporation.

Section 5.03 No Solicitation of Other Bids.

(a) Vendor shall not, and shall not authorize or permit any of its Affiliates (including the Corporation) or any of its or their Representatives to, directly or indirectly, (i) encourage, solicit, initiate, facilitate or continue inquiries regarding an Acquisition Proposal; (ii) enter into discussions or negotiations with, or provide any information to, any Person concerning a possible Acquisition Proposal; or (iii) enter into any agreements or other instruments (whether or not binding) regarding an Acquisition Proposal. Vendor shall immediately cease and cause to be terminated, and shall cause its Affiliates (including the Corporation) and all of its and their Representatives to immediately cease and cause to be terminated, all existing discussions or negotiations with any Persons conducted heretofore with respect to, or that could lead to, an Acquisition Proposal. For purposes hereof, "**Acquisition Proposal**" shall mean any inquiry, proposal or offer from any Person (other than Purchaser or any of its Affiliates) concerning (i) a merger, amalgamation, arrangement, liquidation, recapitalization, share exchange or other business combination transaction involving the Corporation; (ii) the issuance or acquisition of shares in the capital, or other equity securities, of the Corporation; or (iii)

the sale, lease, exchange or other disposition of substantially all or any significant portion of the Corporation's properties or assets.

(b) In addition to the other obligations under this **Section 5.01 5.03**, Vendor shall promptly (and in any event within two Business Days after receipt thereof by Vendor or its Representatives) advise Purchaser orally and in writing of any Acquisition Proposal, any request for information with respect to any Acquisition Proposal, or any inquiry with respect to or which could reasonably be expected to result in an Acquisition Proposal, the material terms and conditions of such request, Acquisition Proposal or inquiry, and the identity of the Person making the same.

(c) Vendor agrees that the rights and remedies for noncompliance with this **Section 5.01 5.03** shall include having such provision specifically enforced by any court of competent equitable jurisdiction, it being acknowledged and agreed that any such breach or threatened breach shall cause irreparable injury to Purchaser and that monetary damages would not provide an adequate remedy to Purchaser.

Section 5.04 Notice of Certain Events.

(a) From the date hereof until the Closing, Vendor shall promptly notify Purchaser in writing of any:

(i) fact, circumstance, event or action the existence, occurrence or taking of which (A) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect, (B) has resulted in, or could reasonably be expected to result in, any representation or warranty made by Vendor hereunder not being true and correct or (C) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in **Section 6.03** to be satisfied;

(ii) notice or other communication from any Person alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(iii) notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; and

(iv) actions commenced or, to Vendor's Knowledge, threatened against, relating to or involving or otherwise affecting Vendor that, if pending on the date of this Agreement, or that relates to the consummation of the transactions contemplated by this Agreement.

(b) Purchaser's receipt of information pursuant to this **Section 5.04** shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Vendor in this Agreement (including **Section 7.02** and **Section 8.01(b)**).

(c) From the date hereof until the Closing, Purchaser shall promptly notify Vendor in writing of any:

(i) fact, circumstance, event or action the existence, occurrence or taking of (A) has had, or could reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect (B) has resulted in, or could reasonably be expected to result in, any representation or warranty made by Purchaser hereunder not being true and correct or (C) has resulted in, or could reasonably be expected to result in, the failure of any of the conditions set forth in **Section 6.02** to be satisfied;

(ii) notice or other communication from any Person other than the TSXV alleging that the consent of such Person is or may be required in connection with the transactions contemplated by this Agreement;

(iii) notice or other communication from any Governmental Authority in connection with the transactions contemplated by this Agreement; and

(iv) actions commenced or, to Purchaser's Knowledge, threatened against, relating to or involving or otherwise affecting Purchaser that, if pending on the date of this Agreement, would have been required to have been disclosed pursuant to **Section 4.05** or that relates to the consummation of the transactions contemplated by this Agreement.

(d) Vendor's receipt of information pursuant to this **Section 5.04** shall not operate as a waiver or otherwise affect any representation, warranty or agreement given or made by Purchaser in this Agreement (including **Section 7.03** and **Section 8.01(c)**).

Section 5.05 Personal Information Privacy.

Purchaser shall at all times comply with all Laws governing the protection of personal information with respect to Personal Information disclosed or otherwise provided to Purchaser by Vendor or the Corporation under this Agreement. Purchaser shall only collect, use or disclose such Personal Information for the purposes of investigating the Corporation and its business as contemplated in this Agreement and completing the transactions contemplated in this Agreement. Purchaser shall safeguard all Personal Information collected from Vendor or the Corporation in a manner consistent with the degree of sensitivity of the Personal Information and maintain at all times the security and integrity of the Personal Information. Purchaser shall not make copies of the Personal Information or any excerpts thereof or in any way re-create the substance or contents of the Personal Information if the purchase of the Purchased Shares is not completed for any reason and shall return all Personal Information to Vendor or destroy such Personal Information at Vendor's request.

Section 5.06 Governmental Approvals and Consents.

(a) Each party hereto shall, as promptly as possible, (i) make, or cause or be made, all filings and submissions required under any Law applicable to such party or any of its Affiliates; and (ii) use commercially reasonable efforts to obtain, or cause to be

obtained, all consents, authorizations, orders and approvals from all Governmental Authorities that may be or become necessary for its execution and delivery of this Agreement and the performance of its obligations pursuant to this Agreement and the Transaction Documents. Each party shall cooperate fully with the other party and its Affiliates in promptly seeking to obtain all such consents, authorizations, orders and approvals (including the Commissioner). The parties hereto shall not willfully take any action that will have the effect of delaying, impairing or impeding the receipt of any required consents, authorizations, orders and approvals.

(b) Without limiting the generality of the parties' undertakings pursuant to **Section 5.06(a)**, each of the parties shall use all commercially reasonable efforts to:

(i) respond to any inquiries by any Governmental Authority regarding any matters with respect to the transactions contemplated by this Agreement or any agreement or document contemplated hereby;

(ii) avoid the imposition of any order or the taking of any action that would restrain, alter or enjoin the transactions contemplated by this Agreement or any agreement or document contemplated hereby; and

(iii) if any Governmental Order adversely affecting the ability of the parties to consummate the transactions contemplated by this Agreement or any agreement or document contemplated hereby has been issued, to have such Governmental Order vacated or lifted.

(c) If any consent, approval or authorization necessary to preserve any right or benefit under any Contract to which the Corporation is a party is not obtained before the Closing, Vendor shall, subsequent to the Closing, cooperate with Purchaser and the Corporation in attempting to obtain such consent, approval or authorization as promptly thereafter as practicable. If such consent, approval or authorization cannot be obtained, Vendor shall use commercially reasonable efforts to provide the Corporation with the rights and benefits of the affected Contract for the term thereof, and, if Vendor provides such rights and benefits, the Corporation shall assume all obligations and burdens thereunder.

(d) All analyses, appearances, meetings, discussions, presentations, memoranda, briefs, filings, arguments and proposals made by or on behalf of either party before any Governmental Authority or the staff of any Governmental Authority, in connection with the transactions contemplated hereunder (but, for the avoidance of doubt, not including any interactions between Vendor or the Corporation with Governmental Authorities in the ordinary course of business, any disclosure which is not permitted by Law or any disclosure containing confidential information) shall be disclosed to the other party hereunder in advance of any filing, submission or attendance, it being the intent that the parties will consult and cooperate with one another, and consider the views of one another, in connection with any such analyses, appearances, meetings, discussions, presentations, memoranda, briefs, filings, argument and proposals. Each party shall give

notice to the other party with respect to any meeting, discussion, appearance or contact with any Governmental Authority or the staff of any Governmental Authority, with such notice being sufficient to provide the other party with the opportunity to attend and participate in such meeting, discussion, appearance or contact.

(e) Notwithstanding the foregoing, nothing in this **Section 5.06** shall require, or be construed to require, Purchaser or any of its Affiliates to agree to (i) sell, hold, divest, discontinue or limit, before or after the Closing Date, any assets, businesses or interests of Purchaser, the Corporation or any of their respective Affiliates; (ii) any conditions relating to, or changes or restrictions in, the operations of any such assets, businesses or interests which, in either case, could reasonably be expected to result in a Material Adverse Effect or materially and adversely impact the economic or business benefits to Purchaser of the transactions contemplated by this Agreement; or (iii) any material modification or waiver of the terms and conditions of this Agreement.

Section 5.07 Books and Records.

(a) To facilitate the resolution of any claims made against or incurred by Vendor before the Closing, or for any other reasonable purpose, until the Closing Date Purchaser shall:

(i) retain the books and records (including personnel files) of the Corporation relating to periods before the Closing in a manner reasonably consistent with the prior practices of the Corporation; and

(ii) upon reasonable notice, afford the Representatives of Vendor reasonable access (including the right to make, at Vendor's expense, photocopies), during normal business hours, to such books and records.

(b) To facilitate the resolution of any claims made by or against or incurred by Corporation after the Closing, or for any other reasonable purpose, until the Closing Date Vendor shall:

(i) retain any books and records (including personnel files) of Vendor which relate to the Corporation and its operations for periods before the Closing; and

(ii) upon reasonable notice, afford the Representatives of Purchaser or the Corporation reasonable access (including the right to make, at Purchaser's expense, photocopies), during normal business hours, to such books and records.

(c) Neither Purchaser nor Vendor shall be obligated to provide the other party with access to any books or records (including personnel files) pursuant to this **Section 5.07** where such access would violate any Law.

Section 5.08 Closing Conditions.

From the date hereof until the Closing, each party hereto shall, and Vendor shall cause the Corporation to, use commercially reasonable efforts to take such actions as are necessary to expeditiously satisfy the closing conditions set forth in **Article VI**, including, in the case of Purchaser, submitting an application within 2 days of execution of this Agreement seeking approval of the TSXV for completion of the purchase and sale of the Purchased Shares pursuant to this Agreement.

Section 5.09 Public Announcements.

Unless otherwise required by applicable Law or stock exchange requirements, no party to this Agreement shall make any public announcements in respect of this Agreement or the transactions contemplated hereby or otherwise communicate with any news media without the prior written consent of the other party (which consent shall not be unreasonably withheld or delayed), and the parties shall cooperate as to the timing and contents of any such announcement.

Section 5.10 Resale of Closing Shares and Additional Shares.

Vendor will not sell or transfer the Closing Shares prior to the expiry of the hold periods referred to in **Section 2.02**, or sell or transfer the Additional Shares prior to 4 months after their issuance and thereafter, if selling any of such shares on the facilities of the TSX-V or any other stock exchange or public trading platform, will not sell on such stock exchange or public trading platform during any one trading day shares in excess of 10% of the twenty day average daily trading volume for the immediately prior twenty trading days on that stock exchange or public trading platform.

Section 5.11 Further Assurances.

Following the Closing, each of the parties hereto shall, and shall cause their respective Affiliates to, execute and deliver such additional documents, instruments, conveyances and assurances and take such further actions as may be reasonably required to carry out the provisions hereof and give effect to the transactions contemplated by this Agreement. Each of the parties hereto further agree to work together to minimize the tax consequences that may arise due to the sale of the Purchased Shares pursuant to this Agreement.

ARTICLE VI CONDITIONS TO CLOSING

Section 6.01 Conditions to Obligations of All Parties.

The obligations of each party to consummate the transactions contemplated by this Agreement shall be subject to the fulfilment, at or before the Closing, of each of the following conditions:

(a) No Governmental Authority shall have enacted, issued, promulgated, enforced or entered any Governmental Order which is in effect and has the effect of making the transactions contemplated by this Agreement illegal, otherwise restraining or prohibiting consummation of such transactions or causing any of the transactions contemplated hereunder to be rescinded following completion thereof.

(b) Vendor shall have received all consents, authorizations, orders and approvals required for consummation of the transactions contemplated herein and in the Transaction Documents and Purchaser shall have received all consents, authorizations, orders and approvals required for the consummation of the transactions contemplated herein and in the other Transactions Documents in each case, in form and substance reasonably satisfactory to Purchaser and Vendor, and no such consent, authorization, order and approval shall have been revoked.

(c) Receipt of approval of both the TSX (in respect of the Vendor) and the TSXV (in respect of the Purchaser) with respect to the transaction contemplated by this Agreement and the Transaction Documents.

(d) The Closing Date occurring on or prior to the Outside Date.

Section 6.02 Conditions to Obligations of Purchaser.

The obligations of Purchaser to consummate the transactions contemplated by this Agreement shall be subject to the fulfilment or Purchaser's waiver, at or before the Closing, of each of the following conditions:

(a) The representations and warranties of Vendor contained in this Agreement and in the Transaction Documents and any certificate or other writing delivered pursuant hereto shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

(b) Vendor shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the Transaction Documents to be performed or complied with by it prior to or on the Closing Date; provided that, with respect to agreements, covenants and conditions that are qualified by materiality, Vendor shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

(c) No Action shall have been commenced against Purchaser, Vendor or the Corporation, which would prevent the Closing. No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any transaction contemplated hereby.

(d) From the date of this Agreement, there shall not have occurred any Material Adverse Effect, nor shall any event or events have occurred that, individually or in the aggregate, with or without the lapse of time, could reasonably be expected to result in a Material Adverse Effect.

(e) Purchaser shall have received, duly executed by the parties thereto, the documents required to give effect to the terminations and releases contemplated in **Section 2.06**, in form satisfactory to Purchaser, acting reasonably.

(f) Purchaser shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Vendor, certifying that each of the conditions set forth in **Section 6.02(a)** and **Section 6.02(b)** have been satisfied.

(g) Purchaser shall have received a certificate of an officer of Vendor certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Vendor authorizing the execution, delivery and performance of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby.

(h) Purchaser shall have received a certificate of an officer of Vendor certifying the names and signatures of the officers of Vendor authorized to sign this Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder.

(i) Purchaser shall have received resignations of each individual that is a nominee of Vendor serving as director on the board of directors of Purchaser and resignations of each individual identified by Purchaser serving as director on the board of directors of the Corporation.

(j) Vendor shall have delivered, or caused to be delivered, to Purchaser share certificates representing the Purchased Shares, free and clear of Encumbrances, duly endorsed in blank or accompanied by share transfers or other instruments of transfer duly executed in blank, together with a share certificate representing all of the Purchased Shares issued in the name of Purchaser and a copy of the share register, or similar document, of the Corporation showing Purchaser as the recorded owner of the Purchased Shares, and a legal opinion from counsel to the Corporation confirming various corporate matters relating to the Corporation as Purchaser may request, acting reasonably, and including confirmation that Purchaser is the recorded owner of the Purchased Shares.

(k) Vendor shall have delivered to Purchaser such other documents or instruments as Purchaser reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

Section 6.03 Conditions to Obligations of Vendor.

The obligations of Vendor to consummate the transactions contemplated by this Agreement shall be subject to the fulfillment or Vendor's waiver, at or before the Closing, of each of the following conditions:

(a) The representations and warranties of Purchaser contained in this Agreement, the Transaction Documents and any certificate or other writing delivered pursuant hereto shall be true and correct in all respects (in the case of any representation or warranty qualified by materiality or Material Adverse Effect) or in all material respects (in the case of any representation or warranty not qualified by materiality or Material Adverse Effect) on and as of the date hereof and on and as of the Closing Date with the same effect as though made at and as of such date (except those representations and warranties that address matters only as of a specified date, the accuracy of which shall be determined as of that specified date in all respects).

(b) Purchaser shall have duly performed and complied in all material respects with all agreements, covenants and conditions required by this Agreement and each of the Transaction Documents to be performed or complied with by it on or before the Closing Date; provided that, with respect to agreements, covenants and conditions that are qualified by materiality, Purchaser shall have performed such agreements, covenants and conditions, as so qualified, in all respects.

(c) No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any material transaction contemplated hereby.

(d) Vendor shall have received, duly executed by the parties thereto, the documents required to give effect to the terminations and releases contemplated in **Section 2.06**, in form satisfactory to Vendor, acting reasonably.

(e) Vendor shall have received a certificate, dated the Closing Date and signed by a duly authorized officer of Purchaser, certifying that each of the conditions set forth in **Section 6.03(a)** and **Section 6.03(b)** have been satisfied.

(f) Vendor shall have received a certificate of the Secretary of Purchaser certifying that attached thereto are true and complete copies of all resolutions adopted by the board of directors of Purchaser authorizing the execution, delivery and performance of this Agreement and the Transaction Documents and the consummation of the transactions contemplated hereby and thereby, and that all such resolutions are in full force and effect and are all the resolutions adopted in connection with the transactions contemplated hereby and thereby.

(g) Vendor shall have received a certificate of an officer of Purchaser certifying the names and signatures of the officers of Purchaser authorized to sign this Agreement, the Transaction Documents and the other documents to be delivered hereunder and thereunder.

(h) Purchaser shall have delivered to Vendor certificates representing the Closing Shares, free and clear of Encumbrances, and the certified cheque for the Cash Consideration.

(i) Purchaser shall have delivered to Vendor such other documents or instruments as Vendor reasonably requests and are reasonably necessary to consummate the transactions contemplated by this Agreement.

ARTICLE VII INDEMNIFICATION

Section 7.01 Survival.

Subject to the limitations and other provisions of this Agreement, the representations and warranties contained herein shall survive the Closing and shall remain in full force and effect until the date that is 2 years after the Closing Date; provided that the representations and warranties in **Section 3.01, Section 3.02, Section 4.01, Section 4.04, and Section 4.06** shall survive indefinitely. All covenants and agreements of the parties contained herein shall survive the Closing indefinitely or for the period explicitly specified therein. Notwithstanding the foregoing, any claims asserted in good faith with reasonable specificity (to the extent known at such time) and in writing by notice from the non-breaching party to the breaching party prior to the expiration date of the applicable survival period shall not thereafter be barred by the expiration of the relevant representation or warranty and such claims shall survive until finally resolved or the expiry of the limitation period under applicable Law, whichever is sooner.

Section 7.02 Indemnification By Vendor.

Subject to the other terms and conditions of this **Article VII**, Vendor shall indemnify and defend each of Purchaser and its Affiliates (including the Corporation) and their respective Representatives (collectively, the "**Purchaser Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, Purchaser Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of Vendor contained in this Agreement or in any certificate or instrument delivered by or on behalf of Vendor pursuant to this Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the

Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date);

(b) any breach or non-fulfilment of any covenant, agreement or obligation to be performed by Vendor pursuant to this Agreement; or

(c) any liabilities or obligations for Taxes imposed on Purchaser or the Corporation in respect of Vendor's sale of Outstanding Shares to Purchaser hereunder or under the 2016 SPA, [INDEMNIFICATION SPECIFICS REDACTED]

Section 7.03 Indemnification By Purchaser.

Subject to the other terms and conditions of this **Article VII**, Purchaser shall indemnify and defend each of Vendor and its Affiliates and their respective Representatives (collectively, the "**Vendor Indemnitees**") against, and shall hold each of them harmless from and against, and shall pay and reimburse each of them for, any and all Losses incurred or sustained by, or imposed upon, Vendor Indemnitees based upon, arising out of, with respect to or by reason of:

(a) any inaccuracy in or breach of any of the representations or warranties of Purchaser contained in this Agreement or in any certificate or instrument delivered by or on behalf of Purchaser pursuant to this Agreement, as of the date such representation or warranty was made or as if such representation or warranty was made on and as of the Closing Date (except for representations and warranties that expressly relate to a specified date, the inaccuracy in or breach of which will be determined with reference to such specified date); or

(b) any breach or non-fulfilment of any covenant, agreement or obligation to be performed by Purchaser pursuant to this Agreement.

Notwithstanding the foregoing, Purchaser shall not be required to indemnify and defend any of the Vendor Indemnitees in respect of any Losses arising out of any inaccuracy in or breach of any of the representations or warranties of Purchaser contained in this Agreement or in any certificate or instrument delivered by or on behalf of Purchaser pursuant to this Agreement, that are based on or arise out of any action, fact or circumstance relating to the Corporation, its properties or assets or the Diablillos Project that arose or existed on or prior to April 20, 2016.

Section 7.04 Certain Limitations.

For purposes of this **Article VII**, any inaccuracy in or breach of any representation or warranty shall be determined without regard to any materiality, Material Adverse Effect or other similar qualification contained in or otherwise applicable to such representation or warranty. In addition, no party shall be liable for any losses resulting from or relating to any inaccuracy in or breach of any representation or warranty in this

Agreement if the party seeking indemnification for such losses or otherwise making a claim relating to the representations or warranties in this Agreement had knowledge of such breach before Closing.

Section 7.05 Indemnification Procedures.

The party making a claim under this **Article VII** is referred to as the "**Indemnified Party**", and the party against whom such claims are asserted under this **Article VII** is referred to as the "**Indemnifying Party**".

(a) **Third Party Claims.** If any Indemnified Party receives notice of the assertion or commencement of any Action made or brought by any Person who is not a party to this Agreement or an Affiliate of a party to this Agreement or a Representative of the foregoing (a "**Third Party Claim**") against such Indemnified Party with respect to which the Indemnifying Party is obligated to provide indemnification under this Agreement, the Indemnified Party shall give the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 14 calendar days after receipt of such notice of such Third Party Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defences by reason of such failure. Such notice by the Indemnified Party shall describe the Third Party Claim in reasonable detail, include copies of all material written evidence thereof and indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have the right to participate in, or by giving written notice to the Indemnified Party, to assume the defence of any Third Party Claim at the Indemnifying Party's expense and by the Indemnifying Party's own counsel, and the Indemnified Party shall cooperate in good faith in such defence; provided that, if the Indemnifying Party is Vendor, such Indemnifying Party shall not have the right to defend or direct the defence of any such Third Party Claim that (x) is asserted directly by or on behalf of a Person that is a supplier or customer of the Corporation, or (y) seeks an injunction or other equitable relief against the Indemnified Party. If the Indemnifying Party assumes the defence of any Third Party Claim, subject to **Section 7.05(b)**, it shall have the right to take such action as it deems necessary to avoid, dispute, defend, appeal or make counter-claims pertaining to any such Third Party Claim in the name and on behalf of the Indemnified Party. The Indemnified Party shall have the right to participate in the defence of any Third Party Claim with counsel selected by it subject to the Indemnifying Party's right to control the defence thereof. The fees and disbursements of such counsel shall be at the expense of the Indemnified Party, provided that, if in the reasonable opinion of counsel to the Indemnified Party, (A) there are legal defences available to an Indemnified Party that are different from or additional to those available to the Indemnifying Party; or (B) there exists a conflict of interest between the Indemnifying Party and the Indemnified Party that cannot be waived, the Indemnifying Party shall be liable for the reasonable fees and

expenses of counsel to the Indemnified Party in each jurisdiction for which the Indemnified Party determines counsel is required. If the Indemnifying Party elects not to compromise or defend such Third Party Claim, fails to promptly notify the Indemnified Party in writing of its election to defend as provided in this Agreement, or fails to diligently prosecute the defence of such Third Party Claim, the Indemnified Party may, subject to **Section 7.05(b)**, pay, compromise, defend such Third Party Claim and seek indemnification for any and all Losses based upon, arising from or relating to such Third Party Claim. Vendor and Purchaser shall cooperate with each other in all reasonable respects in connection with the defence of any Third Party Claim, including making available records relating to such Third Party Claim and furnishing, without expense (other than reimbursement of actual out-of-pocket expenses) to the defending party, management employees of the non-defending party as may be reasonably necessary for the preparation of the defence of such Third Party Claim.

(b) **Settlement of Third Party Claims.** Notwithstanding any other provision of this Agreement, the Indemnifying Party shall not enter into settlement of any Third Party Claim without the prior written consent of the Indemnified Party, except as provided in this **Section 7.05(b)**. If a firm offer is made to settle a Third Party Claim without leading to liability or the creation of a financial or other obligation on the part of the Indemnified Party and provides, in customary form, for the unconditional release of each Indemnified Party from all liabilities and obligations in connection with such Third Party Claim and the Indemnifying Party desires to accept and agree to such offer, the Indemnifying Party shall give written notice to that effect to the Indemnified Party. If the Indemnified Party fails to consent to such firm offer within ten days after its receipt of such notice, the Indemnified Party may continue to contest or defend such Third Party Claim and, in such event, the maximum liability of the Indemnifying Party as to such Third Party Claim shall not exceed the amount of such settlement offer. If the Indemnified Party fails to consent to such firm offer and also fails to assume defence of such Third Party Claim, the Indemnifying Party may settle the Third Party Claim upon the terms set forth in such firm offer to settle such Third Party Claim. If the Indemnified Party has assumed the defence under **Section 7.05(a)**, it shall not agree to any settlement without the written consent of the Indemnifying Party (which consent shall not be unreasonably withheld or delayed).

(c) **Direct Claims.** Any Action by an Indemnified Party on account of a Loss which does not result from a Third Party Claim (a "**Direct Claim**") shall be asserted by the Indemnified Party giving the Indemnifying Party reasonably prompt written notice thereof, but in any event not later than 14 calendar days after the Indemnified Party becomes aware of such Direct Claim. The failure to give such prompt written notice shall not, however, relieve the Indemnifying Party of its indemnification obligations, except and only to the extent that the Indemnifying Party forfeits rights or defences by reason of such failure. Such notice by the Indemnified Party shall describe the Direct Claim in reasonable detail, shall include copies of all material written evidence thereof and shall

indicate the estimated amount, if reasonably practicable, of the Loss that has been or may be sustained by the Indemnified Party. The Indemnifying Party shall have 14 calendar days after its receipt of such notice to respond in writing to such Direct Claim. The Indemnified Party shall allow the Indemnifying Party and its professional advisors to investigate the matter or circumstance alleged to give rise to the Direct Claim, and whether and to what extent any amount is payable in respect of the Direct Claim and the Indemnified Party shall assist the Indemnifying Party's investigation by giving such information and assistance (including access to the Corporation's premises and personnel and the right to examine and copy any accounts, documents or records) as the Indemnifying Party or any of its professional advisors may reasonably request. If the Indemnifying Party does not so respond within such 14 day period, the Indemnifying Party shall be deemed to have rejected such claim, in which case the Indemnified Party shall be free to pursue such remedies as may be available to the Indemnified Party on the terms and subject to the provisions of this Agreement.

Section 7.06 Payments.

Once a Loss is agreed to by the Indemnifying Party or finally adjudicated to be payable pursuant to this **Article VII**, the Indemnifying Party shall satisfy its obligations within ten Business Days of such final, non-appealable adjudication by wire transfer of immediately available funds. The parties hereto agree that should an Indemnifying Party not make full payment of any such obligations within such ten Business Day period, any amount payable shall accrue interest from and including the date of agreement of the Indemnifying Party or final, non-appealable adjudication to but excluding the date such payment has been made at a rate per annum equal to the prime rate as calculated by the Bank of Canada. Such interest shall be calculated daily on the basis of a 365 day year and the actual number of days elapsed, without compounding.

Section 7.07 Tax Treatment of Indemnification Payments.

All indemnification payments made under this Agreement shall be treated by the parties as an adjustment to the Purchase Price for Tax purposes, unless otherwise required by Law.

Section 7.08 Exclusive Remedies.

Subject to **Section 5.05** and **Section 9.11**, the parties acknowledge and agree that their sole and exclusive remedy with respect to any and all claims (other than claims arising from fraud, criminal activity or willful misconduct on the part of a party hereto in connection with the transactions contemplated by this Agreement) for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement, shall be pursuant to the indemnification provisions set forth in this **Article VII**. In furtherance of the foregoing, each party hereby

waives, to the fullest extent permitted under Law, any and all rights, claims and causes of action for any breach of any representation, warranty, covenant, agreement or obligation set forth herein or otherwise relating to the subject matter of this Agreement it may have against the other parties hereto and their Affiliates and each of their respective Representatives arising under or based upon any Law, except pursuant to the indemnification provisions set forth in this **Article VII**. Nothing in this **Section 7.08** shall limit any Person's right to seek and obtain any equitable relief to which any Person shall be entitled or to seek any remedy on account of any party's fraudulent, criminal or willful misconduct.

Section 7.09 [REDACTED].

[INDEMNIFICATION SPECIFICS REDACTED].

Section 7.10 Knowledge.

Notwithstanding the foregoing, neither Purchaser nor Vendor shall be liable to the Vendor Indemnitees or the Purchaser Indemnitees, respectively, under this Agreement, and not the 2016 SPA, in respect of any Losses incurred or sustained by, or imposed upon:

(a) the Vendor Indemnitees based upon or arising out of any inaccuracy of the representations or warranties of the Purchaser that were known to be inaccurate by the Vendor at the time of signing this Agreement; or

(b) the Purchaser Indemnitees based upon or arising out of any inaccuracy of the representations or warranties of the Vendor that were known to be inaccurate by the Purchaser at the time of signing this Agreement.

**ARTICLE VIII
TERMINATION**

Section 8.01 Termination.

This Agreement may be terminated at any time before the Closing:

(a) by the mutual written consent of Vendor and Purchaser;

(b) by Purchaser by written notice to Vendor if:

(i) Purchaser is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Vendor pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Article VI** and such breach, inaccuracy or failure has not been cured by Vendor within 10 days of Vendor's receipt of written notice of such breach from Purchaser; or

(ii) any of the conditions set forth in **Section 6.01** or **Section 6.02** shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by September 30, 2017, unless such failure shall be due to the failure of Purchaser to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it before the Closing;

(c) by Vendor by written notice to Purchaser if:

(i) Vendor is not then in material breach of any provision of this Agreement and there has been a breach, inaccuracy in or failure to perform any representation, warranty, covenant or agreement made by Purchaser pursuant to this Agreement that would give rise to the failure of any of the conditions specified in **Article VI** and such breach, inaccuracy or failure has not been cured by Purchaser within 10 days of Purchaser's receipt of written notice of such breach from Vendor; or

(ii) any of the conditions set forth in **Section 6.01** or **Section 6.03** shall not have been, or if it becomes apparent that any of such conditions will not be, fulfilled by September 30, 2017, unless such failure shall be due to the failure of Vendor to perform or comply with any of the covenants, agreements or conditions hereof to be performed or complied with by it before the Closing; or

(d) by Purchaser or Vendor if (i) there shall be any Law that makes consummation of the transactions contemplated by this Agreement illegal or otherwise prohibited or (ii) any Governmental Authority shall have issued a Governmental Order restraining or enjoining the transactions contemplated by this Agreement, and such Governmental Order shall have become final and non-appealable.

Section 8.02 Effect of Termination.

If this Agreement is terminated in accordance with this **Article VIII**, this Agreement shall forthwith have no further force or effect and there shall be no liability on the part of any party hereto except:

- (a) as set forth in this **Article VIII** and **Article IX** hereof; and
- (b) that nothing herein shall relieve any party hereto from liability for any willful breach of any provision hereof.

ARTICLE IX MISCELLANEOUS

Section 9.01 Expenses.

Except as otherwise expressly provided herein, all costs and expenses, including fees and disbursements of counsel, financial advisors and accountants, incurred in connection with this Agreement and the transactions contemplated hereby shall be paid

by the party incurring such costs and expenses, whether or not the Closing shall have occurred.

Section 9.02 Notices.

All notices, requests, consents, claims, demands, waivers and other communications hereunder shall be in writing and shall be deemed to have been given (a) when delivered by hand (with written confirmation of receipt); (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or e-mail of a PDF document (with confirmation of transmission) if sent during normal business hours of the recipient, and on the next Business Day if sent after normal business hours of the recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. Such communications must be sent to the respective parties at the following addresses (or at such other address for a party as shall be specified in a notice given in accordance with this **Section 9.02**):

If to Vendor:

65 Queen Street West
Suite 815, P.O. Box 75
Toronto, ON
M5H 2M5
Facsimile: 416-861-8165

E-mail: stan@forbesmanhattan.com

Attention: Stan Bharti, Interim
President and Chief Executive Officer

If to Purchaser:

Suite 3123-595 Burrard Street
Vancouver, British Columbia
V7X 1J1

Facsimile: 604-609-6145

E-mail: bpb@lithium-x.com

Attention: Brian Paes-Braga, Chief
Executive Officer

Section 9.03 Interpretation.

For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. Unless the context otherwise requires, references herein: (x) to Articles and Sections mean the Articles and Sections of this Agreement; (y) to an agreement, instrument or other document means such agreement, instrument or other document as amended, supplemented and modified from time to time to the extent permitted by the provisions thereof and (z) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. This Agreement shall be construed without regard to any presumption or rule requiring construction or interpretation against the party drafting an instrument or causing any instrument to be drafted. All dollar amounts referred to in this Agreement are stated in Canadian dollars.

Section 9.04 Headings.

The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

Section 9.05 Severability.

If any term or provision of this Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

Section 9.06 Entire Agreement.

This Agreement, together with the Transaction Documents constitutes the entire agreement of the parties to this Agreement with respect to the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings and agreements, both written and oral, with respect to such subject matter. In the event of any inconsistency between the statements in the body of this Agreement and those in the Transaction Documents, the statements in the body of this Agreement will control.

Section 9.07 Successors and Assigns.

This Agreement shall be binding upon and shall enure to the benefit of the parties hereto and their respective successors and permitted assigns. Neither party may assign its rights or obligations hereunder without the prior written consent of the other party, which consent shall not be unreasonably withheld or delayed; provided, however, that before the Closing Date, Purchaser may, without the prior written consent of Vendor, assign all or any portion of its rights under this Agreement to one or more of its direct or indirect

wholly owned subsidiaries. No assignment shall relieve the assigning party of any of its obligations hereunder.

Section 9.08 No Third Party Beneficiaries.

Except as provided in **Article VII**, this Agreement is for the sole benefit of the parties hereto and their respective successors and permitted assigns and nothing herein, express or implied, is intended to or shall confer upon any other Person or entity any legal or equitable right, benefit or remedy of any nature whatsoever under or by reason of this Agreement.

Section 9.09 Amendment and Modification; Waiver.

This Agreement may only be amended, modified or supplemented by an agreement in writing signed by each party hereto. No waiver by any party of any of the provisions hereof shall be effective unless explicitly set forth in writing and signed by the party so waiving. No waiver by any party shall operate or be construed as a waiver in respect of any failure, breach or default not expressly identified by such written waiver, whether of a similar or different character, and whether occurring before or after that waiver. No failure to exercise, or delay in exercising, any right, remedy, power or privilege arising from this Agreement shall operate or be construed as a waiver thereof; nor shall any single or partial exercise of any right, remedy, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege.

Section 9.10 Governing Law; Submission to Jurisdiction.

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

(b) Any Action arising out of or based upon this Agreement, the Transaction Documents or the transactions contemplated hereby or thereby may be brought in the courts of the Province of Ontario and each party irrevocably submits and agrees to attorn to the exclusive jurisdiction of that court in any such Action. The parties irrevocably and unconditionally waive any objection to the venue of any Action in that court and irrevocably waive and agree not to plead or claim in that court that such Action has been brought in an inconvenient forum.

Section 9.11 Specific Performance.

The parties agree that irreparable damage would occur if any provision of this Agreement were not performed in accordance with the terms hereof and that the parties shall be entitled to specific performance of the terms hereof, in addition to any other remedy to which they are entitled at law or in equity.

Section 9.12 Counterparts.

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall be deemed to be one and the same agreement. A signed copy of this Agreement delivered by facsimile, e-mail or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above by their respective officers thereunto duly authorized.

ABERDEEN INTERNATIONAL INC.

“Signed”

By

Name: Stan Bharti

Title: Executive Chairman and
Interim Chief Executive Officer

LITHIUM X ENERGY CORP.

“Signed”

By

Name: Paul Matysek

Title: Executive Chairman