

UNDERWRITING AGREEMENT

November 11, 2022

Argonaut Gold Inc.
3400 One First Canadian Place
Toronto, Ontario
M5K 1A4

Attention: Larry Radford, President and Chief Executive Officer

Dear Sir:

We understand that Argonaut Gold Inc. ("**Argonaut**" or the "**Corporation**") intends to issue and sell 31,250,000 common shares of the Corporation to be issued as "flow-through shares", as defined in the Tax Act (as defined below), with respect to CDE (as defined below) (the "**Purchased Shares**") at a price (the "**Offer Price**") of \$0.48 per Purchased Share, for gross proceeds of \$15,000,000.

We also understand that the Corporation intends to issue and sell, at the option of the Underwriters (as defined below) (the "**Underwriters' Option**"), up to an aggregate of 4,687,500 additional common shares of the Corporation to be issued as "flow-through shares", as defined in the Tax Act, with respect to CDE, being 15% of the aggregate Purchased Shares (the "**Optioned Shares**") at the Offer Price, in accordance with Section 13 and Section 10(1)(d) of this Underwriting Agreement. The Purchased Shares and the Optioned Shares are collectively referred to herein as the "**Offered Shares**" and the offering of the Offered Shares is referred to herein as the "**Offering**".

The Corporation has advised that (i) it is current in the filing of all materials required to be filed in the Qualifying Jurisdictions (as defined below) under Canadian Securities Laws (as defined below), (ii) it has filed the Base Shelf Prospectus (as defined below) in each of the Qualifying Jurisdictions and the Ontario Securities Commission, as principal regulator, has issued a decision document in respect thereof pursuant to the Passport Procedures (as defined below) on behalf of itself and the other Securities Commissions (as defined below), and (iii) it is qualified to file and shall, concurrent with the entering into of this Underwriting Agreement (as defined below), file the Prospectus Supplement (as defined below) in each of the Qualifying Jurisdictions as a supplement to the Base Shelf Prospectus in accordance with the requirements of NI 44-101 and NI 44-102 (each as defined below).

The Underwriters will distribute the Offered Shares in the Qualifying Jurisdictions pursuant to the Prospectus (as defined below) in the manner contemplated by this Underwriting Agreement. Subject to Applicable Securities Laws (as defined below), and the terms of this Underwriting Agreement, the Offered Shares may also be distributed in other jurisdictions outside of Canada, provided that they are lawfully offered and sold on a basis exempt from the prospectus, registration or similar requirements of any such jurisdictions and that the Corporation will not be or become subject to any continuous disclosure or similar obligations of any such jurisdictions.

Based upon and subject to the terms and conditions set out below: (a) Cormark Securities Inc., as lead underwriter ("**Cormark**"), BMO Nesbitt Burns Inc., Scotia Capital Inc., Desjardins Securities Inc., Echelon Wealth Partners Inc., Laurentian Bank Securities Inc., Paradigm Capital Inc., RBC Dominion Securities Inc. and Stifel Nicolaus Canada Inc. (collectively, the "**Underwriters**", and, individually, an "**Underwriter**"), hereby severally (and not jointly, nor jointly and severally), offer to purchase from Argonaut in the respective percentages set out in Section 19 of this Underwriting Agreement, or alternatively to arrange for substituted purchasers ("**Substituted Purchasers**") to purchase, and Argonaut hereby agrees to sell to the Underwriters and/or the Substituted Purchasers all, but not less than all, of the Purchased Shares at the Offer Price per Purchased Share; and (b) in the event and to the extent the Underwriters' Option granted to the Underwriters pursuant to Section 13 of this Underwriting Agreement is exercised by the Underwriters, Argonaut agrees to sell to the Underwriters and/or the Substituted Purchasers, and each of the Underwriters agrees severally (and not jointly, nor jointly and severally) to purchase or arrange for Substituted Purchasers to purchase from Argonaut, the respective percentage of the Optioned Shares set forth opposite the name of such Underwriter in Section 19 of this Underwriting Agreement at the Offer Price per

Optioned Share. For greater certainty, the obligations of the Underwriters to purchase the Purchased Shares or Optioned Shares shall be reduced by an amount equal to the number of Offered Shares purchased by any Substituted Purchasers.

Offered Shares acquired by Substituted Purchasers shall be purchased under the Subscription and Renunciation Agreements (as defined below). Where such Subscription and Renunciation Agreements are entered into by the Underwriters on behalf of Substituted Purchasers, the Underwriters acknowledge and agree that they will have sufficient authority to execute the Subscription and Renunciation Agreement on such basis and that they will be acting as agent for the Substituted Purchasers. The Corporation and the Underwriters acknowledge and agree that, to the extent that the Underwriters acquire any Offered Shares directly, any Person (as defined below) to whom the Underwriters resell such Offered Shares will not be eligible for the tax benefits available to initial purchasers of Offered Shares.

In consideration of the Underwriters' services to be rendered in connection with the Offering, including assisting in preparing documentation relating to the sale of the Offered Shares including the Prospectus Supplement (and any Supplementary Material) and distributing the Offered Shares, directly and through other investment dealers and brokers, the Corporation agrees to pay the Underwriting Fee (as defined below) to the Underwriters at the Time of Closing (as defined below).

The following are the terms and conditions of the agreement between the Corporation and the Underwriters:

TERM AND CONDITIONS

Section 1 Definitions and Interpretation

(1) In this Underwriting Agreement:

"**Act**" means the *Business Corporation Act* (Ontario);

"**Affiliate**" means an affiliated entity for purposes of the *Securities Act* (Ontario);

"**Ancillary Documents**" means all agreements, certificates and documents executed and delivered, or to be executed and delivered, by the Corporation in connection with the transactions contemplated by this Underwriting Agreement;

"**Applicable Securities Laws**" means the Canadian Securities Laws and the U.S. Securities Laws;

"**Argonaut**" or the "**Corporation**" means Argonaut Gold Inc.;

"**Auditor**" means PricewaterhouseCoopers LLP;

"**Base Shelf Prospectus**" means the (final) short form base shelf prospectus of the Corporation dated June 2, 2022, including all of the Documents Incorporated by Reference;

"**Business Day**" means a day other than a Saturday, Sunday or any other day on which the principal offices of Canadian Schedule I banks located in the City of Toronto, Ontario, are not open for business;

"**Canadian Securities Laws**" means, collectively, all applicable securities laws of each of the Qualifying Jurisdictions and the respective rules and regulations under such laws together with applicable published instruments, notices and orders of the securities regulatory authorities in the Qualifying Jurisdictions;

"**CDE**" means an expense as described in the definition of "Canadian development expense" in subsection 66.2(5) of the Tax Act, other than amounts which are: (i) assistance described in paragraph 66(12.62)(a) of the Tax Act; (ii) prescribed to be Canadian exploration and development overhead expenses for the purposes of paragraph

66(12.62)(b) of the Tax Act; (iii) specified expenses that are described in paragraph (e) of the definition of "Canadian development expense" in subsection 66.2(5) of the Tax Act or that are described in paragraph (f) of that definition because of the reference in the latter paragraph to paragraph (e); or (iv) any expense for prepaid services or rent that do not qualify as outlays and expenses for the period as described in the definition of "expense" in subsection 66(15) of the Tax Act;

"Cerro del Gallo Project" means the Corporation's Cerro del Gallo project in the State of Guanajuato, Mexico;

"Closing Date" means November 17, 2022 or any earlier or later date as may be agreed to by Argonaut and the Underwriters, each acting reasonably;

"Commitment Amount" means the aggregate gross proceeds paid by the purchasers of Offered Shares on the Closing Date;

"common shares" means the common shares in the capital of the Corporation;

"Cormark" has the meaning given to that term in the fifth paragraph of this Underwriting Agreement;

"Corporate Financial Information" means: (a) the audited consolidated annual financial statements of the Corporation for the years ended December 31, 2021 and 2020, including the notes thereto, together with the report of the Auditor; and (b) the unaudited interim condensed consolidated financial statements of the Corporation for the three and nine months ended September 30, 2022 and 2021, including the notes thereto;

"CRA" means the Canada Revenue Agency;

"Debentures" means the 4.625% senior unsecured convertible debentures of the Corporation issued on October 30, 2020;

"Debt Instrument" means any note, loan, bond, debenture, indenture, promissory note or other instrument evidencing indebtedness (demand or otherwise) for borrowed money including, but not limited to, the Debentures and the Loan Facilities, but does not include indebtedness between the Corporation and the Subsidiaries or between the Subsidiaries;

"distribution" means distribution or distribution to the public, as the case may be, for the purposes of Canadian Securities Laws or any of them;

"Documents Incorporated by Reference" means, in respect of any of the Offering Documents, the documents specified as being incorporated therein by reference or which are deemed to be incorporated therein by reference pursuant to Canadian Securities Laws;

"El Castillo Mine" means the Corporation's El Castillo mine in the State of Durango, Mexico;

"Environmental Laws" means all applicable federal, provincial, state, municipal and local laws, statutes, ordinances, bylaws and regulations and orders, directives and decisions rendered by any ministry, department or administrative or regulatory agency, domestic or foreign, including laws, ordinances, regulations or orders, relating to the protection of the environment, occupational health and safety or the processing, use, treatment, storage, disposal, discharge, transport or handling of any pollutants, contaminants, chemicals or industrial, toxic or hazardous wastes or substances;

"Environmental Permits" means all material licences, permits, approvals, consents, certificates, registrations and other authorizations under all applicable Environmental Laws;

"Expenditure Period" means the period commencing on the Closing Date and ending on the Termination Date;

"Florida Canyon Mine" means the Corporation's Florida Canyon mine in the State of Nevada, United States;

"Follow-On Transaction" has the meaning given to that term in Section 11(1);

"Governmental Authority" means any: (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, bureau or agency, domestic or foreign; (b) any subdivision, agent, commission, board, or authority of any of the foregoing; or (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, and any stock exchange or self-regulatory authority and, for greater certainty, includes the Securities Commissions, the TSX and the Investment Industry Regulatory Organization of Canada;

"IFRS" means International Financial Reporting Standards, as issued by the International Accounting Standards Board;

"Indemnified Party" or **"Indemnified Parties"** has the meaning given to that term in Section 16(1) of this Underwriting Agreement;

"Indemnified Person" has the meaning given to that term in Section 9(e)(viii) of this Underwriting Agreement;

"La Colorada Mine" means the Corporation's La Colorada mine in the State of Sonora, Mexico;

"Laws" means Canadian Securities Laws, U.S. Securities Laws and all other statutes, regulations, statutory rules, orders, by-laws, codes, ordinances, decrees, the terms and conditions of any grant of approval, permission, authority or license, or any judgment, order, decision, ruling, award, policy or guideline, of any Governmental Authority, and the term **"applicable"** with respect to such Laws and in the context that refers to one or more Persons, means that such Laws apply to such Person or Persons or its or their business, Subsidiaries, undertaking, property or securities and emanate from a Governmental Authority having jurisdiction over the Person or Persons or its or their business, undertaking, property or securities;

"Leased Premises" means the office premises which are material to the Corporation and which the Corporation occupies as a tenant;

"Liens" means any encumbrance or title defect of whatever kind or nature, regardless of form, whether or not registered or registrable and whether or not consensual or arising by law (statutory or otherwise), including any mortgage, lien, charge, pledge or security interest, whether fixed or floating, or any assignment, lease, option, right of pre-emption, privilege, encumbrance, easement, servitude, right of way, restrictive covenant, right of use or any other right or claim of any kind or nature whatever which affects ownership or possession of, or title to, any interest in, or the right to use or occupy such property or assets;

"limited-use version" has the meaning given to that term in NI 41-101;

"Loan Facilities" means the US\$250 million of senior secured corporate credit facilities entered into by the Corporation with a syndicate of lenders dated October 27, 2022, consisting of: (i) a US\$200 million term loan, and (ii) a US\$50 million revolving credit facility;

"Magino Project" means the Corporation's Magino project in the Province of Ontario, Canada;

"March 2022 FT Offering" means the issuance and sale of 19,780,000 common shares of the Corporation that qualified as "flow-through shares" as defined in subsection 66(15) of the Tax Act, pursuant to the terms and conditions of (i) an underwriting agreement dated March 3, 2022 among the Corporation, BMO Nesbitt Burns Inc., Cormark Securities Inc., Canaccord Genuity Corp., RBC Dominion Securities Inc., Scotia Capital Inc., and Echelon Wealth Partners Inc., and (ii) subscription and renunciation agreements dated March 3, 2022;

"Material Adverse Effect" means the effect resulting from any change in fact, event or change which has a material adverse effect on a Person's business, affairs, capital, operations, financial condition, prospects, properties or assets, in all cases, considered on a consolidated basis, or any fact, event or change which would result in the Offering Documents containing a misrepresentation;

"Material Agreement" means any contract, commitment, agreement (written or oral), instrument, lease or other document (including option agreements), to which the Corporation or any of the Subsidiaries is a party or otherwise bound and which is material to the Corporation or the Subsidiaries;

"Material Properties" means the Corporation's material mineral properties, being: (a) the El Castillo Mine; (b) the San Agustin Mine; (c) the La Colorada Mine; (d) the Magino Project; (e) the Florida Canyon Mine; and (f) the Cerro del Gallo Project, in each case, as described further in the Offering Documents;

"Mexico Subsidiaries" means, collectively, Minera Real del Oro, S.A. de C.V., Compañía Minera Pitalla, S.A. de C.V., Minexson S.A. de C.V., Minera Sud California S.A. de C.V., Kings-San Antón, S.A. de C.V., San Antón del Oro, S.A. de C.V., San Antón de las Minas, S.A. de C.V., Timmins Goldcorp Mexico, S.A. de C.V. and Minera Aurea, S.A. de C.V.;

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

"NCI System" has the meaning given to that term in Section 12(2) of this Underwriting Agreement;

"NI 41-101" means National Instrument 41-101 – *General Prospectus Requirements*;

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

"NI 44-101" means National Instrument 44-101 – *Short Form Prospectus Distributions*;

"NI 44-102" means National Instrument 44-102 – *Shelf Distributions*;

"Offer Price" has the meaning given to that term in the first paragraph of this Underwriting Agreement;

"Offered Shares" has the meaning given to that term in the second paragraph of this Underwriting Agreement;

"Offering" has the meaning given to that term in the second paragraph of this Underwriting Agreement;

"Offering Documents" means, collectively, the Base Shelf Prospectus, the Prospectus Supplement, any Supplementary Material and any amendments thereto;

"Offering Jurisdictions" means the Qualifying Jurisdictions and any other jurisdiction permitted under this Underwriting Agreement;

"Optioned Shares" has the meaning given to that term in the second paragraph of this Underwriting Agreement;

"Other Agreements" has the meaning given to that term in Section 9(e)(x);

"Passport Procedures" means the procedures provided for under National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions* among the securities commissions and other securities regulatory authorities in each of the provinces and territories of Canada;

"Person" means an individual, a firm, a corporation, a syndicate, a partnership, a trust, an association, an unincorporated organization, a joint venture, an investment club, a government or an agency or political subdivision thereof and every other form of legal or business entity of any nature or kind whatsoever;

"Prescribed Forms" means the forms prescribed from time to time under subsection 66(12.7) of the Tax Act or to be filed by the Corporation within the prescribed times renouncing to the purchasers of the Offered Shares the Resource Expenses incurred (or deemed to be incurred) pursuant to the Subscription and Renunciation Agreements and all parts or copies of such forms required by the CRA to be delivered to the purchasers;

"Prospectus" means, collectively, the Base Shelf Prospectus, as supplemented by the Prospectus Supplement and any Supplementary Material, in each case including all of the Documents Incorporated by Reference;

"Prospectus Supplement" means the prospectus supplement of the Corporation to be dated November 11, 2022, including all of the Documents Incorporated by Reference;

"Purchased Shares" has the meaning given to that term in the first paragraph of this Underwriting Agreement;

"purchasers" means, collectively, each of the purchasers of Offered Shares pursuant to the Offering, including, the Substituted Purchasers and/or Underwriters, as applicable;

"Qualifying Jurisdictions" means, collectively, each of the provinces and territories of Canada, other than the Province of Québec;

"Resource Expense" means an expense which is CDE incurred (or deemed to be incurred) by the Corporation during the applicable Expenditure Period, which has not been previously renounced by the Corporation to any Person, which may be renounced by the Corporation pursuant to subsection 66(12.62) of the Tax Act with an effective date not later than May 31, 2023 and in respect of which, but for the renunciation, the Corporation would be entitled to a deduction from income for income tax purposes;

"San Agustin Mine" means the Corporation's San Agustin mine in the State of Durango, Mexico;

"Securities Commissions" means the applicable securities commission or regulatory authority in each of the Qualifying Jurisdictions;

"Selling Firms" has the meaning given to that term in Section 10(1)(a);

"Standard Listing Conditions" has the meaning given to that term in Section 3(4)(c) of this Underwriting Agreement;

"Subscription and Renunciation Agreements" means the subscription and renunciation agreements in the form agreed to between the Corporation and the Underwriters to be entered into between the Corporation and the Underwriters and/or Substituted Purchasers with respect to the purchase of the Offered Shares;

"Subsidiaries" means each of the following direct or indirect subsidiaries of the Corporation: Prodigy Gold Inc., Castle Gold Corporation, Pediment Gold Corp., San Anton Resource Corporation, Alio Gold Inc., Alio Gold (US) Inc., the U.S. Subsidiaries and the Mexico Subsidiaries;

"subsidiary" and **"subsidiaries"** have the meaning given to such terms in the Act;

"Substituted Purchasers" has the meaning given to that term in the fifth paragraph of this Underwriting Agreement;

"Supplementary Material" means, collectively: (a) any amendment or supplement to the Base Shelf Prospectus or the Prospectus Supplement; (b) any amendment or supplemental prospectus or ancillary materials that may be filed by or on behalf of Argonaut under Canadian Securities Laws relating to the qualification for distribution of the Offered Shares; or (c) any other document that is delivered or intended to be delivered to a purchaser of Offered Shares; including, for greater certainty, any marketing material and any standard term sheet approved by the Corporation in accordance with Section 2(2);

"Tax Act" means the *Income Tax Act* (Canada), as amended;

"Technical Reports" means the following technical reports relating to Argonaut's Material Properties:

- (a) *"El Castillo Gold Mine, Durango, Mexico, NI 43-101 Technical Report"*, dated effective as of October 1, 2021, prepared by Brian Arkell, RM-SME, Argonaut; Josh Carron, RM-SME, Argonaut; and Carl Defilippi, RM-SME, Kappes, Cassiday & Associates;
- (b) *"San Agustin Gold/Silver Mine, Durango, Mexico, NI 43-101 Technical Report"*, dated effective as of August 1, 2021, prepared by Brian Arkell, RM-SME, Argonaut; Josh Carron, RM-SME, Argonaut; and Carl Defilippi, RM-SME, Kappes, Cassiday & Associates;
- (c) *"La Colorada Gold/Silver Mine, Sonora, Mexico, NI 43-101 Technical Report"*, dated effective as of October 1, 2021, prepared by Brian Arkell, RM-SME, Argonaut; Josh Carron, RM-SME, Argonaut; and Carl Defilippi, RM-SME, Kappes, Cassiday & Associates;
- (d) *"Magino Gold Project, Ontario, Canada, NI 43-101 Technical Report, Mineral Resource and Mineral Reserve Update"*, dated effective as of February 14, 2022, prepared by John M. Marek, P. Eng., Independent Mining Consultants, Inc.; Christo Marais, P. Geo., Argonaut; Philip Addis, P. Eng., SLR Consulting (Canada) Ltd.; Tommaso Roberto Raponi, P. Eng., T.R. Raponi Consulting Ltd.; and Kyle L. Stanfield, P. Eng., Argonaut;
- (e) *"Technical Report Mineral Resource and Mineral Reserve, Florida Canyon Gold Mine, Pershing County, Nevada"*, dated effective as of June 1, 2020, prepared by John M. Marek, P.E. RM-SME of Independent Mining Consultants, Inc. and James R. Arnold, P.E.; and
- (f) *"Pre-Feasibility Study NI 43-101 Technical Report Cerro del Gallo Heap Leach Project Guanajuato, Mexico"*, dated effective as of October 24, 2019, prepared by Carl Defilippi, M.Sc. C.E.M., SME of Kappes Cassiday & Associates, Thomas Dyer, P.E. of Mine Development Associates, Todd Minard, P.E. of Golder Associates Inc., Brian Arkell, CPG and Neb Zurkic, CPG;

"Termination Date" means May 31, 2023;

"Time of Closing" means 8:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as may be agreed to in writing by Argonaut and the Underwriters;

"Transfer Agent" means Computershare Investor Services Inc., at its principal offices in the City of Toronto, Ontario;

"TSX" means the Toronto Stock Exchange;

"Underwriters" has the meaning given to that term in the fifth paragraph of this Underwriting Agreement;

"Underwriters' Option" has the meaning given to that term in the second paragraph of this Underwriting Agreement;

"Underwriter FT Shares" means any Offered Shares acquired by an Underwriter as principal;

"Underwriting Fee" has the meaning given to that term in Section 14;

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

"U.S. Securities Laws" means all applicable securities laws in the United States, including without limitation, the United States Securities Act of 1933, as amended, the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, and any applicable state securities laws; and

"U.S. Subsidiaries" means, collectively, Argonaut Gold (U.S.) Corp., Rye Patch Mining US Inc., Rye Patch Gold US Inc., RP Dirt Inc., Standard Gold Mining Inc. and Florida Canyon Mining Inc.

- (2) *Incorporation of Schedules.* The Underwriters and the Corporation acknowledge that Schedule "A" attached hereto shall form part of this Underwriting Agreement.
- (3) *Headings, etc.* The division of this Underwriting Agreement into sections, subsections, paragraphs and other subdivisions and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Underwriting Agreement. Unless something in the subject matter or context is inconsistent therewith, references herein to sections, subsections, paragraphs and other subdivisions are to sections, subsections, paragraphs and other subdivisions of this Underwriting Agreement.
- (4) *Currency.* Except as otherwise indicated, all amounts expressed herein in terms of money refer to lawful currency of Canada and all payments to be made hereunder shall be made in such currency.
- (5) *Knowledge.* In this Underwriting Agreement a reference to "knowledge" of Argonaut means to the best knowledge of Larry Radford and David A. Ponczoch, after due and reasonable inquiry.
- (6) *Information Relating to Underwriters.* Where this Underwriting Agreement references information and statements relating solely to the Underwriters and furnished by them specifically for use in the Offering Documents, or any part thereof, the statements set forth under the heading "*Plan of Distribution*" in the Prospectus Supplement or any Supplementary Material, or that relate to over-allotment that may be undertaken by the Underwriters, constitute the only such information and statements.

Section 2 Filing of the Prospectus Supplement, Marketing Materials and Qualification for Distribution

- (1) The Corporation represent and warrants to, and covenants and agrees with, the Underwriters that the Corporation has prepared and will as soon as practicable after the execution of this Underwriting Agreement, and in any event no later than 10:30 p.m. (Toronto time) on the day of the execution and deliver of this Underwriting Agreement, file the Prospectus Supplement, including copies of any Documents Incorporated by Reference, with the Securities Commissions and will have taken all other steps and proceedings that may be necessary in respect of the proposed distribution of the Offered Shares.
- (2) During the distribution of the Offered Shares:
 - (a) the Corporation shall prepare, in consultation with Cormark, any marketing materials (including any template version thereof) to be provided to potential investors in the Offered Shares, and approve in writing any such marketing materials (including any template version thereof), as may reasonably be requested by the Underwriters, such marketing materials to comply with Canadian Securities Laws and to be acceptable in form and substance to the Underwriters and their counsel, acting reasonably;
 - (b) Cormark shall, on behalf of the Underwriters, approve in writing any such marketing materials, as contemplated by the Canadian Securities Laws, prior to any marketing materials being provided to potential investors of Offered Shares and/or filed with the Securities Commissions; and
 - (c) the Corporation shall: (i) file any such marketing materials (or any template version thereof) with the Securities Commissions as soon as reasonably practicable after such marketing materials are so approved in writing by the Corporation and Cormark, on behalf of the Underwriters, and in any event on or before the day the marketing materials are first provided to any potential investor of Offered Shares; and (ii) remove or redact any comparables from any template version so filed, in compliance with NI 44-101 and NI 44-102, prior to filing such template version with the Securities Commissions (provided that a complete template version containing such comparables

and any disclosure relating to the comparables, if any, shall be delivered to the Securities Commissions in compliance with NI 44-101 and NI 44-102 by the Corporation, and a copy thereof provided to the Underwriters as soon as practicable following such filing).

- (3) The Corporation and each Underwriter, on a several basis, covenants and agrees that, during the distribution of the Offered Shares, it will not provide any potential investor with any materials or information in relation to the distribution of the Offered Shares or the Corporation other than the Prospectus and any Supplementary Material in accordance with this Underwriting Agreement, provided that: (a) any such materials that constitute marketing materials have been approved and filed in accordance with Section 2(2); and (b) any such materials that constitute standard term sheets have been approved in writing by the Corporation and Cormark and are provided in compliance with Canadian Securities Laws in each case only in the Qualifying Jurisdictions.
- (4) Notwithstanding Section 2(2) and Section 2(3), following the approval and filing of a template version of marketing materials in accordance with Section 2(2), the Underwriters may provide a limited-use version of such template version to potential investors in the Offered Shares in accordance with Canadian Securities Laws.
- (5) Until the date on which the distribution of the Offered Shares is completed, the Corporation will promptly take, or cause to be taken, all additional steps and proceedings that may from time to time be required under Canadian Securities Laws to continue to qualify the distribution of the Offered Shares or, in the event that the Offered Shares or any of them, have, for any reason, ceased to so qualify, to so qualify again such securities, as applicable, for distribution.

Section 3 Delivery of Offering Documents and Related Matters

- (1) The Corporation shall deliver, or cause to be delivered, without charge to the Underwriters, as soon as practicable and in any event within one (1) Business Day for deliveries within Toronto, Ontario and two (2) Business Days for deliveries outside of Toronto, Ontario of the date of the Prospectus Supplement, and thereafter from time to time during the distribution of the Offered Shares, in such cities in the Offering Jurisdictions as the Underwriters shall notify the Corporation, as many commercial copies of the Prospectus as the Underwriters may request for the purposes contemplated by the Applicable Securities Laws. The Corporation will similarly cause to be delivered to the Underwriters, in such cities in the Offering Jurisdictions as the Underwriters may request, commercial copies of any Supplementary Material required or intended to be delivered to purchasers or prospective purchasers of the Offered Shares.
- (2) Each delivery of the Prospectus or any Supplementary Material will have constituted and will constitute the Corporation's consent to the use of the Prospectus and any Supplementary Material by the Underwriters and the Selling Firms for the distribution of the Offered Shares in the Offering Jurisdictions in compliance with the provisions of this Underwriting Agreement.
- (3) Each delivery of the Prospectus and any Supplementary Material to the Underwriters by, or on behalf of, Argonaut will constitute the representation and warranty of Argonaut to the Underwriters that (except for information and statements relating solely to the Underwriters and furnished by them specifically for use in the Prospectus), at the respective times of delivery:
 - (a) all information and statements contained therein are true and correct in all material respects and contain no misrepresentation and constitute full, true and plain disclosure of all material facts relating to Argonaut and the Offered Shares, as required by Canadian Securities Laws;
 - (b) no material fact or information has been omitted from such document which is required to be stated therein or is necessary to make the statements or information contained therein not misleading in light of the circumstances in which they were made; and

- (c) such document fully complies with the requirements of Canadian Securities Laws pursuant to which it was filed.
- (4) Argonaut will also deliver to the Underwriters without charge contemporaneously with, or prior to, the filing of the Prospectus Supplement:
 - (a) a copy of the Prospectus Supplement, manually signed on behalf of the Corporation by the Persons and in the form required by Canadian Securities Laws, including copies of any Documents Incorporated by Reference which have not previously been delivered to the Underwriters (provided that any Documents Incorporated by Reference which are publicly available on SEDAR shall be deemed to be delivered to the Underwriters);
 - (b) a copy of any other document filed with, or delivered to, the Securities Commissions by Argonaut under Canadian Securities Laws in connection with the Offering;
 - (c) evidence satisfactory to the Underwriters of the approval (or conditional approval) of the listing and posting for trading on the TSX of the Offered Shares, subject only to satisfaction by Argonaut of customary post-closing conditions imposed by the TSX in similar circumstances (the "**Standard Listing Conditions**"); and
 - (d) a "long-form" comfort letter dated the date of the Prospectus Supplement in a form and substance acceptable to the Underwriters, acting reasonably, addressed to the Underwriters, from the Auditor, and based on a review completed no more than two (2) Business Days prior to the date of the Prospectus Supplement, with respect to financial and accounting information relating to the Corporate Financial Information in the Prospectus Supplement and the Documents Incorporated by Reference, which letter shall be in addition to the auditor's consent and any auditor's comfort letter addressed to the Securities Commissions and filed with or delivered to the Securities Commissions under Canadian Securities Laws.
- (5) Comfort letters and other documents substantially similar to those referred to in this section will be delivered, as required, to the Underwriters and Argonaut, and their respective counsel, as applicable, with respect to any Supplementary Material, contemporaneously with, or prior to the filing or delivery of, any Supplementary Material.

Section 4 Material Changes During the Distribution of the Offered Shares

- (1) Argonaut will immediately inform the Underwriters at first orally, and then in writing, during the period prior to the completion of the distribution of the Offered Shares of the full particulars of:
 - (a) any material change (whether actual, anticipated, threatened, contemplated) in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or ownership of Argonaut, in each case on a consolidated basis (other than a change disclosed in the Prospectus); or
 - (b) any material fact (whether actual, anticipated, threatened, contemplated, or proposed) that has arisen or would have been required to have been stated in any of the Offering Documents had that fact arisen or been discovered on, or prior to, the date of the Offering Documents, as the case may be; or
 - (c) any change (whether actual, anticipated, threatened, contemplated, or proposed by, to, or against) in any material fact or any misstatement of any material fact contained or incorporated by reference in any of the Offering Documents, or the coming into existence of any new material fact,

in all cases which change or material fact is, or could reasonably be expected to be, of such a nature as:

- (d) to render any of the Offering Documents, as they exist immediately prior to such change or material fact, misleading or untrue in any material respect or could result in any of such documents, as they exist immediately prior to such change or material fact, containing a misrepresentation; or
 - (e) could result in any of the Offering Documents, as they exist immediately prior to such change or material fact, not complying with any Applicable Securities Laws; or
 - (f) to constitute a Material Adverse Effect as it relates to Argonaut.
- (2) Argonaut shall comply with Part 6 of NI 41-101 and with NI 44-101 and NI 44-102 and with the comparable provisions of Canadian Securities Laws, and Argonaut will prepare and will file or deliver promptly at the request of the Underwriters, any Supplementary Material, which, in the opinion of the Underwriters and their counsel, acting reasonably, may be necessary, and will, until the distribution of the Offered Shares is complete, otherwise comply with all applicable filing, delivery and other requirements under Canadian Securities Laws arising as a result of such fact or change necessary to continue to qualify the Offered Shares for distribution in each of the Qualifying Jurisdictions.
- (3) The Corporation and the Underwriters acknowledge that if the Prospectus (prior to amendment) contains a misrepresentation, the Corporation will promptly prepare and file with the Securities Commissions in the Qualifying Jurisdictions any amendment or supplement thereto which in the opinion of the Underwriters and the Corporation, acting reasonably, may be necessary or advisable to correct such misrepresentation.
- (4) In addition, if, during the period from the date hereof to the later of (i) the Closing Date and (ii) the date of the completion of the distribution of the Offered Shares, it shall be necessary to file or deliver any Supplementary Material to comply with any Applicable Securities Laws, the Corporation shall, in co-operation with the Underwriters, make any such filing and/or delivery as soon as reasonably possible.
- (5) In addition to the provisions of Section 4(1) and Section 4(2), Argonaut will, acting reasonably, discuss with the Underwriters, any change, event, development or fact, contemplated, anticipated, threatened, or proposed which is of such a nature that there may be reasonable doubt as to whether written notice should be given to the Underwriters under Section 4 of this Underwriting Agreement and will consult with the Underwriters with respect to the form and substance of any Supplementary Material proposed to be filed or delivered by Argonaut, it being understood and agreed that no such Supplementary Material will be filed by Argonaut with any Securities Commission or delivered to any purchaser or prospective purchaser until the Underwriters and their legal counsel: (a) have been given a reasonable opportunity to review; and (b) approve such material, acting reasonably.

Section 5 Due Diligence

Prior to the Time of Closing, and, if applicable, prior to the filing or delivery of any Supplementary Material, the Underwriters, their legal counsel, and technical consultants will be provided with timely access to all information required to permit them to conduct a full due diligence investigation of Argonaut and its business operations, properties, assets, affairs, prospects and financial condition. In particular, the Underwriters shall be permitted to conduct all due diligence that they may reasonably require in order to fulfil their obligations under Applicable Securities Laws, and in that regard, Argonaut will make available to the Underwriters, their legal counsel and technical consultants, on a timely basis, all corporate and operating records, contracts, resource and reserve reports, technical reports, feasibility studies, financial information, transaction record books, current budgets, current forecasts, reports, key officers, as applicable, and other relevant documentation or information necessary in order to complete the due diligence investigation of Argonaut, and its business operations, properties, assets, affairs, prospects and financial condition for this purpose, and without limiting the scope of the due diligence inquiries the Underwriters may conduct, to participate in one or more due diligence sessions to be held prior to the Time of Closing at which management of the Corporation, the Auditor and the legal counsel of the Corporation shall

participate. The Corporation shall obtain written responses to the Underwriters' due diligence inquiries from an author of each of the Technical Reports. It shall be a condition precedent to the Underwriters' execution of any certificate in any Offering Document that the Underwriters be satisfied as to the form and substance of the document.

Section 6 Conditions of Closing

The Underwriters' obligations under this Underwriting Agreement to purchase or to arrange for the purchase of the Offered Shares or any of them, are conditional upon (which conditions may be waived by the Underwriters in their sole discretion) and subject to:

- (1) *Canadian Legal Opinion.* The Underwriters receiving at the Time of Closing a favourable legal opinion from Bennett Jones LLP, counsel to Argonaut, who may rely on, or alternatively provide directly to the Underwriters, the opinions of local counsel acceptable to counsel to the Underwriters, acting reasonably, as to the qualification of the Offered Shares for sale to the public and as to other matters governed by the laws of jurisdictions in Canada other than the Provinces of Ontario, British Columbia and Alberta, and may rely as to matters of fact on certificates of officers, public and exchange officials or of the Auditor or Transfer Agent, to the effect set forth below:
 - (a) Argonaut has been incorporated and is existing under the laws of the Province of Ontario and has the corporate capacity and power to own and lease its properties and assets and to conduct its business as described in the Prospectus;
 - (b) the Corporation having the corporate power to execute and deliver this Underwriting Agreement, and to carry out the transactions contemplated hereby, under the laws of the Province of Ontario;
 - (c) as to the authorized and issued share capital of Argonaut;
 - (d) all necessary corporate actions having been taken by Argonaut to authorize the execution and delivery of the Underwriting Agreement, and the performance of its obligations hereunder;
 - (e) the Underwriting Agreement having been duly executed and delivered by Argonaut and constituting a legal, valid and binding obligation of, and being enforceable against, Argonaut in accordance with its terms (subject to bankruptcy, insolvency or other Laws affecting the rights of creditors generally, general equitable principles including the availability of equitable remedies and the qualification that no opinion need be expressed as to rights to indemnity or contribution) and such other customary qualifications for an opinion of this nature;
 - (f) the execution and delivery by Argonaut of the Underwriting Agreement, the fulfilment of the terms thereof by Argonaut, and the issue, sale and delivery on the Closing Date of the Purchased Shares (and the Optioned Shares to the extent that the Underwriters' Option is exercised) and the grant of the Underwriters' Option to the Underwriters as contemplated herein, not constituting or resulting in a breach of or a default under, and not creating a state of facts which, after notice or lapse of time or both, will constitute or result in a breach of, and will not conflict with, any of the terms, conditions or provisions of the articles and by-laws of Argonaut or any applicable Law of Ontario, and the federal Laws of Canada;
 - (g) all necessary corporate actions having been taken by Argonaut to authorize the creation, issuance and delivery of the Offered Shares;
 - (h) all documents required to be filed with or delivered to the Securities Commissions by Argonaut, and all proceedings required to be taken by Argonaut under Applicable Securities Laws, have been filed or delivered and taken in order to qualify the distribution of the Offered Shares in each of the Qualifying Jurisdictions through investment dealers or brokers registered under the applicable Laws thereof who have complied with the relevant provisions thereof, and the grant of the

Underwriters' Option, and no other documents will be required to be filed, proceedings taken, or approvals, permits, consents or authorizations obtained by Argonaut under Applicable Securities Laws to permit the trading in the Qualifying Jurisdictions of the Offered Shares, through registrants duly registered under Applicable Securities Laws or in circumstances in which there is an exemption from the registration requirements of such applicable laws;

- (i) the Offering Documents having been duly authorized and executed by the Corporation;
- (j) the Offered Shares having been conditionally approved, or approved, for listing on the TSX, subject only to the Standard Listing Conditions;
- (k) (i) the Purchased Shares being validly issued by the Corporation as fully paid and non-assessable common shares in the capital of the Corporation; (ii) the Underwriters' Option being validly granted by the Corporation to the Underwriters; and (iii) any Optioned Shares issued on exercise of the Underwriters' Option being validly issued by the Corporation as fully paid and non-assessable common shares in the capital of the Corporation;
- (l) the Corporation being a reporting issuer (or the equivalent) under the Securities Laws of all of the Qualifying Jurisdictions, and not being included on a list of defaulting reporting issuers maintained by the securities regulators of such jurisdictions;
- (m) the statements under the headings "*Eligibility for Investment*", "*Description of Securities Being Distributed – Flow-Through Shares – Renunciation of CDE*" and "*Certain Canadian Federal Income Tax Considerations*" in the Prospectus Supplement in so far as they purport to describe the provisions of the laws referred to therein, are fair and accurate summaries of the matters discussed therein, and
- (n) excluding any Underwriter FT Shares, and except as the result of any Follow-On Transaction or any agreement or arrangement to which the Corporation is not a party and of which it has no knowledge, the Offered Shares being "flow-through shares" as defined in subsection 66(15) of the Tax Act and not "prescribed shares" within the meaning of section 6202.1 of the regulations to the Tax Act,

in a form and substance acceptable to the Underwriters, acting reasonably.

- (2) *Opinion of Mexico Counsel for the Corporation.* The Underwriters receiving at the Time of Closing a favourable legal opinion from Hogan Lovells LLP, Mexico counsel to Argonaut, as to: (a) the incorporation and existence of each of the Mexico Subsidiaries; (b) the ability of each of the Mexico Subsidiaries to carry on its business as presently carried on and to own, lease and operate their properties and assets; (c) the authorized capital and issued and outstanding share capital of each of the Mexico Subsidiaries; and (d) the ownership of the issued and outstanding securities of each of the Mexico Subsidiaries, in form and substance acceptable to the Underwriters, acting reasonably.
- (3) *Opinions of U.S. Counsel for the Corporation.* The Underwriters receiving at the Time of Closing a favourable legal opinion from:
 - (a) Erwin Thompson Faillers, U.S. counsel to Argonaut, as to: (i) the incorporation and existence of each of the U.S. Subsidiaries, other than Argonaut Gold (U.S.) Corp.; (ii) the ability of each of the U.S. Subsidiaries, other than Argonaut Gold (U.S.) Corp., to carry on its business as presently carried on and to own, lease and operate their properties and assets; (iii) the authorized capital and issued and outstanding share capital of each of the U.S. Subsidiaries, other than Argonaut Gold (U.S.) Corp.; and (iv) the ownership of the issued and outstanding securities of each of the U.S. Subsidiaries, other than Argonaut Gold (U.S.) Corp., in form and substance acceptable to the Underwriters, acting reasonably; and

- (b) Woodburn and Wedge, U.S. counsel to Argonaut, as to: (i) the incorporation and existence of Argonaut Gold (U.S.) Corp.; (ii) the corporate power and authority of Argonaut Gold (U.S.) Corp. to carry on its business as presently carried on and to own, lease and operate its properties and assets; (iii) the authorized capital and issued and outstanding share capital of Argonaut Gold (U.S.) Corp.; and (iv) the ownership of the issued and outstanding securities of Argonaut Gold (U.S.) Corp., in form and substance acceptable to the Underwriters, acting reasonably.
- (4) *Title Opinion.* The Underwriters receiving at the Time of Closing a favourable legal opinion, in form and substance acceptable to the Underwriters, acting reasonably, dated as of the Closing Date, from Bennett Jones LLP, Canadian counsel to Argonaut, as to title matters in respect of the Magino Project.
- (5) *Officer's Certificate of Argonaut.* The Underwriters having received at the Time of Closing, a certificate dated such date signed by the Chief Executive Officer and Chief Financial Officer of Argonaut or another officer acceptable to the Underwriters in form and substance acceptable to the Underwriters with respect to:
 - (a) the constating documents of Argonaut;
 - (b) the resolutions of the directors of Argonaut relevant to the Offering, the allotment, issue (or reservation for issue) and sale of the Offered Shares, the grant of the Underwriters' Option, the authorization of this Underwriting Agreement and the other agreements and transactions contemplated by this Underwriting Agreement; and
 - (c) the incumbency and signatures of signing officers of Argonaut.
- (6) *Certificate of Transfer Agent and Registrar.* The Corporation having delivered to the Underwriters at the Time of Closing a certificate of the Transfer Agent, which certifies the number of common shares issued and outstanding on the day prior to the Closing Date.
- (7) *Certificates of Status.* The Underwriters having received at the Time of Closing certificates of status and/or compliance (or the equivalent), for Argonaut and each Subsidiary, dated no earlier than the date prior to the Closing Date.
- (8) *Closing Certificate of Argonaut.* The Underwriters having received at the Time of Closing, a certificate dated the date on which such Time of Closing occurs, addressed to the Underwriters and signed by the Chief Executive Officer and Chief Financial Officer of Argonaut, certifying for and on behalf of Argonaut, and not in their personal capacities, after having made due inquiries, with respect to the following matters:
 - (a) Argonaut having complied with all the covenants, in all material respects, and satisfied all the terms and conditions of this Underwriting Agreement on its part to be complied with and satisfied at or prior to such Time of Closing;
 - (b) no order, ruling or determination having the effect of ceasing or suspending trading in any securities of the Corporation or prohibiting the sale of the Offered Shares or the grant of the Underwriters' Option or any of the Corporation's issued securities having been issued, and no proceeding for such purpose, to the knowledge of such officers, being pending or threatened;
 - (c) subsequent to the date of this Underwriting Agreement, there having not occurred a material change, or any change or development that could reasonably be expected to result in a Material Adverse Effect, or the coming into existence or discovery of a material fact, other than as disclosed in the Prospectus or any Supplementary Material, as the case may be;
 - (d) subsequent to the date of this Underwriting Agreement, no material change relating to the Corporation having occurred since the date of this Underwriting Agreement other than as disclosed in the Prospectus or in any Supplementary Material; and

- (e) the representations and warranties of Argonaut contained in this Underwriting Agreement, any Ancillary Documents and in any certificates of Argonaut delivered pursuant to or in connection with this Underwriting Agreement, being true and correct in all material respects (or, as regards specific representations and warranties if qualified by materiality, in all respects) as at the Time of Closing, with the same force and effect as if made on and as at such Time of Closing, except for such representations and warranties which are in respect of a specific date in which case such representations and warranties shall be true and correct in all material respects (or, as regards specific representations and warranties if qualified by materiality, in all respects), as of such date, after giving effect to the transactions contemplated by this Underwriting Agreement.
- (9) *"Bring-Down" Comfort Letter.* The Underwriters shall have received a comfort letter of the Auditor in form and substance satisfactory to the Underwriters and their counsel, acting reasonably, similar to the comfort letter to be delivered to the Underwriters pursuant to Section 3(4)(d) hereof, with any modifications necessary in the event additional information is incorporated by reference into the Prospectus, and updated to a date not less than two days prior to the Closing Date.
- (10) *TSX Listing of Common Shares.* On the Closing Date, Argonaut having delivered to the Underwriters evidence of the approval (or conditional approval) of the listing and posting for trading of the Offered Shares on the TSX, subject only to satisfaction by Argonaut of the Standard Listing Conditions.
- (11) *Electronic Deposit.* The Corporation shall have confirmed the electronic deposit of the Offered Shares through the facilities of CDS as specified in Section 12(2) hereof.
- (12) *Commission.* The Underwriters shall have received the Underwriting Fee in the manner specified in Section 14 hereof.
- (13) *No Termination.* The Underwriters not having exercised any rights of termination set forth in Section 15.
- (14) *No Cease Trade Order.* At the Time of Closing, the Corporation not being the subject of a cease trading order made by any Securities Commission or other competent authority which has not been rescinded.
- (15) *Representations and Warranties.* At the Time of Closing, the representations and warranties of Argonaut contained in this Underwriting Agreement, any Ancillary Documents and in any certificates of Argonaut delivered pursuant to or in connection with this Underwriting Agreement, being true and correct in all material respects (or, as regards specific representations and warranties if qualified by materiality, in all respects) as at the Time of Closing, with the same force and effect as if made on and as at the Time of Closing, except for such representations and warranties which are in respect of a specific date in which case such representations and warranties shall be true and correct, in all material respects (or, as regards specific representations and warranties if qualified by materiality, in all respects), as of such date, after giving effect to the transactions contemplated by this Underwriting Agreement, and Argonaut having complied with all terms and conditions of this Underwriting Agreement to be complied with by Argonaut at or prior to the Time of Closing.
- (16) *Other Documentation.* The Underwriters having received at the Time of Closing such further certificates, opinions of counsel and other documentation from Argonaut as may be contemplated herein or as the Underwriters may reasonably require, provided, however, that the Underwriters shall request any such certificate or document within a reasonable period prior to the Time of Closing that is sufficient for Argonaut to obtain and deliver such certificate, opinion or document.

Section 7 Representations and Warranties of Argonaut

- (1) Argonaut hereby represents and warrants to the Underwriters as set forth on Schedule "A" hereto.

Section 8 Representations and Warranties of the Underwriters

- (1) Each Underwriter hereby severally, and not jointly, nor jointly and severally, represents and warrants that:
 - (a) it is, and will remain so, until the completion of the Offering, appropriately registered under applicable Canadian Securities Laws so as to permit it to lawfully fulfil its obligations hereunder; and
 - (b) it has all requisite corporate power and authority to enter into this Underwriting Agreement and to carry out the transactions contemplated under this Underwriting Agreement on the terms and conditions set forth herein.
- (2) The representations and warranties of each of the Underwriters contained in this Underwriting Agreement shall be true at the Time of Closing as though they were made at the Time of Closing and they shall not survive the completion of the transactions contemplated under this Underwriting Agreement but shall terminate on the completion of the distribution of the Offered Shares.

Section 9 Additional Covenants of Argonaut

In addition to any other covenant of Argonaut set forth in this Underwriting Agreement, Argonaut covenants with the Underwriters that:

- (a) *Stock Exchange Listings.* Prior to the filing of the Prospectus Supplement with the Securities Commissions, Argonaut will file or cause to be filed with the TSX all necessary documents and will take, or cause to be taken, all commercially reasonable steps necessary to ensure that the Offered Shares have been approved (or conditionally approved) for listing and for trading on the TSX, subject only to satisfaction by Argonaut of the Standard Listing Conditions, and Argonaut shall thereafter, fulfill the Standard Listing Conditions, if any, within the time period prescribed by the TSX;
- (b) *Other Filings.* Argonaut will make all necessary filings, use commercially reasonable efforts to obtain all necessary regulatory consents and approvals (if any) and Argonaut will pay all filing fees required to be paid in connection with the transactions contemplated in this Underwriting Agreement;
- (c) *Press Releases.* Subject to compliance with applicable Law, any press release of Argonaut relating to the Offering will be provided in advance to Cormark, on behalf of the Underwriters, and Argonaut will agree to the form and substance thereof with Cormark, on behalf of the Underwriters, each acting reasonably, prior to the release thereof;
- (d) *Use of Proceeds.* Argonaut shall use the gross proceeds from the purchase and sale of the Offered Shares in accordance with the descriptions set forth under the heading "*Use of Proceeds*" in the Prospectus Supplement; and
- (e) *Flow-Through.*
 - (i) The Corporation agrees to incur (or be deemed to incur) applicable Resource Expenses in an amount equal to the Commitment Amount on or after the Time of Closing and on or before the Termination Date in accordance with the Tax Act and the Subscription and Renunciation Agreements in respect of the Offered Shares and agrees to renounce to the purchasers, with an effective date no later than May 31, 2023, the relevant Resource Expenses in an amount equal to the Commitment Amount;
 - (ii) the Corporation shall deliver to the purchasers, the Prescribed Forms, fully completed and executed, renouncing to each purchaser Resource Expenses in an amount equal to the

Commitment Amount applicable to such purchaser with an effective date of no later than May 31, 2023, such delivery constituting the authorization of the Corporation to the purchasers to file such Prescribed Forms with applicable taxation authorities. The Corporation shall file the requisite Prescribed Forms in a timely fashion with the CRA pursuant to subsection 66(12.7) of the Tax Act in respect of such renunciations;

- (iii) the Corporation shall remain a "principal-business corporation" as defined in subsection 66(15) of the Tax Act at all material times;
- (iv) the Corporation shall use the gross proceeds from the sale of the Offered Shares to incur (or be deemed to incur) Resource Expenses on the Magino Project located in the Province of Ontario, Canada;
- (v) in respect of the expenses to be renounced by the Corporation to the purchasers, such expenses will constitute Resource Expenses on the effective date of the renunciation and will not be subject to any reduction under subsection 66(12.73) of the Tax Act;
- (vi) the Corporation will not reduce the amount renounced to the purchasers pursuant to subsection 66(12.62) of the Tax Act;
- (vii) the Corporation acknowledges that it is not now entitled to receive any assistance, as defined in the Tax Act, in respect of the Resource Expenses. If the Corporation receives, or becomes entitled to receive, any assistance that has or will have the effect of reducing the amount of CDE which the Corporation may validly renounce to the purchasers hereunder to less than the applicable Commitment Amount, the Corporation will incur additional CDE so that it may renounce Resource Expenses in an amount not less than the applicable Commitment Amount;
- (viii) if the Corporation does not renounce to the purchasers Resource Expenses equal to the Commitment Amount in accordance with the Tax Act, the Corporation shall indemnify and hold harmless the affected purchasers or each of the partners thereof if the purchaser is a partnership (for the purposes of this paragraph each an "**Indemnified Person**") as to, and pay in settlement thereof to the Indemnified Person on or before the 20th Business Day following the date the amount is definitively determined, an amount equal to the amount of any tax payable under the Tax Act or the laws of a province (within the meaning of subparagraph (c)(i) of the definition "excluded obligation" in subsection 6202.1(5) of the regulations to the Tax Act) by any Indemnified Person as a consequence of such failure. In the event that the amount renounced by the Corporation to the purchaser is reduced pursuant to subsection 66(12.73) of the Tax Act, the Corporation shall indemnify and hold harmless each Indemnified Person as to, and pay to the Indemnified Person on or before the 20th Business Day following the date the amount is definitively determined, an amount equal to the amount of any tax payable under the Tax Act or the laws of a province (within the meaning of subparagraph (c)(ii) of the definition of "excluded obligation" at subsection 6202.1(5) of the regulations to the Tax Act) by the Indemnified Person as a consequence of such reduction. Nothing in this paragraph shall derogate from any rights or remedies a purchaser may have at common law with respect to claims for damages other than for tax payable under the Tax Act or the laws of a province. For certainty, the foregoing indemnity shall have no force or effect to the extent that such indemnity would otherwise cause the Offered Shares to be "prescribed shares" within the meaning of section 6202.1 of the regulations to the Tax Act. The Corporation hereby appoints the Underwriters as trustees in respect of the rights and benefits of this paragraph for, and on behalf of, and the Underwriters hereby obtain and hold the rights and benefits of this paragraph in trust for, and on behalf of, each Indemnified Person and the Corporation hereby agrees that the Indemnified Persons shall be entitled to enforce the provisions of this paragraph notwithstanding that such Indemnified Persons may not

be party to this Underwriting Agreement. For greater certainty, this indemnification does not extend to any Underwriter FT Shares;

- (ix) the Corporation shall file with the CRA within the time prescribed by subsection 66(12.68) of the Tax Act, the forms prescribed for the purposes of that subsection together with a copy of the Subscription and Renunciation Agreements or any "selling instrument" contemplated by that subsection and shall forthwith following such filing provide to the purchasers a copy of such form certified by an officer of the Corporation;
- (x) the Corporation shall incur and renounce Resource Expenses pursuant to the Subscription and Renunciation Agreements and all other agreements with other Persons providing for the issue of shares which are "flow-through shares" as defined in subsection 66(15) of the Tax Act entered into by the Corporation on the Closing Date (collectively the "**Other Agreements**") before incurring and renouncing CDE pursuant to any other agreement which the Corporation will enter into with any Person with respect to the issue of common shares or rights which are "flow-through shares" after the Closing Date. If the Corporation is required under the Tax Act or otherwise to reduce Resource Expenses previously renounced to the purchasers, the reduction shall, except with respect to any purchaser that agrees otherwise, be made *pro rata* by the number of Offered Shares issued or to be issued pursuant to the Subscription and Renunciation Agreements and the Other Agreements only after it has first reduced to the extent possible all CDE renounced to Persons (other than the purchasers and the purchasers under the Other Agreements) under any agreements relating to common shares or rights which are "flow-through shares" entered into after the Closing Date. For greater certainty, nothing in this Underwriting Agreement or the Subscription and Renunciation Agreements shall limit in any way the Corporation's ability or obligation to incur and renounce CDE pursuant to the March 2022 FT Offering;
- (xi) The expenses to be renounced by the Corporation to the purchasers:
 - (A) will constitute Resource Expenses on the effective date of the renunciation, and
 - (B) will not include any amount that has previously been renounced by the Corporation to the purchasers or to any other Person;
- (xii) the Corporation will maintain proper, complete and accurate accounting books and records relating to the Resource Expenses. The Corporation will retain all such books and records as may be required to support the renunciation of Resource Expenses contemplated by the Subscription and Renunciation Agreements;
- (xiii) the Corporation shall not enter into any other agreement which would prevent or restrict its ability to renounce Resource Expenses to the purchasers in the amount of the Commitment Amount; and
- (xiv) the Corporation shall perform and carry out all acts and things to be completed by it as provided in the Subscription and Renunciation Agreements.

Section 10 Covenants of the Underwriters

- (1) The Underwriters hereby covenant and agree with Argonaut the following:
 - (a) *Offering Jurisdictions and Offer Price.* During the period of distribution of the Offered Shares by or through the Underwriters, the Underwriters will offer and sell Offered Shares to the public only in the Qualifying Jurisdictions or where they may lawfully be offered for sale or sold directly and through other duly registered investments dealers and brokers (the Underwriters, together with

such other investment dealers and brokers, are referred to herein as the "**Selling Firms**"), upon the terms and conditions set forth in the Prospectus and in this Underwriting Agreement. The Underwriters may also offer and sell the Offered Shares outside of Canada in accordance with Section 10(1)(b). For the purposes of this Section 10(1)(a), the Underwriters shall be entitled to assume that the Offered Shares are qualified for distribution in each of the Qualifying Jurisdictions following the filing of the Prospectus Supplement unless otherwise notified in writing by the Corporation.

- (b) *Compliance with Applicable Securities Laws.* The Underwriters shall comply with, and will instruct any Selling Firms to comply with, the applicable Canadian Securities Laws in connection with the offer to sell and distribution of the Offered Shares and shall not, directly or indirectly, solicit offers to purchase or sell the Offered Shares or deliver any Offering Documents so as to require registration of the Offered Shares or filing of a prospectus or registration statement with respect to the Offered Shares or compliance by the Corporation with regulatory requirements (including any continuous disclosure obligations or similar reporting obligations) under the laws of any jurisdiction other than the Qualifying Jurisdictions and the Underwriters shall not, and shall instruct any Selling Firm to not, make any representations or warranties with respect to the Corporation or the Offered Shares, other than as set forth in the Offering Documents.
 - (c) *Completion of Distribution.* The Underwriters will use their reasonable best efforts to complete the distribution of the Offered Shares as promptly as possible after the Time of Closing and will notify Argonaut when, in the Underwriters' opinion, the Underwriters have ceased the distribution of the Offered Shares, and, within 30 days after completion of the distribution, will provide Argonaut, in writing, with a breakdown of the number of Offered Shares distributed in each of the Qualifying Jurisdictions where that breakdown is required by a Securities Commission for the purpose of calculating fees payable to, or making filings with, that Securities Commission.
 - (d) *No Secondary Market Purchases.* In connection with the Underwriters' Option, the Underwriters shall not cover any over-allotment position through secondary market purchases of common shares of the Corporation. If the Underwriters are required to cover an over-allotment position related to the Offering, such position shall be covered solely by purchase of additional Offered Shares from the Corporation upon exercise of the Underwriters' Option in accordance with Section 13 of this Underwriting Agreement.
- (2) *Liability on Default.* No Underwriter shall be liable to Argonaut under this Underwriting Agreement with respect to any act, omission or default by any of the other Underwriters or for any default resulting from the Corporation's failure to comply with Applicable Securities Laws.

Section 11 Follow-On Transactions

- (1) The Corporation understands that following the Closing, some or all of the Offered Shares may be: (i) donated by the purchasers to one or more charities and subsequently may be sold to third parties by the charity or charities; and/or (ii) immediately sold to third parties (each, a "**Follow-On Transaction**").
- (2) The Underwriters acknowledge that the Corporation has no knowledge of the Follow-On Transactions other than that they may or may not occur and that the Corporation will have no involvement or participation in any Follow-On Transactions, other than to register any transfer of securities required as a result.
- (3) The Underwriters do not act, and will not purport to act, as agent or representative of the Corporation in connection with any Follow-On Transaction and services or activities, if any, performed by the Underwriters in connection with any Follow-On Transaction are excluded from this Underwriting Agreement. The consideration payable to the Underwriters hereunder is for the Underwriter's services in respect of the Offering only. The parties further acknowledge that the Corporation is not entitled, and will not become entitled, to receive any consideration in respect of any Follow-On Transaction that might occur.

- (4) Neither the Corporation nor the Underwriters shall be liable or responsible for any breach of any covenant or representation given in this Underwriting Agreement if the Offered Shares are "prescribed shares" under section 6202.1 of the regulations to the Tax Act as a result of any Follow-On Transaction.

Section 12 Closing

- (1) *Location of Closing.* The purchase and sale of the Purchased Shares will be completed electronically or at the offices of Bennett Jones LLP in Toronto, Ontario at the Time of Closing.
- (2) *Settlement.* At the Time of Closing, subject to the terms and conditions contained in this Underwriting Agreement, Argonaut shall deliver to the Underwriters the Purchased Shares by way of the non-certificated inventory system of CDS Clearing and Depository Services Inc. (the "**NCI System**") against payment of the aggregate Offer Price set out in this Underwriting Agreement by wire transfer on the Closing Date payable to Argonaut. Argonaut will, at the Time of Closing and upon such payment of the aggregate Offer Price to Argonaut, make payment in full of the Underwriting Fee which may be made by Argonaut directing the Underwriters to withhold the Underwriting Fee from the payment of the aggregate Offer Price or by separate wire transfer on the Closing Date payable to the Underwriters, as agreed upon between the Corporation and the Underwriters.

Section 13 Underwriters' Option

- (1) The Corporation hereby grants to the Underwriters, in the respective percentages set out in Section 19 of this Underwriting Agreement, the Underwriters' Option to purchase the Optioned Shares at the Offer Price per Optioned Share. The Underwriters' Option may be exercised in whole or in part prior to its expiry in accordance with the provisions of this Underwriting Agreement by Cormark, on behalf of the Underwriters, by delivering to the Corporation written notice of exercise, setting out the number of Optioned Shares to be purchased by the Underwriters, which notice must be received by the Corporation not later than 48 hours prior to the Time of Closing. Upon the furnishing of the notice, the Underwriters will severally (and not jointly, nor jointly and severally) be committed to purchase, or to arrange for the Substituted Purchasers to purchase, the Optioned Shares in the respective percentages set out in Section 19 of this Underwriting Agreement and the Corporation will be committed to issue and sell in accordance with and subject to the provisions of this Underwriting Agreement, the number of Optioned Shares indicated in the notice. Optioned Shares may be purchased by the Underwriters and/or the Substituted Purchasers only for the purpose of satisfying over-allotments made in connection with the distribution of the Purchased Shares. In accordance with Section 10(1)(d), the Underwriters shall not cover any over-allotment position through secondary market purchases of common shares of the Corporation.
- (2) In the event that the Underwriters' Option is exercised by the Underwriters and any of the Optioned Shares are purchased by the Underwriters and/or the Substituted Purchasers, the closing shall take place electronically or at the offices mentioned in Section 12 above, or at such other place as shall be agreed upon by the Underwriters and the Corporation, on the Closing Date.
- (3) At the Time of Closing, if the Underwriters' Option is exercised, subject to the terms and conditions contained in this Underwriting Agreement, the Corporation shall deliver to the Underwriters and/or Substituted Purchasers the Optioned Shares by way of the NCI System against payment of the aggregate Offer Price by wire transfer on the Closing Date payable to Argonaut. Argonaut will, at the Time of Closing, and upon such payment of the aggregate Offer Price to Argonaut, make payment in full of the Underwriting Fee which may be made by Argonaut directing the Underwriters to withhold the Underwriting Fee from the payment of the aggregate Offer Price or by separate wire transfer on the Closing Date payable to the Underwriters, as agreed upon between the Corporation and the Underwriters.
- (4) The closing of the Underwriters' Option shall be conditional upon the conditions set forth in Section 6(9) through Section 6(16) being satisfied at the Time of Closing.

Section 14 Compensation of the Underwriters

In consideration of the Underwriters' services to be rendered in connection with the Offering, the Corporation shall pay to the Underwriters a fee (the "**Underwriting Fee**"), at the Time of Closing, equal to 5.00% of the aggregate gross cash proceeds received from the sale of the Purchased Shares and, if applicable, the Optioned Shares.

Section 15 Termination Rights

- (1) It is understood that any Underwriter may waive in whole or in part, or extend the time for compliance with any of the terms and conditions in this Underwriting Agreement without prejudice to its rights in respect of any subsequent breach, provided that to be binding on an Underwriter any such waiver or extension must be in writing and executed by such Underwriter.
- (2) In addition to any other remedies which may be available to the Underwriters in respect of any default, act or failure to act, or non-compliance with the terms of this Underwriting Agreement by Argonaut, any Underwriter shall be entitled, at such Underwriter's option, to terminate and cancel, without any liability on such Underwriter's part, such Underwriter's obligations under this Underwriting Agreement to purchase the Purchased Shares or the Optioned Shares if, at or at any time prior to the Time of Closing:
 - (a) *Material Adverse Change or Change in Material Fact.* There shall have occurred any material change or change in any material fact, or there shall be discovered any previously undisclosed material change or material fact in relation to the Corporation which was required to have been disclosed in the Corporation's public disclosure record on SEDAR that could, in the reasonable opinion of the Underwriters, be expected to result in an adverse material change in relation to the Corporation and have a material adverse effect on the market price or value of the common shares of the Company;
 - (b) *Disaster.* There should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence, any escalation in the severity of the COVID-19 pandemic, any acts of terrorism or hostilities or escalation thereof or other calamity or crisis, or any law or regulation that, in the opinion of the Underwriters, acting reasonably, seriously materially adversely affects, or would be expected to seriously materially adversely affect, the financial markets or the business, operations or affairs of the Corporation and its Subsidiaries, taken as a whole;
 - (c) *Proceedings.* (A) Any inquiry, action, suit, investigation or other proceeding (whether formal or informal) is commenced, announced or credibly threatened or any order made by any federal, provincial, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality including, without limitation, the TSX or any securities regulatory authority (other than any such inquiry, action, suit, investigation or other proceeding or order relating solely to any Underwriter) involving the Corporation or any of its officers or directors, (B) any law or regulation is enacted or proposed or changed that, in the opinion of the Underwriters, acting reasonably, operates to prevent or restrict the trading of the Corporation's securities or materially and adversely affects or will materially and adversely affect the market price or value of the Corporation's securities, or (C) there is announced or enacted any change or proposed change in the Tax Act or the interpretation or administration thereof in respect of "flow-through shares" (as defined in the Tax Act), and such change, in the opinion of the Underwriters, could be expected to have a material adverse effect on the market price or value or the marketability of the Offered Shares;
 - (d) *Breach.* The Corporation is in breach of any material term, condition or covenant of this Underwriting Agreement or any representation or warranty given by the Corporation in this Underwriting Agreement is or becomes false; or

- (e) *Due Diligence.* The Underwriters' due diligence reveals material adverse information concerning the Corporation or its securities that has not been publicly disclosed and was required to have been publicly disclosed, and which has been in existence as of November 8, 2022.
- (3) The rights of termination contained in this section may be exercised by any Underwriter giving written notice thereof to the Corporation and the other Underwriters at any time prior to the Time of Closing and are in addition to any other rights or remedies the Underwriters may have in respect of any default, act or failure to act or non-compliance by the Corporation in respect of any of the matters contemplated by this Underwriting Agreement or otherwise. In the event of any such termination, there shall be no further liability or obligation on the part of such Underwriter to the Corporation or on the part of the Corporation to the Underwriter except in respect of any liability or obligation under any of Section 16, Section 17 and Section 18, which will remain in full force and effect.

Section 16 Indemnity

- (1) Argonaut covenants and agrees to protect, indemnify, and save harmless, each of the Underwriters and each of their respective directors, officers, employees, affiliates and agents and each Person, if any, who controls any Underwriter (individually, an "**Indemnified Party**" and collectively, the "**Indemnified Parties**"), against all losses (other than loss of profits), claims, suits, demands, liabilities, costs, damages, or expenses caused or incurred, whether directly or indirectly, by reason of:
 - (a) any of the Offering Documents, or any certificate of Argonaut delivered hereunder, containing, or being alleged to contain, a misrepresentation or any misstatement of a material fact or any omission or alleged omission to state in the Offering Documents any material fact (except for any information and statements relating solely to the Underwriters and furnished by them specifically for use in the Offering Documents) required to be stated in the Offering Documents for such Offering Documents to contain full, true and plain disclosure of all material facts as required by Canadian Securities Laws or necessary to make any of the statements therein not misleading in light of the circumstances in which they were made;
 - (b) any order made, or inquiry, action, suit, investigation or proceeding commenced or threatened by any court, securities regulatory authority, stock exchange or other competent authority or any change of law or the interpretation or administration thereof based upon any misrepresentation, untrue statement or omission or any alleged misrepresentation, untrue statement or omission in the Offering Documents (except for information and statements relating solely to the Underwriters and furnished by them specifically for use in such documents) that operates or prevents or restricts the trading in any of Argonaut's securities or the distribution of any of the Offered Shares in any of the Offering Jurisdictions;
 - (c) Argonaut not complying, or alleged to have not complied, with any Applicable Securities Laws or stock exchange requirements in connection with the transactions herein contemplated including Argonaut's non-compliance or alleged non-compliance with any statutory requirement to make any document available for inspection or to file or deliver any such document with or to a securities regulatory authority; or
 - (d) any breach of or default under a representation, warranty, covenant or agreement of Argonaut contained in this Underwriting Agreement or any other document delivered pursuant to this Underwriting Agreement or under Applicable Securities Laws, or the failure of Argonaut to comply with any of its obligations under this Underwriting Agreement or under Applicable Securities Laws,

provided that, if and to the extent that a court of competent jurisdiction in a final judgment from which no appeal can be made determines that such losses, claims, damages, suits, liabilities, costs or expenses resulted from the fraud, gross negligence, or wilful misconduct of the Indemnified Party claiming indemnity, such Indemnified Party shall promptly reimburse to the Corporation any funds advanced to the Indemnified Party in respect of such losses, claims, damages, suits, liabilities, costs or expenses and the

indemnity provided for in this Section 16 shall cease to apply to such Indemnified Party in respect of such losses, claims, damages, suits, liabilities, costs or expenses; provided that for greater certainty, the foregoing shall not disentitle an Underwriter from indemnification hereunder to the extent that gross negligence, if any, relates to the Underwriter's failure to conduct adequate "due diligence".

- (2) If any Indemnified Party receives notice of any formal proceeding commenced against it in a court of competent jurisdiction in respect of which indemnification is or might reasonably be considered to be provided under any of Section 16(1), such Indemnified Party will notify the indemnifying party (the "**Indemnifier**") as soon as possible of the nature of such claim (provided that the omission to so notify the Indemnifier will not relieve the Indemnifier of any liability that it may otherwise have to the Indemnified Party hereunder, except and only to the extent the Indemnifier is materially prejudiced by such omission) and the Indemnifier shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim; provided, however, that the defence shall be through legal counsel reasonably acceptable to such Indemnified Party and that no settlement may be made by the Indemnifier or such Indemnified Party without the prior written consent of the other, such consent not to be unreasonably withheld.
- (3) In any such claim, such Indemnified Party shall have the right to retain other legal counsel to act on such Indemnified Party's behalf, provided that the reasonable fees and disbursements of such other legal counsel shall be paid by such Indemnified Party, unless: (i) the Indemnifier fails to assume the defence of such suit on behalf of the Indemnified Party within ten (10) Business Days of receiving actual notice of such suit or having assumed such defense, fails to pursue it; (ii) the employment of such counsel has been authorized by the Indemnifier; or (iii) the named parties to any such suit (including any added or third parties) include both the Indemnified Party and the Indemnifier, and the Indemnified Party has been advised in writing by counsel that there may be one or more legal defences available to the Indemnified Party which are different from or in addition to those available to the Indemnifier or the Indemnified Party is advised by counsel that there is an actual or potential conflict between the interests of the Indemnified Party and the Indemnifier (in each of which cases the Indemnifier shall not have the right to assume the defence of such suit on behalf of the Indemnified Party), in any of which circumstances the Indemnified Party shall be required to keep the Indemnifier apprised of the developments of the claim (except in the case where there is actual or potential conflict), including providing copies of any material documents related thereto to the Indemnifier, and the Indemnifier shall be liable to pay the reasonable fees and expenses of the counsel for the Indemnified Party, provided that in no circumstances will the Indemnifier be required to pay the fees and expenses of more than one set of legal counsel for all the Indemnified Parties.
- (4) To the extent that any Indemnified Party is not a party to this Underwriting Agreement, the Underwriters shall obtain and hold the right and benefit of this section in trust for and on behalf of such Indemnified Party.
- (5) The Indemnifier hereby consents to personal jurisdiction in any court in which any claim that is subject to indemnification hereunder is brought against the Underwriters or any Indemnified Party and to the assignment of the benefit of this section to any Indemnified Party for the purpose of enforcement provided that nothing herein shall limit the Indemnifier's right or ability to contest the appropriate jurisdiction or forum for the determination of any such claims.
- (6) Except as contemplated in this section, no Indemnifier shall be liable under this section for any settlement of any claim or action effected without its prior written consent, which shall not be unreasonably withheld.
- (7) To the extent that a purchaser of Offered Shares would otherwise be covered by this indemnity, this Section 16 shall not apply to such purchaser if it would cause the Offered Shares of such purchaser to be "prescribed shares", within the meaning of section 6202.1 of the regulations to the Tax Act.

Section 17 Contribution

In order to provide for just and equitable contribution in circumstances in which the indemnity provided in Section 16 would otherwise be available in accordance with its terms but is, for any reason not attributable to any one or more of the Indemnified Parties, held to be unavailable to or unenforceable by an Indemnified Party or is

insufficient to hold the Indemnified Party harmless, the Corporation shall contribute to the amount paid or payable (or, if such indemnity is unavailable only in respect of a portion of the amount so paid or payable, such portion of the amount so paid or payable) by such Indemnified Party as a result of such liabilities, claims, suits, demands, losses, costs, damages and expenses:

- (a) in such proportion as is appropriate to reflect the relative benefits received by the Corporation on the one hand and the Underwriters on the other from the offering of the Purchased Shares and Optioned Shares, if any; or
- (b) if the allocation provided by clause (a) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (a) above but also the relative fault of the Corporation on the one hand and the Underwriters on the other hand in connection with the matters or things referred to in which resulted in such liabilities, claims, suits, demands, losses, costs, damages or expenses, as well as any other relevant equitable considerations,

provided that the Underwriters shall not in any event be liable to contribute, in the aggregate, any amount in excess of the Underwriting Fee or any portion thereof actually received.

The relative benefits received by the Corporation on the one hand and the Underwriters on the other shall be deemed to be in the same ratio as the total proceeds from the offering of the Purchased Shares and Optioned Shares, if any, (net of the Underwriting Fee payable to the Underwriters but before deducting expenses) received by the Corporation is to the Underwriting Fee received by the Underwriters. Notwithstanding the foregoing, a Person guilty of fraud, gross negligence or willful misconduct shall not be entitled to contribution from any other party.

The relative fault of the Corporation on the one hand and of the Underwriters on the other shall be determined by reference to, among other things, whether the matters or things referred to in Section 16 which resulted in such liabilities, claims, suits, demands, losses, costs, damages and expenses relate to information supplied by or steps or actions taken or done or not taken or done by or on behalf of the Corporation or to information supplied by or steps or actions taken or done or not taken or done by or on behalf of the Underwriters and the relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission or misrepresentation, or other matter or thing referred to in Section 16. The amount paid or payable by an Indemnified Party as a result of the liabilities, claims, suits, demands, losses, costs, damages and expenses referred to above shall be deemed to include any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such liabilities, claims, suits, demands, losses, costs, damages and expenses, whether or not resulting in an action, suit, proceeding or claim.

The parties agree that it would not be just and equitable if contribution pursuant to this Section 17 were determined by any method of allocation which does not take into account the equitable considerations referred to in this section.

Section 18 Expenses

Whether or not the Offering is completed, the Corporation will be responsible for all of its expenses incurred in relation to the Offering, including the fees and disbursements of its legal counsel, the fees and disbursements of the Underwriters' legal counsel (up to such amount as agreed to between the Corporation and Cormark), the fees and disbursements of the Auditor and technical consultants, Prospectus filing fees, stock exchange listing fees and printing costs.

Section 19 Liability of the Underwriters

- (1) The obligation of the Underwriters to purchase or to arrange for purchase of the Purchased Shares (or the Optioned Shares, if the Underwriters' Option is exercised) at the Time of Closing shall be several, and not joint, nor joint and several, and shall be as to the following percentages of the Purchased Shares (or the Optioned Shares as applicable) to be purchased at such time:

Cormark Securities Inc.	40.0%
BMO Nesbitt Burns Inc.	15.0%
Scotia Capital Inc.	15.0%
Desjardins Securities Inc.	5.0%
Echelon Wealth Partners Inc.	5.0%
Laurentian Bank Securities Inc.	5.0%
Paradigm Capital Inc.	5.0%
RBC Dominion Securities Inc.	5.0%
Stifel Nicolaus Canada Inc.	5.0%
	100.0%

- (2) If one of the Underwriters fails to purchase or to arrange for purchase its applicable percentage of the aggregate amount of the Purchased Shares (or the Optioned Shares if the Underwriters' Option is exercised) at the Time of Closing, the other Underwriters shall have the right, but shall not be obligated, to purchase, all but not less than all, of the applicable Purchased Shares (or the Optioned Shares if the Underwriters' Option is exercised) which would otherwise have been purchased by the Underwriter that failed to purchase. If, with respect to any such securities, any non-defaulting Underwriter elects not to exercise such right so as to assume the entire obligation of the defaulting Underwriter (the Offered Shares in respect of which the defaulting Underwriter(s) fail to purchase and the non-defaulting Underwriters do not elect to purchase being hereinafter called the "**Defaulted Shares**") and the number of Defaulted Shares exceeds 5% of the number of Purchased Shares (or the Optioned Shares) to be purchased hereunder, then (i) each Underwriter shall have the several right to terminate its obligation hereunder to purchase the Offered Shares required to be purchased by it and without any liability to Argonaut, and (ii) Argonaut shall have the right to either (A) proceed with the sale of the applicable Offered Shares (less the Defaulted Shares) to the non-defaulting Underwriters (other than those Underwriters who terminated under (i) above), or (B) terminate its respective obligations hereunder without liability to the non-defaulting Underwriters except under Section 16, Section 17, and Section 18.

Section 20 Action by Underwriters

All steps which must or may be taken by the Underwriters in connection with this Underwriting Agreement, with the exception of: (a) the matters relating to termination contemplated by Section 15; (b) settlement of any indemnity claim contemplated by Section 16; and (c) waiver of a condition of closing as contemplated by Section 6, shall be taken by Cormark, on behalf of itself and the other Underwriters, and the execution of this Underwriting Agreement shall constitute Argonaut's authority for accepting notification of any such steps from, and for delivering the definitive certificates or electronic deposit representing the Offered Shares to, or to the account of, Cormark. Notwithstanding anything to the contrary herein, the obligations of the Underwriters to Argonaut are several, and not joint, nor joint and several.

Section 21 Governing Law

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

Section 22 Survival of Warranties, Representations, Covenants and Agreements

Except as expressly provided for in this Underwriting Agreement, all warranties, representations, covenants and agreements of Argonaut and the Underwriters herein contained, or contained in documents submitted or

required to be submitted pursuant to this Underwriting Agreement, shall survive the purchase by the Underwriters of the Offered Shares and shall continue in full force and effect, regardless of the closing of the sale of the Offered Shares and regardless of any investigation which may be carried on by the Underwriters, or on their behalf, for a period of three years following the Closing Date. Without limitation of the foregoing, the provisions contained in this Underwriting Agreement in any way related to the indemnification or the contribution obligations shall survive and continue in full force and effect, indefinitely, subject only to the limitation requirements of applicable law.

Section 23 No Fiduciary Relationship

The Corporation hereby acknowledges that the Underwriters are acting solely as underwriters in connection with the purchase and sale of the Offered Shares. The Corporation further acknowledges that the Underwriters are acting pursuant to a contractual relationship created solely by this Underwriting Agreement entered into on an arm's length basis, and in no event do the parties intend that the Underwriters act or be responsible as a fiduciary to the Corporation, its management, shareholders or creditors or any other Person in connection with any activity that the Underwriters may undertake or have undertaken in furtherance of the purchase and sale of the Offered Shares, either before or after the date hereof. The Underwriters hereby expressly disclaim any fiduciary or similar obligations to the Corporation, either in connection with the transactions contemplated by this Underwriting Agreement or any matters leading up to such transactions, and the Corporation hereby confirms its understanding and agreement to that effect. The Corporation and the Underwriters agree that they are each responsible for making their own independent judgments with respect to any such transactions and that any opinions or views expressed by the Underwriters to the Corporation regarding such transactions, including, but not limited to, any opinions or views with respect to the price or market for the Offered Shares, do not constitute advice or recommendations to the Corporation. The Corporation hereby waives and releases, to the fullest extent permitted by law, any claims that the Corporation may have against the Underwriters with respect to any breach or alleged breach of any fiduciary or similar duty to the Corporation in connection with the transactions contemplated by this Underwriting Agreement or any matters leading up to such transactions.

Section 24 Notices

All notices or other communications by the terms hereof required or permitted to be given by one party to another shall be given in writing by personal delivery or by email delivered or emailed to such other party as follows:

(a) to Argonaut at:

Argonaut Gold Inc.
3400 One First Canadian Place
Toronto, Ontario
M5K 1A4

Attention: Larry Radford, President and Chief Executive Officer
Email: Larry.Radford@argonautgold.com

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

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario
M5X 1A4 Canada

Attention: Sander Grieve
Email: grieves@bennettjones.com

(b) to any of the Underwriters c/o Cormark at:

Cormark Securities Inc.
Royal Bank Plaza
North Tower, Suite 1800
200 Bay Street
Toronto, Ontario
M5J 2J2

Attention: Darren Wallace
Email: dwallace@cormark.com

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

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

Attention: Chad Accursi
Email: caccursi@cassels.com

or at such other address or email address as may be given by either of them to the other in writing from time to time and such notices or other communications shall be deemed to have been received when delivered or, if email, on the next Business Day after such notice or other communication has been emailed.

Section 25 Counterpart Signature

This Underwriting Agreement may be executed in one or more counterparts (including counterparts by email or PDF), which together shall constitute an original copy hereof as of the date first noted above.

Section 26 Time of the Essence

Time shall be of the essence in this Underwriting Agreement.

Section 27 Severability

If any provision of this Underwriting Agreement is determined to be void or unenforceable, in whole or in part, such void or unenforceable provision shall not affect or impair the validity of any other provision of this Underwriting Agreement and shall be severable from this Underwriting Agreement.

Section 28 Entire Agreement

This Underwriting Agreement constitutes the entire agreement among the Underwriters and Argonaut relating to the subject matter hereof.

Section 29 Acceptance

If this Underwriting Agreement accurately reflects the terms of the transaction which we are to enter into and if such terms are agreed to by Argonaut, please communicate your acceptance by executing where indicated below and returning by email or PDF one copy and returning by an originally executed copy to Cormark.

[Remainder of page intentionally left blank. Signature pages follow.]

Yours very truly,

CORMARK SECURITIES INC.

By: "Darren Wallace"
Darren Wallace
Managing Director, Investment Banking

BMO NESBITT BURNS INC.

By: "Ilan Bahar"
Ilan Bahar
Managing Director and Co-Head, Global Metals & Mining

SCOTIA CAPITAL INC.

By: "Ciara Sawicki"
Ciara Sawicki
Director, Mining & Metals

DESJARDINS SECURITIES INC.

By: "Marc Mills"
Marc Mills
Managing Director, Investment Banking

ECHELON WEALTH PARTNERS INC.

By: "Jason Yeung"
Jason Yeung
Managing Director, Investment Banking

LAURENTIAN BANK SECURITIES INC.

By: "Joseph Gallucci"
Joseph Gallucci
Managing Director & Head of Investment Banking

PARADIGM CAPITAL INC.

By: "Scott Lendrum"
Scott Lendrum
Investment Banking, Metals & Mining

RBC DOMINION SECURITIES INC.

By: "Hugh Samson"
Hugh Samson
Director, Investment Banking

STIFEL NICOLAUS CANADA INC.

By: "Egizio Bianchini"

Egizio Bianchini

Vice Chairman & Head of Mining, Investment
Banking

The foregoing accurately reflects the terms of the transaction that we are to enter into and such terms are agreed to.

ACCEPTED as of this 11th day of November, 2022.

ARGONAUT GOLD INC.

By: "Larry Radford"

Larry Radford
President and Chief Executive Officer

SCHEDULE "A"

REPRESENTATIONS AND WARRANTIES OF ARGONAUT

General Matters

- (a) (A) the Corporation (i) has been duly organized and is validly existing under the laws of the province of Ontario and is in good standing under the Act; (ii) has all requisite corporate power and capacity to carry on its business as now conducted and to own or lease and operate its properties and assets; and (iii) has all requisite corporate power and authority to create, issue and sell the Offered Shares, grant the Underwriters' Option, and to enter into and carry out its obligations under this Underwriting Agreement; and (B) each of the Subsidiaries (i) has been duly organized and is validly existing under the laws of the jurisdiction of its organization and is up-to-date in respect of all material corporate filings; (ii) has all requisite corporate power and capacity to carry on its business as now conducted and to own or lease and operate its properties and assets;
- (b) no proceedings have been taken, instituted or, to the knowledge of the Corporation, are pending for the dissolution or liquidation of the Corporation or any of the Subsidiaries;
- (c) each of the Corporation and the Subsidiaries is, in all material respects, conducting its business in compliance with all applicable laws, rules and regulations (including all material applicable federal, provincial, municipal, and local laws, regulations and other lawful requirements of any governmental or regulatory body) of each jurisdiction in which its business is carried on and is licensed, registered or qualified in all jurisdictions in which it owns, leases or operates its property or carries on business to enable its business to be carried on as now conducted and its property and assets to be owned or leased and operated and all such licences, registrations and qualifications are valid, subsisting and in good standing and it has not received a notice of non-compliance, nor knows of, nor has reasonable grounds to know of, any facts that could give rise to a notice of non-compliance with any such laws, regulations or permits which would reasonably be expected to result in a Material Adverse Effect in respect of the Corporation and the Subsidiaries, taken as a whole;
- (d) the execution and delivery of this Underwriting Agreement and the performance of the transactions contemplated hereby have been authorized by all necessary corporate action of the Corporation and upon the execution and delivery thereof, this Underwriting Agreement shall constitute a valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms, provided that enforcement thereof may be limited by laws affecting creditors' rights generally, that specific performance and other equitable remedies may only be granted in the discretion of a court of competent jurisdiction, that the provisions relating to indemnity, contribution and waiver of contribution may be unenforceable and that enforceability is subject to the provisions of the *Limitations Act*, 2002 (Ontario);
- (e) all consents, approvals, permits, authorizations or filings as may be required under Applicable Securities Laws necessary for the execution and delivery of this Underwriting Agreement and the valid sale and delivery of the Offered Shares have been made or obtained or will be obtained prior to the Closing Date, as applicable, other than post-closing filings required to be made to the TSX relating to the Standard Listing Conditions;
- (f) the execution and delivery of this Underwriting Agreement by the Corporation, the performance by the Corporation of its obligations hereunder (including the issue and sale of the Offered Shares and grant of the Underwriters' Option) and the consummation of the transactions contemplated hereby do not and will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under (whether after notice or lapse of time or both), and the Corporation is not currently in breach or default of, (A) any statute, rule or regulation applicable to the Corporation; (B) the constating documents or resolutions of the Corporation which are in effect at the date of hereof; (C) any Debt Instrument or Material Agreement; or (D) any judgment,

decree or order binding the Corporation, the Subsidiaries or the properties or assets thereof, except where such breach, violation or default would not reasonably be expected to result in a Material Adverse Effect in respect of the Corporation and the Subsidiaries, taken as a whole;

- (g) the Offered Shares to be issued and sold as described in this Underwriting Agreement and the Offering Documents have been, or prior to the Time of Closing, will be validly authorized for issuance by the Corporation and upon their issuance and delivery against payment in full of the aggregate Offer Price, will be validly issued as fully paid and non-assessable common shares;
- (h) the Underwriters' Option to be granted to the Underwriters as described in this Underwriting Agreement and the Offering Documents has been, or prior to the Time of Closing, will be validly authorized for grant by the Corporation;
- (i) the authorized and issued capital of the Corporation and the Subsidiaries conform to the description thereof contained in the Offering Documents;
- (j) the attributes of the Offered Shares and Underwriters' Option are consistent in all material respects with the description thereof contained in the Offering Documents;
- (k) the Corporation is not aware of any legislation, or proposed legislation published by a legislative body, which it anticipates will materially and adversely affect the business, affairs, operations, assets, liabilities (contingent or otherwise) or prospects of the Corporation;
- (l) the currently issued and outstanding common shares are listed and posted for trading on the TSX and no order ceasing or suspending trading in any securities of the Corporation or prohibiting the sale of the Offered Shares or grant of the Underwriters' Option or the trading of any of the Corporation's issued securities has been issued and, to the knowledge of the Corporation, no proceedings for such purpose have been threatened or are pending;
- (m) the Corporation has not taken any action which would be reasonably expected to result in the delisting or suspension of the common shares on or from the TSX and the Corporation is currently in compliance, in all material respects, with the rules and regulations of the TSX;
- (n) except as mandated by or in conformity with the recommendations of a Governmental Authority, there has been no closure or suspension of operations at the Material Properties or reduction in workforce productivity of the Corporation or its Subsidiaries as a result of the COVID-19 pandemic. The Corporation and the Subsidiaries have been monitoring the COVID-19 pandemic and the present and potential impacts at all of its operations and has put appropriate control measures, limitations, restrictions and procedures in place to ensure the wellness of all of its employees and surrounding communities where the Corporation and its Subsidiaries operate while continuing to operate;
- (o) other than as disclosed in the Offering Documents, no person now has any agreement or option or right or privilege (whether at law, preemptive or contractual) capable of becoming an agreement for the purchase, subscription or issuance of, or conversion into, any unissued shares, securities, warrants or convertible obligations of any nature of the Corporation or the Subsidiaries and the number of common shares reserved for issue pursuant to outstanding options, warrants, share incentive plans, convertible, exercisable and exchangeable securities and other rights to acquire common shares conform to the description thereof in the Offering Documents;
- (p) since December 31, 2021, other than as disclosed in the Offering Documents:
 - (i) there has not been any material change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise), business, condition (financial or otherwise) or results of operations of the Corporation or the Subsidiaries on a consolidated basis;

- (ii) there has not been any material change in the capital stock or long-term debt of the Corporation and the Subsidiaries on a consolidated basis; and
- (iii) the Corporation and the Subsidiaries have carried on their businesses in the ordinary course;
- (q) the Corporate Financial Information, presents fairly, in all material respects, the financial condition of the Corporation, on a consolidated basis, for the periods referred to therein and have been prepared in accordance with IFRS;
- (r) there are no material off-balance sheet transactions, arrangements or obligations (including contingent obligations) of the Corporation or other Persons that would reasonably be expected to result in a Material Adverse Effect in respect of the Corporation and the Subsidiaries, taken as a whole;
- (s) there are no actions, proceedings or investigations (whether or not purportedly by or on behalf of the Corporation) commenced or, to the knowledge of the Corporation, threatened or pending against the Corporation or the Subsidiaries at law or in equity (whether in any court, arbitration or similar tribunal) or before or by any federal, provincial, state, municipal or other governmental department, commission, board or agency, domestic or foreign, that would reasonably be expected to result in an adverse material change in respect of the Corporation and the Subsidiaries, taken as a whole;
- (t) the Corporation is a "reporting issuer", not included in a list of defaulting reporting issuers maintained by the Securities Commissions in all of the provinces and territories of Canada and, without limiting the foregoing, the Corporation has at all times complied, in all material respects, with its obligations to make timely disclosure of all material changes relating to it and there is no material change relating to the Corporation which has occurred and with respect to which the requisite news release has not been disseminated or material change report has not been filed with such Securities Commissions (except a material change report in respect of the offer and sale of Offered Shares hereunder);
- (u) all material filings and fees required to be made and paid by the Corporation pursuant to Applicable Securities Laws and general corporate law have been made and paid and the information and statements set forth in the Offering Documents were accurate in all material respects and did not contain any misrepresentation as of the date of such information or statement, and the Corporation has not filed any confidential material change report with any Securities Commissions that is still maintained on a confidential basis;
- (v) the Auditor is independent public accountants as required by Canadian Securities Laws;
- (w) there has not been any "reportable event" (within the meaning of National Instrument 51-102 – *Continuous Disclosure Obligations*) with the Auditor or any former auditor of the Corporation;
- (x) the Corporation is not party to or bound or affected by any commitment, agreement or document containing any covenant which expressly limits the freedom of the Corporation to compete in any line of business, transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or condition of the Corporation;
- (y) other than the Corporation or as otherwise contemplated herein, there is no Person that is or will be entitled to the proceeds of the Offering under the terms of any Debt Instrument, Material Agreement, or other instrument or document (written or unwritten);

- (z) the Corporation is not party to any agreement, nor is the Corporation aware of any agreement, which in any manner affects the voting control of any of the securities of the Corporation or the Subsidiaries;
- (aa) all taxes (including income tax, capital tax, payroll taxes, employer health tax, workers' compensation payments, property taxes, custom and land transfer taxes), duties, royalties, levies, imposts, assessments, deductions, charges or withholdings and all liabilities with respect thereto, including any penalty and interest payable with respect thereto due and payable by the Corporation and the Subsidiaries, have been paid except where the failure to pay such taxes would not reasonably be expected to result in Material Adverse Effect in respect of the Corporation and the Subsidiaries, taken as a whole. All tax returns, declarations, remittances and filings required to be filed by the Corporation and the Subsidiaries have been filed with all appropriate governmental authorities and all such returns, declarations, remittances and filings did not contain a misrepresentation as at the respective dates thereof except where the failure to file such documents or such misrepresentation would not reasonably be expected to result in a Material Adverse Effect in respect of the Corporation and the Subsidiaries, taken as a whole. To the knowledge of the Corporation, no examination of any tax return of the Corporation or the Subsidiaries is currently in progress and there are no issues or disputes outstanding with any governmental authority respecting any taxes that have been paid, or may be payable, by the Corporation or the Subsidiaries, in any case, except where such examinations, issues or disputes would not reasonably be expected to result in a Material Adverse Effect in respect of the Corporation and the Subsidiaries, taken as a whole;
- (bb) none of the Corporation or the Subsidiaries, nor, to the Corporation's knowledge, any other Person, is in default in any material respect in the observance or performance of any term, covenant or obligation to be performed by the Corporation or a Subsidiary or such other Person under any Debt Instrument or Material Agreement, and no event has occurred which with notice or lapse of time or both would constitute such a default by the Corporation or a Subsidiary or, to the Corporation's knowledge, any other party, except where such default or event would not reasonably be expected to result in an adverse material change in respect of the Corporation and the Subsidiaries, taken as a whole;
- (cc) the Transfer Agent at its principal transfer office in the City of Toronto, Ontario has been duly appointed as the registrar and transfer agent in Canada in respect of the common shares;
- (dd) except as disclosed in the Offering Documents, none of the directors, officers or employees of the Corporation, any known holder of more than 10% of any class of shares of the Corporation, or any known associate or affiliate of any of the foregoing persons or companies, has had any material interest, direct or indirect, in any material transaction within the previous two years or any proposed material transaction with the Corporation or the Subsidiaries which, as the case may be, materially affected, is material to or will materially affect the Corporation and the Subsidiaries, taken as a whole;
- (ee) other than the Underwriters (or any of the Selling Firms) pursuant to this Underwriting Agreement or as otherwise contemplated herein, there is no Person acting or purporting to act at the request of the Corporation who is entitled to any brokerage, agency or other fiscal advisory or similar fee in connection with the transactions contemplated herein;
- (ff) except as disclosed in the Offering Documents, none of the Corporation or the Subsidiaries have any material loans or other material indebtedness outstanding which has been made to any of its shareholders, officers, directors or employees, past or present, or any Person not dealing at arm's length with them other than for the reimbursement of ordinary course business expenses;
- (gg) the assets of the Corporation and the Subsidiaries and their respective businesses and operations are insured against loss or damage with responsible insurers on a basis consistent with insurance obtained by reasonably prudent participants in comparable businesses, and such coverage is in full

force and effect, and the Corporation has not failed to promptly give any notice or present any material claim thereunder;

- (hh) with respect to each of the Leased Premises, the Corporation or a Subsidiary, as applicable, occupies the Leased Premises and has the right to occupy and use the Leased Premises, subject to the terms of the respective leases, and each of the leases pursuant to which the Corporation or a Subsidiary, as applicable, occupies the Leased Premises is in good standing and in full force and effect;
- (ii) all information that has been prepared by the Corporation relating to the Corporation and its business, property and liabilities and provided to the Underwriters and their counsel, Cassels Brock & Blackwell LLP, and that may be provided to the Underwriters and their counsel prior to the Time of Closing, including all financial, marketing, technical, corporate, and operational information, was, and will be, as of the date of such information, true and correct in all material respects, and no fact or facts have or will be or have been omitted therefrom which would make such information misleading in any material respect;
- (jj) if required under the Canadian Securities Laws, all of the Material Agreements have been disclosed in the Offering Documents and have or will be filed with the Securities Commissions. Neither the Corporation nor the Subsidiaries has received any notification from any party that it intends to terminate any such Material Agreement;
- (kk) each of the Offering Documents complies in all material respects with Canadian Securities Laws;
- (ll) no Securities Commission, stock exchange or comparable authority has issued any order preventing or suspending the use or effectiveness of the Offering Documents or preventing the distribution of the Offered Shares or grant of the Underwriters' Option, if any, in any Qualifying Jurisdiction, nor instituted proceedings for that purpose and, to the knowledge of the Corporation, no such proceedings are pending or contemplated;
- (mm) the form and terms of the certificate for the common shares have been approved and adopted by the board of directors of the Corporation, and comply with the provisions of the constating documents of the Corporation, the Act and the rules of the TSX;
- (nn) the statements set out in the Offering Documents under the heading "*Notice to Investors – Forward-Looking Information*" has been prepared and disclosed in material compliance with Parts 4A and 4B of National Instrument 51-102 – *Continuous Disclosure Obligations*. The Corporation has no reason to believe that the actual results forecast or projected by such statements will not be achieved, and the Corporation does not expect to modify such forward-looking statements in any materially adverse manner during the period of distribution of the Offered Shares;
- (oo) none of the directors or officers of the Corporation are now, or have ever been, subject to an order or ruling of any securities regulatory authority or stock exchange prohibiting such individual from acting as a director or officer of a public company or of a company listed on a particular exchange;
- (pp) the Offered Shares will be qualified investments under the current provisions of the Tax Act and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit-sharing plans, registered education savings plans, registered disability savings plans and tax-free savings accounts;

Due Diligence Matters

- (qq) the minute books and records of the Corporation which the Corporation has made available to the Underwriters and their counsel, Cassels Brock & Blackwell LLP, in connection with their due diligence investigation of the Corporation for the period requested to the date of examination

thereof are all of the minute books of the Corporation, contain copies of all constating documents, including all amendments thereto, and all proceedings of securityholders and directors (and committees thereof) and are complete in all material respects;

Mining and Environmental Matters

- (rr) the Corporation or a Subsidiary is the registered or beneficial owner of the interests in the Material Properties as described in the Offering Documents and the Corporation or a Subsidiary holds either freehold title, leases, concessions, claims, licenses, options, permits, contractual rights or participating interests or other conventional property or proprietary interests or rights, recognized in the jurisdiction in which a particular property is located in respect of the mineral rights located in the Material Properties in which the Corporation or a Subsidiary has an interest as described in the Offering Documents under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit the Corporation or a Subsidiary to explore for mineral deposits relating thereto, free and clear of any Liens and no material commission, royalty, licence fee or similar payment (other than mining duties, royalties or other payments which may be required to be paid to the government of Mexico or any agency in Mexico) to any Person (other than royalty or other payments which may become payable pursuant to applicable legislation in the jurisdiction in which the Material Properties are located) with respect to the Material Properties is payable other than as disclosed in the Offering Documents and no other material property rights (including access rights) are necessary for the conduct of the business of the Corporation as currently conducted; and the Corporation knows of no claim or basis for any claim that might or could adversely affect the right of the Corporation or a Subsidiary, any co-owner or any joint venture partner, in any material manner to use, transfer, access or otherwise explore such property rights;
- (ss) all material option agreements concerning mining interests to which the Corporation or a Subsidiary is a party or otherwise bound, are in good standing and there are no Liens registered or outstanding against the interests therein or the property related thereto, except in accordance with such option agreements and as set forth in the Offering Documents; all payment obligations thereunder have been met and, to the knowledge of the Corporation, the title to the property to which the option agreements relate are good and marketable and held by the titleholders who are parties to the respective option agreements;
- (tt) the Corporation or a Subsidiary holds either exploration permits or contractual interests or rights in exploration permits recognized in the jurisdiction in which the Material Properties are located under valid, subsisting and enforceable title documents or other recognized and enforceable agreements or instruments, sufficient to permit the Corporation or a Subsidiary to access the property and explore for the minerals relating thereto; all such exploration permits in which the Corporation has any interests or right have been, to the knowledge of the Corporation, validly registered in accordance with all applicable Laws, and are valid and subsisting; the Corporation or a Subsidiary has all necessary surface rights and access rights relating to the Material Properties in which the Corporation has an interest as described in the Offering Documents granting the Corporation or a Subsidiary the right and ability to access the property and explore for minerals as are appropriate in view of their respective rights and interests therein, with only such exceptions as do not materially interfere with the access and use by the Corporation or a Subsidiary of the rights or interests so held and each of the proprietary interests or rights and each of the documents, agreements and instruments and obligations relating thereto referred to above are currently in good standing in the name of the Corporation or a Subsidiary;
- (uu) any and all of the agreements and other documents and instruments pursuant to which the Corporation or a Subsidiary holds its Material Properties and assets (including any option agreement or any interest in, or right to earn an interest in, any property) are valid and subsisting agreements, documents or instruments in full force and effect, enforceable in accordance with the terms thereof, none of the Corporation nor any of the Subsidiaries is in default of any of the material provisions of any such agreements, documents or instruments, nor to the knowledge of

the Corporation has any such default been alleged, except in each case as would not reasonably be expected to have a Material Adverse Effect on the Corporation and the Subsidiaries, taken as a whole. None of the Material Properties (or any option agreement or any interest in, or right to earn an interest in, any property) of the Corporation are subject to any right of first refusal or purchase or acquisition rights;

- (vv) there are no material claims with respect to indigenous rights currently outstanding or, to the knowledge of the Corporation, threatened or pending, with respect to the Material Properties;
- (ww) the Corporation and each of the Subsidiaries is in compliance in all material respects with all Environmental Laws;
- (xx) the Corporation and each of the Subsidiaries, as applicable, has obtained all Environmental Permits necessary as at the date hereof for the operation of the business carried by the Corporation or a Subsidiary, and each Environmental Permit is valid, subsisting and in good standing in all material respects and none of the Corporation nor any Subsidiary is in default or breach of any Environmental Permit in any material respect and no proceeding is outstanding or, to the knowledge of the Corporation, has been threatened or is pending to revoke or limit any Environmental Permit;
- (yy) neither the Corporation nor any Subsidiary has used, except in compliance in all material respects with all Environmental Laws and Environmental Permits, any property or facility which it owns or leases or previously owned or leased, to generate, manufacture, process, distribute, use, treat, store, dispose of, transport or handle any hazardous substance;
- (zz) neither the Corporation nor any Subsidiary has received any notice of, or been prosecuted for, an offence alleging, non-compliance in any material respect with any Environmental Laws, and neither the Corporation nor any Subsidiary has settled any allegation of material non-compliance short of prosecution. There are no orders or directions issued against the Corporation or any Subsidiary under Environmental Laws requiring any material work, repairs, construction or capital expenditures to be made with respect to any of the assets of the Corporation or a Subsidiary, nor has the Corporation or a Subsidiary received notice of any of the same;
- (aaa) there are no past unresolved or, to the Corporation's knowledge, any threatened or pending claims, complaints, notices or requests for information received by the Corporation or a Subsidiary with respect to any alleged material violation of any Environmental Laws which would reasonably be expected to result in an adverse material change in respect of the Corporation and the Subsidiaries, taken as a whole; and no conditions exist at, on or under any property now or previously owned, operated, optioned or leased by the Corporation or a Subsidiary which, with the passage of time, or the giving of notice or both, would give rise to liability under Environmental Laws that, individually or in the aggregate, would reasonably be expected to result in an adverse material change in respect of the Corporation and the Subsidiaries, taken as a whole;
- (bbb) except as ordinarily or customarily required by applicable Environmental Permits, neither the Corporation nor any Subsidiary has received any notice wherein it is alleged or stated that it is potentially responsible for a federal, provincial, state, municipal or local cleanup site or corrective action under Environmental Laws that would reasonably be expected to result in an adverse material change in respect of the Corporation and the Subsidiaries, taken as a whole;
- (ccc) there are no material environmental audits, evaluations, assessments, studies or tests relating to the Corporation or a Subsidiary except for ongoing assessments conducted by or on behalf of the Corporation or a Subsidiary in the ordinary course;
- (ddd) the Corporation is in compliance, in all material respects, with the provisions of NI 43-101, and has filed all technical reports required to be filed pursuant thereto; there has been no change to the

Technical Reports of which the Corporation is aware that would require the filing of a new technical report under NI 43-101;

- (eee) all information requested by the authors of the Technical Reports was made available to them, prior to the issuance of such report, for the purpose of preparing such report, which information, to the best of the knowledge of the Corporation, did not contain any material misrepresentation at the time such information was so provided;
- (fff) the information set forth in the Offering Documents relating to the estimates by the Corporation of mineral resources and mineral reserves has been reviewed and verified by the authors described in the Offering Documents under the heading "*Technical Information*" and there have been no material adverse changes to such information since the date of delivery or preparation thereof;

Employment Matters

- (ggg) each material plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to or required to be contributed to, by the Corporation or a Subsidiary for the benefit of any current or former director, officer, employee or consultant of the Corporation or a Subsidiary (the "**Employee Plans**") has been maintained in compliance with its terms and with the requirements prescribed by any and all statutes, orders, rules and regulations that are applicable to such Employee Plans, in each case in all material respects and has been publicly disclosed to the extent required by Canadian Securities Laws;
- (hhh) all material accruals for unpaid vacation pay, premiums for unemployment insurance, health premiums, federal or state pension plan premiums, accrued wages, salaries and commissions and employee benefit plan payments have been reflected in the books and records of the Corporation;
- (iii) there is not currently any labour disruption, dispute, slowdown, stoppage, complaint or grievance or, to the knowledge of the Corporation, threatened or pending which is adversely affecting or would reasonably be expected to have a Material Adverse Effect on, the carrying on of the business of the Corporation or the Subsidiaries, taken as a whole and the Corporation is not aware of any proposal to unionize its employees and no collective bargaining agreements are in place or currently being negotiated by the Corporation;

Compliance Matters

- (jjj) Neither the Corporation nor any of its Subsidiaries, nor, to the knowledge of the Corporation, any director, officer, agent, employee, affiliate or other Person acting on behalf of the Corporation or any of its Subsidiaries is aware of or has taken any action, directly or indirectly, that has resulted or would result in a violation of the *Corruption of Foreign Public Officials Act* (Canada) (the "**CFPOA**") including, without limitation, making use of the mails or any means or instrumentality of interstate commerce corruptly in furtherance of an offer, payment, promise to pay or authorization of the payment of any money, or other property, gift, promise to give, or authorization of the giving of anything of value to any "foreign public official" (as such term is defined in the CFPOA) or any foreign political party or official thereof or any candidate for foreign political office, in contravention of the CFPOA; and the Corporation and its Subsidiaries will monitor their respective businesses to ensure compliance with the CFPOA and, if violations of the CFPOA are found, will take remedial action to remedy such violations;
- (kkk) The operations of the Corporation and its Subsidiaries are, and have been conducted at all times, in compliance with all material applicable financial recordkeeping and reporting requirements of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), the money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any

related or similar applicable rules, regulations or guidelines, issued, administered or enforced by any governmental agency (collectively, the "**Money Laundering Laws**") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Corporation or any of its Subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Corporation, threatened;

Flow-Through Matters

- (lll) The Corporation maintains appropriate accounting books and records relating to any ongoing "flow-through" obligations in accordance with the agreements underlying such obligations and in accordance with the Tax Act;
- (mmm) The Corporation is a "principal-business corporation" as defined in subsection 66(15) of the Tax Act;
- (nnn) Excluding any Underwriter FT Shares and except as the result of any Follow-On Transaction or any agreement or arrangement to which the Corporation is not a party and of which it has no knowledge, upon issuance, the Offered Shares will be "flow-through shares" as defined in subsection 66(15) of the Tax Act and such Offered Shares will not be "prescribed shares" for the purpose of section 6202.1 of the regulations to the Tax Act;
- (ooo) The Corporation has not entered into any agreements or made any covenants with any parties with respect to the renunciation of CDE, which amounts have not been fully expended and renounced as required thereunder, other than pursuant to the March 2022 FT Offering, and has never been in default or in breach of its contractual obligations respecting any previous issuance of flow-through shares. The CRA and the Corporation have not reduced pursuant to subsection 66(12.73) of the Tax Act any amount renounced by the Corporation;
- (ppp) If the Corporation amalgamates with any one or more companies, any shares issued to or held by the purchaser as a replacement for the Offered Shares as a result of such amalgamation will qualify, by virtue of subsection 87(4.4) of the Tax Act or otherwise, as "flow-through shares" and in particular will not be "prescribed shares" as defined in section 6202.1 of the regulations to the Tax Act, but for any agreement to which the Corporation is not a party and of which it has no knowledge;
- (qqq) The Corporation will not be subject to the provisions of subsection 66(12.67) or 66(12.73) of the Tax Act in a manner which impairs its ability to renounce Resource Expenses to the purchasers in an amount equal to the Commitment Amount;
- (rrr) The Corporation has not entered into any agreements or made any covenants with any parties that would restrict the Corporation from entering into the Subscription and Renunciation Agreements and agreeing to incur and renounce Resource Expenses during the Expenditure Period in accordance with the Subscription and Renunciation Agreements, nor (other than pursuant to the March 2022 FT Offering) that would require the prior renunciation to any other Person of CDE prior to the renunciation of the aggregate Commitment Amount in favour of the purchasers; and
- (sss) The representations and warranties of the Corporation in the Subscription and Renunciation Agreements will, on the Closing Date, be true and correct.